

Water

THE AMB ACKNOWLEDGES the past and ongoing harms experienced by Indigenous people to their traditional lands, health, and culture in this region since the onset of colonization. As this is the water chapter of the AMB, it is important to acknowledge that in Winnipeg, we are dependent on drinking water from Shoal Lake, hydroelectric power derived from large dams built on the Churchill River Diversion, Nelson River, Saskatchewan River and Winnipeg River, and the infrastructure built and designed to protect Winnipeg from major flood events (ie. Assiniboine River Diversion at Portage la Prairie, outlets structure at Lake St. Martin). We are deeply sorry for the environmental impacts these projects have caused and continue to cause and the ongoing associated cumulative impacts to Indigenous community economic development and livelihood. The AMB is committed to protecting the health and environment of downstream communities and support infrastructure spending to lessen impacts to water quality on the Red River and Lake Winnipeg.

As a foundational pillar,¹ we call on all governments to commit to reconciliation with Indigenous peoples by:

- Fulfilling the federal government’s stated commitment to advancing government-to-government, nation-to-nation relationships by developing pathways and providing resources for the co-governance of shared waters with Indigenous Nations.



- Recognizing, respecting, and upholding Indigenous inherent, Aboriginal, and treaty water rights and roles.
- Recognizing, respecting, and upholding Indigenous worldviews and knowledge systems related to water, as defined by Indigenous peoples.
- Fulfilling the Truth and Reconciliation Commission Calls to Action, with a particular focus on repudiating concepts used to justify European sovereignty over Indigenous peoples and lands and the laws, policies, and litigation strategies that continue to rely on such concepts (Calls to Action 45-47).
- Fulfilling the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), with a particular focus on ensuring Indigenous peoples have the right to participate in decision-making in matters which would affect their rights (Article 18) and that Indigenous peoples have granted their free, prior, and informed consent before decisions are made that affect them (Article 19).

Introduction

Winnipeg's water and wastewater utilities provide a vast network of potable water and sewage collection and treatment for all of Winnipeg's businesses and residents with slightly over 214,000 customers. Together, both utilities operate on annual revenues of approximately \$340 million per year (\$205 million from wastewater; \$135 million from water). In the last ten years alone, water rates have increased by 42 per cent while sewer rates increased by 45 per cent. Sewer rates are charged based on how much metered water one uses.

While Winnipeg is fortunate to have built a new state of the art water treatment plant recently, most of Winnipeg's wastewater treatment plant and sewer infrastructure are in dire need of upgrading to meet provincial and federal government pollution control licensing and legislation requirements. It is estimated that \$2.3 billion is required over the next 25 years to decrease the number of combined sewer overflows (CSO) that occur in Winnipeg's rivers, and another \$1.5 billion required to upgrade the North End Wastewater Treatment Plant (NEWPCC). The NEWPCC requires a new Biosolids Facility (\$0.9 billion) and Biological Nutrient Control Plant (\$0.6 billion) as the second and third phases of renewal. It is estimated that a total of \$2.4 billion of capital spending will be required over the next 10 years alone to implement Winnipeg's CSO Master Plan and upgrade the NEWPCC and SEWPCC.²

Currently, the NEWPCC is not in compliance with provincial regulatory licensing requirements and has been granted an extension so that the City can develop a new plan of action and timetable, so as to rapidly accelerate Phase Two and Phase Three renewal efforts to be completed by 2030.³

In order for this to happen, the Manitoba government must drop any further pressure to have the City of Winnipeg enter into private/public partnerships (PPP) that give ownership and control of any component of the infrastructure to a private entity, and both Manitoba and Canada need to provide two-thirds funding of overall costs. Winnipeg needs to also incorporate their intended infrastructure upgrade costs into their 5-year financial capital plan.

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Public Utilities Board / Cost of Service Review and New Growth

With both utilities bringing in more than \$340 million per year as user-fees, the money is allocated a number of different ways, including paying dividends to the general revenue fund.



Specifically the water utility funds, operating and maintenance costs; debt payments on borrowing for the water treatment plant; transfers for ongoing water main renewal programs (ie, water main and water meter renewal reserve funds); cash to capital for planned capital projects funded by retained earnings; and, other transfers to support recreational water use.

Approximately \$15 million per year from the water utility is transferred as a dividend to the City of Winnipeg's General Revenue Fund.⁴

The sewer utility also funds operating and maintenance costs; debt payments on new borrowing for provincially mandated capital projects; transfers for ongoing sewer main renewal programs (sewer rehab reserve fund); environmental projects reserve contributions (environmental projects reserve fund); cash to capital for planned capital projects funded by retained earnings; and, transfer to support land drainage and flood control (land drainage reserve fund).

Approximately \$20 to \$25 million per year from the sewer utility is transferred as a dividend to the City of Winnipeg General Revenue Fund.⁵ The amounts transferred from the sewer utility to the reserve funds vary greatly from year to year, with the Environmental Projects Reserve Fund showing the greatest variability over the last five years with a high \$93 million to a low of \$16 million. As of December 31, 2020, the Environmental Projects Reserve Fund had a balance of \$166 million.

Unlike other municipalities in Manitoba, water and sewer rates are not subject to public review through the Public Utilities Board (PUB) of Manitoba. The PUB is an independent, quasi-judicial administrative tribunal that considers both impacts to customers and financial requirements of the utility in setting rates. Rates in Winnipeg are set by Council based on a cost-of-service review periodically conducted internally by administration. The last time that the City of Winnipeg conducted an external review of their rates, which involved the public in a meaningful way, was in the 1990s.⁶⁷ The most recent internal cost-of-service evaluation was in 2015, which formulated the City's current ten-year financial plan for water and sewer services.⁸ Council reviews

rates every three to four years. The next review and setting of Winnipeg's rates is expected to occur in late 2023.

Recommendations:

1. The City of Winnipeg ask the PUB to conduct a formal public hearing, with intervenor funding, to develop their next ten-year financial management plan for water and sewer services including a cost-of-service analysis.
2. As part of the scope of the PUB hearing, investigate the applicability of new growth charges on the water and sewer utility that account for population growth and new greenfield development.
3. As part of the scope of the PUB hearing, investigate and design rate structures and/or financial support systems that support low income residents challenged by high utility rates.

Retrofits and Water Efficiency and Use

As a success story, Winnipeg's billed use of water has decreased by almost 45 per cent since the early 1990's. This is partly due to increased water rates, fixing leaking pipes, loss of heavy wet industries, a predominant wet cycle in the last few decades and an aggressive water conservation strategy. Residential, commercial and industrial water use has dropped from about 400 litres per person per day in 1990 to 225 litres per person per day.⁹ However, more can be done considering city population growth may be limited by the capacity of the 150 km aqueduct. Water conservation will also become more important if this region experiences more extreme drought events, caused by global warming, as witnessed in the summer 2021.

The City of Winnipeg is also aggressively renewing its water mains and intends to invest \$150 million over the next few years to replace 65 per cent of the existing 214,000 water meters. However, there are other upgrades that need to be invested in, for example, it is estimated that 1 in 7 homes in Winnipeg, have lead in their drinking water (due to lead pipes or lead solder connections).¹⁰ Almost all of these homes are built before the mid-1950s and predominantly located in the inner city and older Winnipeg neighborhoods. The current City program replaces lead piping on the City's side of the property line

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and notice is only given to property owners giving them opportunity to replace their pipes at their cost.¹¹

Recommendations:

4. The City of Winnipeg to expand their targeted free water quality testing program for lead and create an income tested grant program for property owners to help pay for replacing lead pipes on their part of the property line.
5. The grant program will offer residents and small businesses access to small grants that improve water efficiency, water conservation and promote xeriscaping.
6. Incorporate smart water meters to help improve accuracy of water rates billing, increase participation in water saving practices and provide real time data.

Riparian / Riverbank Protection and Public Ownership

Riparian area setbacks left in a natural state and undisturbed can provide a host of benefits such as water filtration, slowed water runoff, enhanced biodiversity, preservation of natural vegetation, habitat and food for multiple species, shoreline stability/erosion control and climate control.¹²¹³

Unfortunately, since settlement, Winnipeg has developed in a way whereby almost all of our wetlands and many of our smaller streams have been drained and paved over through time. It is also estimated that less than 50 per cent of Winnipeg's riverbank property is publicly owned and this figure is getting smaller and smaller.¹⁴

Recommendations:

7. The City of Winnipeg Waterways By-Law be amended and that a Riverbank Riparian Levy be placed on all private land that abuts Winnipeg's primary rivers (Red, Assiniboine, Lasalle, and Seine). Levied at \$35 per metre, approximately \$6.79 million can be generated per year. (Further assumption: that 50 per cent of riverbank property is privately owned and there are 194 km of primary river bank under private ownership.)

8. Place a moratorium on any new development on riverbanks and riparian zones

The money generated from this levy will go towards:

- Riverbank stabilization and erosion control: \$10 million per year
- Creation of a Riverbank Acquisition Fund to buy-back and/or expropriate riverbank property when the opportunity exists, in order to increase public riparian zone space: \$5 million per year

Natural/Green Infrastructure / Combined Sewer Overflow (CSO) Master Plan

Green infrastructure includes the natural vegetation, soils, water and bioengineered solutions that collectively provide society with a broad array of products and services for healthy living. Green infrastructure is most often employed in urban areas to manage stormwater events, but can also provide a host of social, environmental, and economic co-benefits which improve urban life.¹⁵

The \$2.3 billion, 27 year Combined Sewer Overflow Master Plan approved by the Province of Manitoba in 2019 focuses on grey infrastructure but also includes provisions for green infrastructure, such as rain gardens, bioswales, green roofs, permeable paving and green streets. Approximately 10 per cent of the CSO Master Plan budget is to be allotted for green infrastructure projects, totalling \$104.6 million over the 27 year life of the Plan.¹⁶

Recommendation:

9. The City immediately embark on developing CSO green infrastructure strategies and technologies and incorporate these strategies and technologies when developing its Master Greenspace Plan, Nature Corridor Plan and Biodiversity Policy.

Reconciliation

Winnipeg extracts drinking water from Shoal Lake which is part of Lake of the Woods, an international boundary water regulated under the Boundary Waters Treaty. Permission to divert Shoal Lake water was given approval by the International Joint Commission in 1914.¹⁷

The City cannot sell water to customers beyond its municipal limits¹⁸ and it is questionable whether the City should be transferring dividends (\$35 to 40 million annually) from the utilities to the general revenue fund.¹⁹

A Memorandum of Agreement (Tripartite Agreement) exists between Shoal Lake First Nation 40, Manitoba and Winnipeg. The agreement bans certain types of commercial and industrial development in the Shoal Lake watershed and allows the creation and implementation of an Environmental Management Plan. Winnipeg and Manitoba are obliged to provide alternative economic opportunities to Shoal Lake First Nation 40 for the protection of Winnipeg's drinking water source.²⁰

Since the signing of the agreement, a small Trust Fund of \$6 million was established and to improve economic development opportunities, Freedom Road was finally constructed in 2018. As of September 2021, a new water treatment facility was also built for Shoal Lake First Nation 40, who had been under a boil water advisory since 1997.

Iskatewizaagegan First Nation (Shoal Lake Band No 39) situated further east of Shoal Lake First Nation 40, has also been economically impacted by Winnipeg's water takings. Unfortunately, the City of Winnipeg has not recognized those impacts, nor has the Province of Ontario affirmed Iskatewizaagegan's their right to consultation and compensation.²¹ In an effort to seek justice, Iskatewizaagegan First Nation in 2019 has initiated legal proceedings.

What is evident is that there is a need to drastically improve economic opportunities for both Indigenous First Nations located on Shoal Lake.

Recommendations:

10. The City of Winnipeg needs to acknowledge the harm brought to Iskatewizaagegan First Nation in its water taking and advance dialogue with the goal of establishing alternative economic opportunities through a formal agreement.
11. As part of the scope of the PUB hearing on Winnipeg's cost-of-service, rate review and financial management plan, identify and include compensation and reconciliation factors.

New Revenue Generation:

- Riverbank Riparian Levy: \$6.79 million per year

New Spending:

- Riparian riverbank stabilization and erosion prevention: \$ 15 million
- Lead pipe rehabilitation program and water conservation and efficiency: \$ 5 million
- Riverbank Acquisition Fund: \$ 5 million
- Green infrastructure for stormwater management: \$ 4 million
- Public review for cost of service study, including review of utility rates: \$ 2 million

Endnotes

- 1** Call to Action, Five Foundational Pillars for the Canada Water Agency, sign on letter to Minister of Environment, Climate Change Canada https://mbeconetwork.org/wp-content/uploads/2021/03/Collective-Submission_Five-Foundational-Pillars-for-a-Canada-Water-Agency.pdf
- 2** City of Winnipeg 2020 Infrastructure Plan, December 2019
- 3** Manitoba Conservation and Climate, Environmental Approvals Branch letter to CAO City of Winnipeg, December 23, 2021. Manitoba Public Registry File No. 1071.10 https://www.gov.mb.ca/sd/eal/registries/1071.1/20211223_letter.pdf
- 4** City of Winnipeg Detailed Financial Statements 2020
- 5** Ibid.
- 6** Cost-of-Service Water Rate Study, prepared for the City of Winnipeg, prepared by CHM2 Hill, April 1994.
- 7** Wastewater Rate Study Report, for the City of Winnipeg, CG&S, September 1997.
- 8** Item No. 1 Report to Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – *March 4, 2016 – 2016 to 2018 Water and Sewer Rates*
- 9** City of Winnipeg, Billed Water Consumption Report, <https://winnipeg.ca/waterandwaste/water/conservation/consumptionReport.stm>
- 10** City of Winnipeg’s lead control programs, <https://winnipeg.ca/waterandwaste/water/leadControlPrograms.stm>
- 11** Ibid.
- 12** Planning Resource Guide – Planning for the Protection of Riparian Areas. Manitoba Government, undated https://www.gov.mb.ca/mr/land_use_dev/pubs/riparian_area_guide.pdf
- 13** City of Winnipeg, Best Management Practices Handbook for Activities In and Around the City’s Waterways and Watercourses. November 2005
- 14** Kives, Bartley. Eroding Winnipeg Riverbanks needs federal help, Coun. Brian Mayes says. CBC News. May 30, 2016
- 15** Green Infrastructure for Food Production, Winnipeg Food Council. October 2020

- 16** City of Winnipeg CSO Master Plan, <https://winnipeg.ca/waterandwaste/sewage/csoMasterPlan.stm#tab-funding> (downloaded Feb 7 2022)
- 17** International Joint Commission, Order of Approval to Greater Winnipeg Water District, 1914 <https://legacyfiles.ijc.org/dockets/Docket%207/Docket%207%20Order%20of%20Approval%201914-01-14.pdf>
- 18** International Joint Commission, Correspondence to City of Winnipeg, re: proposed water service sharing agreements. April 18, 2013 <https://legacyfiles.ijc.org/dockets/Docket%207/Docket%207%20Letter%20to%20the%20City%20of%20Winnipeg%202013%2004%2018.pdf>
- 19** Manitoba Public Utilities Board Order No. 56/12 May 3 2012.
- 20** Memorandum of Agreement between Shoal Lake Band No. 40, Province of Manitoba, City of Winnipeg, June 30 1989. https://www.winnipeg.ca/waterandwaste/pdfs/water/Shoal_Lake_Memorandum_of_Agreement.pdf
- 21** Iskatewizaagegan No 39 Independent First Nation v Winnipeg (City), 2021 ONSC 1209, <https://words.usask.ca/nativelaw/2021/04/05/iskatewizaagegan-no-39-independent-first-nation-v-winnipeg-city-2021-onsc-1209/>