

August 1, 2024

**Written Submission to the
Parliamentary Standing Committee on Finance**

**for the Pre-Budget Consultations in
Advance of the Upcoming Federal Budget**

From: Canadian Water & Wastewater Association

- **Recommendation 1:** That the government dedicate funding to Water, Wastewater and Stormwater Services
- **Recommendation 2:** That the government design funding programs that reflect the needs and timelines of Municipalities
- **Recommendation 3:** That the government provide funding that both promotes new housing and maintains services to existing communities
- **Recommendation 4:** That the government provide funding to assist municipalities in identifying and maintaining Critical Infrastructure

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Clerk of the Parliamentary Standing Committee on Finance
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RE: CWWA Submission for the Pre-Budget Consultation on Infrastructure Funding

The Canadian Water and Wastewater Association (CWWA) is the national professional association for Canada's municipal water utilities and we serve as their advocates to the federal government and all its national agencies. Water, wastewater and stormwater services are the most critical services in Canada - or in any country. While transit, roads, hospitals and industry are all very important, communities cannot survive and grow without their basic water, wastewater and stormwater services. Recent infrastructure failures in Calgary, Montreal, Quebec City, and now Toronto, have shone a light on how critical these life services are and how their failure can have significant, if not catastrophic impacts on their communities.

In July of this year, CWWA submitted comments concerning a national infrastructure plan to the Standing Committee on the Environment & Sustainability. This submission builds and expands upon the comments in that document.

As the federal government develops any new infrastructure funding programs, CWWA, as the voice of the sector, would ask that the government consider the following concepts:

The Need for Funding Dedicated to Water, Wastewater and Stormwater Services

That a dedicated funding envelope be created for water, wastewater and stormwater services, where this most-critical sector does not have to compete for funding against the resources or popularity of other sectors such as transit, roads, and recreation, which often have a higher visibility. More housing and its affordability, as well as the health of the environment and the economic growth of our communities, rely on Water infrastructure (storm, sanitary, drinking water); it is not optional. The focus on dedicated, sustainable and predictable funding can be the basis for supporting National Housing initiatives, ensuring critical infrastructure resiliency and reacting to current and future regulatory requirements.

That Funding Programs Reflect the Needs and Timelines of Municipalities

That any funding programs take into consideration the needs for short term projects, ready to go immediately, but with the majority of the funding focused longer term municipal infrastructure renewal and growth programs with reliable federal support.

The creation of water infrastructure to support housing and jobs is not a quick process (particularly “backbone” infrastructure and infrastructure in densification areas). Proper planning, environmental assessments, and infrastructure design is required before construction can begin. Most projects of significance will need to go through an environmental assessment process that could take many months to years to complete.

Funding programs which target only “shovel-ready” projects cause municipal utilities to scramble to find projects that fit the funding parameters, as opposed to bringing forward those which best meet the need that the funding program is intended to address. If funding programs are announced with short warning and with short application timelines then it is typically only the largest and well-funded communities that can provide “shovel-ready” projects on short notice. We recommend that a funding program promote a “mix” of projects, both:

- Those which can be implemented quickly i.e. “shovel ready” and,
- Those which require a longer timeline for studies, environmental assessments and design to be carried out prior to implementation.

This would allow all communities to invest wisely in efficient and sustainable infrastructure expansion and renewal.

By implementing funding with timing and parameters that are more aligned to municipal needs, water utilities can blend it into their capital programs in a way that creates the greatest impact for our communities. Accordingly, return on investment from the funding programs will increase and they better meet their objectives e.g. increasing affordable housing.

That Funding Both Promote New Housing and Maintain Services to Existing Communities

Funding should include servicing for development of housing, but not just greenfield developments – it should also encourage the upgrading of services within existing urban areas to ensure infrastructure resiliency and increased capacity for growth. In fact, development of housing through densification will reduce GHG emissions and increase economic activity in what are often disadvantaged areas.

For each utility, as well as projects that allow system expansions to directly enable “greenfield” housing initiatives, there will be projects that are intended to fulfil the following objectives:

- Increase the capacity of treatment systems, transmission mains and distribution systems to support housing growth through increased density within communities
- Address infrastructure deficits and replace crumbling infrastructure so that service delivery within existing communities is maintained.
- Ensure serviced areas are upgraded to comply with regulatory requirements (e.g. Federal Wastewater Effluent Regulations) in the most efficient and effective manner; and,
- Focus on critical infrastructure resiliency to ensure system resiliency.

All these types of projects help protect the environment, can reduce GHG emissions and promote economic activity.

That Funding Assist Municipalities to Identify and Maintain Critical Infrastructure

Funding should assist municipal utilities in identifying critical parts of their water infrastructure and promote increased resiliency and redundancy of their water systems.

Recent events in Calgary have shown the importance of major, “backbone” infrastructure, in that case a major transmission main. Funding proactive planning and implementation of measures to identify, maintain and build redundancy (e.g. “twinning”) of such systems will increase the resiliency of water systems.

Specifically, funding should be provided through the Federation of Canadian Municipalities to continue and expand Asset Management programs. Those programs support the development of essential asset inventories, condition assessments and renewal plans to ensure the sustainability of critical services. They should be expanded to support greater use of diagnostic and condition assessment tools that identify the most critical infrastructure issues requiring attention, focusing investment accordingly.

In closing, housing supply is made up of two components, 1. new housing starts and 2. existing housing stock. Investments in expanding water services allow the creation of new housing by servicing new developments (point 1). Investments to upgrade water, wastewater and stormwater services ensure existing housing can be protected and sustained, increasing the resiliency of our communities to climate change (point 2). Therefore, we feel that sustaining services to existing housing, protecting the environment and encouraging economic growth is equally as important.

Water and wastewater services are the most critical services to the health and economy of every community. Any program intended to increase Canada’s stock of affordable housing should reflect that.

Sincerely,

Robert Haller

Robert Haller,
Executive Director