

CANADIAN WATER NETWORK BLUE CITIES 2017

Progressive Planning for Financially Robust Water Systems

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Commissioner, Environmental Services

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What does Full-Cost Pricing Mean to York Region?

- * Full-cost recovery pricing means that water and wastewater rates include all costs associated with delivering the service
- * Generates the revenue needed to pay for operations, regulatory compliance and water purchases
- * Reflects the true value of water
- * Ensures adequate funding available for proper stewardship of assets, which lowers costs and reduces risk of failures
- * Eliminates reliance on new debt financing for asset management

York Region Council approved 5 years of 9% increases followed by an increase of 2.9% in 2021 where full-cost recovery is achieved

Achieving Financial Sustainability

- * Approval of long-term Water and Wastewater Financial Sustainability Plan in 2015
- * Even with multi-year double digit rate increases, we had to do more to achieve financial sustainability due to:
 - * Declining water demand (limiting growth in revenues)
 - * Compliance with stringent/complex provincial legislation and regulations
 - * More accurate rehabilitation and replacement needs identified through better information on asset management
 - * Growing and complex asset base

**Typical risk to full cost recovery model
is sustainable asset management investment**

Council Expectations

- * Affordability was an important guiding principle
 - * Subsidy programs for vulnerable population
- * Assuring intergenerational equity
- * Range of rate increase options for Council's consideration
- * Extensive public engagement/education

**Various rate structures were considered
such as variable, fixed and mixed**

Value of Water: Telling our story



WATER IS MOVING

Our Water: An Epic Journey

Where does our water come from and how does it get to our taps? The system that makes it happen is huge, hidden and fascinating. Here's a glimpse of how it works.

York Region provides drinking water to an estimated 11 million residents. More than 85 per cent of our water comes from Lake Ontario; the rest, from Lake Simcoe and groundwater. Before it reaches our taps, water is treated to make it safe to drink. Depending on where you live, drinking water might travel more than 80 kilometres to get to you.

At the heart of our water distribution system are massive pumps, moving millions of litres of drinking water from treatment plants through water mains and large distribution pipes within the system. Through this vast underground network, water is driven upward over hills into special storage tanks and water towers.

Water towers play a vital role in our drinking water system. They equalize pressure, provide large volumes of water for fire-fighting and provide an emergency supply if needed. Water towers hold up to 7,550 cubic metres of water, about as much as three Olympic-size swimming pools.

From the lake - to a pumping station - to a water tower - to your taps, our water goes on an epic journey through a complex system that is rarely seen. We've taken videos that will open the door to our underground world. We think you'll be amazed.

Visit york.ca/waters

Learn more about the hidden water system and the people who make it work. For more information, videos and stories, visit york.ca/waters or call 1-888-967-5426



WATER IS GROWTH

65 kms of pipe delivers water right to your watering can

Visit york.ca/waters

WATER IS REFRESHING

Placing in the sun, peeling the heat, jumping in the pool to cool down. Now imagine your life without water.

Visit york.ca/waters

Environmental Science & Engineering

RETURN ACTIVATED SLUDGE

OPERATOR & CONSULTANT FORUMS

WATER WORKS TREAT IT

GUARDIAN

JEN RYAN: Sewer use bylaw enforcement officer, nature lover, mother of two boys and Water Hero.

Jen guards against pollution by hunting it down at the source. She works to stop the nasties, before they go down the drain.

Come along with Jen as she collects and tests samples from our sewers. We think you'll be amazed.

Visit york.ca/waters

York Region
#waters

WATER TOWERS PROVIDE:

A SECURE DRINKING SUPPLY
WATER TO FIGHT FIRES
GRAVITY INSTEAD OF PUMPS
TO MOVE WATER,
SAVING MONEY AND ELECTRICITY

300 WATER PROFESSIONALS
24/7
18,692 WATER TOWERS
CLEAN, SAFE, RELIABLE WATER TO SERVE
1.1 MILLION PEOPLE

SHARING

Share Your Water Story and Photo With Us

Visit york.ca/waters

WATER IS DISCOVERY

Dragonflies
largemouth bass
leopard frogs
I'm so much more than what's on the surface.

Visit york.ca/waters

WATER IS PROTECTED

Our Water: Clean and Safe

Visit york.ca/waters

Value of Water Survey

What we heard:

- * **65% felt confident** that their tap water was safe to drink
- * Approximately **75% were satisfied** with Region's performance in maintaining water infrastructure, running an efficient operation and keeping water rates stable
- * Most people did not know what they paid for water yet, more than **50% felt the price was fair**
- * **55% were neutral** to the possibility of paying higher rates to ensure safety of water supply

**Public communication on value of water with
over 2,000 residents surveyed across York Region**

Financial Sustainability and Asset Management

- * Replacement value of water and wastewater assets at time of study (2015) was \$5.3 billion
- * Our asset management needs of over \$1 billion identified (up \$260M from prior year)
- * 100 year asset management view
- * All users pay same for rehabilitation and replacement after 2021

**Ability to deliver on asset management plan
depends on the quality of the fiscal strategy**

Lessons Learned

- * Early public engagement and early engagement with Council on financial sustainability
- * Serve up “no wrong door” options
- * Collaboration between Corporate Finance, Public Works and Community & Health Services was key
- * Long-term view that Council can support

Go for “Gold”

THANK YOU!