

# Drainage Transition to EPCOR Update

August 10, 2017



*This newsletter is the primary source for updates on the transition. Look for it every Thursday.*

## Key Messages in this Edition

- Please sign your EPCOR employee policies before your scheduled Town Hall. If you have a print copy, you must bring the signed copy with you to the Town Hall.
- Several existing payroll deductions with the City will not continue after the transfer to EPCOR. Find out the actions you may have to take.
- Benefits Information Sessions are scheduled and you can sign up today. Spouses are welcome.
- 150 employees will be moving in August as part of the transition. Direct communication and support tools will be shared with affected employees as each part of the move plan is finalized.
- Initial online Microsoft Office training tools are available now.

## Sign EPCOR Policies Before Town Hall Session

By now, most employees have received their initial Welcome Package from EPCOR. This package contained a welcome message from Amanda Rosychuk, Senior Vice President of Drainage Services, and a letter confirming your pay and benefits at EPCOR.

The package also contained instructions for signing several EPCOR employee policies, including the EPCOR Ethics Policy and the Acceptable Use Agreement. If you received a paper copy of all the policies in your package, then you must sign the paper versions and **bring them with you to your Town Hall session.**

If you did not get a paper copy of the policies, please check your email for a link to provide an electronic signature on the policies. This online signature can be done from any computer; it is not limited to a City of Edmonton or EPCOR machine.

**All policies must be signed before you can receive your Employee Readiness Package at the Town Hall. Take a moment to do it today or you will be required to do it at the Town Hall.**

## Changes in Existing Payroll Deductions

**Fitness & Golf:** Employees need to contact their places of membership [Fitness: Kristin Lacoursiere (780) 496-4918; Golf: Hasan Razak (780) 944-7446] to have all payments changed to a personal payment plan rather than via payroll deduction after August 31. Employees are able to purchase fitness passes to the end of the year if they do so before Sept 1.

**ETS@Work:** Transit passes will expire September 1. Employees who are currently a member of the internal ETS@Work program must complete the online exit form: ([https://onecity.edmonton.ca/working\\_for\\_the\\_city/savings\\_discounts/ets-work-program-request-to-exit.aspx](https://onecity.edmonton.ca/working_for_the_city/savings_discounts/ets-work-program-request-to-exit.aspx)) and turn in their pass on or before August 31 to 2<sup>nd</sup> Floor Edmonton Tower - Edmonton Service Centre. The last payroll deduction for ETS@work will appear on the pay period 18 pay cheque (September 12, 2017). Employees can call [780-423-5037](tel:780-423-5037) or email [etsatwork@edmonton.ca](mailto:etsatwork@edmonton.ca) with any questions.

**River City Credit Union:** River City Credit Union deductions will cease with the City of Edmonton's final pay. If you wish to continue to have a portion of your net pay be deposited to a River City Credit Union chequing or savings account, please contact the EPCOR Payroll Department by phone at 780-412-3838 or toll free at 1-877-412-3838, by fax to 780-412-3282, by email to [payrolldept@epcor.com](mailto:payrolldept@epcor.com) to request the appropriate forms. If you have funds going into other River City Credit Union products (RRSP, Mortgage) you will need to contact them to make alternate arrangements.

**United Way:** EPCOR will continue to deduct United Way contributions unless you contact EPCOR to stop them. If you wish to stop this deduction, please contact the EPCOR Payroll Department by phone at 780-412-3838 or toll free at 1-877-412-3838, by fax to 780-412-3282, by email to [payrolldept@epcor.com](mailto:payrolldept@epcor.com).

**TD or Great West Life:** Employees who used payroll deductions to contribute to an account through TD or Great West Life will need to contact those institutions to make alternate arrangements, as these contributions can no longer be provided through payroll after Sept 1.

**City of Edmonton Management Association (CEMA):** EPCOR will continue to deduct CEMA dues unless you contact EPCOR to stop them. Please contact CEMA directly at <https://cemaedmonton.com/contact-us/> to discuss the benefits or membership or if you need any assistance making your decision to continue or stop these dues. If you wish to stop this deduction, please contact the EPCOR Payroll Department by phone at 780-412-3838 or toll free at 1-877-412-3838, by fax to 780-412-3282, by email to [payrolldept@epcor.com](mailto:payrolldept@epcor.com).

**Edmonton Civic Employees Charitable Assistance Fund (ECECAF):** These deductions will continue for all Employees who signed up and committed to contribute upon commencement with the City of Edmonton. Please contact ECECAF directly at <http://ececfa.ca/> if you have any questions related to what happens with your donations or continued participation.

**Cemetery Plot:** Employees currently paying for a cemetery plot through payroll deductions can contact Teena Changarathill (780) 944-7446 to make alternate arrangements, as deductions will cease for Sept 1.

## Pension Buyback

If you have not yet purchased your first year waiting/probationary period of service AND are still within six years of your City hire date, then you will be receiving a costing notice soon from Alberta Pension Services (APS).

This purchase is voluntary, but you must make a decision within the noted 90 day timeframe (specific deadline date will be provided on the costing) to ensure that your purchase is made using the contributory costs. If you choose to purchase this service after your sixth year, you will incur the higher Actuarial Reserve costing. So watch your mail for this important information from APS.

## Benefits Information Sessions

Do you want to learn more about EPCOR's Advantage Benefits? EPCOR will be providing Benefits Information Sessions for you to come out and learn more about your new benefit plan. These 1.5 hour sessions will walk you through the details of the choices available to you in the program, and give you the opportunity to ask questions. Spouses/partners are also welcome to attend.

Sessions are scheduled for the following dates and times:

- Saturday, August 19: 10:00 am
- Saturday, August 19: 1:00 pm

- Monday, August 21: 6:30 pm
- Wednesday, August 23: 6:30 pm
- Tuesday, August 29: 6:30 pm
- Thursday, August 31: 6:30 pm
- Wednesday, Sept 6: 6:30 pm

All sessions will be held at:

EPCOR Transportation and Meter Services (TAMS)  
 Atrium/Cafeteria Area  
 13410 St. Albert Trail  
 Edmonton

As seating is limited, employees must sign up to attend a session. You have two options to sign up. You can visit [epcorbenefits.eventbrite.ca](http://epcorbenefits.eventbrite.ca). Select the desired date, then click "Register." Fill in your name and email address. Remember to get two tickets if you are bringing a spouse or partner. Alternatively, there will be a Benefits Information Session enrollment table at the Town Halls next week, and someone will be there to help you select your desired session. If you have any questions about the sessions, the people at the enrollment table at the Town Hall will be able to assist you.

## Moves

As part of the Drainage transfer activities, approximately 150 employees will physically relocate to other work locations in order to bring together groups that will be working together under EPCOR. The moves will consist of moving non-Drainage city employees off of the 5<sup>th</sup> floor at Century Place, moving transferring employees from non-Drainage sites to EPCOR locations and moving some EPCOR employees to existing Drainage locations.

Moves will begin on August 16 and will continue throughout the month of August. Employees affected by the moves will be contacted directly by email advising them of their move details and providing checklists to prepare for the move. Move champions have also been assigned to the affected locations to help employees prepare, ensure that packing is completed and answer any questions.

While move preparations are underway, it is important that all employees stay safe. Even if you are not moving, be aware of your surroundings, looking out for tripping hazards and packing materials that will be located in work areas.

In September, we will share a list of which groups are in what locations to make it easier to locate people once the moves have been completed.

## Getting to Know EPCOR: EPCOR as a Business

Last week's newsletter discussed EPCOR's ownership structure and the business services it provides across North America. This week's newsletter will discuss how EPCOR makes money.

Most of EPCOR's business is regulated. Regulators generally establish mandatory requirements and standards of practice, along with setting rates that balance the best interests of the customer with ensuring EPCOR is financially strong. The City of Edmonton is the regulator for Water Services in Edmonton, and will continue to be the regulator for Drainage Services after the transfer to EPCOR. The Alberta Utilities Commission regulates EPCOR's electricity operations in Alberta. There are many other provincial, state and municipal regulators for other parts of the business.

Most of EPCOR's regulated businesses apply for rates that will cover operating costs, interest costs, depreciation (return of capital) and a fair rate of return (return on capital). Operating costs include the cost of running the utility business, including people, materials, vehicles, buildings and so on.

Operating costs include a portion of Corporate support costs, such as Human Resources and Information Systems. It includes taxes, depreciation on assets and interest costs on debt. Finally, it includes a return on the portion of capital assets (often referred to as Rate Base) that are funded by EPCOR and not funded through debt.

An example:

- Costs
  - Business Unit Operating Cost \$100 million
  - Corporate Cost (Share) \$ 10 million
  - Taxes \$ 10 million
  - Depreciation \$ 50 million
  - Interest on Debt \$ 15 million
  - Total Costs **\$185 million**
  
- Return
  - Assets Funded by Debt (60%) \$300 million
  - Assets Funded by EPCOR Equity (40%) \$200 million
  - Total Assets (Rate Base) \$500 million
  
  - Return (10% Rate of Return) **\$ 20 million**

Of the total assets of \$500 million, only \$200 million were funded by EPCOR's own money; the rest was funded by debt. So, the regulator will allow EPCOR a return of 10% or \$20 million per year on this operation. In this example, EPCOR would apply for rates to cover costs of \$185 million per year (total of Business Unit Operating Costs, Corporate Costs, Taxes, Depreciation, Interest on Debt), plus the Return of \$20 million, for a total of \$205 million.

Each regulator sets different rules for what costs are or are not allowed to be recovered, the interest rate (being the cost of debt) and the Rate of Return (being the costs of equity). The total dollar amount is referred to as the revenue requirement. This is then turned into a rate to charge customers, which is approved by the regulator.

Many regulators, including the City of Edmonton, use a Performance Based Rate (PBR) approach. Under a PBR, companies are encouraged to find ways to become more efficient while maintaining approved service standards. During a PBR period, the company can keep any cost reductions until their next rate application. Conversely, the company is on the hook for any costs overruns.

EPCOR Energy Services provides Regulated Rate Option (RRO) electricity service to residential, farm and small commercial consumers within the City of Edmonton, several Rural Electrification Association service territories, and the Fortis Alberta Inc. service territory (central and southern Alberta). In the deregulated Alberta energy industry, the provider of a customer's electricity is separate from the company that owns the electrical wires, and customers have a choice in the electricity service provider.

The Alberta Utilities Commission regulates rates charged for energy consumption and the monthly fee charged for billing services. These rates cover operating costs and a fair return for EPCOR.

EPCOR also has non-regulated parts of the business, including EPCOR Technologies, that make competitive bids for construction and/or operating and maintenance services related to electricity assets such as traffic signals, street lights, and LRT service.

## Leadership Profile: Byron Nicholson

Since 1988, Byron Nicholson has worked full-time for the City of Edmonton in transportation-related areas, but his career with the City began earlier than that. In 1982, he was inspecting storm sewer construction on Yellowhead Trail — a job he held while finishing his engineering degree. It seems

he has come full circle as he prepares to join EPCOR Drainage Services as the Director of Construction Project Management.

Byron is currently the Director of Utility Infrastructure Delivery with Integrated Infrastructure Services. During his career with the City, he has held leadership positions for several construction and infrastructure projects. His education is in civil engineering, with a Bachelor of Science degree and a Masters of Engineering degree.

### **Communication is Key**

There are great opportunities to coordinate water and drainage operations to reduce the impact on customers, and Byron stated that ongoing communication will make this transition successful. There are avenues for asking questions and getting answers from the leadership team.

“It’s a big change and people may be a little anxious about getting settled,” said Byron. “So far, the communication has been great, and employees seem to know what’s happening with the transition.”

As Byron moves on to new opportunities at EPCOR, he won’t forget the great experiences he had at the City, including the chance to work on the new Walterdale Bridge.

“There was never a time where I was wishing I didn’t have to go to work,” said Byron. “I had great colleagues, and I could always count on my team and our leaders to work through any complications that popped up on major projects. Since my move to Drainage in January, I have been happy to be working with a dedicated, knowledgeable team, and I look forward to working with new colleagues at EPCOR.”

### **All in the Family**

It seems things are coming full circle in another way as Byron follows in his father’s footsteps.

“My dad worked with Edmonton Power, which became part of EPCOR, for many years,” said Byron. “It’s cool that I’ll be part of the same company.”

Byron is the proud father of three daughters and he enjoys spending time with his family at the lake. He joked he has become a “roadie,” as he spends a lot of time carting around equipment for his youngest daughter, who is pursuing a music career.

## **More information and responses to your questions**

You can find all information related to the EPCOR transfer at [onecity.edmonton.ca/EPCOR](https://onecity.edmonton.ca/EPCOR). If you have more questions about the project, review these [frequently asked questions](#). If you can't find the answer to your question, email [drainage.transition@edmonton.ca](mailto:drainage.transition@edmonton.ca).



# Drainage Transition Frequently Asked Questions

## Updated: August 10, 2017

### New This Week

**NEW**

#### Will our Canada Savings Bond deductions continue at EPCOR?

No, deductions for Canada Savings Bonds will not continue with EPCOR after September 1<sup>st</sup>. In March 2017, the Government of Canada announced that it will discontinue the sale of Canada Savings Bonds as of November 2017 and as such, EPCOR will not be implementing this program nor taking these deductions from employees.

However, EPCOR has options for Employees to participate in Savings Plans through biweekly deductions including: RRSP, Spousal RRSP, Non-Registered (cash) or Tax Free Savings Accounts where EPCOR pays the administration fee and employees enjoy low fund management fees. More information on Savings Plans can be found in your Readiness Information Binder.

**NEW**

#### Does EPCOR participate in the ETS@Work program?

No, EPCOR does not participate in this program. Adult monthly transit passes (including packs of 10 bus tickets) may be purchased by permanent employees and claimed against their Wellness (Personal Spending) Account for reimbursement. Drainage employees will receive the full Wellness Account allocation for 2017 calendar year (\$350 permanent full-time; \$200 permanent part-time). Note: the Wellness (Personal Spending) Account is a taxable benefit.

**UPDATED**

#### What will happen to our Income Replacement (IR) Plan?

The current IR funds for participating employees at Drainage will be transferred to EPCOR.

**NEW**

#### What if I will be on vacation as of September 1 – how do I ensure out-of-province emergency medical travel coverage is in place and/or complete my benefits enrollment?

You must enroll for Advantage Benefits before you will be eligible for emergency medical travel coverage. If you will be on vacation as of September 1, please contact EPCOR Benefits Support at 780-412-8888/toll free at 1-877-412-2888 or via email at [benefits@epcor.com](mailto:benefits@epcor.com) prior to your departure for emergency medical travel coverage and/or benefits enrollment support.

**NEW**

#### Who is approving training and conferences right now?

Until September 1<sup>st</sup> there are no changes in terms of approval of training and conferences as per City protocol. After September 1, your manager will be responsible for following EPCOR policies and budget guidelines with regard to approving training and conferences.

**NEW**

#### Will we be given a chance to get a better position in the transfer or will we have to apply on open positions only?

Employees are transferring to EPCOR with their current position. New opportunities are posted on the EPCOR Careers website and all employees have the opportunity to review and apply for positions posted as they arise. After September 1, you will also have access to view and apply on internal only positions posted that are not available to the general public. EPCOR is a strong proponent of employee development and hiring managers are encouraged to provide opportunities for current employees before hiring externally where possible.



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### How will the change in Benefits Providers be handled?

**NEW**

Benefits under the City plans will continue until August 31<sup>st</sup>. From September 1<sup>st</sup> onwards, benefits will be provided under the EPCOR Advantage plans and provisions, administered through Sun Life. Information on Advantage Benefits has been posted with prior Newsletter information and will be provided to every employee in their Readiness Information binders to be distributed at the Town Hall meetings from August 14<sup>th</sup> – 18<sup>th</sup>.

Employees in the middle of treatments (e.g. dental procedures, orthodontics, etc.) or getting regular prescriptions should let their providers (dentists, pharmacy, etc.) know of the change in plan coverage as of September 1. Should you incur eligible medical or dental expenses for you or your covered dependents from September 1<sup>st</sup> up until the time your dependent and benefit enrollment information is uploaded to Sun Life (approximately 10 days after you enroll for benefits through My EPCOR), you'll need to pay those expenses out-of-pocket and claim them back through a Sun Life claims process after Sun Life has your information in their system.

**NEW**

### How long until my Advantage Benefits selections and dependent information will be 'active' in Sun Life's system?

Please allow 10 days (from the date you enroll for benefits through My EPCOR) for Sun Life to upload your enrollment and dependent data into their system (at which time the data will be considered 'active' in the Sun Life system). At that point, you will be able to provide your benefit coverage card to your dependents and service providers who offer direct billing (i.e. pharmacy, dentist, chiropractor, etc.) and direct billing from service providers to Sun Life will work.

You will also be able to sign up for online access to the 'my Sun Life' member website as well as the 'my Sun Life mobile' app (for iPhones and android devices). Benefits Enrollment clinics will be available in September (more information coming soon). Sun Life pay direct and travel cards will be provided at the enrollment clinics, however, employees who do not attend an enrollment clinic and do their benefits enrollment on their own will have their benefit cards sent to their worksite following enrollment.

**NEW**

### What annual vacation allowance is provided to employees with an anniversary date that falls mid-year and vacation balance would have been changing from 3 weeks to 4 weeks at their anniversary date while at the City?

EPCOR provides vacation entitlements on January 1 of each year based on an employee's completed years of service as of their anniversary date within that upcoming year. In other words, if an employee has an anniversary date in July of the upcoming year that would increase their vacation from three to four weeks then the full four weeks entitlement is loaded into the system on January 1. An employee would not have to wait until July to receive the increase in vacation entitlement.

If an employee leaves EPCOR before the end of the year, their vacation is pro-rated based on the remaining days from their end date to the end of the year. This unearned vacation is subtracted from their vacation balance and any outstanding amount is paid to them on their final pay. If they have used more than the adjusted vacation balance, they will be required to reimburse EPCOR for the outstanding amount.

**UPDATED**

### If my membership in an organization is tied to an edmonton.ca email, how should this be changed?

Your new epcor.com email will be active on September 5. Prior to September 5, you should ensure you know your password to any external organization, as passwords cannot be recovered through your



## Drainage Transition Frequently Asked Questions Updated: August 10, 2017

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edmonton.ca email after September 5. After September 5, you can contact any organization that uses your edmonton.ca email and change the email on your membership.

**UPDATED** **What happens to fitness memberships paid through payroll deductions after September 1 when the payroll deductions stop?**

Employees need to contact their places of membership [Fitness: Kristin Lacoursiere (780) 496-4918; Golf: Hasan Razak (780) 944-7446] to have all payments changed to a personal payment plan rather than via payroll deduction after August 31. Employees are able to purchase fitness passes to the end of the year if they do so before Sept 1.