

PROPOSED FEDERAL WASTEWATER REGULATIONS

The new national wastewater regulations announced on July 18th 2012 establish new national standards for Canada's more than 3,500 wastewater treatment systems. Over the next three decades, the regulations will require communities to substantially upgrade more than one out of every four wastewater treatment systems across the country.

Smarter government to improve the regulations

Municipalities support the protection of Canada's rivers, lakes and oceans. Since municipalities raised concerns about the draft regulations in 2010, Environment Canada has worked more closely with the provinces, territories and municipalities to revise the regulations and make them more practical to implement on the front lines. The final regulations published on July 18, 2012 conclude over five years of intensive intergovernmental partnership, research and consultation involving all three orders of government as well as other stakeholders.

Funding solutions

Further study by the Federal Government in collaboration with municipalities is essential to determine the exact costs of the new regulations on municipalities. The Federal Government has estimated costs in undiscounted terms, only for the cost of replacing treatment plants themselves and not the cost to the waste water system's collection network. Practically speaking, this means municipalities will have to find at least \$20 billion for both infrastructure investment and operating expenses. Downloading the entire cost on to municipalities would add over 15 per cent to the \$123-billion municipal infrastructure deficit. This would force municipalities to defer other local infrastructure investments and significantly increase property taxes for hundreds of thousands of families and small business.

Prior to his resignation, former federal Environment Minister Jim Prentice began formal talks with FCM to address the question of how to finance the regulations. Environment Minister Peter Kent and Minister for Transport, Infrastructure and Communities Denis Lebel have committed to continue working in partnership with municipalities on the issue.

These talks must lead to a solution that protects municipal taxpayers. FCM is calling on the federal government, and all parties in the House of Commons, to ensure that the regulations are implemented in lock-step with a long-term, cost-shared funding plan.

BY THE NUMBERS:

- Environment Canada's new wastewater treatment regulations would require 400 communities across Canada to upgrade their wastewater treatment systems.
- Among the municipalities requiring the most significant upgrades to their wastewater treatment systems are Metro Vancouver, Regina, Montreal, Laval, St. John's, Moncton, and Halifax. Hundreds of smaller cities, towns and villages, many located in Atlantic Canada, will also be affected.
- For cities with older infrastructure, the regulations may require extensive upgrades throughout the local sewer network at significant additional cost that are not included in Environment Canada's cost estimates to comply with the regulations.

- It is expected that one half of the infrastructure upgrades required to meet the regulations will need to be completed within the next decade.
- There are concerns that the federal capital cost estimates are too low: Metro Vancouver estimates capital costs for its treatment systems to be \$1.5 billion (nominal terms); yet the nominal federal capital costs estimate for the entire province of BC is approximately \$570 million.

Some preliminary cost estimates

- Metro Vancouver, BC: \$1.5 billion
- Halifax, NS: \$710 million
- Cape Breton, NS: \$423 million
- Montreal, QC: \$1.07 billion
- Greater Moncton, NB: \$105 million
- Regina, SK: \$88 million