



# CWWA Advocacy and the Federal Budget

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Our Impact ▪ Our Opportunity ▪ Our Position



**Canadian Water and Wastewater Association**

OCTOBER 2016



# CWWA

## and national advocacy

**the voice of the municipal water and wastewater sector**

The Canadian Water and Wastewater Association exists to advocate at the national level on behalf of Canadian utilities and the water/wastewater industry. Of our 4 main goals, one states: “Canada’s water industry has an integrated and positive legislative and policy environment” while another states: “Organizations in Canada’s water industry collaborate effectively toward sustainable water resources and infrastructure.”

**1** To share with you what CWWA has been doing and saying for the last few years and how we feel that has influenced where we are now (Our Impact)

**2** To share with you where we are in federal budget discussions and identify how we can continue to provide valuable input (Our Opportunity)

**3** To share with you our draft positions on issues relevant to the budget funds and to **call for your input and comments** (Our Position)

- While, logically, we should discuss these items in this order, our priority right now is getting your input on our positions. So we will focus on the positions and you can read the appendices that better layout Our Impact and Our Opportunity.
- Read the next brief paragraphs on Our Impact and Our Opportunity or just skip to Our Positions on [page 4](#) or the longer descriptions in [Appendix 4](#)

CWWA has been advocating for federal funding of infrastructure for many years. This work intensified with the last Conservative Government as they sought our comments through the Infrastructure Round Tables. After those round tables, we provided further submissions to the Ministry of Infrastructure staff. The 2015 election introduced a new Liberal Government and their 2016 budget focussed on infrastructure, innovation and the environment; including \$60 billion in infrastructure funding.

## Our Impact



Not only were we excited about the funding announcements, we were most-pleased to see many of our concepts and messages had been heard and were included in the budget philosophy. For years, CWWA has called for support of asset management, community capacity building, support for Canadian innovation and a focus on our First Nations communities.

For more details on our earlier efforts and how our messaging aligns with this new budget, see the [Appendix 1 & 2](#).

## Our Opportunity

In the months since the budget was tabled, CWWA has been analyzing the initial announcements and informing you, our members through our e-Bulletin. We have been in discussions with our partners at the Federation of Canadian Municipalities (FCM), the Canadian Water Network (CWN), the Southern Ontario Water Consortium (SOWC), the Canadian Public Works Association (CPWA), and others on how best to represent Canadian municipal interests. Together, we are a strong voice for Canadian water and wastewater utilities.

We have participated in federal government round tables and met personally with the Minister of Infrastructure & Communities, the Hon. Amarjeet Sohi, to clarify our priorities and suggest methodology for how funds will be made available. We have also had direct discussions with the Parliamentary Secretary for the Environment and Climate Change, MP Jonathan Wilkinson, and with the Chair of the Liberal Caucus, MP Francis Scarpaleggia (a long-time friend of CWWA).

We think the need to argue as to 'why' water/wastewater needs investment is behind us for now. Rather we must focus on 'how' we can make the most out of these funds for Canada. We have been called upon by the Minister of Infrastructure to participate in meaningful consultation toward the development of an effective budget process. As we prepare to make further submissions to the Minister, **we welcome continued input from you, our CWWA members – the water infrastructure experts.**

# Our Position



**There is still time for your input**

## CWWA positions in brief:

We recognize and support the federal government's goals regarding climate change, the environment, First Nations and development of the Canadian Innovation sector. We understand that, in many ways, this Infrastructure Plan is more about achieving these greater national goals than about any specific project. We want to work with the federal government to develop a process that achieves their goals, yet recognizes local priorities and is flexible enough to enable the best solutions in each situation.

## National goals vs. Local Priorities:

While we support these national, and international goals, we ask that the federal government recognize that local governments understand the priorities of their community better and we ask that the federal government show great flexibility in working 'with' local communities to find the best projects that will provide the best value for money.

## Climate Change:

A recognition that water and wastewater projects can significantly address energy targets in four ways

- new treatment technologies and equipment that use less energy
- reduction of wasted energy by reducing water loss and infiltration
- water reuse to reduce treatment demand
- massive potential for energy from waste and other resource recovery

## Long Term Sustainable Funding

- The uncertainty of federal and provincial funding support is one of the greatest obstacles to long term sustainability. Quick responses to short term grant programs lead to improper planning or asset management
- Together, the three levels of government must develop a reliable financing plan for the long term replacement of infrastructure – a program that extends far beyond a 10 year time frame- and a plan that commits appropriate federal funds to municipalities that carry the bulk of infrastructure responsibilities

- Genuine long-term sustainability of communities demands a genuine reconsideration of the tax distribution and taxation powers between the various levels of government to recognize the local responsibilities to the health and economy of Canada. Until then, we need a long term, reliable program

medium-sized municipalities create and implement local programs for their own sustainability

- Genuine long-term sustainability of communities demands a genuine reconsideration of the tax distribution and taxation powers between the various levels of government to recognize the local responsibilities to the health and economy of Canada.

- System failure due to inadequate maintenance costs communities many more times in response than proper asset care and is a wasteful approach to the use of public funds. Like most P3 agreements, approved projects must commit to the recommended maintenance schedule, removing maintenance deferral as an option

## Community Capacity Building:

- to realize genuine, long term sustainability, CWWA supports the need to develop every community's capacity to become self-sufficient and move away from a dependence on federal and provincial grants
- proper asset management is the most essential step toward setting local priorities, followed by full-cost accounting for water and a more equitable distribution of tax dollars in Canada.
- In order to qualify for federal funding, municipalities should have an asset management program and a full-cost pricing program in place or commit to the development of such programs
- Rather than just distribute the Community Capacity Building funds to communities, the federal and provincial governments can do much more by developing asset management templates, pricing models, training, staff support and other guidance tools to assist small and

## Value for Money:

- CWWA greatly appreciates this tremendous federal investment into infrastructure renewal which will be leveraged with provincial and municipal funds to create significant funds to address the infrastructure challenges in Canada
- Our hope is for all of us to **get the maximum impact from these funds** and achieve the best 'value for money' by considering the 'big picture' in planning
- Infrastructure projects must consider the full life-cycle of any asset; weighing not just the initial capital cost but the operating, maintenance costs for the expected lifespan of any asset
- Optimizing the operation of an asset to reduce energy and resource consumption and draw maximum performance from an asset must be a key element in project agreements.

## Flexibility:

- Tied to the concept of value for money, the need for flexibility in timelines and technical approaches will be key to maximizing the impact of these funds
- While timelines are helpful in moving projects along to meet our shared goals sooner, there must be reasonable flexibility in timelines that recognize the inherent nature of proper infrastructure renewal
- Some projects cannot be designed, contracted and built in short time frames. There must be flexibility in timelines to work with municipalities that are sincerely working to find the best solution for their community
- There must be a recognition that allowing a little more time in some cases could lead to a far better project, providing greater impact and greater 'value for money'

# Give us your input

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- There needs to be a mechanism in place to allow the review of individual projects and to allow an extended timeframe for those genuinely working to find a better solution or offering alternate approaches to achieve greater impact

## WSER and other Regulations:

- CWWA is very pleased to see a recognition of the need for federal funds to support communities to meet their WSER obligations by 2020, 2030 and beyond
- As municipalities cannot plan for regulation changes, the implementation of new federal regulations will always require financial support
- For many communities, meeting the WSER targets is a tremendous project requiring appropriate time to consider alternative solutions, make the appropriate reviews and

studies and conducting an appropriate procurement process

- Maximum flexibility is required on timelines to support the search for the best solutions and consideration of new technologies
- Other communities have opportunities to make greater overall impacts to their environment through alternate, supportive projects
- We ask that the federal government be flexible and open to consider trade-offs that can achieve far greater results.

## Innovation:

- CWWA fully supports the goal of promoting the Canadian innovation sector, many of whom are our members, and we support methods to ensure fair consideration of new technologies

- A focus on the full life-cycle of an asset decision should support new innovation that can reduce long term operating costs and reduce energy consumption
- Procurement processes cannot pre-select technology in a way that blocks innovative alternatives. Rather, procurement must be out-put based, opening the process to any and all federally/provincially approved solutions.
- We would support a federal agency review of all project applications to direct innovative solution firms toward appropriate projects
- We ask that the federal government appreciate that municipalities have a high aversion to risk when it comes to the safety of our citizens (water consumers) and the use of significant public funds
- If we are being asked to pilot or fully-install newer technologies, what support can the federal government provide to assist if technologies fail or do not work as planned?

# As a community we can work together to make an impact

Your hard work in each community—and our hard work together—has created this moment of opportunity. Now is the time to transform federal momentum into the water and wastewater infrastructure improvements our communities have been waiting for.

We'll keep up efforts with the federal government. But we need each of you to start working at the provincial and local levels to ensure that they, too, recognize water and wastewater projects as priorities, and can provide the funds to match the federal effort.



## Reach out - and make a difference

Now is still the time for each of you to reach out to your own Member of Parliament and to the Minister of Infrastructure and Communities, Hon. Amarjeet Sohi, with any specific comments or concerns and be sure to copy CWWA - [info@cwwa.ca](mailto:info@cwwa.ca).





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