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WATER WORRIES

More investment, better planning

Massive capital spending is needed if the Greater Toronto Area is to continue to provide safe and reliable water and sewer systems for its residents. According to two new reports, however, the required investments will likely not occur unless municipalities and other levels of government dramatically change the way they do things.

Commissioned by the **Residential and Civil Construction Alliance of Ontario**, the reports claim billions of dollars of capital investment will be required to build new roads, water and sewer networks in the GTA. Released yesterday, the reports also found that most municipalities in the GTA rehabilitate significantly less than 1 per cent of their water and sewer assets annually. The systems are deteriorating faster than current rehabilitation rates.

“The deteriorating water and sewer systems are due to years of deferred maintenance, ad hoc financing, lack of long-term plans, technical and administrative inefficiencies, layers of bureaucracies, and overlapping and conflicting regulations,” said **Tamer El-Diraby** of the civil engineering department at the **University of Toronto** and author of the report on water and wastewater asset management. **Trent University** economics professor **Harry Kitchen**, author of the report on financing, noted that consumers pay far less for water than what it actually costs.

“That’s because, historically, the municipalities have not included asset replacement costs in calculating their water rates,” he said. “The impact has been an inability to maintain and upgrade these systems.”

Much of the infrastructure is already operating beyond its useful life. In **Toronto**, 20 per cent of all water mains are now more than 80 years old. Leakage from water pipes has more than doubled over the last three decades. Along with wasting a valuable resource, it also results in higher consumer prices and unnecessary energy consumption and green house gas emissions, the report states.

Federal and provincial grants for water and sewer systems in the GTA have virtually dried up, accounting for only about 1 per cent of capital spending on this infrastructure in 2005 compared to 12 per cent in 1995.

“At the same time, there has been a downloading of services from the provincial and federal governments. Municipalities have been given added responsibilities without the added revenues,” Kitchen said.

The report also found there is “no co-ordination among the municipalities in the GTA in planning and managing water and sewer infrastructure.”

“Capital spending decisions are driven mostly by short term political considerations rather than long-term planning goals.”

Some of the key recommendations in the two reports are metering, full-cost pricing and greater private-sector participation. With metering, consumers pay for the amount of water they use, which promotes conservation. As well, metering allows for variable rates that reflect the season of the year or time of day of water use.

Full-cost pricing ensures that water and sewer charges to the consumer reflect all of the costs of providing these services, including capital costs such as upgrades and system enhancements. Greater private-sector participation is urged because it offers new sources of capital, introduces competition into the public sector and helps reduce costs, the report authors argue.

“The old ways of doing things no longer work,” said alliance executive director **Andy Manahan**. “We need to consider some fresh approaches.”