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# Saskatoon Water and Wastewater Utilities 2017 Annual Report

## Recommendation

That the report of the General Manager, Transportation & Utilities Department dated June 11, 2018, be received as information.

## Topic and Purpose

The purpose of this report is to present the Saskatoon Water and Wastewater Utilities 2017 Annual Report that outlines the performance and activities of the divisions within the Water and Wastewater Utilities in 2017, including a comparative analysis to previous years.

## Report Highlights

1. The Water and Wastewater Utilities fund a complex urban water ecosystem which is operated and maintained by Saskatoon Water, Water & Waste Stream, and Major Projects & Preservation.
2. In 2017, water and wastewater services were provided to 271,000 residents in Saskatoon and water to an additional 37,900 customers outside of Saskatoon, through SaskWater. Saskatoon's annual sales volume of 36.6 million cubic meters is slightly higher than the ten-year average of 35.9 million. Although the population has grown by 27.5% since 2008, demand has stayed relatively constant.
3. Water, wastewater, storm water, and infrastructure levy bills in Saskatoon are the lowest of major cities in Alberta, Manitoba, and Saskatchewan based on average residential consumption.
4. \$3.0 million was allocated to the Water and Wastewater Revenue Stabilization Reserve and to Capital Reserves.
5. Water and Wastewater Utilities provided \$9.49 million in Grants-in-lieu of Taxes to the City.
6. Saskatoon Water experienced four lost-time incidents, resulting in a lost-time frequency rate of 2.5 and Water & Waste Stream experienced five lost-time incidents, resulting in a lost-time frequency rate of 2.6. Both divisions are slightly higher than the corporate average of 2.3; however, they had a significant decrease in lost time days and severity rate.
7. Within the Water and Wastewater Utilities there were 82 active capital projects in 2017, budgeted at \$267.6 million.

## Strategic Goals

This report supports the Strategic Goal of Asset and Financial Sustainability by reducing the gap in funding required to rehabilitate and maintain critical City infrastructure, establishing levels of service for rehabilitation of assets, maintaining assets with a focus

on continuous improvement, identifying supporting financial strategies, and developing funding strategies for expenses related to new capital expenditures.

This report also supports the Strategic Goal of Economic Diversity and Prosperity by planning and investing in infrastructure needed to attract and support new businesses and skilled workers to the city by ensuring fees and permits are competitive with other jurisdictions within and outside the province.

## **Background**

Saskatoon Water and Wastewater Utilities deliver safe, reliable, and cost-effective water and wastewater services that meet and exceed health and environmental regulatory standards.

## **Report**

The Water and Wastewater Utilities fund Saskatoon Water, Water & Waste Stream, and Major Projects & Preservation who are collectively responsible for the planning, designing, operating, maintenance, and capital for all water and wastewater services for existing and future citizens and businesses. The Utilities also fund a portion of Corporate Revenue for customer billing, meter reading, and collection services. Saskatoon Water is responsible for the operation and maintenance of the Water Treatment Plant (WTP), the Wastewater Treatment Plant (WWTP), 24 lift stations, and the Meter Shop, and provides engineering and planning services. Water & Waste Stream manages the maintenance, repair, and replacement of all underground water, wastewater, and storm water infrastructure. Major Projects & Preservation is responsible for managing asset preservation for underground water distribution and sewer collection systems.

The Saskatoon Water and Wastewater Utilities 2017 Annual Report (Attachment 1) highlights information relating to our: Customers, Finances, People, Work, Environment, and Challenges.

## **Our Customers**

In 2017, water and wastewater services were provided to 271,000 residents in Saskatoon. In addition, Saskatoon Water sold potable water to SaskWater who re-distributed to 37,900 customers outside of Saskatoon.

In 2017, Saskatoon registered 230 mm of rainfall, which is lower than the ten-year average rainfall of 307 mm. This resulted in a slightly higher than average annual sales volume of 36.6 million cubic meters. Although the population has grown by 27.5% since 2008, demand has stayed relatively constant. This can be attributed to lower consumption per capita due to low-flow faucets, toilets and washing machines, and an increased water conservation awareness.

Saskatoon citizens ranked water treatment and wastewater treatment as two of the most important civic services, with drinking water quality being the most important

service in the 2017 Annual Civic Services Survey. In 2017, average citizen satisfaction for water quality was 8.3 and sewage treatment was 7.1, out of ten.

### Our Finances

The average residential Water, Wastewater, and Storm Water Utility Bill for Saskatoon (\$114.59/month) remains significantly lower than other major prairie cities. For example, the average bill in Winnipeg (\$125.72/month), the second lowest city and does not have a storm water utility, was 9.7% higher than Saskatoon, and Calgary's bill (\$134.48/month) was 17.4% higher.

In 2017, the Water and Wastewater Utilities collected \$145.4 million in total revenues and had \$142.4 million in total expenses for a positive variance of \$3.0 million, which was allocated to the Water and Wastewater Revenue Stabilization Reserve, and to Capital Reserves.

City policy states that the Grants-in-lieu of Taxes will equal 9% of budgeted metered revenue. In 2017, this totalled \$9.49 million. The Utilities also transferred \$4.0 million to the Redevelopment Levy, \$6.0 million to the Roadway Levy, \$6.68 million for Return on Investment, and \$5.95 million to Corporate Services.

### Our People

Saskatoon Water, Water & Waste Stream, and Major Projects & Preservation had 407 employees as of December 2017. These divisions continued to participate in diversity programs, such as Gabriel Dumont Institute Work Experience for Aboriginal People, Women in Trades – Grade XII Girls, and Open House for New Canadians. Saskatoon Water experienced four lost-time incidents, resulting in a lost-time frequency rate of 2.5, and Water & Waste Stream experienced five lost-time incidents, resulting in a lost-time frequency rate of 2.6. Both divisions are slightly higher than the corporate average of 2.3; however, they had a significant decrease in lost time days and severity rate.

### Our Work

The City's water and wastewater treatment, distribution, and collection systems are regulated by Permits to Operate issued by the Water Security Agency. In 2017, Saskatoon Water conducted a combined total of almost 70,000 water quality tests at both treatment plants and within the distribution and collection systems. The results of the tests showed that the quality of the drinking water and the wastewater effluent were well within the acceptable limits under the Permits to Operate.

Saskatoon Water had 82 active capital projects in 2017, budgeted at more than \$267.6 million. Major capital projects included WTP transfer pumping and electrical upgrades, WTP filter upgrades, WTP source water study, Advanced Metering Infrastructure, lift station upgrades, cell relining at Bio-solids Handling Facility, upsized Fletcher Road force main, long-term master planning of water and sewer servicing to a population of one million, water main lining and replacement, and lead service line replacement and sewer main lining.

Saskatoon Water, Water & Waste Stream, and Major Projects & Preservation are committed to continuous improvement through improved customer service and implementing innovations. In 2017, continuous improvement initiatives for Saskatoon Water included WWTP lab upgrades, replacing conventional lighting systems with LED lighting, replacing light switches with motion sensors, and electrical upgrades at the WTP. Water & Waste Stream's continuous improvement initiatives included implementing solutions from the Water and Sewer Maintenance Scheduling Internal Process Review and roll-out of the Valve App Project. Major Projects & Preservation initiated a new program to replace old water mains and lead water service line connections concurrently to increase efficiency, reduce costs, and minimize disruptions to the residents.

### Our Environment

Protecting the river and its surrounding watershed is vital to the long-term sustainability of the water supply. The City of Saskatoon is a member of the South Saskatchewan River Watershed Stewards Incorporated.

The WWTP consistently meets or exceeds all regulatory limits for effluent discharged to the river.

Saskatoon water rates are designed to encourage water conservation in order to defer the need for high capital intensive capacity projects. Throughout the year, the Environmental & Corporate Initiatives division looks for opportunities to encourage and educate the public on water conservation initiatives.

### Our Challenges

Saskatoon Water, Water & Waste Stream, and Major Projects & Preservation have been proactive in anticipating and managing ongoing challenges such as growth, infill development, aging infrastructure, climate change, bylaw enforcement, regulatory changes, alternative funding sources, and inflow/infiltration.

### **Communication Plan**

A copy of the Saskatoon Water and Wastewater Utilities 2017 Annual Report will be posted on the City website and shared with the staff.

### **Other Considerations/Implications**

There are no options, public and/or stakeholder involvement, policy, financial, environmental, privacy, or CPTED implications or considerations.

### **Due Date for Follow-up and/or Project Completion**

This report is provided on an annual basis and no further follow-up is required at this time.

### **Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

**Attachment**

1. Saskatoon Water and Wastewater Utilities 2017 Annual Report

**Report Approval**

Written by: Reid Corbett, Director of Saskatoon Water

Approved by: Angela Gardiner, Acting General Manager, Transportation &  
Utilities Department

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