

DAILY COMMERCIAL NEWS

AND CONSTRUCTION RECORD

August 25, 2010

Residential and Civil Construction Alliance of Ontario pushes for full-cost water pricing

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A province-wide framework for developing water and wastewater infrastructure that includes full-cost pricing would improve Ontario infrastructure and construction planning, says the Residential and Civil Construction Alliance of Ontario.

“A more systematic way of doing things will result in more work and opportunities for construction,” said Andy Manahan, executive director of RCCAO. “In a jurisdiction where there is not as comprehensive a planning regime for infrastructure replacement, full-cost pricing would help drive efficiency in that work because they will have a plan to map out.”

The RCCAO recently participated in consultations with Ontario’s environment ministry for the Water Opportunities and Water Conservation, 2010 (Bill 72). The association made recommendations for concepts and language detailing full-cost pricing, mandatory metering and dedicated reserves to be included in the proposed legislation.

“There are compelling reasons for the province to develop a legislative framework that will require municipalities to assess and maintain their water infrastructure,” said Manahan.

The RCCAO noted to the ministry that among its past findings, through various infrastructure studies, 25 per cent of all processed water leaks into the ground after leaving treatment plants, due to faulty pipes; 30 per cent of all the energy consumed in pumping water is wasted due to such leakage; and the cost of improperly maintained water and wastewater systems runs up to \$1 billion annually.

“Only when municipalities are required to assess and recover the full cost of operating and sewer maintaining sewer and water services will the public have the assurances Justice (Dennis) O’Connor (Walkerton Inquiry) recommended,” said Manahan. “While, at the same time, it frees provincial funds to support alternative core infrastructure requirements in areas such as public transit.”

The association supports the broad intent of Bill 72, believing it will provide a framework for developing and implementing a province-wide approach to planning and financing water and wastewater infrastructure.

“However, we have very serious concerns that the bill does not go far enough in compelling every municipality, on its own or in combination with others, to develop, maintain and self-finance a sustainable plan for water and wastewater infrastructure,” RCCAO noted in a submission to the ministry.

Bill 72 provides an opportunity to ensure municipalities “go beyond just tracking their historical investment in water/wastewater assets to actually planning for and funding their ongoing needs.” Without such requirements, Manahan added, some municipalities could continue to divert water funding to other purposes.

“We made our case that water metering is essential as is full-cost pricing, though the phrase ‘full-cost pricing’ could be a loaded phrase for some,” said Manahan.

“You have to have water metering to be able to drive improvements in the system.”