

**TOWN OF ROCKY MOUNTAIN HOUSE
BYLAW NO. 17/04 OS**

OFF-SITE LEVY BYLAW

A BYLAW OF THE TOWN OF ROCKY MOUNTAIN HOUSE, IN THE PROVINCE OF ALBERTA, TO PROVIDE FOR THE IMPOSITION AND COLLECTION OF OFF-SITE LEVIES;

WHEREAS, the *Municipal Government Act*, R.S.A. 2000, c. M-26, as amended, grants a municipality the authority to pass an Off-Site Levy Bylaw;

AND WHEREAS, Council deems it necessary to establish an Off-Site Levy to pay for the capital costs of new and expanded off-site transportation, water and sanitary sewer infrastructure, and the land required in connection with this infrastructure, within the Town of Rocky Mountain House;

AND WHEREAS, Council deems it necessary to require agreements to be entered into in respect of the payment of the Off-Site Levy with owners of lands within the boundaries of the Town of Rocky Mountain House that are to be subdivided or developed;

AND WHEREAS, Section 648 (1) of the *Municipal Government Act*, R.S.A. 2000, c. M-26, as amended, authorizes a Council to pass a bylaw to provide for the imposition of an Off-Site Levy in respect of land that is to be subdivided or developed and to authorize agreements to be entered into in respect of the payment of the Off-Site Levy;

AND WHEREAS CORVUS Business Advisors has prepared an Offsite Levy Review Report, dated May 4, 2017, and an Offsite Levy Policy Framework, dated February 28, 2017, an updated Off -Site report was prepared by Urban Systems, dated March 19, 2018 referred to Appendix G in **Schedule "A"** for the Town of Rocky Mountain House;

AND WHEREAS, notice of intention to pass this Bylaw has been given in accordance with the Act;

THEREFORE, the Council of the Town of Rocky Mountain House, in the Province of Alberta, duly assembled, hereby enacts as follows:

PART I: BYLAW TITLE

1. This bylaw may be cited as the "Off-Site Levy Bylaw".

PART II: DEFINITIONS

2. For the purposes of this Bylaw the following words will have the meanings assigned:
 - a. Act means the *Municipal Government Act*, R.S.A. 2000, c. M-26, as amended;

- b. The Town means the Municipal Corporation of the Town of Rocky Mountain House;
- c. Council means the Council of the Town of Rocky Mountain House; and
- d. Projects means those new and expanded off-site transportation, water and sanitary sewer infrastructure projects listed in Appendices B1, C1 and D1 of the Offsite Levy Review Report, dated May 4, 2017, attached hereto as **Schedule "A"**.

PART III: APPLICATION

- 3. The lands for which the Off-Site Levy shall be payable are shown as "Offsite Levy Areas" on Appendix A1 of the Offsite Levy Review, dated May 4, 2017, attached hereto as **Schedule "A"**.
- 4. The Off-Site Levy payable in respect of lands to be subdivided or developed within the "Offsite Levy Areas" shall be in accordance with **Schedule "B"** attached hereto. The Off-Site Levy is payable in relation to those Projects listed in Appendices B1, C1 and D1 of the Offsite Levy Review Report, dated May 4, 2017, attached hereto as **Schedule "A"**.
- 5. The supporting technical information which identifies the impact of proposed development within the Town, estimates of the costs of the Projects listed in Appendices B1, C1 and D1 of the Offsite Levy Review Report, dated May 4, 2017, attached hereto as Schedule "A" and identifies how the Off-Site Levy is calculated is contained in the Offsite Levy Review Report, dated May 4, 2017, attached hereto as **Schedule "A"**.
- 6. Council may from time to time adopt policies or guidelines for the assistance and direction of Administration in determining which development and subdivision applications shall require a development agreement, and when an applicant or owner may be required to front end costs of a Project listed in Appendices B1, C1 and D1 of the Offsite Levy Review, dated May 4, 2017, attached hereto as **Schedule "A"**.
- 7. Where it is determined that a development agreement is appropriate for an application for development or subdivision, the applicant or owner, as the case may be, shall enter into a development agreement with the Town and such development agreement shall ensure:
 - a. that provision be made for the payment of the Off-Site Levy as specified in this Bylaw, or
 - b. that provision may be made for the deferring of payment of the Off-Site Levy to future time certain; and
 - c. that no further Off-Site Levy shall be required to be paid under development agreements where off-site levies have been previously collected in full in respect to all of the lands which are the subject of development or subdivision application.
- 8. Except as otherwise provided herein, each development agreement entered into by the Town with respect to any development or subdivision application shall make provision for

payment of the Off-Site Levy imposed by this Bylaw within the times specified by the Town policy or guideline in place at the relevant time, as amended from time to time.

PART IV: SEVERABILITY

9. If at any time any provision of this Bylaw is declared or held to be illegal, invalid or ultra vires, in whole or in part, then that provision shall not apply and the remainder of this Bylaw shall continue in full force and effect and shall be construed as if it had been enacted without the illegal, invalid or ultra vires provision.

PART V REPORTING

10. On or before April 30 in each calendar year starting in 2019, the Chief Administrative Officer shall submit to Council of the Town, an annual report on the Off-Site Levy pursuant to this Bylaw and such report shall identify:
- a. Projects constructed during the previous calendar year;
 - b. Construction costs of Projects constructed in the previous calendar year;
 - c. Estimated construction costs for Projects yet to be constructed and an explanation as to any adjustments to the estimates since the previous annual report;
 - d. Off-Site Levies collected in the previous calendar year; and
 - e. Specifics of total value of Off-Site Levies being held by the Town and yet to be expended on Projects, interest earned and commitments for future expenditures of such monies.

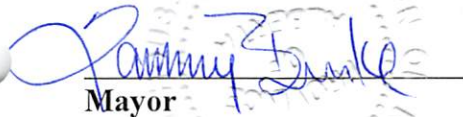
PART VI: ENACTMENT

11. That Bylaw 04/09OS is hereby repealed effective when it receives Third Reading and is duly signed.
12. This Bylaw shall come into force and effect when it receives Third Reading and is duly signed.

READ a first time in Council this 11th day of July, 2017.

READ a second time in Council this 3rd day of April, 2018.

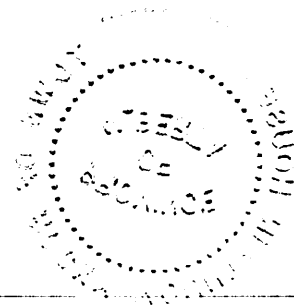
READ a third and final time in Council this 3rd day of April, 2018.


Mayor


Chief Administrative Officer

SCHEDULE "A"

[Off-Site Levy Report, by CORVUS Business Advisors. Dated May 4, 2017
and Off-Site levy Updated Report dated March 19, 2018 - Appendix G]



SCHEDULE "A"



Town of Rocky Mountain House: Offsite Levy Review

Version 7
May 4th, 2017

Presented to:
Todd Becker, CAO
Town of Rocky Mountain House
PO Box 1509
Rocky Mountain House AB T4T 1B2
(403) 845-2866
tbecker@rockymtnhouse.com
www.rockymtnhouse.com

Prepared by:
Greg Weiss, President
CORVUS Business Advisors
9670 – 95 Avenue
Edmonton, AB T6C 2A4
(780) 428-4110
gweiss@corvusbusinessadvisors.com
www.corvusbusinessadvisors.com



May 4th, 2017

Todd Becker, CAO
Town of Rocky Mountain House
PO Box 1509
Rocky Mountain House AB T4T 1B2

RE: Town of Rocky Mountain House Offsite Levy Review

Todd:

Enclosed is our revised final report for the offsite levy review project. If you have any questions do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink, appearing to read "Greg Weiss", followed by a long horizontal line extending to the right.

Greg Weiss
President

1 DOCUMENT INFORMATION

Version		
Number	Revision Date	Summary of Changes and Author
1.0	February 11 th , 2015	Created by CORVUS Business Advisors.
2.0	March 9 th , 2016	Created by CORVUS Business Advisors.
3.0	March 17 th , 2016	Reviewed by Town staff.
4.0	June 28 th , 2016	Town amended capital plan details.
5.0	October 3 rd , 2016	Town amended expenditure details. Town amended historical offsite levy collections.
6.0	October 25 th , 2016	Town amended allocations to benefitting areas.
7.0	May 4 th , 2017	Town amended allocations to benefitting areas.

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3 INTRODUCTION

3.1 Introduction

The Town wishes to facilitate growth of the community by providing offsite transportation, water, and sanitary infrastructure that meets the needs of development, and also ensure that accompanying charges are fair and equitable, comply with legislative and regulatory requirements, and recover the cost of the infrastructure in order to ensure a financially sustainable community¹.

In April 2014 the Town of Rocky Mountain House retained the CORVUS Business Advisors Team to assist in updating its offsite levy rates. As part of this project, the Town is implementing the CORVUS offsite levy model for managing rates ongoing.

This report outlines the methodology and information used in establishing transportation, water, and sanitary offsite levy rates for the Town of Rocky Mounty House.

3.2 Methodology

The Town of Rocky Mountain House has created various infrastructure master plans, and these plans have been used as key inputs into this offsite levy rate review. Town staff and its engineering advisors reviewed existing plans and identified offsite projects for transportation, water, and sanitary infrastructure including completed projects (carried forward from previous bylaws) and future projects required to support growth². Each project was assessed for benefiting areas using the offsite levy areas identified in this report. The Town's assessment also included determination of benefits to existing development and future development.

Support provided by CORVUS Business Advisors included:

- Provision of the most current CORVUS offsite levy model, including configuration, priming, and data loading.
- Facilitation of a workshop to determine offsite levy area boundaries.
- Incorporation of offsite levy area measurements and land development forecasts (provided by Town planning staff).
- Incorporation of infrastructure costs and allocation percentages for existing development, new development, and other parties (provided by the Town's engineering advisors and Town staff).
- Incorporation of project expenditures for completed and in-progress projects (provided by the Town's finance staff).

¹ The scope of this project does not include stormwater infrastructure. All stormwater infrastructure is treated by the Town as "onsite" infrastructure. Should the Town plan to construct offsite stormwater infrastructure in the future, it can be added to the model during one of the annual rate and bylaw amendments.

² It was not within CORVUS' scope of work to review the Town's master plans.

- Establishment of offsite levy reserve opening balances including front-ending balances (amounts owed by future development to the Town for construction of infrastructure on behalf of future development).
- Development of transportation, water, sanitary, and stormwater offsite levy rates for each offsite levy area.
- Presentation of offsite levy rates and background information to Administration and Council.

Offsite levy rates are forecast using a rolling 25-year review period. During this review, a cut-off date of December 31st, 2015 was established, and so the review period stems from 2016 to 2040. Costs that benefit development prior to and within the review period are included in rates. Costs that benefit development beyond the review period (called financial “oversizing”) are excluded from rates. In future years, when rates are updated and the rolling 25-year period moves further out, development costs beyond 2040 will gradually find their way into rates.

The cut-off date (December 31st, 2015) coincides with the Town’s most recent year-end. Project expenditures, offsite levy receipts etc. were gathered as “actuals” from the Town’s financial records up to the cut-off date. Beyond the cut-off date, all financial details are estimates. When the Town completes its next rate update, information from January 1st, 2016 up to the new cut-off date will be converted from estimates to actuals.

4 KEY FINDINGS

Key findings pertaining to the establishment of Town offsite levy rates are as follows:

- Offsite infrastructure costs to be included in the offsite levy bylaw totals approximately \$95.46 million. An overview of offsite infrastructure costs and maps is provided in Appendices B1, C1, and D1.

Offsite infrastructure costs are always reduced by special ear-marked grants and development contributions. An overview of grants and contributions and resulting net costs is provided in Appendices B2, C2, and D2.

Financial oversizing (the amount of cost which is allocated to future development beyond the 25-year review period) is based on the anticipated year of construction. An overview of construction staging is provided in Appendices B3, C3, and D3.

That portion of cost which is allocated to future development versus existing development and other allocations is provided in Appendices B4, C4, and D4.

Before allocating infrastructure costs to lands, offsite levy costs must be reduced by amounts collected to date. An overview of offsite levy collected is provided in Appendices B5, C5, and D5.

Of the \$95.46 million in total offsite infrastructure costs, the developer share included in rates today is \$14.49 million. A complete summary of offsite infrastructure net cost “flow-thru” is provided in Appendices B6, C6, and D6.

An overview of offsite infrastructure benefitting areas is provided in B7, C7, and D7.

Summary of Infrastructure Costs & Allocations

Infrastructure	Grants & Contributions	Muni Share	Other Stakeholder Share	Developer Costs (Financial Oversizing)	Developer Costs (in Rates)	Total Costs
Transportation	\$ 189,091	\$ -	\$ -	\$ 13,144,889	\$ 2,507,400	\$ 15,841,379
Water	\$ 9,145,853	\$ 4,457,327	\$ 31,277,427	\$ 1,929,258	\$ 7,323,660	\$ 54,133,524
Sanitary	\$ 364,505	\$ 1,515,214	\$ 13,383,780	\$ 5,566,061	\$ 4,655,730	\$ 25,485,289
Stormwater	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 9,699,448	\$ 5,972,540	\$ 44,661,207	\$ 20,640,208	\$ 14,486,789	\$ 95,460,193

- Front-ending balances represent monies owed by future development to the Town for construction of infrastructure undertaken by the Town on behalf of future development. During this review, it was determined that front-ending balances for all infrastructure are approximately \$5.38 million as at December 31st, 2015. This balance assumes a portion of the debt has been repaid using the cash currently available in the offsite levy reserve. An increase in front-ending amounts puts upward pressure on offsite levy rates.

Front-ending balances and reserve balances are provided in Appendix B8, C8, and D8. Note, the Town has not accounted for front-ending balances in current reserve balances, financial statements, or internal documentation. The front-ending balances shown in this report assume that excess funds have been withdrawn in order to pay down a portion of the debt. This is discussed further in Section 6.

- The Town is parsed into several offsite levy areas. The area boundaries, numbering schema, and area measurements are described in Appendix A along with an offsite levy map.
- To calculate offsite levy rates, it is necessary to forecast the amount of land that will develop during the 25-year review period. Land development forms the denominator of the rate calculation. A larger denominator reduces rates, but could potentially result in under-collection and an increased burden for tax payers. A smaller denominator increases rates, but could potentially result in over-collection and an increased burden for future development. Accordingly, land development forecasts need to be (a) reasonable, and (b) updated annually to reflect the changing pace of development in the community.

For this review, the Town is forecasting development of approximately 153 ha. over the 25-year review period (approximately 6.3 ha. per year on average). The land development forecast is shown in Appendix A.

- Offsite levy reserves/accounts are impacted by interest. When reserves/accounts are in a positive balance they earn interest (as required by the MGA). When reserves/accounts are in a negative position, this indicates that front-ending is being undertaken on behalf of the reserve/account. Front-ending parties are eligible for interest on their balances. As such, reserves/accounts are charged interest when in a negative position. An overview of reserve/account interest rates and forecast balances over the 25-year review period is shown in Appendices B9, C9, and D9.

5 RATES

For future development to pay for its share of the \$95.46 million infrastructure costs in the Town, rates are approximately \$79,680 per net hectare on a weighted average basis, with rates differing by development area as shown in tables below. Though this is a substantive increase from current rates³, it is important to remember that current rates are out-of-date and do not reflect the full cost of all projects that will be included in the Town's amended bylaw. The Town's updated offsite levy rates are comparable to other municipalities of similar size in Alberta (a comparison of rates to other municipalities is outlined in Appendix E). Most importantly, these rates reflect the actual cost of infrastructure required to facilitate development in the Town of Rocky Mountain House.

Highs, Lows, & Weighted Averages⁴

	Transportation Charges (per Ha)	Water Charges (per Ha)	Sanitary Charges (per Ha)	Total
High	\$ 16,419	\$ 45,876	\$ 52,854	\$ 109,255
Low	\$ 16,419	\$ 39,982	\$ 7,765	\$ 64,167
Weighted Average	\$ 16,419	\$ 40,178	\$ 23,082	\$ 79,680

³ The Town's current rates are approximately \$34,150 per net ha. (2004 dollars). Adjusted for inflation, this results in a current rate of ~\$49,000 (2016 dollars).

⁴ Highs, Lows, and Averages are shown for information purposes only. Developers pay the actual rate applicable to their specific development area and development type.

Summary of Offsite Levies by Area

Area Ref. #	Transportation Charges	Water Charges	Sanitary Charges	Total
1	\$ 16,419	\$ 39,982	\$ 9,099	\$ 65,501
2	\$ 16,419	\$ 39,982	\$ 9,099	\$ 65,501
3	\$ 16,419	\$ 45,876	\$ 12,517	\$ 74,812
4	\$ 16,419	\$ 39,982	\$ 7,765	\$ 64,167
5	\$ 16,419	\$ 39,982	\$ 47,173	\$ 103,574
6	\$ 16,419	\$ 39,982	\$ 10,885	\$ 67,287
7	\$ 16,419	\$ 39,982	\$ 19,383	\$ 75,785
8	\$ 16,419	\$ 39,982	\$ 52,854	\$ 109,255
9	\$ 16,419	\$ 39,982	\$ 51,657	\$ 108,059
10	\$ 16,419	\$ 39,982	\$ 19,383	\$ 75,785
11	\$ 16,419	\$ 39,982	\$ 10,885	\$ 67,287
12	\$ 16,419	\$ 39,982	\$ 10,885	\$ 67,287
13	\$ 16,419	\$ 39,982	\$ 10,885	\$ 67,287
14	\$ 16,419	\$ 39,982	\$ 10,885	\$ 67,287
15	\$ 16,419	\$ 39,982	\$ 10,885	\$ 67,287
16	\$ 16,419	\$ 40,417	\$ 19,816	\$ 76,652
17	\$ 16,419	\$ 40,417	\$ 19,816	\$ 76,652
18	\$ 16,419	\$ 40,417	\$ 19,816	\$ 76,652
19	\$ 16,419	\$ 39,982	\$ 19,383	\$ 75,785
20	\$ 16,419	\$ 39,982	\$ 47,173	\$ 103,574
21	\$ 16,419	\$ 39,982	\$ 10,885	\$ 67,287
22	\$ 16,419	\$ 39,982	\$ 10,885	\$ 67,287
23	\$ 16,419	\$ 39,982	\$ 7,765	\$ 64,167

6 RECOMMENDATIONS

CORVUS recommends the following:

1. Implement the updated full cost rates outlined in Section 5. The quicker the Town completes the bylaw amendment, the quicker it can remove the inherent subsidization tax payers are affording development today.
2. Ensure the bylaw reflects the requirement for an annual update of offsite levy rates and delivery of an annual update report to Council. In addition to enabling compliance with MGA requirements, regular updates ensure offsite levy rates do not “decay”, and Council is apprised regularly of the status of changes, reserves balances, etc.
3. Establish a funding agreement between the Town and the County for their share of various infrastructure projects, with payment in alignment and concurrent with project expenditures.
4. Establish 3 separate offsite levy reserves/accounts as required by the MGA—one for

each infrastructure type (i.e., transportation, water, and sanitary), and establish opening balances as reflected in Appendices B8, C8 and D8. In so doing, transfer \$594,337.85 from the offsite levy reserves (\$404,149.74 from water reserve and \$190,188.11 from sanitary reserve) to general revenues to pay down a portion of the debt owed to the Town. This is to the benefit of developers—debts remaining are charged 2.9% while funds remaining gain 1%.

5. Establish sub-ledgers for each reserve/account to track amounts owed to front-ending parties (the Town is already a front-ending party, but other developers may become front-ending parties in the future).
6. Update offsite levy reserve/account balances annually (and financial statements, and other internal documentation) to reflect the true balance, including front-ending.
7. Develop an offsite levy policy framework to aide in effective implementation of the bylaw (in progress).
8. Undertake a water and sewer utility rates study to enable sustainable funding of the Town's share of offsite infrastructure projects. The last rate review should be brought current and in alignment with current master plans, offsite levy financing, etc.
9. Implement a long term financial sustainability assessment model that provides Council with confidence that the Town is on a financially sustainable path, contains reasonable tax impacts, and includes the impact of the Town's share of various development costs plus any front-ending that will be required on behalf of various offsite levy reserves.
10. Recent changes to the MGA will enable municipalities to charge separately for offsite levies (i.e., transportation vs. water vs. sewer). Accordingly, the Town should maintain accurate records to reflect which properties pay which offsite levies, and build this into the procedures guide discussed above.

7 ACKNOWLEDGEMENTS

CORVUS Business Advisors would like to thank all Town of Rocky Mountain House staff and advisors from Engineering, Planning, and Finance, who supported the work of this review.

8 DISCLAIMER

CORVUS Business Advisor has relied upon Town of Rocky Mountain House and its engineering advisors to provide all the data and information used to construct the offsite levy model and create the rates, such as planning data and assumptions, development forecasts and assumptions, infrastructure costs and costs estimates, allocations to benefitting parties, allocation to benefitting areas, and other assumptions etc. As such, CORVUS Business Advisors makes no guarantee as to the accuracy of the input data and information provided by these groups or the results that stem from this data and information.

Offsite levy rates are not intended to stay static; they are based upon educated assumptions

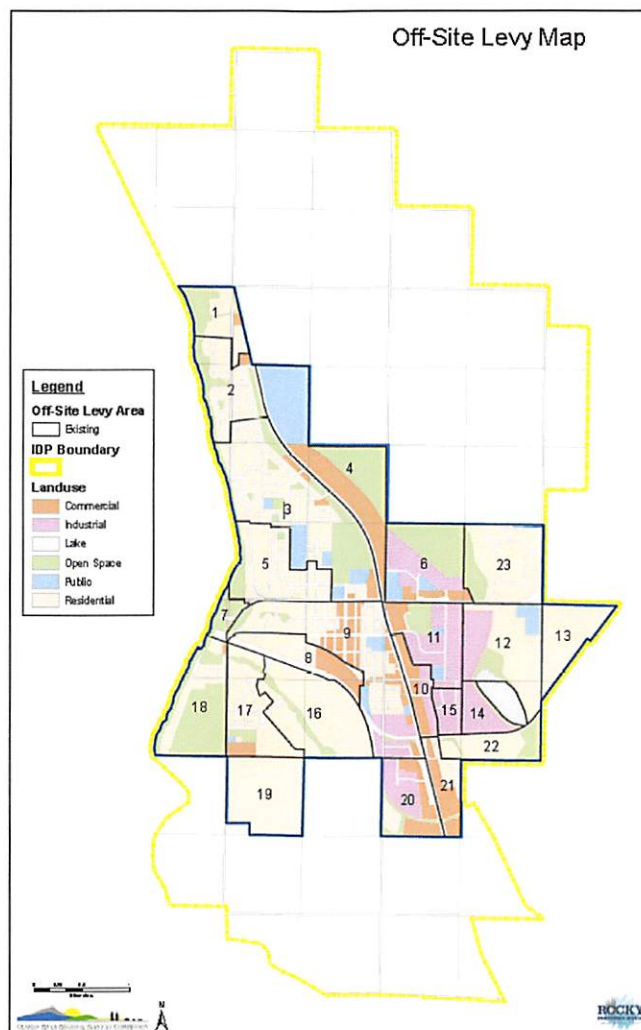
and the best available information of the day. Planning assumptions, cost estimates etc. can change each year. Accordingly, the Municipal Government Act requires that offsite levy rates be updated with the most available information on a regular basis (usually annually). When information changes, it will be reflected in a future update, and rates adjusted accordingly.

APPENDIX A: OFFSITE LEVY AREAS AND STAGING

A1. Offsite Levy Areas

In order to more easily facilitate the allocation of infrastructure to benefiting lands, the Town is parsed into 23 offsite levy areas, as shown in the map below. These areas are generally about a quarter section in size but also take into consideration various natural and man-made barriers (e.g., rivers, highways, etc.), as well as existing/planned infrastructure basins (e.g., water and sanitary basins). All offsite levy infrastructure costs are allocated to one or more areas. In the model, each area is further divided into sub-areas based on land use type (e.g., residential low density, residential high density, commercial, industrial, other).

Offsite Levy Areas



Total net development area, the amount of land available for development in the offsite levy areas, is approximately 366 ha. In calculating net development area only those lands remaining to be developed within the area that have not previously paid offsite levies have been considered (as required by legislation/regulation). Further, allowances have been made to net development area calculations for environmental reserves, municipal reserves, and arterial road right of way.

Offsite Levy Net Development Area

Area Ref. #	Land Use	Gross Area (ha.)	Environmental Reserves (ha.)	Sub-total	Municipal Reserves	Arterial Right of Way	Net Development Area (ha.)
1.1	Residential - Low Density	15.00	-	15.00	0.2	-	14.84
1.2	Residential - Medium/High Density	-	-	-	-	-	-
1.3	Commercial	2.02	-	2.02	-	-	2.02
1.4	Industrial	-	-	-	-	-	-
2.5	Other	-	-	-	-	-	-
3.1	Residential - Low Density	1.62	-	1.62	-	-	1.62
3.2	Residential - Medium/High Density	-	-	-	-	-	-
3.3	Commercial	-	-	-	-	-	-
3.4	Industrial	-	-	-	-	-	-
4.1	Residential - Low Density	-	-	-	-	-	-
4.2	Residential - Medium/High Density	-	-	-	-	-	-
4.3	Commercial	47.40	28.40	19.00	-	-	19.00
4.4	Industrial	-	-	-	-	-	-
5.1	Residential - Low Density	-	-	-	-	-	-
5.2	Residential - Medium/High Density	-	-	-	-	-	-
5.3	Commercial	-	-	-	-	-	-
5.4	Industrial	-	-	-	-	-	-
6.1	Residential - Low Density	-	-	-	-	-	-
6.2	Residential - Medium/High Density	-	-	-	-	-	-
6.3	Commercial	1.74	-	1.74	-	-	1.74
6.4	Industrial	-	-	-	-	-	-
7.1	Residential - Low Density	-	-	-	-	-	-
7.2	Residential - Medium/High Density	-	-	-	-	-	-
7.3	Commercial	-	-	-	-	-	-
7.4	Industrial	-	-	-	-	-	-
8.1	Residential - Low Density	4.42	-	4.42	-	-	4.42
8.2	Residential - Medium/High Density	5.10	-	5.10	-	-	5.10
8.3	Commercial	4.41	-	4.41	-	-	4.41
8.4	Industrial	-	-	-	-	-	-
9.1	Residential - Low Density	-	-	-	-	-	-
9.2	Residential - Medium/High Density	-	-	-	-	-	-
9.3	Commercial	3.40	-	3.40	0.3	-	3.06
9.4	Industrial	2.30	-	2.30	0.2	-	2.07
10.1	Residential - Low Density	-	-	-	-	-	-
10.2	Residential - Medium/High Density	-	-	-	-	-	-
10.3	Commercial	-	-	-	-	-	-
10.4	Industrial	-	-	-	-	-	-
11.1	Residential - Low Density	-	-	-	-	-	-
11.2	Residential - Medium/High Density	-	-	-	-	-	-
11.3	Commercial	-	-	-	-	-	-
11.4	Industrial	-	-	-	-	-	-

Town of Rocky Mountain House Offsite Levy Review

Area Ref. #	Land Use	Gross Area (ha.)	Environmental Reserves (ha.)	Sub-total	Municipal Reserves	Arterial Right of Way	Net Development Area (ha.)
12.1	Residential - Low Density	38.00	2.02	35.98	3.6	-	32.38
12.2	Residential - Medium/High Density			-	-	-	-
12.3	Commercial	7.54		7.54	0.8	-	6.79
12.4	Industrial	15.09		15.09	1.5	-	13.58
13.1	Residential - Low Density	36.54	1.96	34.58	3.5	-	31.12
13.2	Residential - Medium/High Density			-	-	-	-
13.3	Commercial			-	-	-	-
13.4	Industrial			-	-	-	-
14.1	Residential - Low Density			-	-	-	-
14.2	Residential - Medium/High Density			-	-	-	-
14.3	Commercial			-	-	-	-
14.4	Industrial	14.10		14.10	1.4	-	12.69
14.5	Other	5.10		5.10	-	-	5.10
15.1	Residential - Low Density			-	-	-	-
15.2	Residential - Medium/High Density			-	-	-	-
15.3	Commercial			-	-	-	-
15.4	Industrial			-	-	-	-
16.1	Residential - Low Density	74.00	28.40	45.60	4.6	-	41.04
16.2	Residential - Medium/High Density	1.60		1.60	-	-	1.60
16.3	Commercial			-	-	-	-
16.4	Industrial			-	-	-	-
17.1	Residential - Low Density	21.70	1.00	20.70	2.1	-	18.63
17.2	Residential - Medium/High Density			-	-	-	-
17.3	Commercial			-	-	-	-
17.4	Industrial			-	-	-	-
18.1	Residential - Low Density	6.45		6.45	-	-	6.45
18.2	Residential - Medium/High Density			-	-	-	-
18.3	Commercial			-	-	-	-
18.4	Industrial			-	-	-	-
18.5	Other	34.70		34.70	-	-	34.70
19.1	Residential - Low Density	61.25		61.25	6.1	-	55.13
19.2	Residential - Medium/High Density			-	-	-	-
19.3	Commercial			-	-	-	-
19.4	Industrial			-	-	-	-
20.1	Residential - Low Density	4.61		4.61	0.5	-	4.15
20.2	Residential - Medium/High Density			-	-	-	-
20.3	Commercial	17.22		17.22	1.7	-	15.50
20.4	Industrial			-	-	-	-
21.1	Residential - Low Density			-	-	-	-
21.2	Residential - Medium/High Density			-	-	-	-
21.3	Commercial	10.05		10.05	1.0	-	9.05
21.4	Industrial			-	-	-	-
22.1	Residential - Low Density	23.77	7.01	16.76	1.7	-	15.08
22.2	Residential - Medium/High Density			-	-	-	-
22.3	Commercial			-	-	-	-
22.4	Industrial			-	-	-	-
23.1	Residential - Low Density	9.80	5.00	4.80	-	-	4.80
23.2	Residential - Medium/High Density			-	-	-	-
23.3	Commercial			-	-	-	-
23.4	Industrial			-	-	-	-
In Boundary Only		468.93	73.79	395.14	29.08	-	366.06

Summary of Offsite Levy Net Development Area

Description	ha.
Gross Development Area	468.93
Less Environment Reserve	73.79
Less Municipal Reserve	29.08
Less ROW Allowance	-
Net Development Area	366.06

*Note: 1 Hectare (ha.) = ~2.47 Acres

Net development area definitions will be applied in determining offsite levy obligations of developers on application for subdivision or development within Town of Rocky Mountain House. Net development area is defined as follows:

- Gross Area – The area of lands to be developed in hectares that have not previously paid an offsite levy.
 - Less: Any environmental reserves contained within the development area including environmental reserves and environmental easements.
 - Less: A 10% allowance for Municipal Reserves.
 - Less: The measurement of arterial road right of way that bisects the development lands.
- Equals: Net Developable Area, which is the area subject to offsite levies.

A2. Development Staging

A rate planning period of 25-years was used for this review. This planning period is used by many municipalities as it provides a reasonable time frame to recoup the costs associated with offsite levy infrastructure construction, and it aligns with the timeframes of many municipal capital planning and construction cycles.

Of the 366 ha. of net development area available across all offsite levy development areas, planners estimate that approximately 42% of this land (153 ha.) will develop during the next 25-years (the rate planning period) as shown in the tables below.

Town of Rocky Mountain House Offsite Levy Review

Anticipated Development During the 25-year Rate Planning Period

Area Ref. #	Area Developed in Next 25 years	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1.1	14.80		2.25			2.25		2.25			4.25				3.80											
1.2	-																									
1.3	2.00										2.00															
1.4	-																									
2.5	-																									
3.1	1.60			1.60																						
3.2	-																									
3.3	-																									
3.4	-																									
4.1	-																									
4.2	-																									
4.3	8.30										8.30															
4.4	-																									
5.1	-																									
5.2	-																									
5.3	-																									
5.4	-																									
6.1	-																									
6.2	-																									
6.3	1.70	1.70																								
6.4	-																									
7.1	-																									
7.2	-																									
7.3	-																									
7.4	-																									
8.1	4.40															4.40										
8.2	5.10		0.80			2.30				2.00																
8.3	4.40							4.40																		
8.4	-																									
9.1	-																									
9.2	-																									
9.3	3.06														3.06											
9.4	2.07																			2.07						
10.1	-																									
10.2	-																									
10.3	-																									
10.4	-																									
11.1	-																									
11.2	-																									
11.3	-																									
11.4	-																									

Town of Rocky Mountain House Offsite Levy Review

Area Ref. #	Area Developed in Next 25 years	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
12.1	-																									
12.2	-																									
12.3	-																									
12.4	-																									
13.1	-																									
13.2	-																									
13.3	-																									
13.4	-																									
14.1	-																									
14.2	-																									
14.3	-																									
14.4	7.10							7.10																		
14.5	-																									
15.1	-																									
15.2	-																									
15.3	-																									
15.4	-																									
16.1	20.80		6.40					4.10						5.30					5.00							
16.2	1.60													1.60												
16.3	-																									
16.4	-																									
17.1	18.60																					18.60				
17.2	-																									
17.3	-																									
17.4	-																									
18.1	6.45	0.45																	6.00							
18.2	-																									
18.3	-																									
18.4	-																									
18.5	-																									
19.1	25.50																									25.50
19.2	-																									
19.3	-																									
19.4	-																									
20.1	-																									
20.2	-																									
20.3	13.50		11.30		2.20																					
20.4	-																									
21.1	-																									
21.2	-																									
21.3	-																									
21.4	-																									
22.1	12.30													12.30												
22.2	-																									
22.3	-																									
22.4	-																									
23.1	-																									
23.2	-																									
23.3	-																									
23.4	-																									
	153.28	2.15	20.75	1.60	2.20	4.55	-	17.85	-	2.00	14.55	-	-	22.26	3.80	4.40	-	-	6.00	7.07	-	18.60	-	-	-	25.50

Summary of Anticipated Development during the 25-year Rate Planning Period

Developed In Next 25 Years	153.28	41.9%
Developed Beyond 25 Years	212.78	58.1%
Net Development Area	366.06	

Net development areas have been further classified according to anticipated land use. Land use classifications include: (1) Commercial, (2) Industrial, (3) Residential Low Density, (4) Residential Medium/High Density. and (4) Other. The table below outlines the anticipated development by land use type during the rate planning period (25-years).

Anticipated Development by Land Use Type during the 25-year Rate Planning Period

Land Use Type	Net Development Area In Next 25 Years	%
Commercial	32.96	21.5%
Industrial	9.17	6.0%
Residential - Low Density	104.45	68.1%
Residential - Medium/High Density	6.70	4.4%
Other	-	0.0%
Total	153.28	100%

A3. Service Demand Factors

The level of impact on offsite infrastructure sometimes differs depending on the type of development (e.g., residential vs. commercial vs. industrial etc.). To account for this differential impact, the CORVUS offsite levy model enables the rates to be adjusted using service demand factors to allocate costs.

However, for this review, the Town has treated all development equally and, and such, service demand factors have all been aligned as shown in the table below. Should the Town undertake an engineering analysis in the future that quantifies the nature of differential demand (if any), rates can quickly be adjusted during one of the Town's annual rate updates.

Service Demand Factors

Land Use	Demand Factor Transportation	Demand Factor Water	Demand Factor Sanitary
Commercial	1.00	1.00	1.00
Industrial	1.00	1.00	1.00
Other	1.00	1.00	1.00
Residential - Low Density	1.00	1.00	1.00
Residential - Medium/High Density	1.00	1.00	1.00

APPENDIX B: TRANSPORTATION OFFSITE INFRASTRUCTURE

B1. Transportation Offsite Infrastructure Costs

In order to support future growth, transportation offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately \$15.84 million as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by Town staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support development during the 25-year review period. The remainder of this section outlines how the “net” costs for development are determined.

Summary of Transportation Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	54 Street Railway Crossing	\$ -	\$ -	\$ 422,156	\$ 422,156
2	42 Avenue & Hwy 752 Intersection Upgrades	\$ -	\$ -	\$ 679,800	\$ 679,800
3	42 Avenue (Hwy 752 to 1/4 section line)	\$ -	\$ -	\$ 4,024,416	\$ 4,024,416
4	42 Avenue (1/4 section line to 46 Street)	\$ -	\$ -	\$ 402,442	\$ 402,442
5	42 Avenue (46 Street to Hwy 11)	\$ -	\$ -	\$ 2,263,734	\$ 2,263,734
6	42 Avenue (Hwy 11 to 42 Street)	\$ -	\$ -	\$ 1,257,630	\$ 1,257,630
7	42 Avenue (42 Street to 1/4 section line)	\$ -	\$ -	\$ 4,527,468	\$ 4,527,468
8	46 Street Upgrade (42 Avenue to 44 Avenue)	\$ -	\$ -	\$ 2,263,734	\$ 2,263,734
		\$ -	\$ -	\$ 15,841,379	\$ 15,841,379

*Costs are based on 2015/16 estimates.

**Estimates include engineering (10%) and contingencies (20%).

A map showing the location of this infrastructure is shown below.

Special Grants and Contributions for Transportation Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Provincial Grants	Developer Agreement Contributions	Reduced Project Estimated Cost
1	54 Street Railway Crossing	\$ 422,156	\$ -	\$ -	\$ 422,156
2	42 Avenue & Hwy 752 Intersection Upgrades	\$ 679,800	\$ -	\$ 20,756	\$ 659,044
3	42 Avenue (Hwy 752 to 1/4 section line)	\$ 4,024,416	\$ -	\$ 106,020	\$ 3,918,396
4	42 Avenue (1/4 section line to 46 Street)	\$ 402,442	\$ -	\$ -	\$ 402,442
5	42 Avenue (46 Street to Hwy 11)	\$ 2,263,734	\$ -	\$ -	\$ 2,263,734
6	42 Avenue (Hwy 11 to 42 Street)	\$ 1,257,630	\$ -	\$ -	\$ 1,257,630
7	42 Avenue (42 Street to 1/4 section line)	\$ 4,527,468	\$ -	\$ -	\$ 4,527,468
8	46 Street Upgrade (42 Avenue to 44 Avenue)	\$ 2,263,734	\$ -	\$ 62,315	\$ 2,201,419
		\$ 15,841,379	\$ -	\$ 189,091	\$ 15,652,288

B3. Transportation Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing (described in the Section that follows). The Town anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the Town's annual rate/bylaw updates.

Transportation Infrastructure Staging

Item	Project Description	First Year of Construction
1	54 Street Railway Crossing	2017
2	42 Avenue & Hwy 752 Intersection Upgrades	2030
3	42 Avenue (Hwy 752 to 1/4 section line)	2030
4	42 Avenue (1/4 section line to 46 Street)	2045
5	42 Avenue (46 Street to Hwy 11)	2045
6	42 Avenue (Hwy 11 to 42 Street)	2055
7	42 Avenue (42 Street to 1/4 section line)	2055
8	46 Street Upgrade (42 Avenue to 44 Avenue)	2040

*Years that are blank reflect projects that have commenced construction or are completed.

**Projects constructed beyond the 25-year review period (2040) will not be included in rates today (see financial oversizing in next Section).

B4. Transportation Offsite Infrastructure Benefiting Parties

The transportation offsite infrastructure previously outlined will benefit various parties to varying degrees. During this review three potential benefiting parties were identified including:

- Town of Rocky Mountain House – a portion of the transportation infrastructure which is required to service existing residents.
- Other Stakeholders – other parties (such as neighboring municipalities) that benefit from the infrastructure, as well as that portion of cost which benefits new development beyond the 25-year review period (“financial oversizing”).

- Town of Rocky Mountain House Developers – all growth related infrastructure (i.e., levyable transportation infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of transportation offsite levy infrastructure costs to benefiting parties. Percentage allocations have been determined after reducing transportation offsite levy infrastructure costs for grants and contributions described earlier.

Allocation of Transportation Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share & Oversizing %	OSL / Developer Share %
1	54 Street Railway Crossing	\$ 422,156		4.0%	96.0%
2	42 Avenue & Hwy 752 Intersection Upgrades	\$ 659,044		56.0%	44.0%
3	42 Avenue (Hwy 752 to 1/4 section line)	\$ 3,918,396		56.0%	44.0%
4	42 Avenue (1/4 section line to 46 Street)	\$ 402,442		100.0%	0.0%
5	42 Avenue (46 Street to Hwy 11)	\$ 2,263,734		100.0%	0.0%
6	42 Avenue (Hwy 11 to 42 Street)	\$ 1,257,630		100.0%	0.0%
7	42 Avenue (42 Street to 1/4 section line)	\$ 4,527,468		100.0%	0.0%
8	46 Street Upgrade (42 Avenue to 44 Avenue)	\$ 2,201,419		96.0%	4.0%
		\$ 15,652,288			

*Cost allocations for completed projects (if any) reflect allocations in effect at the time of the original bylaw.

**In most cases, new project allocations were determined by Town staff using either a comparison of infrastructure capacity or a ratio of land developed to undeveloped.

***Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. Oversizing shown as 100% reflects projects constructed beyond the 25-year review period.

B5. Existing Receipts

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately \$2.51 million. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. In addition to the unallocated credits reflected in the reserve balance (see Project 100), Town finance staff have advised that \$0 transportation levies have been applied to various projects as shown in the table below. This results in an adjusted offsite levy cost of approximately \$2.51 million.

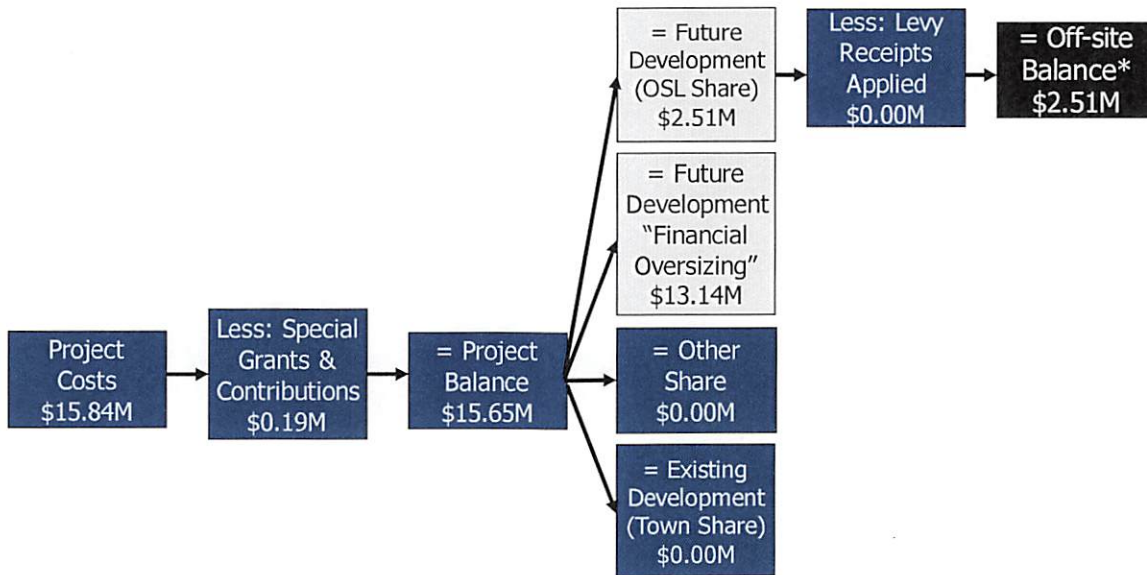
Offsite Levy Funds Applied to Date

Item	Project Description	Developer Cost (Leviable Costs)	Offsite Levy Funds Allocated to Dec 31, 2015	Offsite Levy Funds Collected Starting Jan 1, 2015	Adjusted Developer (Levy) Cost
1	54 Street Railway Crossing	\$ 405,270	\$ -	\$ -	\$ 405,270
2	42 Avenue & Hwy 752 Intersection Upgrades	\$ 289,979	\$ -	\$ -	\$ 289,979
3	42 Avenue (Hwy 752 to 1/4 section line)	\$ 1,724,094	\$ -	\$ -	\$ 1,724,094
4	42 Avenue (1/4 section line to 46 Street)	\$ -	\$ -	\$ -	\$ -
5	42 Avenue (46 Street to Hwy 11)	\$ -	\$ -	\$ -	\$ -
6	42 Avenue (Hwy 11 to 42 Street)	\$ -	\$ -	\$ -	\$ -
7	42 Avenue (42 Street to 1/4 section line)	\$ -	\$ -	\$ -	\$ -
8	46 Street Upgrade (42 Avenue to 44 Avenue)	\$ 88,057	\$ -	\$ -	\$ 88,057
		\$ 2,507,400	\$ -	\$ -	\$ 2,507,400

B6. Summary of Transportation Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for transportation infrastructure that forms the basis of the rate is approximately \$2.51 million. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section B4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Transportation Offsite Levy Costs



B7. Transportation Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefitting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by Town engineering staff. The lands anticipated to develop over the 25-years in each offsite levy benefitting area are used to determine rates.

Benefiting Areas for Transportation Offsite Infrastructure

[illegible]

B8. Reserve Balance

As at December 31st, 2015 the transportation reserve balance was \$0.00, as the Town did not previously include transportation infrastructure in its offsite levy bylaw. In addition to establishing a dedicated transportation offsite levy reserve (required by the MGA), the Town must develop a set of "sub-ledgers" to track the amounts due to front-ending parties, including interest owed in accordance with the rates in effect at that time.

Transportation Offsite Levy Reserve Balance

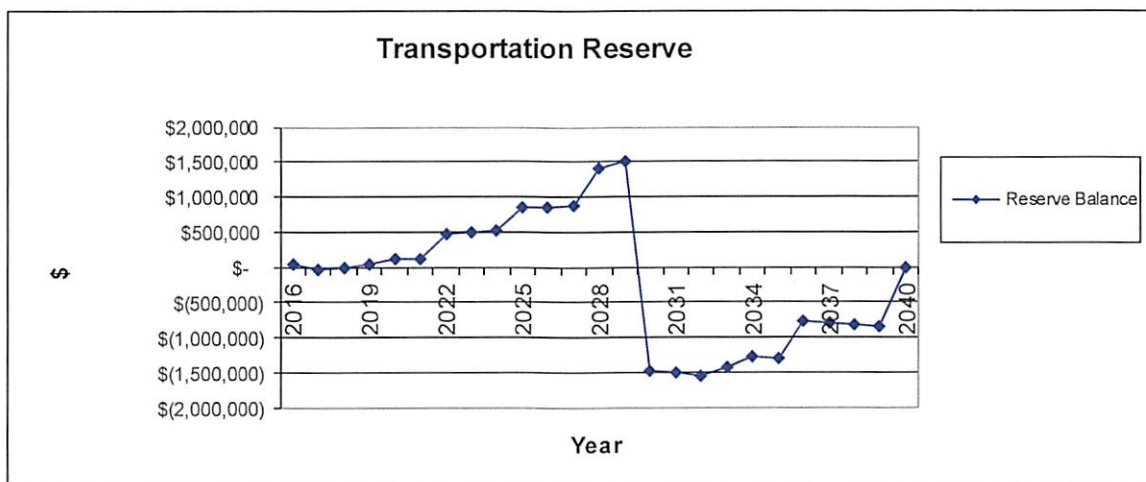
Description	Dr	Cr	Balance
Offsite Levy Expenditures to December 31, 2015		\$ -	\$ -
Offsite Levy Receipt Allocations to December 31, 2015	\$ -		\$ -
Unallocated Receipts to December 31, 2015	\$ -		\$ -
Opening Balance			\$ -

B9. Development and Transportation Infrastructure Staging Impacts

Transportation offsite infrastructure will be constructed in staged fashion over the 25-year development period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of transportation infrastructure from time to time—front ending of infrastructure will be required. A front-end is the party (to date the Town of Rocky Mountain House has been the primary front-end) that constructs and pays up front for infrastructure that benefits other parties.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.9% interest allowance has been charged to the reserve when in a negative balance. Further, a 1.0% interest credit has been provided to the reserve when it is in a positive balance. The graph and table below outline transportation levy reserve balances over the 25-year development period.

Anticipated Transportation Offsite Levy Reserve Balances



*The interest staging adjustment (either positive or negative) built into the rates ensures that the reserve always

returns to breakeven.

Anticipated Transportation Offsite Levy Reserve Balances

			Reserve Balance	\$ -
Year	Receipts	Expenditure	Interest	Balance
2016	\$ 35,302	\$ -	\$ 353	\$ 35,655
2017	\$ 350,923	\$ 417,428	\$ (895)	\$ (31,744)
2018	\$ 27,871	\$ -	\$ (112)	\$ (3,986)
2019	\$ 39,472	\$ -	\$ 355	\$ 35,841
2020	\$ 84,085	\$ -	\$ 1,199	\$ 121,125
2021	\$ -	\$ -	\$ 1,211	\$ 122,336
2022	\$ 349,960	\$ -	\$ 4,723	\$ 477,019
2023	\$ -	\$ -	\$ 4,770	\$ 481,789
2024	\$ 41,599	\$ -	\$ 5,234	\$ 528,622
2025	\$ 311,713	\$ -	\$ 8,403	\$ 848,739
2026	\$ -	\$ -	\$ 8,487	\$ 857,226
2027	\$ -	\$ -	\$ 8,572	\$ 865,798
2028	\$ 521,109	\$ -	\$ 13,869	\$ 1,400,776
2029	\$ 91,627	\$ -	\$ 14,924	\$ 1,507,328
2030	\$ 109,277	\$ 3,046,467	\$ (41,466)	\$ (1,471,328)
2031	\$ -	\$ -	\$ (42,669)	\$ (1,513,996)
2032	\$ -	\$ -	\$ (43,906)	\$ (1,557,902)
2033	\$ 162,832	\$ -	\$ (40,457)	\$ (1,435,527)
2034	\$ 197,627	\$ -	\$ (35,899)	\$ (1,273,799)
2035	\$ -	\$ -	\$ (36,940)	\$ (1,310,739)
2036	\$ 551,587	\$ -	\$ (22,015)	\$ (781,167)
2037	\$ -	\$ -	\$ (22,654)	\$ (803,821)
2038	\$ -	\$ -	\$ (23,311)	\$ (827,132)
2039	\$ -	\$ -	\$ (23,987)	\$ (851,119)
2040	\$ 851,119	\$ -	\$ 0	\$ 0

APPENDIX C: WATER OFFSITE INFRASTRUCTURE

C1. Water Offsite Infrastructure Costs

In order to support future growth, water offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately \$54.13 million as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by Town staff. It is important to note that these costs represent "gross" costs, of which only a portion will go to support development during the 25-year review period. The remainder of this section outlines how the "net" costs for development are determined.

Summary of Water Offsite Infrastructure

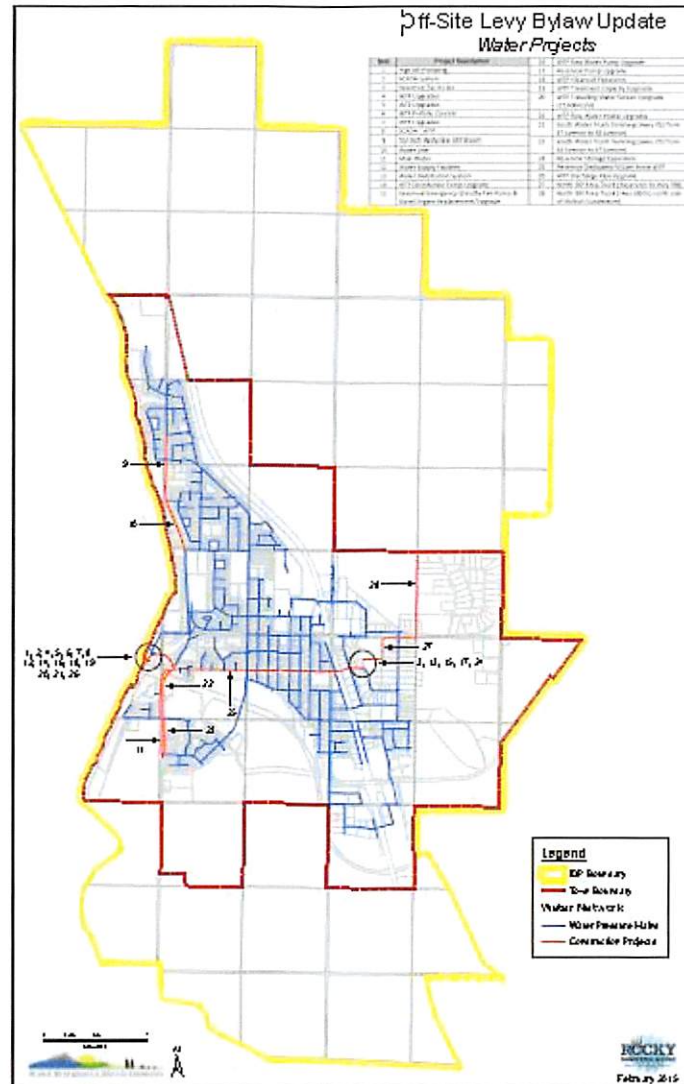
Item	Project Description	Cost of Completed Work	Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	High Lift Pumping	\$ 11,588	\$ -	\$ -	\$ 11,588
2	SCADA system	\$ 31,812	\$ -	\$ -	\$ 31,812
3	Reservoir Tie-in Line	\$ 13,952	\$ -	\$ -	\$ 13,952
4	WTP Upgrades	\$ 27,079	\$ -	\$ -	\$ 27,079
5	WTP Upgrades	\$ 223,617	\$ -	\$ -	\$ 223,617
6	WTP Particle Counter	\$ 19,400	\$ -	\$ -	\$ 19,400
7	WTP Upgrades	\$ 7,835,627	\$ 2,131,478	\$ -	\$ 9,967,105
8	SCADA - WTP	\$ 195,148	\$ -	\$ -	\$ 195,148
9	Ten Inch Waterline (60 Street)	\$ 42,085	\$ -	\$ -	\$ 42,085
10	Water Line	\$ 45,675	\$ -	\$ -	\$ 45,675
11	Main Water	\$ 161,250	\$ -	\$ -	\$ 161,250
12	Water Supply Facilities	\$ 2,427,904	\$ -	\$ -	\$ 2,427,904
13	Water Distribution System	\$ 2,003,000	\$ -	\$ -	\$ 2,003,000
14	WTP Distribution Pump Upgrade	\$ -	\$ -	\$ 264,000	\$ 264,000
15	Reservoir Emergency Standby Fire Pump & Diesel Engine Replacement/Upgrade	\$ -	\$ -	\$ 382,800	\$ 382,800
16	WTP Raw Water Pump Upgrade	\$ -	\$ -	\$ 237,600	\$ 237,600
17	Reservoir Pump Upgrade	\$ -	\$ -	\$ 186,120	\$ 186,120
18	WTP Clearwell Expansion	\$ -	\$ -	\$ 1,800,000	\$ 1,800,000
19	WTP Treatment Capacity Upgrade	\$ -	\$ -	\$ 13,200,000	\$ 13,200,000
20	WTP Travelling Water Screen Upgrade (15,000m ³ /d)	\$ -	\$ -	\$ 66,000	\$ 66,000
21	WTP Raw Water Intake Upgrade	\$ -	\$ -	\$ 1,320,000	\$ 1,320,000
22	South Water Trunk Twinning - Hwy 752 - 47 Ave to 50 Ave	\$ -	\$ -	\$ 257,500	\$ 257,500
23	South Water Trunk Twinning - Hwy 752 - 44 Ave to 50 Ave	\$ -	\$ -	\$ 195,700	\$ 195,700
24	Reservoir Storage Expansion	\$ -	\$ -	\$ 10,342,189	\$ 10,342,189
25	Reservoir Dedicated Fill Line from WTP	\$ -	\$ -	\$ 8,353,300	\$ 8,353,300
26	WTP Discharge Pipe Upgrade - From 400mm to 600mm	\$ -	\$ -	\$ 103,000	\$ 103,000
27	North IDP Area Trunk - 900mm (Reservoir to Hwy 598)	\$ -	\$ -	\$ 1,071,200	\$ 1,071,200
28	North IDP Area Trunk - 600mm (Hwy 598 to north side of McNutt)	\$ -	\$ -	\$ 1,184,500	\$ 1,184,500
		\$ 13,038,137	\$ 2,131,478	\$ 38,963,909	\$ 54,133,524

*Costs are based on 2015/16 estimates.

**Estimates include engineering (10%) and contingencies (20%).

A map showing the location of this infrastructure is shown below.

Location of Water Offsite Infrastructure



C2. Water Offsite Infrastructure Grants & Contributions to Date

The MGA enables the Town to allocate the costs of offsite infrastructure to development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). Town of Rocky Mountain House has received approximately \$9.15 million in special grants and contributions for water offsite levy infrastructure as shown in the table below (note, if the Town receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is \$44.99 million.

Special Grants and Contributions for Water Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Provincial Grants	Developer Agreement Contributions	Other Contributions	Reduced Project Estimated Cost
1	High Lift Pumping	\$ 11,588	\$ 4,809	\$ -	\$ -	\$ 6,779
2	SCADA system	\$ 31,812	\$ 13,202	\$ -	\$ -	\$ 18,610
3	Reservoir Tie-in Line	\$ 13,952	\$ -	\$ -	\$ -	\$ 13,952
4	WTP Upgrades	\$ 27,079	\$ 11,292	\$ -	\$ -	\$ 15,787
5	WTP Upgrades	\$ 223,617	\$ 79,989	\$ -	\$ -	\$ 143,628
6	WTP Particle Counter	\$ 19,400	\$ 16,345	\$ -	\$ -	\$ 3,055
7	WTP Upgrades	\$ 9,967,105	\$ 3,088,022	\$ -	\$ 1,448,444	\$ 5,430,639
8	SCADA - WTP	\$ 195,148	\$ -	\$ -	\$ -	\$ 195,148
9	Ten Inch Waterline (50 Street)	\$ 42,085	\$ -	\$ -	\$ -	\$ 42,085
10	Water Line	\$ 45,675	\$ -	\$ -	\$ -	\$ 45,675
11	Main Water	\$ 161,250	\$ 83,750	\$ -	\$ -	\$ 77,500
12	Water Supply Facilities	\$ 2,427,904	\$ -	\$ -	\$ -	\$ 2,427,904
13	Water Distribution System	\$ 2,003,000	\$ -	\$ -	\$ -	\$ 2,003,000
14	WTP Distribution Pump Upgrade	\$ 264,000	\$ -	\$ -	\$ -	\$ 264,000
15	Reservoir Emergency Standby Fire Pump & Diesel Engine Replacement/Upgrade	\$ 382,800	\$ -	\$ -	\$ -	\$ 382,800
16	WTP Raw Water Pump Upgrade	\$ 237,600	\$ -	\$ -	\$ -	\$ 237,600
17	Reservoir Pump Upgrade	\$ 186,120	\$ -	\$ -	\$ -	\$ 186,120
18	WTP Clearwell Expansion	\$ 1,800,000	\$ -	\$ -	\$ -	\$ 1,800,000
19	WTP Treatment Capacity Upgrade	\$ 13,200,000	\$ 4,400,000	\$ -	\$ -	\$ 8,800,000
20	WTP Travelling Water Screen Upgrade (15,000m3/d)	\$ 66,000	\$ -	\$ -	\$ -	\$ 66,000
21	WTP Raw Water Intake Upgrade	\$ 1,320,000	\$ -	\$ -	\$ -	\$ 1,320,000
22	South Water Trunk Twinning - Hwy 752 - 47 Ave to 50 Ave	\$ 257,500	\$ -	\$ -	\$ -	\$ 257,500
23	South Water Trunk Twinning - Hwy 752 - 44 Ave to 50 Ave	\$ 195,700	\$ -	\$ -	\$ -	\$ 195,700
24	Reservoir Storage Expansion	\$ 10,342,189	\$ -	\$ -	\$ -	\$ 10,342,189
25	Reservoir Dedicated Fill Line from WTP	\$ 8,353,300	\$ -	\$ -	\$ -	\$ 8,353,300
26	WTP Discharge Pipe Upgrade - From 400mm to 600mm	\$ 103,000	\$ -	\$ -	\$ -	\$ 103,000
27	North IDP Area Trunk - 900mm (Reservoir to Hwy 598)	\$ 1,071,200	\$ -	\$ -	\$ -	\$ 1,071,200
28	North IDP Area Trunk - 600mm (Hwy 598 to north side of McNutt)	\$ 1,184,500	\$ -	\$ -	\$ -	\$ 1,184,500
		\$ 54,133,524	\$ 7,697,409	\$ -	\$ 1,448,444	\$ 44,987,671

*The Other Contribution to Project#7 stems from a portion of cost currently provided for via utility rates.

C3. Water Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing (described in the Section that follows). The Town anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the Town's annual rate/bylaw updates.

Water Infrastructure Staging

Item	Project Description	First Year of Construction
1	High Lift Pumping	
2	SCADA system	
3	Reservoir Tie-In Line	
4	WTP Upgrades	
5	WTP Upgrades	
6	WTP Particle Counter	
7	WTP Upgrades	
8	SCADA - WTP	
9	Ten Inch Waterline (60 Street)	
10	Water Line	
11	Main Water	
12	Water Supply Facilities	
13	Water Distribution System	
14	WTP Distribution Pump Upgrade	2025
15	Reservoir Emergency Standby Fire Pump & Diesel Engine Replacement/Upgrade	2027
16	WTP Raw Water Pump Upgrade	2028
17	Reservoir Pump Upgrade	2029
18	WTP Clearwell Expansion	2030
19	WTP Treatment Capacity Upgrade	2030
20	WTP Travelling Water Screen Upgrade (15,000m ³ /d)	2066
21	WTP Raw Water Intake Upgrade	2100
22	South Water Trunk Twinning - Hwy 752 - 47 Ave to 50 Ave	2050
23	South Water Trunk Twinning - Hwy 752 - 44 Ave to 50 Ave	2050
24	Reservoir Storage Expansion	2046
25	Reservoir Dedicated Fill Line from WTP	2050
26	WTP Discharge Pipe Upgrade - From 400mm to 600mm	2050
27	North IDP Area Trunk - 900mm (Reservoir to Hwy 598)	2050
28	North IDP Area Trunk - 600mm (Hwy 598 to north side of McNutt)	2050

*Years that are blank reflect projects that have commenced construction or are completed.

**Projects constructed beyond the 25-year review period (2040) will not be included in rates today (see financial oversizing in next Section).

C4. Water Offsite Infrastructure Benefiting Parties

The water offsite infrastructure previously outlined will benefit various parties to varying degrees. During this review three potential benefiting parties were identified including:

- Town of Rocky Mountain House – a portion of the water infrastructure which is required to service existing residents.
- Other Stakeholders (or oversizing) – other parties (such as neighboring municipalities) that benefit from the infrastructure, as well as that portion of cost which benefits new development beyond the 25-year review period (“financial oversizing”).
- Town of Rocky Mountain House Developers – all growth related infrastructure (i.e., levyable water infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of water offsite levy infrastructure costs to benefiting parties. Percentage allocations have been determined after reducing water offsite levy

infrastructure costs for grants and contribution described earlier.

Allocation of Water Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share & Oversizing %	OSL / Developer Share %
1	High Lift Pumping	\$ 6,779	50.4%		49.6%
2	SCADA system	\$ 18,610	50.4%		49.6%
3	Reservoir Tie-in Line	\$ 13,952			100.0%
4	WTP Upgrades	\$ 15,787	50.4%		49.6%
5	WTP Upgrades	\$ 143,628	50.4%		49.6%
6	WTP Particle Counter	\$ 3,055	50.4%		49.6%
7	WTP Upgrades	\$ 5,430,639	37.5%		62.5%
8	SCADA - WTP	\$ 195,148	37.5%		62.5%
9	Ten Inch Waterline (60 Street)	\$ 42,085			100.0%
10	Water Line	\$ 45,675			100.0%
11	Main Water	\$ 77,500			100.0%
12	Water Supply Facilities	\$ 2,427,904	50.4%		49.6%
13	Water Distribution System	\$ 2,003,000	50.4%		49.6%
14	WTP Distribution Pump Upgrade	\$ 264,000		68.0%	32.0%
15	Reservoir Emergency Standby Fire Pump & Diesel Engine Replacement/Upgrade	\$ 382,800		44.0%	56.0%
16	WTP Raw Water Pump Upgrade	\$ 237,600		74.0%	26.0%
17	Reservoir Pump Upgrade	\$ 186,120		100.0%	0.0%
18	WTP Clearwell Expansion	\$ 1,800,000		78.0%	22.0%
19	WTP Treatment Capacity Upgrade	\$ 8,800,000		93.4%	6.6%
20	WTP Travelling Water Screen Upgrade (15,000m3/d)	\$ 66,000	30.0%	70.0%	0.0%
21	WTP Raw Water Intake Upgrade	\$ 1,320,000		100.0%	0.0%
22	South Water Trunk Twinning - Hwy 752 - 47 Ave to 50 Ave	\$ 257,500		100.0%	0.0%
23	South Water Trunk Twinning - Hwy 752 - 44 Ave to 50 Ave	\$ 195,700		100.0%	0.0%
24	Reservoir Storage Expansion	\$ 10,342,189		100.0%	0.0%
25	Reservoir Dedicated Fill Line from WTP	\$ 8,353,300		100.0%	0.0%
26	WTP Discharge Pipe Upgrade - From 400mm to 600mm	\$ 103,000		100.0%	0.0%
27	North IDP Area Trunk - 900mm (Reservoir to Hwy 598)	\$ 1,071,200		100.0%	0.0%
28	North IDP Area Trunk - 600mm (Hwy 598 to north side of McNutt)	\$ 1,184,500		100.0%	0.0%
		\$ 44,987,671			

*Cost allocations for completed projects (if any) reflect allocations in effect at the time of the original bylaw.

**In most cases, new project allocations were determined by Town staff using either a comparison of infrastructure capacity or a ratio of land developed to undeveloped.

***Other stakeholder's share represents that portion of the project which benefits parties beyond boundary and are as follows: Project#14-50%, Project#16-50%, Project#17-100%, Project#18-50%, Project#19-85%, Project#21-100%, Project#24-100%, Project#25-100%, Project#26-100%, Project#27-100%, Project#28-100%.

****Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. Oversizing shown as 100% reflects projects constructed beyond the 25-year review period.

C5. Existing Receipts

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately \$7.32 million. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. In addition to the unallocated amounts currently in the offsite levy reserve (approximately \$0.40 million), Town staff have advised that approximately \$0.31 million in water levies have been applied to various projects. Further, Town staff have advised that

approximately \$0.35 million should have been collected in the past (See Appendix F). This results in an adjusted offsite levy cost of approximately \$6.27 million.

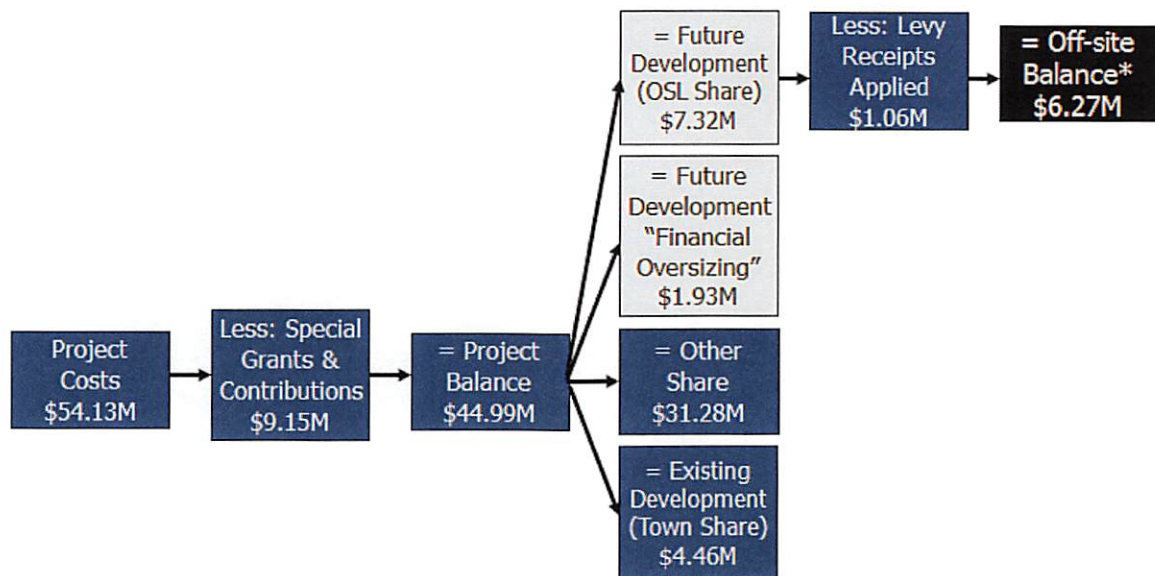
Offsite Levy Funds Applied to Date

Item	Project Description	Developer Cost (Leviable Costs)	Offsite Levy Funds Collected & Allocated to Dec 31, 2015	Offsite Levy Funds Collected Starting Jan 1, 2016	Adjusted Developer (Levy) Cost
1	High Lift Pumping	\$ 3,362	\$ 6,779	\$ -	\$ (3,416)
2	SCADA system	\$ 9,230	\$ 18,610	\$ -	\$ (9,379)
3	Reservoir Tie-in Line	\$ 13,952	\$ 13,952	\$ -	\$ -
4	WTP Upgrades	\$ 7,830	\$ 15,787	\$ -	\$ (7,957)
5	WTP Upgrades	\$ 71,240	\$ 135,265	\$ -	\$ (64,025)
6	WTP Particle Counter	\$ 1,515	\$ 3,055	\$ -	\$ (1,540)
7	WTP Upgrades	\$ 3,394,149	\$ 49,848	\$ -	\$ 3,344,301
8	SCADA - WTP	\$ 121,967	\$ 63,312	\$ -	\$ 58,655
9	Ten Inch Waterline (60 Street)	\$ 42,085	\$ 39,116	\$ -	\$ 2,969
10	Water Line	\$ 45,675	\$ 39,050	\$ -	\$ 6,626
11	Main Water	\$ 77,500	\$ 56,533	\$ -	\$ 20,967
12	Water Supply Facilities	\$ 1,204,240	\$ 336,235	\$ -	\$ 868,005
13	Water Distribution System	\$ 993,488	\$ 279,572	\$ -	\$ 713,916
14	WTP Distribution Pump Upgrade	\$ 84,480	\$ -	\$ -	\$ 84,480
15	Reservoir Emergency Standby Fire Pump & Diesel Engine Replacement/Upgrade	\$ 214,368	\$ -	\$ -	\$ 214,368
16	WTP Raw Water Pump Upgrade	\$ 61,776	\$ -	\$ -	\$ 61,776
17	Reservoir Pump Upgrade	\$ -	\$ -	\$ -	\$ -
18	WTP Clearwell Expansion	\$ 396,000	\$ -	\$ -	\$ 396,000
19	WTP Treatment Capacity Upgrade	\$ 580,800	\$ -	\$ -	\$ 580,800
20	WTP Travelling Water Screen Upgrade (15,000m3/d)	\$ -	\$ -	\$ -	\$ -
21	WTP Raw Water Intake Upgrade	\$ -	\$ -	\$ -	\$ -
22	South Water Trunk Twinning - Hwy 752 - 47 Ave to 50 Ave	\$ -	\$ -	\$ -	\$ -
23	South Water Trunk Twinning - Hwy 752 - 44 Ave to 50 Ave	\$ -	\$ -	\$ -	\$ -
24	Reservoir Storage Expansion	\$ -	\$ -	\$ -	\$ -
25	Reservoir Dedicated Fill Line from WTP	\$ -	\$ -	\$ -	\$ -
26	WTP Discharge Pipe Upgrade - From 400mm to 600mm	\$ -	\$ -	\$ -	\$ -
27	North IDP Area Trunk - 900mm (Reservoir to Hwy 598)	\$ -	\$ -	\$ -	\$ -
28	North IDP Area Trunk - 600mm (Hwy 598 to north side of McNutt)	\$ -	\$ -	\$ -	\$ -
		\$ 7,323,660	\$ 1,057,115	\$ -	\$ 6,266,545

C6. Summary of Water Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for water infrastructure that forms the basis of the rate is approximately \$6.27 million. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section C4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Water Offsite Levy Costs



C7. Water Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by Town engineering staff. The lands anticipated to develop over the 25-years in each offsite levy benefiting area are used to determine rates.

Benefiting Areas for Water Offsite Infrastructure

Item	Developer Cost	1.1	1.2	1.3	1.4	2.5	3.1	3.2	3.3	3.4	4.1	4.2	4.3	4.4	5.1	5.2	5.3	5.4	6.1	6.2	6.3	6.4	7.1	7.2	7.3	7.4	8.1	8.2	8.3	8.4	9.1	9.2	9.3	9.4	10.1	10.2	10.3	10.4	11.1	11.2	11.3	11.4	
1	\$ (3,416)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
2	\$ (9,379)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
3	\$ -	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
4	\$ (7,967)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	\$ (64,025)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
6	\$ (1,540)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
7	\$ 3,344,301	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
8	\$ 58,655	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
9	\$ 2,969							1	1	1																																	
10	\$ 6,626							1	1	1																																	
11	\$ 20,967																																										
12	\$ 868,005	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
13	\$ 713,916	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
14	\$ 84,480	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
15	\$ 214,368	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
16	\$ 61,776	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
17	\$ -																																										
18	\$ 396,000	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
19	\$ 580,800	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
20	\$ -																																										
21	\$ -																																										
22	\$ -	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
23	\$ -	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
24	\$ -																																										
25	\$ -																																										
26	\$ -	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
27	\$ -																																										
28	\$ -																																										
	\$ 6,266,545																																										

[illegible]

C8. Reserve Balance

The Town currently maintains a single reserve/account to manage both water and sanitary funds. In accordance with the MGA, 2 reserves/accounts need to be created (one each for water and sanitary). At December 31st, 2015, the balance of the Town's water/ sanitary reserve was \$594,337.85. 68% of these funds (\$404,149.74) have been allocated to the water reserve (68% represents the portion of the current rate comprised of water elements).

Accordingly, at December 31st, 2015 the new water reserve/account balance was – (\$4,502,225.01). The Town's ledgers should be amended to reflect this balance as it includes expenditures to date. This balance also assumes that the Town has withdrawn the remainder of unallocated receipts to repay front-ending parties. If the Town has not yet withdrawn funds to repay front-ending parties, it is strongly recommended that it do so immediately (charging interest rates are greater than earning interest rates therefore withdrawal of funds is to the benefit of the developer's reserve). It is also recommended that the Town develop a set of "sub-ledgers" to track the amounts due to front-ending parties, including interest owed in accordance with the rates in effect at that time.

Water Offsite Levy Reserve Balance

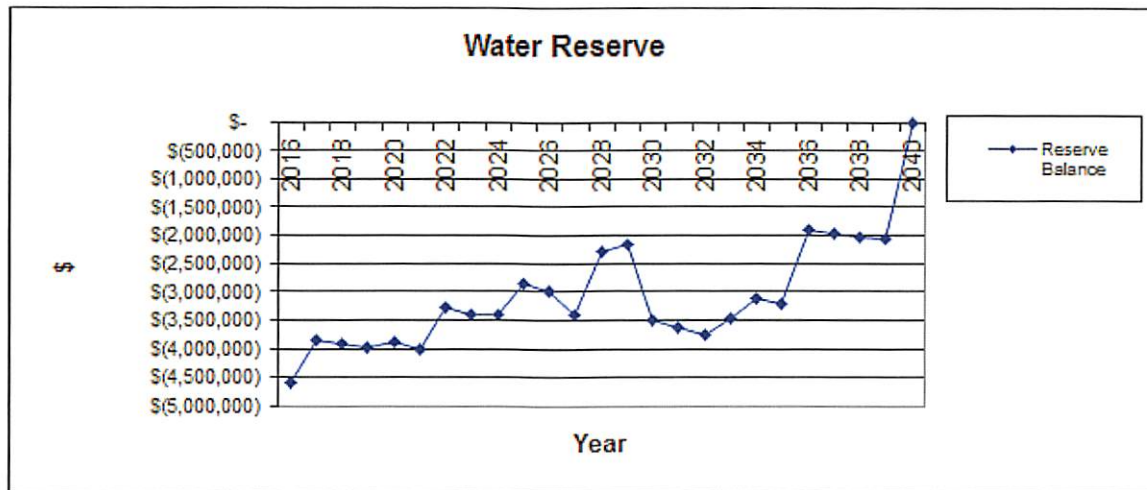
Description	Dr	Cr	Balance
Offsite Levy Expenditures to December 31, 2015		\$ 5,559,339.75	\$ (5,559,339.75)
Offsite Levy Receipt Allocations to December 31, 2015	\$ 306,608.01		\$ (5,252,731.74)
Unallocated Receipts to December 31, 2015	\$ 404,149.74		\$ (4,848,582.00)
Town "Repayment" of Uncollected Levies to December 31, 2015	\$ 346,356.99		\$ (4,502,225.01)
Opening Balance			\$ (4,502,225.01)

C9. Development and Water Infrastructure Staging Impacts

Water offsite infrastructure will be constructed in staged fashion over the 25-year development period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of water infrastructure from time to time—front ending of infrastructure will be required. A front-end is the party (to date the Town of Rocky Mountain House has been the sole front-end) that constructs and pays up front for infrastructure that benefits other parties.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.9% interest allowance has been charged to the reserve when in a negative balance. Further, a 1.0% interest credit has been provided to the reserve when it is in a positive balance. The graph and table below outline water levy reserve balances over the 25-year development period.

Anticipated Water Offsite Levy Reserve Balances



*The interest staging adjustment (either positive or negative) built into the rates ensures that the reserve always returns to breakeven.

Anticipated Water Offsite Levy Reserve Balances

			Opening Balance	\$ (4,502,225)
Year	Receipts	Expenditures	Interest	Balance
2016	\$ 86,158	\$ 33,941	\$ (129,050)	\$ (4,579,059)
2017	\$ 857,387	\$ 34,960	\$ (108,942)	\$ (3,865,575)
2018	\$ 77,872	\$ 36,009	\$ (110,888)	\$ (3,934,599)
2019	\$ 96,118	\$ 18,544	\$ (111,854)	\$ (3,968,880)
2020	\$ 204,753	\$ 19,101	\$ (109,714)	\$ (3,892,942)
2021	\$ -	\$ 19,674	\$ (113,466)	\$ (4,026,081)
2022	\$ 854,304	\$ 20,264	\$ (92,569)	\$ (3,284,610)
2023	\$ -	\$ 20,872	\$ (95,859)	\$ (3,401,341)
2024	\$ 101,297	\$ 21,498	\$ (96,325)	\$ (3,417,867)
2025	\$ 759,044	\$ 132,370	\$ (80,945)	\$ (2,872,137)
2026	\$ -	\$ 22,807	\$ (83,953)	\$ (2,978,898)
2027	\$ -	\$ 320,227	\$ (95,675)	\$ (3,394,800)
2028	\$ 1,273,211	\$ 112,274	\$ (64,782)	\$ (2,298,644)
2029	\$ 223,119	\$ 24,922	\$ (60,913)	\$ (2,161,361)
2030	\$ 266,099	\$ 1,503,167	\$ (98,554)	\$ (3,496,984)
2031	\$ -	\$ 26,440	\$ (102,179)	\$ (3,625,603)
2032	\$ -	\$ 27,233	\$ (105,932)	\$ (3,758,768)
2033	\$ 400,815	\$ 28,050	\$ (98,194)	\$ (3,484,197)
2034	\$ 484,933	\$ 28,892	\$ (87,817)	\$ (3,115,972)
2035	\$ -	\$ -	\$ (90,363)	\$ (3,206,335)
2036	\$ 1,357,744	\$ -	\$ (53,609)	\$ (1,902,201)
2037	\$ -	\$ -	\$ (55,164)	\$ (1,957,365)
2038	\$ -	\$ -	\$ (56,764)	\$ (2,014,128)
2039	\$ -	\$ -	\$ (58,410)	\$ (2,072,538)
2040	\$ 2,072,538	\$ -	\$ -	\$ (0)

APPENDIX D: SANITARY OFFSITE INFRASTRUCTURE

D1. Sanitary Offsite Infrastructure Costs

In order to support future growth, sanitary offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately \$25.49 million as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by Town staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support development during the 25-year review period. The remainder of this section outlines how the “net” costs for development are determined.

Summary of Sanitary Offsite Infrastructure

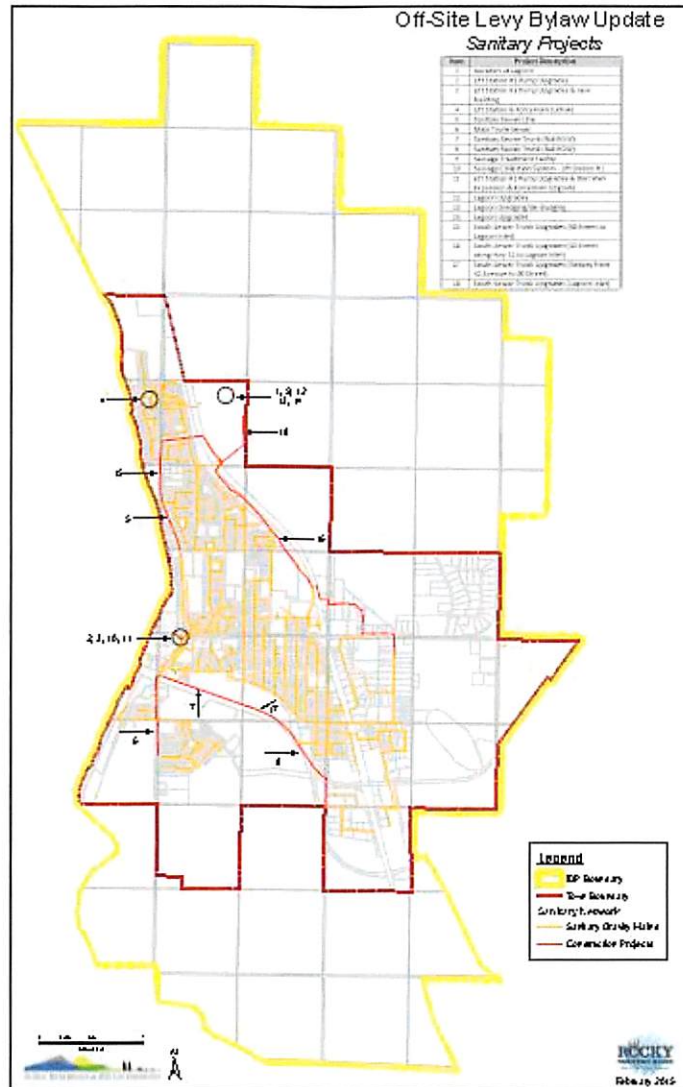
Item	Project Description	Cost of Completed Work	Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	Aerators at Lagoon	\$ 30,107	\$ -	\$ -	\$ 30,107
2	Lift Station #1 Pump Upgrades	\$ 26,557	\$ -	\$ -	\$ 26,557
3	Lift Station #1 Pump Upgrades & new building	\$ 858,416	\$ -	\$ -	\$ 858,416
4	Lift Station & Forcemain (Lichak)	\$ 160,922	\$ -	\$ -	\$ 160,922
5	Sanitary Sewer Line	\$ 261,963	\$ -	\$ -	\$ 261,963
6	Main Trunk Sewer	\$ 161,250	\$ -	\$ -	\$ 161,250
7	Sanitary Sewer Trunk (Rail ROW)	\$ 125,614	\$ -	\$ -	\$ 125,614
8	Sanitary Sewer Trunk (Rail ROW)	\$ 23,487	\$ -	\$ -	\$ 23,487
9	Sewage Treatment Facility	\$ 1,791,462	\$ -	\$ -	\$ 1,791,462
10	Sewage Collection System - Lift Station #1	\$ 363,311	\$ -	\$ -	\$ 363,311
11	Lift Station #1 Pump Upgrades & Wet Well Expansion & Forcemain Upgrade	\$ -	\$ -	\$ 4,738,000	\$ 4,738,000
12	Lagoon Upgrades	\$ -	\$ -	\$ 203,280	\$ 203,280
13	Lagoon Dredging/de-sludging	\$ -	\$ -	\$ 1,148,400	\$ 1,148,400
14	Lagoon Upgrades	\$ -	\$ -	\$ 245,520	\$ 245,520
15	South Sewer Trunk Upgrades - 60 Street	\$ -	\$ -	\$ 4,047,900	\$ 4,047,900
16	South Sewer Trunk Upgrades - 43 Street - Hwy 11	\$ -	\$ -	\$ 7,230,600	\$ 7,230,600
17	South Sewer Trunk Upgrades - Railway (46 St to 60 St)	\$ -	\$ -	\$ 2,884,000	\$ 2,884,000
18	South Sewer Trunk Upgrades - Lagoon Inlet	\$ -	\$ -	\$ 1,184,500	\$ 1,184,500
		\$ 3,803,089	\$ -	\$ 21,682,200	\$ 25,485,289

*Costs are based on 2015/16 estimates.

**Estimates include engineering (10%) and contingencies (20%).

A map showing the location of this infrastructure is shown below.

Location of Sanitary Offsite Infrastructure



D2. Sanitary Offsite Infrastructure Grants & Contributions to Date

The MGA enables the Town to allocate the costs of offsite infrastructure to development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). Town of Rocky Mountain House has received approximately \$0.36 million in special grants and contributions for sanitary offsite levy infrastructure as shown in the table below (note, if the Town receives additional grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is \$25.12 million.

Special Grants and Contributions for Sanitary Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Grants	Developer Agreement Contributions	Other Contributions	Reduced Project Estimated Cost
1	Aerators at Lagoon	\$ 30,107	\$ -	\$ -	\$ -	\$ 30,107
2	Lift Station #1 Pump Upgrades	\$ 26,557	\$ -	\$ -	\$ -	\$ 26,557
3	Lift Station #1 Pump Upgrades & new building	\$ 858,416	\$ -	\$ -	\$ -	\$ 858,416
4	Lift Station & Forcemain (Lichak)	\$ 160,922	\$ 80,461	\$ -	\$ -	\$ 80,461
5	Sanitary Sewer Line	\$ 261,963	\$ -	\$ 200,294	\$ -	\$ 61,669
6	Main Trunk Sewer	\$ 161,250	\$ 83,750	\$ -	\$ -	\$ 77,500
7	Sanitary Sewer Trunk (Rail ROW)	\$ 125,614	\$ -	\$ -	\$ -	\$ 125,614
8	Sanitary Sewer Trunk (Rail ROW)	\$ 23,487	\$ -	\$ -	\$ -	\$ 23,487
9	Sewage Treatment Facility	\$ 1,791,462	\$ -	\$ -	\$ -	\$ 1,791,462
10	Sewage Collection System - Lift Station #1	\$ 363,311	\$ -	\$ -	\$ -	\$ 363,311
11	Lift Station #1 Pump Upgrades & Wet Well Expansion & Forcemain Upgrade	\$ 4,738,000	\$ -	\$ -	\$ -	\$ 4,738,000
12	Lagoon Upgrades	\$ 203,280	\$ -	\$ -	\$ -	\$ 203,280
13	Lagoon Dredging/de-sludging	\$ 1,148,400	\$ -	\$ -	\$ -	\$ 1,148,400
14	Lagoon Upgrades	\$ 245,520	\$ -	\$ -	\$ -	\$ 245,520
15	South Sewer Trunk Upgrades - 60 Street	\$ 4,047,900	\$ -	\$ -	\$ -	\$ 4,047,900
16	South Sewer Trunk Upgrades - 43 Street - Hwy 11	\$ 7,230,600	\$ -	\$ -	\$ -	\$ 7,230,600
17	South Sewer Trunk Upgrades - Railway (46 St to 60 St)	\$ 2,884,000	\$ -	\$ -	\$ -	\$ 2,884,000
18	South Sewer Trunk Upgrades - Lagoon Inlet	\$ 1,184,500	\$ -	\$ -	\$ -	\$ 1,184,500
		\$ 25,485,289	\$ 164,211	\$ 200,294	\$ -	\$ 25,120,785

D3. Sanitary Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing (described in the Section that follows). The Town anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the Town's annual rate/bylaw updates.

Sanitary Infrastructure Staging

Item	Project Description	First Year of Construction
1	Aerators at Lagoon	
2	Lift Station #1 Pump Upgrades	
3	Lift Station #1 Pump Upgrades & new building	
4	Lift Station & Forcemain (Lichak)	
5	Sanitary Sewer Line	
6	Main Trunk Sewer	
7	Sanitary Sewer Trunk (Rail ROW)	
8	Sanitary Sewer Trunk (Rail ROW)	
9	Sewage Treatment Facility	
10	Sewage Collection System - Lift Station #1	
11	Lift Station #1 Pump Upgrades & Wet Well Expansion & Forcemain Upgrade	2028
12	Lagoon Upgrades	2023
13	Lagoon Dredging/de-sludging	2032
14	Lagoon Upgrades	2033
15	South Sewer Trunk Upgrades - 60 Street	2045
16	South Sewer Trunk Upgrades - 43 Street - Hwy 11	2040
17	South Sewer Trunk Upgrades - Railway (46 St to 60 St)	2025
18	South Sewer Trunk Upgrades - Lagoon Inlet	2040

*Years that are blank reflect projects that have commenced construction or are completed.

**Projects constructed beyond the 25-year review period (2040) will not be included in rates today (see financial

oversizing in next Section).

D4. Sanitary Offsite Infrastructure Benefiting Parties

The sanitary offsite infrastructure previously outlined will benefit various parties to varying degrees. During this review three potential benefiting parties were identified including:

- Town of Rocky Mountain House – a portion of the sanitary infrastructure which is required to service existing residents.
- Other Stakeholders (or oversizing) – other parties (such as neighboring municipalities) that benefit from the infrastructure, as well as that portion of cost which benefits new development beyond the 25-year review period (“financial oversizing”).
- Town of Rocky Mountain House Developers – all growth related infrastructure (i.e., levyable sanitary infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of sanitary offsite levy infrastructure costs to benefiting parties. Percentage allocations have been determined after reducing sanitary offsite levy infrastructure costs for grants described earlier.

Allocation of Sanitary Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share & Oversizing %	OSL / Developer Share %
1	Aerators at Lagoon	\$ 30,107			100.0%
2	Lift Station #1 Pump Upgrades	\$ 26,557			100.0%
3	Lift Station #1 Pump Upgrades & new building	\$ 858,416	50.0%		50.0%
4	Lift Station & Forcemain (Lichak)	\$ 80,461			100.0%
5	Sanitary Sewer Line	\$ 61,669			100.0%
6	Main Trunk Sewer	\$ 77,500			100.0%
7	Sanitary Sewer Trunk (Rail ROW)	\$ 125,614			100.0%
8	Sanitary Sewer Trunk (Rail ROW)	\$ 23,487			100.0%
9	Sewage Treatment Facility	\$ 1,791,462	50.4%		49.6%
10	Sewage Collection System - Lift Station #1	\$ 363,311	50.4%		49.6%
11	Lift Station #1 Pump Upgrades & Wet Well Expansion & Forcemain Upgrade	\$ 4,738,000		72.4%	27.6%
12	Lagoon Upgrades	\$ 203,280		41.0%	59.0%
13	Lagoon Dredging/de-sludging	\$ 1,148,400		80.6%	19.4%
14	Lagoon Upgrades	\$ 245,520		73.8%	26.2%
15	South Sewer Trunk Upgrades - 60 Street	\$ 4,047,900		100.0%	0.0%
16	South Sewer Trunk Upgrades - 43 Street - Hwy 11	\$ 7,230,600		99.0%	1.0%
17	South Sewer Trunk Upgrades - Railway (46 St to 60 St)	\$ 2,884,000		68.0%	32.0%
18	South Sewer Trunk Upgrades - Lagoon Inlet	\$ 1,184,500		98.0%	2.0%
		\$ 25,120,785			

*Cost allocations for completed projects (if any) reflect allocations in effect at the time of the original bylaw.

**In most cases, new project allocations were determined by Town staff using either a comparison of infrastructure capacity or a ratio of land developed to undeveloped.

*** Other stakeholder's share represents that portion of the project which benefits parties beyond boundary and are as follows: Project#11-47%, Project#12-18%, Project#13-46%, Project#14-18%, Project#15-75%, Project#16-75%, Project#17-50%, Project#18-50%.

****Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. Oversizing shown as 100% reflects projects constructed beyond the 25-year review period.

D5. Existing Receipts

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately \$4.66 million. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. In addition to the unallocated amounts currently in the offsite levy reserve (approximately \$0.19 million), Town staff have advised that approximately \$0.54 million in sanitary levies have been applied to various projects. Further, Town staff have advised that approximately \$0.31 million should have been collected in the past (See Appendix F). This results in an adjusted offsite levy cost of approximately \$3.61 million.

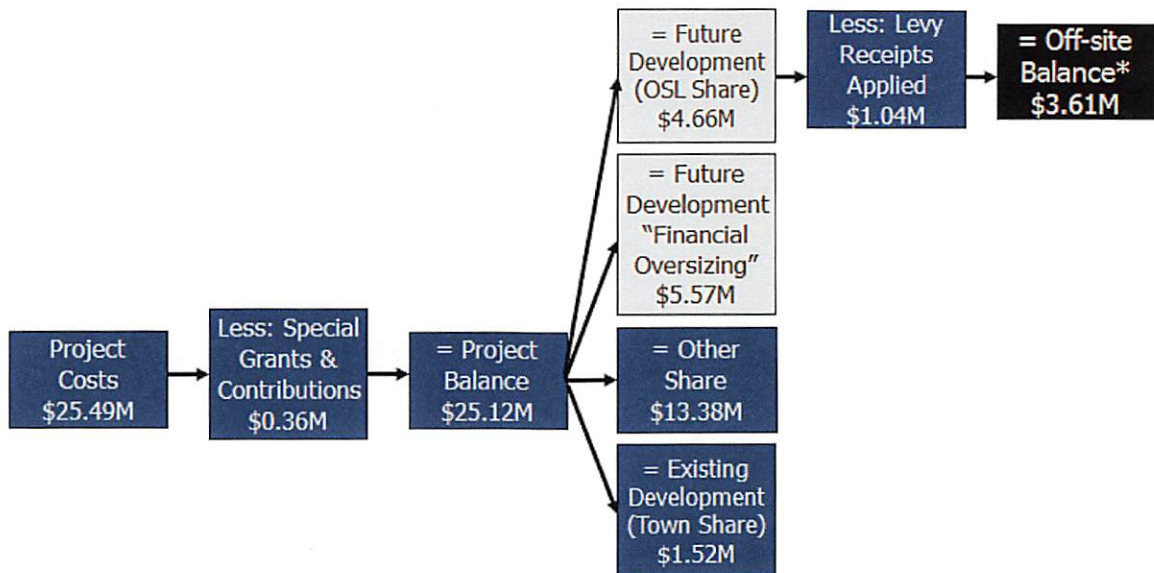
Offsite Levy Funds Applied to Date

Item	Project Description	Developer Cost (Leviable Costs)	Offsite Levy Funds Collected & Allocated to Dec 31, 2015	Offsite Levy Funds Collected Starting Jan 1, 2016	Adjusted Developer (Levy) Cost
1	Aerators at Lagoon	\$ 30,107	\$ 30,107	\$ -	\$ -
2	Lift Station #1 Pump Upgrades	\$ 26,557	\$ 26,557	\$ -	\$ -
3	Lift Station #1 Pump Upgrades & new building	\$ 429,208	\$ 483,955	\$ -	\$ (54,747)
4	Lift Station & Forcemain (Lichak)	\$ 80,461	\$ 57,590	\$ -	\$ 22,871
5	Sanitary Sewer Line	\$ 61,669	\$ 59,005	\$ -	\$ 2,665
6	Main Trunk Sewer	\$ 77,500	\$ 56,533	\$ -	\$ 20,967
7	Sanitary Sewer Trunk (Rail ROW)	\$ 125,614	\$ 45,000	\$ -	\$ 80,614
8	Sanitary Sewer Trunk (Rail ROW)	\$ 23,487	\$ -	\$ -	\$ 23,487
9	Sewage Treatment Facility	\$ 888,565	\$ 235,072	\$ -	\$ 653,493
10	Sewage Collection System - Lift Station #1	\$ 180,202	\$ 49,948	\$ -	\$ 130,254
11	Lift Station #1 Pump Upgrades & Wet Well Expansion & Forcemain Upgrade	\$ 1,305,793	\$ -	\$ -	\$ 1,305,793
12	Lagoon Upgrades	\$ 120,017	\$ -	\$ -	\$ 120,017
13	Lagoon Dredging/de-sludging	\$ 223,249	\$ -	\$ -	\$ 223,249
14	Lagoon Upgrades	\$ 64,424	\$ -	\$ -	\$ 64,424
15	South Sewer Trunk Upgrades - 60 Street	\$ -	\$ -	\$ -	\$ -
16	South Sewer Trunk Upgrades - 43 Street - Hwy 11	\$ 72,306	\$ -	\$ -	\$ 72,306
17	South Sewer Trunk Upgrades - Railway (46 St to 60 St)	\$ 922,880	\$ -	\$ -	\$ 922,880
18	South Sewer Trunk Upgrades - Lagoon Inlet	\$ 23,690	\$ -	\$ -	\$ 23,690
		\$ 4,655,730	\$ 1,043,768	\$ -	\$ 3,611,962

D6. Summary of Sanitary Offsite Levy Cost Flow-through

As shown in the figure below, the total costs for sanitary infrastructure that forms the basis of the rate is approximately \$3.61 million. The cost allocations to each benefiting party are based on the benefiting percentages shown in Section D4. The offsite levy balance (due from developers) is allocated to various benefiting areas (as described in the next section).

Total Sanitary Offsite Levy Costs



D7. Sanitary Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by Town engineering staff. The lands anticipated to develop over the 25-years in each offsite levy benefiting area are used to determine rates.

Benefiting Areas for Sanitary Offsite Infrastructure

[illegible]

D8. Reserve Balance

The Town currently maintains a single reserve/account to manage both water and sewer funds. In accordance with the MGA, 2 reserves/accounts need to be created (one each for water and sanitary). At December 31st, 2015, the balance of the Town's water/ sanitary reserve was \$594,337.85. 32% of these funds (\$190,188.11) have been allocated to the sanitary reserve (32% represents the portion of the current rate comprised of sanitary elements).

Accordingly, at December 31st, 2013 the sanitary reserve balance was –(\$879,603.41). The Town's ledgers should be amended to reflect this balance as it includes expenditures to date. This balance also assumes that the Town has withdrawn the remainder of unallocated receipts to repay front-ending parties. If the Town has not yet withdrawn funds to repay front-ending parties, it is strongly recommended that it do so immediately (charging interest rates are greater than earning interest rates therefore withdrawal of funds is to the benefit of the developer's reserve). It is also recommended that the Town develop a set of "sub-ledgers" to track the amounts due to front-ending parties, including interest owed in accordance with the rates in effect at that time.

Sanitary Offsite Levy Reserve Balance

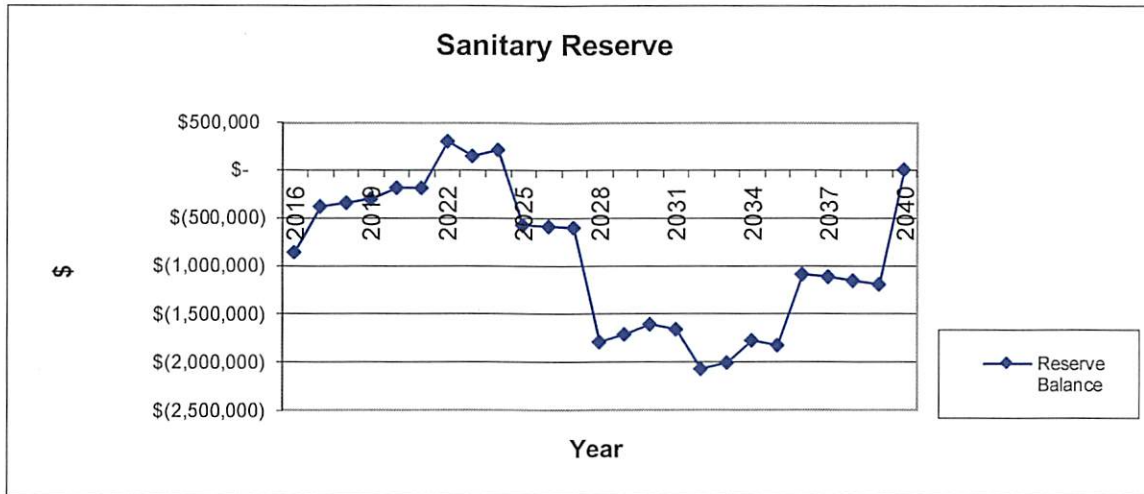
Description	Dr	Cr	Balance
Offsite Levy Expenditures to December 31, 2015		\$ 1,923,371.12	\$ (1,923,371.12)
Offsite Levy Receipt Allocations to December 31, 2015	\$ 540,619.43		\$ (1,382,751.69)
Unallocated Receipts to December 31, 2015	\$ 190,188.11		\$ (1,192,563.58)
Town "Repayment" of Uncollected Levies to December 31, 2015	\$ 312,960.17		\$ (879,603.41)
Opening Balance			\$ (879,603.41)

D9. Development and Sanitary Infrastructure Staging Impacts

Sanitary offsite infrastructure will be constructed in staged fashion over the 25-year development period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of sanitary infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party (to date the Town of Rocky Mountain House has been the sole front-ender) that constructs and pays up front for infrastructure that benefits other parties.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 3.0% interest allowance has been charged to the reserve when in a negative balance. Further, a 1.0% interest credit has been provided to the reserve when it is in a positive balance. The graph and table below outline sanitary levy reserve balances over the 25-year development period.

Anticipated Sanitary Offsite Levy Reserve Balances



*The interest staging adjustment (either positive or negative) built into the rates ensures that the reserve always returns to breakeven.

Anticipated Sanitary Offsite Levy Reserve Balances

Year	Opening Balance			\$ (879,603)	
	Receipts	Expenditures	Interest	Balance	
2016	\$ 27,422	\$ -	\$ (24,713)	\$ (876,894)	
2017	\$ 744,306	\$ -	\$ (3,845)	\$ (136,433)	
2018	\$ 21,246	\$ -	\$ (3,340)	\$ (118,527)	
2019	\$ 113,403	\$ -	\$ (149)	\$ (5,273)	
2020	\$ 159,862	\$ -	\$ 1,546	\$ 156,135	
2021	\$ -	\$ -	\$ 1,561	\$ 157,697	
2022	\$ 491,423	\$ -	\$ 6,491	\$ 655,611	
2023	\$ -	\$ 147,605	\$ 5,080	\$ 513,086	
2024	\$ 133,906	\$ -	\$ 6,470	\$ 653,462	
2025	\$ 158,294	\$ 1,204,149	\$ (11,379)	\$ (403,772)	
2026	\$ -	\$ -	\$ (11,709)	\$ (415,482)	
2027	\$ -	\$ -	\$ (12,049)	\$ (427,531)	
2028	\$ 611,211	\$ 1,861,748	\$ (48,664)	\$ (1,726,732)	
2029	\$ 50,775	\$ -	\$ (48,603)	\$ (1,724,559)	
2030	\$ 351,761	\$ -	\$ (39,811)	\$ (1,412,610)	
2031	\$ -	\$ -	\$ (40,966)	\$ (1,453,575)	
2032	\$ -	\$ 358,249	\$ (52,543)	\$ (1,864,367)	
2033	\$ 196,516	\$ 106,484	\$ (51,456)	\$ (1,825,791)	
2034	\$ 350,718	\$ -	\$ (42,777)	\$ (1,517,850)	
2035	\$ -	\$ -	\$ (44,018)	\$ (1,561,867)	
2036	\$ 665,689	\$ -	\$ (25,989)	\$ (922,168)	
2037	\$ -	\$ -	\$ (26,743)	\$ (948,911)	
2038	\$ -	\$ -	\$ (27,518)	\$ (976,429)	
2039	\$ -	\$ -	\$ (28,316)	\$ (1,004,746)	
2040	\$ 1,004,746	\$ -	\$ 0	\$ 0	

APPENDIX E: BENCHMARK COMPARISONS

The table below compares the weighted average offsite levy rate in the Town to rates in other municipalities.

Municipality / Area	Average Per Ha.
Town of Sylvan Lake*	\$65,477
Town of Edson*	\$77,434
Town of Rocky Mountain House*	\$79,680
Town of Peace River*	\$83,355
Town of Strathmore (incl Area Charge)	~\$93,300
Red Deer County (Gasoline Alley)	~\$96,458
Leduc County*	\$106,255
City of Leduc*	~\$117,509
Town of Devon	\$116,178
City of Fort Sask LMIA (in process)*	~\$125,000
Town of High River	~\$130,000
Town of Beaumont*	\$160,900
Strathcona County (N of YH)	~\$181,022
City of Red Deer	\$203,301
City of Lloydminster*	\$237,008
City of St. Albert*	+\$250,000
City of Edmonton	+\$300,000

*CORVUS Clients

**Rates shown are estimates only based on available information as at 2015.

APPENDIX F: HISTORICAL COLLECTIONS & RECONCILIATION

The Town estimates that it should have collected \$750,506.73 of offsite levies for certain historical water projects. The Town calculated this by comparing the historical offsite levy charge in the previous bylaw, with the amount of land that was developed. However, at end 2015, the reserve balance was just \$404,149.74. The difference stems from levies the Town should have charged itself when it developed various lands in the past. To rectify this difference, the Town has "repaid" the offsite levy reserve by reducing the front-ending debt by \$346,356.99.

Historical Water Collections Reconciliation

Project #	Project Name	Town Estimate of OSL's That Should Have been Collected to Dec 31, 2015
9	Ten Inch Waterline (60 Street)	\$ 39,115.80
10	Water Line	\$ 39,049.63
11	Main Water	\$ 56,533.49
12	Water Supply Facilities	\$ 336,235.38
13	Water Distribution System	\$ 279,572.43
		\$ 750,506.73
	Unallocated Collections to Dec 31, 2015	\$ 404,149.74
	Undocumented Historical Collections	\$ 346,356.99

The Town estimates that it should have collected \$503,148.28 of offsite levies for certain historical sanitary projects. The Town calculated this by comparing the historical offsite levy charge in the previous bylaw, with the amount of land that was developed. However, at end 2015, the reserve balance was just \$190,188.11. The difference stems from levies the Town should have charged itself when it developed various lands in the past. To rectify this difference, the Town has "repaid" the offsite levy reserve by reducing the front-ending debt by \$312,960.17.

Historical Sanitary Collections Reconciliation

Project #	Project Name	Town Estimate of OSL's That Should Have been Collected to Dec 31, 2015
4	Lift Station & Forcemain (Lichak)	\$ 57,590.00
5	Sanitary Sewer Line	\$ 59,004.63
6	Main Trunk Sewer	\$ 56,533.49
7	Sanitary Sewer Trunk (Rail ROW)	\$ 45,000.24
9	Sewage Treatment Facility	\$ 235,072.02
10	Sewage Collection System - Lift Station #1	\$ 49,947.90
		\$ 503,148.28
	Unallocated Collections to Dec 31, 2015	\$ 190,188.11
	Undocumented Historical Collections	\$ 312,960.17

MEMORANDUM



Date: March 19, 2018
To: Dean Krause, Chief Administrative Office
cc: Dean Schweder, Director of Planning and Community Development
Charlene Johnson, Development Officer, Planning & Infrastructure
From: Kris Nelson, Community Planner, Urban Systems Ltd.
File: 3256.0005.01
Subject: Offsite Levy Update – Appendix G

Urban Systems Ltd. has been retained by the Town of Rocky Mountain House (Town) to support the Town in finalizing their Offsite Levy Bylaw update which commenced in 2015. Urban Systems Ltd. scope involved recalculation of the levy based on growth and project work conducted in 2016 and 2017 and is based on work completed to-date and presented through the Offsite Levy Review Report (May 4, 2017). The Offsite Levy Review Report (May 4, 2017) received first reading from Council on July 17, 2017. Growth and project work conducted in 2016 and 2017 along with other information required to finalize the levy is based on information provided by the Town in March 2018. These changes are captured below:

GROWTH & OFFSITE LEVY COLLECTION

Growth as it relates to the offsite levy calculation is defined by new growth areas that are required to pay offsite levies. Although some development of multifamily and detached dwelling units occurred in the Town in 2016 and 2017, no new growth paid levies over this time period. Since no new growth was recognized between 2016-2040 (levy horizon period utilized in the Offsite Levy Review Report - May 4, 2017), growth assumptions (anticipated amount of growth (ha) over the 25yr time period) have been shifted to the new levy horizon period 2018-2042 to establish a current baseline.

PROJECT TIMING AND EXPENDITURES

An Offsite Levy calculation requires confirmation of Offsite Levy project timing and expenditures (past and current). It was noted by the Town that no actual Offsite Levy project expenditures were incurred through 2016-2017. As the need for Offsite Levy projects is driven by growth, and no new growth occurred between 2016 – 2017 (as stated above), project timing and associated expenditures have also been shifted two years. As such, all project expenditures maintain their relative position from the previous levy horizon period utilized in the Offsite Levy Review Report – May 4, 2017 (2016-2040) to the current levy horizon period (2018-2042).

PROJECT COSTS & CONTRIBUTIONS

No new projects and/or changes to projects identified have been identified. However, as projects shift into the future, costs must account for inflation and adjust incrementally each year. Project costs have been inflated 3% each for 2016 and 2017. Previously completed project costs are unchanged.

Date: March 19, 2018
 File: 3256.0005.01
 Subject: Offsite Levy Update – Appendix G
 Page: 2 of 6

Since provincial grants are a percentage of construction costs, future grants also include this inflation. Many grants (for example, the Alberta Municipal Water/Wastewater Partnership) are tied to population. Since growth assumptions remain unchanged, and project timing is amended to match growth timing, grant costs were assumed to remain unchanged.

Developer Agreement Contributions/Other Contributions were assumed to remain unchanged. For past projects, these contributions are generally reflected in the infrastructure fund balance. For future projects, these contributions are often based on conditions not tied to inflation or growth.

Offsite Levy/Municipal Share/Oversizing percentages were not unchanged and remain consistent with as presented in the Offsite Levy Review Report (May 4, 2017).

FUND BALANCES

Fund balances as presented in the Offsite Levy Review Report (May 4, 2017) have been utilized. Since no Offsite Levy receipts were collected and no project expenditures were spent, fund balances have been assumed to remain the same. Based on direction from the Town, no interest has been included.

UPDATED OFFSITE LEVIES

The updated offsite levies are presented in the below table. These levies are consistent with those presented in Offsite Levy Review Report (May 4, 2017) when taking into consideration inflation on future project costs.

Area Ref. #	Transportation Charges	Water Charges	Sanitary Charges	Total
1.1	\$ 17,443.15	\$40,514.11	\$ 9,275.94	\$ 67,233.20
1.2	\$ 17,443.15	\$40,514.11	\$ 9,275.94	\$ 67,233.20
1.3	\$ 17,443.15	\$40,514.11	\$ 9,275.94	\$ 67,233.20
1.4	\$ 17,443.15	\$40,514.11	\$ 9,275.94	\$ 67,233.20
2.5	\$ 17,443.15	\$40,514.11	\$ 7,941.09	\$ 65,898.36
3.1	\$ 17,443.15	\$46,409.02	\$12,887.54	\$ 76,739.71
3.2	\$ 17,443.15	\$46,409.02	\$12,887.54	\$ 76,739.71
3.3	\$ 17,443.15	\$46,409.02	\$12,887.54	\$ 76,739.71
3.4	\$ 17,443.15	\$46,409.02	\$12,887.54	\$ 76,739.71

MEMORANDUM – APPENDIX G

Date: March 19, 2018
 File: 3256.0005.01
 Subject: Offsite Levy Update – Appendix G
 Page: 3 of 6



4.1	\$	17,443.15	\$40,514.11	\$ 7,941.09	\$ 65,898.36
4.2	\$	17,443.15	\$40,514.11	\$ 7,941.09	\$ 65,898.36
4.3	\$	17,443.15	\$40,514.11	\$ 7,941.09	\$ 65,898.36
4.4	\$	17,443.15	\$40,514.11	\$ 7,941.09	\$ 65,898.36
5.1	\$	17,443.15	\$40,514.11	\$49,821.16	\$107,778.42
5.2	\$	17,443.15	\$40,514.11	\$49,821.16	\$107,778.42
5.3	\$	17,443.15	\$40,514.11	\$49,821.16	\$107,778.42
5.4	\$	17,443.15	\$40,514.11	\$49,821.16	\$107,778.42
6.1	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
6.2	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
6.3	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
6.4	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
7.1	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99
7.2	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99
7.3	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99
7.4	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99
8.1	\$	17,443.15	\$40,514.11	\$55,507.71	\$113,464.98
8.2	\$	17,443.15	\$40,514.11	\$55,507.71	\$113,464.98
8.3	\$	17,443.15	\$40,514.11	\$55,507.71	\$113,464.98
8.4	\$	17,443.15	\$40,514.11	\$55,507.71	\$113,464.98
9.1	\$	17,443.15	\$40,514.11	\$54,310.32	\$112,267.58
9.2	\$	17,443.15	\$40,514.11	\$54,310.32	\$112,267.58
9.3	\$	17,443.15	\$40,514.11	\$54,310.32	\$112,267.58
9.4	\$	17,443.15	\$40,514.11	\$54,310.32	\$112,267.58
10.1	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99

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10.2	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99
10.3	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99
10.4	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99
11.1	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
11.2	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
11.3	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
11.4	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
12.1	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
12.2	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
12.3	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
12.4	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
13.1	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
13.2	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
13.3	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
13.4	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
14.1	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
14.2	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
14.3	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
14.4	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
14.5	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
15.1	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
15.2	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
15.3	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
15.4	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
16.1	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60

MEMORANDUM – APPENDIX G

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16.2	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
16.3	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
16.4	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
17.1	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
17.2	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
17.3	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
17.4	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
18.1	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
18.2	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
18.3	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
18.4	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
18.5	\$	17,443.15	\$40,948.46	\$20,742.99	\$ 79,134.60
19.1	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99
19.2	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99
19.3	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99
19.4	\$	17,443.15	\$40,514.11	\$20,309.73	\$ 78,266.99
20.1	\$	17,443.15	\$40,514.11	\$49,821.16	\$107,778.42
20.2	\$	17,443.15	\$40,514.11	\$49,821.16	\$107,778.42
20.3	\$	17,443.15	\$40,514.11	\$49,821.16	\$107,778.42
20.4	\$	17,443.15	\$40,514.11	\$49,821.16	\$107,778.42
21.1	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
21.2	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
21.3	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
21.4	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
22.1	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79

MEMORANDUM – APPENDIX G

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22.2	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
22.3	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
22.4	\$	17,443.15	\$40,514.11	\$11,254.52	\$ 69,211.79
23.1	\$	17,443.15	\$40,514.11	\$ 7,941.09	\$ 65,898.36
23.2	\$	17,443.15	\$40,514.11	\$ 7,941.09	\$ 65,898.36
23.3	\$	17,443.15	\$40,514.11	\$ 7,941.09	\$ 65,898.36
23.4	\$	17,443.15	\$40,514.11	\$ 7,941.09	\$ 65,898.36

Please don't hesitate to contact the undersigned should you have any questions or require additional information.

Sincerely,

URBAN SYSTEMS LTD.

A handwritten signature in black ink, appearing to read "Kris Nelson".

Kris Nelson, M.PL.
Community Planner

KN/tg

Off-Site Levy Bylaw 17 04 OS Schedule "B"

Area Ref. #	Transportation Charges	Water Charges	Sanitary Charges	Total
1.1	\$ 17,443.15	\$ 40,514.11	\$ 9,275.94	\$ 67,233.20
1.2	\$ 17,443.15	\$ 40,514.11	\$ 9,275.94	\$ 67,233.20
1.3	\$ 17,443.15	\$ 40,514.11	\$ 9,275.94	\$ 67,233.20
1.4	\$ 17,443.15	\$ 40,514.11	\$ 9,275.94	\$ 67,233.20
2.5	\$ 17,443.15	\$ 40,514.11	\$ 7,941.09	\$ 65,898.36
3.1	\$ 17,443.15	\$ 46,409.02	\$ 12,887.54	\$ 76,739.71
3.2	\$ 17,443.15	\$ 46,409.02	\$ 12,887.54	\$ 76,739.71
3.3	\$ 17,443.15	\$ 46,409.02	\$ 12,887.54	\$ 76,739.71
3.4	\$ 17,443.15	\$ 46,409.02	\$ 12,887.54	\$ 76,739.71
4.1	\$ 17,443.15	\$ 40,514.11	\$ 7,941.09	\$ 65,898.36
4.2	\$ 17,443.15	\$ 40,514.11	\$ 7,941.09	\$ 65,898.36
4.3	\$ 17,443.15	\$ 40,514.11	\$ 7,941.09	\$ 65,898.36
4.4	\$ 17,443.15	\$ 40,514.11	\$ 7,941.09	\$ 65,898.36
5.1	\$ 17,443.15	\$ 40,514.11	\$ 49,821.16	\$107,778.42
5.2	\$ 17,443.15	\$ 40,514.11	\$ 49,821.16	\$107,778.42
5.3	\$ 17,443.15	\$ 40,514.11	\$ 49,821.16	\$107,778.42
5.4	\$ 17,443.15	\$ 40,514.11	\$ 49,821.16	\$107,778.42
6.1	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
6.2	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
6.3	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
6.4	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
7.1	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99
7.2	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99
7.3	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99

Area Ref. #	Transportation Charges	Water Charges	Sanitary Charges	Total
7.4	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99
8.1	\$ 17,443.15	\$ 40,514.11	\$ 55,507.71	\$ 113,464.98
8.2	\$ 17,443.15	\$ 40,514.11	\$ 55,507.71	\$ 113,464.98
8.3	\$ 17,443.15	\$ 40,514.11	\$ 55,507.71	\$ 113,464.98
8.4	\$ 17,443.15	\$ 40,514.11	\$ 55,507.71	\$ 113,464.98
9.1	\$ 17,443.15	\$ 40,514.11	\$ 54,310.32	\$ 112,267.58
9.2	\$ 17,443.15	\$ 40,514.11	\$ 54,310.32	\$ 112,267.58
9.3	\$ 17,443.15	\$ 40,514.11	\$ 54,310.32	\$ 112,267.58
9.4	\$ 17,443.15	\$ 40,514.11	\$ 54,310.32	\$ 112,267.58
10.1	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99
10.2	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99
10.3	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99
10.4	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99
11.1	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
11.2	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
11.3	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
11.4	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
12.1	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
12.2	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
12.3	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
12.4	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
13.1	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
13.2	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
13.3	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
13.4	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
14.1	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79

Area Ref. #	Transportation Charges	Water Charges	Sanitary Charges	Total
14.2	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
14.3	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
14.4	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
14.5	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
15.1	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
15.2	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
15.3	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
15.4	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
16.1	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
16.2	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
16.3	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
16.4	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
17.1	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
17.2	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
17.3	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
17.4	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
18.1	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
18.2	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
18.3	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
18.4	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
18.5	\$ 17,443.15	\$ 40,948.46	\$ 20,742.99	\$ 79,134.60
19.1	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99
19.2	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99
19.3	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99
19.4	\$ 17,443.15	\$ 40,514.11	\$ 20,309.73	\$ 78,266.99
20.1	\$ 17,443.15	\$ 40,514.11	\$ 49,821.16	\$107,778.42

Area Ref. #	Transportation Charges	Water Charges	Sanitary Charges	Total
20.2	\$ 17,443.15	\$ 40,514.11	\$ 49,821.16	\$107,778.42
20.3	\$ 17,443.15	\$ 40,514.11	\$ 49,821.16	\$107,778.42
21.1	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
21.2	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
21.3	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
21.4	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
22.1	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
22.2	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
22.3	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
22.4	\$ 17,443.15	\$ 40,514.11	\$ 11,254.52	\$ 69,211.79
23.1	\$ 17,443.15	\$ 40,514.11	\$ 7,941.09	\$ 65,898.36
23.2	\$ 17,443.15	\$ 40,514.11	\$ 7,941.09	\$ 65,898.36
23.3	\$ 17,443.15	\$ 40,514.11	\$ 7,941.09	\$ 65,898.36
23.4	\$ 17,443.15	\$ 40,514.11	\$ 7,941.09	\$ 65,898.36

Off-Site Levy Map

