

AMSC Water & Wastewater Services

IN PARTNERSHIP WITH



June 12, 2015



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Water Suppliers' Responsibilities

- 💧 Be stewards of the valuable water resource that they manage.
- 💧 Be fiscally responsible to their customers.
- 💧 Maintain safe, reliable operations that provide quality water services to their communities.

Why Are We Here?

- 💧 Present AMSC Water & Wastewater Services.
- 💧 Provide support and answer questions.



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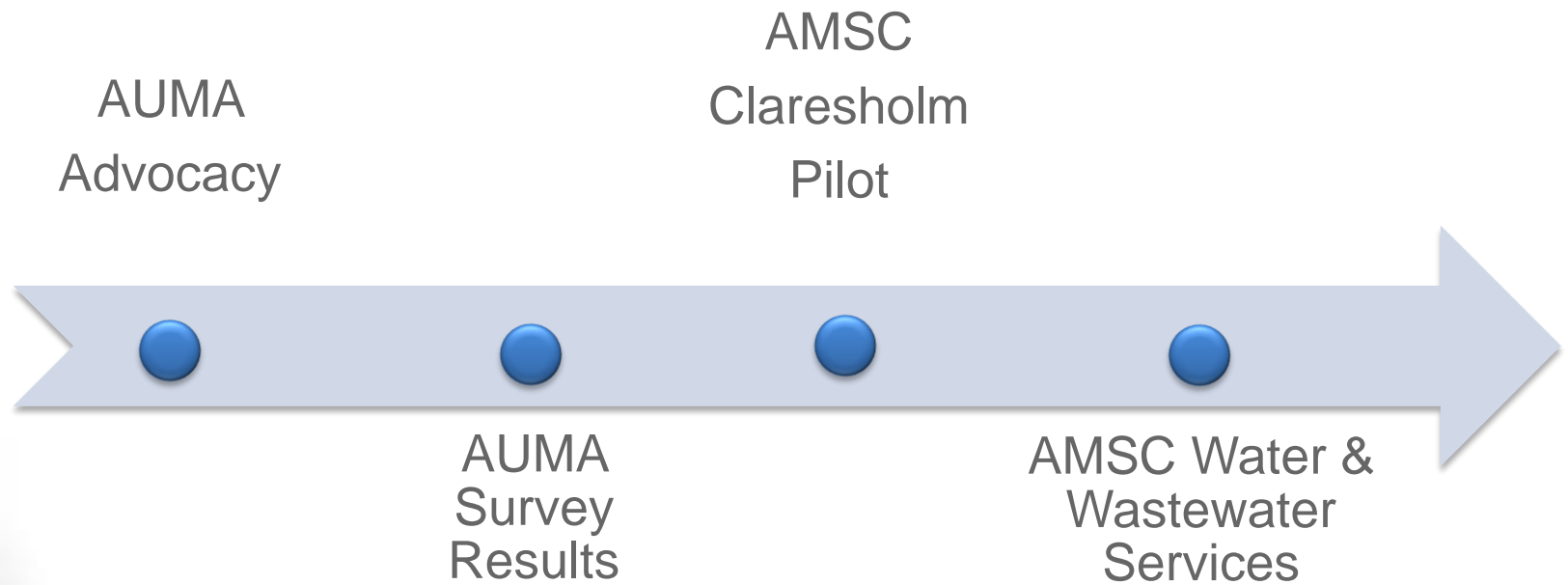
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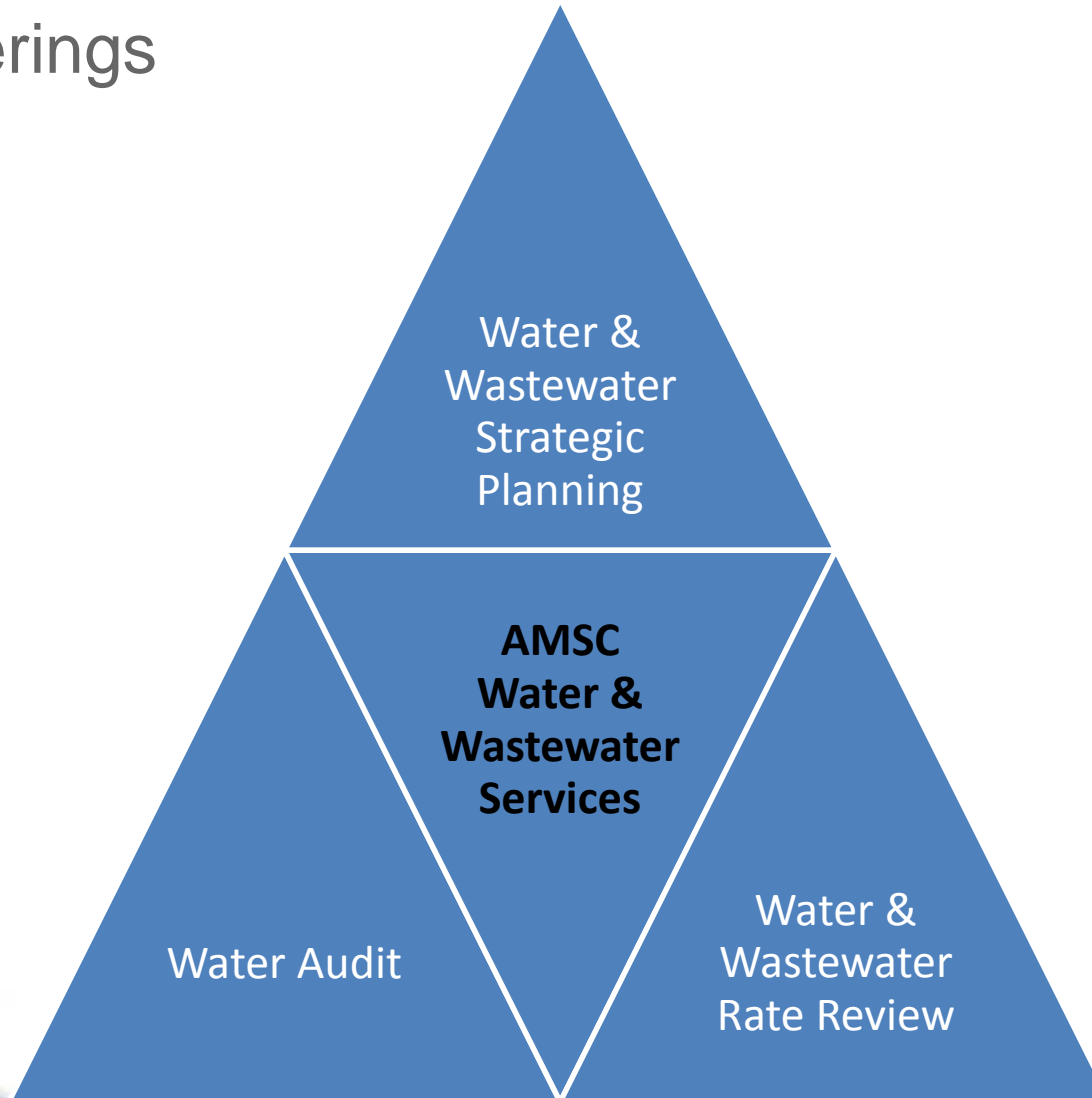
History Timeline



AMSC Water & Wastewater Initiative – *Objective*

- 💧 The objective is to provide municipalities with a trusted source of water and wastewater services.
- 💧 The following slides will provide a high level overview of what will be provided in the new AMSC Water & Wastewater Services.

Service Offerings



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Water Audit

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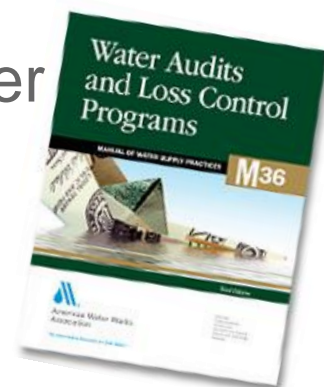
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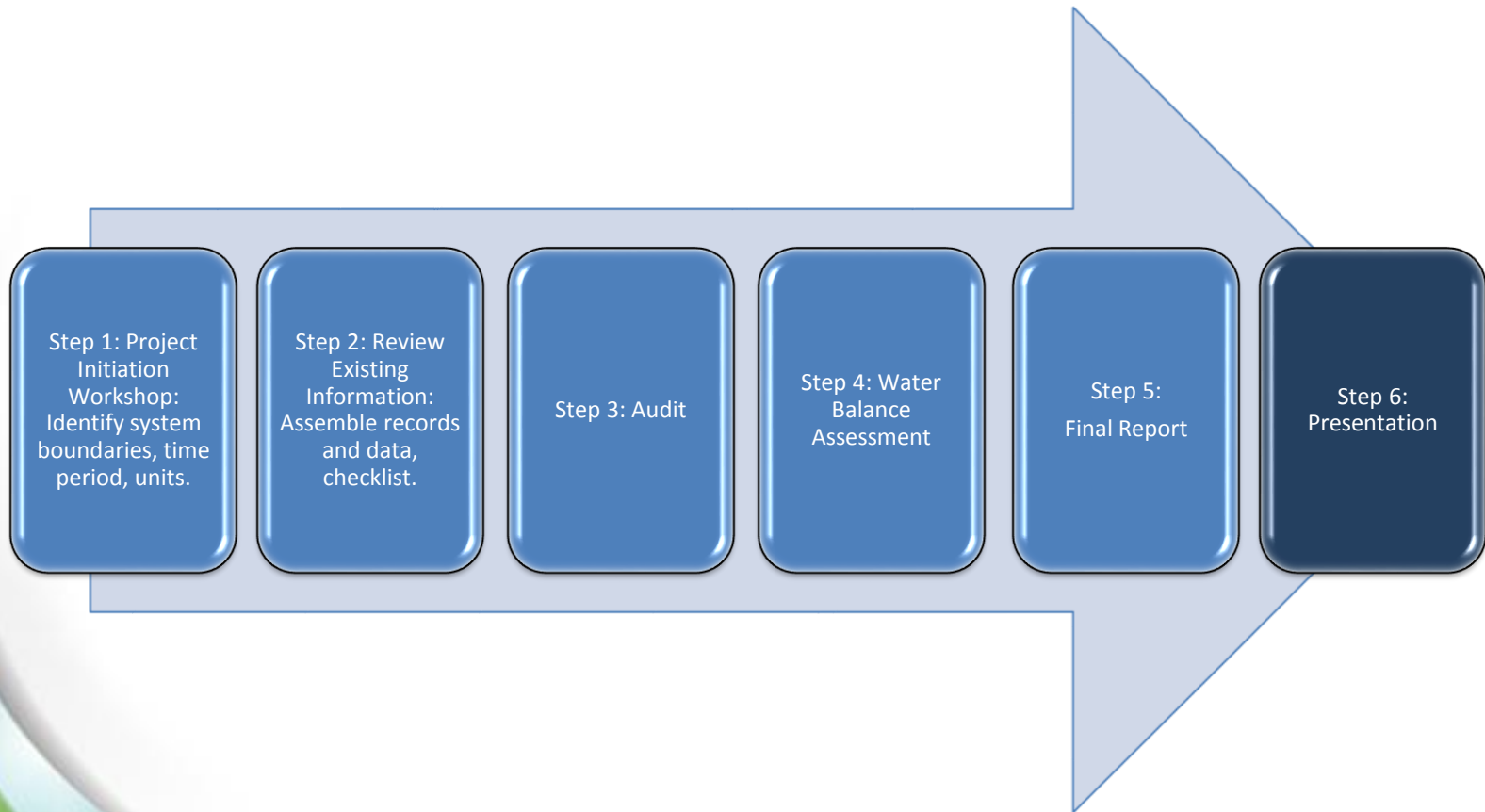
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Introducing Water Audit

- 💧 An AWWA top-down M36 Water Audit is a procedure developed by IWA (International Water Association)
- 💧 It is assembled in two general stages:
 - quantification of water consumption and water loss components
 - water balance calculations
- 💧 Assesses real vs. apparent losses
- 💧 Delivers Water Management Sustainability Plan and System Performance Indicators



Steps of Water Audit



Benefits of Water Audit

- 💧 Improve Water Resources Management
 - Reduce Wasteful Water Withdrawal, Optimize Revenue Recovery
- 💧 Operational Improvements
 - Minimize System Disruptions
- 💧 Improve Water System Integrity
 - Reduce Risks for Contamination
- 💧 Increased safety for public health and property
- 💧 Improved public relations and reduced disruption to customers

Water & Wastewater Rate Review



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Introducing Water & Wastewater Rate Reviews

What is a Rate Review?

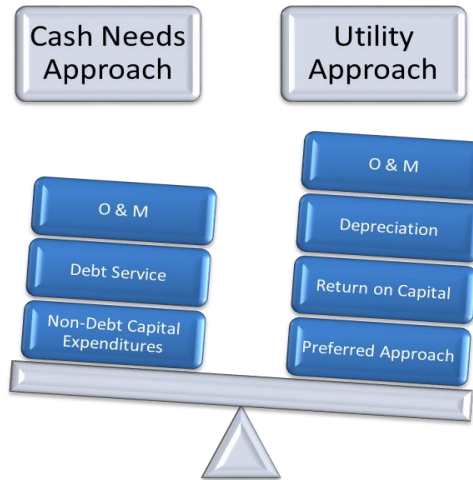
A full review of current and future costs associated with the provision of water and wastewater utility services

- Utilizes ESRD Full Cost Accounting (FCA) “Utility Approach” for water utility
- Adapts the principles of the FCA approach for the wastewater utility
- The rate review will:
 - Ensure both short and long term financial viability of the utility systems including demand forecasts
 - Identifies funding sources for long term infrastructure replacements (reserves, grants, capital plan)
 - Provide short and long term scenarios for rate setting based on real costs

Methodology

The American Water Works Association (AWWA) outlines two generally accepted methods of accumulating the costs. These include:

Designed to identify revenue requirements to provide cash to meet annual cash expenditure requirements



Designed to determine full revenue requirements to fund O & M, asset recovery and provide a return on capital used in provision of waterworks services

AESRD recommends the use of the Utility Approach.²

² "A Guide to Alberta Environment's Full Cost Accounting Program" (2008), page 4 of 9, published/modified on May 5, 2008. PDF accessed on web-site url: <http://environment.alberta.ca/01964.html> on July 8, 2013.

Methodology

Aquatera's Approach:



Benefits of Water & Wastewater Rate Reviews

- 💧 Provide better understanding of the full cost of current and future utility service delivery
- 💧 Utilize a recommended methodology that is delivered in accordance with recognized standards
- 💧 Provide a customized approach to suit local circumstances and priorities (conservation, equity, rate and revenue stability, defensibility AUC)
- 💧 Provides information to better explain costs to rate payers
- 💧 Provides clear cost breakdown for users outside municipality (if applicable), to ensure equity
- 💧 Provide short & long term recommendations for rate setting scenarios customized to municipality
- 💧 Provide information to facilitate better decisions

Water & Wastewater Strategic Planning



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Introducing Water & Wastewater Strategic Planning

- 💧 Guide overall approach to Water and Wastewater Management
- 💧 Balance risks, business continuity, services and financial stability
- 💧 Examine water services delivery models

Steps to Water & Wastewater Strategic Planning

- 💧 Step 1 - Consult with AMSC
- 💧 Step 2 - Research and Analyse Data
- 💧 Step 3 - Final Report
- 💧 Step 4 - Presentation



Benefits of Water & Wastewater Strategic Planning

- 💧 Provides alternative service delivery options
- 💧 Projects for capital spending, governance and planning
- 💧 Compilation of lessons learned
- 💧 Creates citizen buy-in

Additional Opportunities

- 💧 Conduct a Water Audit prior to a Water & Wastewater Rate Reviews; information gathered in the Water Audit will complement the Rate Review discovery.
- 💧 Approach the Water and Wastewater Reviews conjointly in order to achieve a holistic review of the distribution system.
- 💧 Pricing for services can reflect the customized service model.

Contact

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Discussion



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