



Water & Sewer Utility Report Card 2017

Keeping Fredericton's water safe;
providing wastewater treatment.



In 2013, Fredericton City Council adopted a "Water & Sewer Long Term Financial Plan" to guide the work of the City's Water & Sewer Utility.

The plan resulted from the City's transition to Public Sector Accounting Board Standards in 2009. It provided a list of the Utility's infrastructure, with a clear understanding of its current value and timelines for replacement.

An initial five-year infrastructure renewal funding strategy was approved, with the intent of replacing aging pipes and equipment.

How did the Utility do? As part of the 2018 Budget process, a Water & Sewer Utility Report Card has been presented.

About Fredericton's Water & Sewer Utility

As per provincial legislation, Fredericton's water and sewer utility is self-funded, deriving all its revenue from rates charged and government infrastructure grants. It is separate from the City of Fredericton's general fund budget and property tax system.

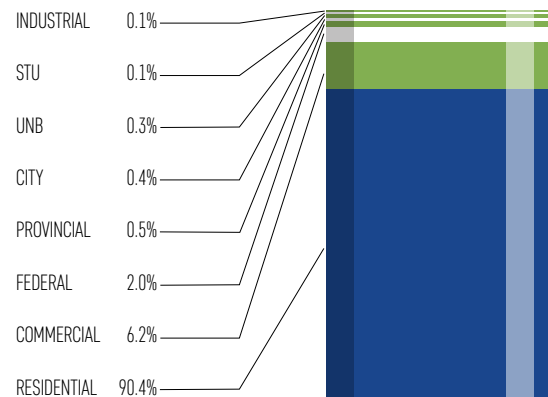
The utility provides water and sewer services to well over 95% of households and businesses within Fredericton, carrying out various maintenance and renewal efforts to keep the system operating smoothly. The utility is currently focused on replacing aging pipes within the system.

Statistics 2017:

- 880 kms of pipes in the ground
- 10 major production wells
- Two water treatment plants
- One wastewater treatment plant
- 2 sewage treatment lagoons
- 14 water pumping stations
- 13 water tower / storage tanks
- 42 employees
- 35 vehicles and pieces of equipment

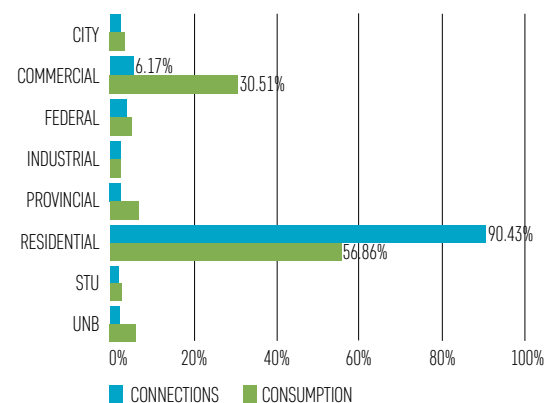
Water & Sewer Customers

- Approx. 17,000 water & sewer customers
- 43% of customers believe water & sewer rates go to maintain and upgrade the system, while 14% said they are used to provide water & sewer services
- 95% of customers are satisfied with the service provided and 84% believe the utility provides good value for the rates paid



Connections vs Consumption (2016)

Residents have done a great job conserving their use of water. The end result is a decrease in rates collected used to keep the system operating. The cost of keeping water & sewer pipes in the ground is not going down, however.



Recommended Replacement

The Utility manages various facilities and numerous pieces of machinery and equipment. There is also over 800 kms of water and sewer pipe. This system dates back to 1900, with pipes having an expected life span of 40, 60 or 80-years.

While the current renewal process started in 2009, ideally it would have started in 1990. The increased awareness of life cycling in the last decade means that municipalities across the country are playing catch up with their renewal efforts.

To avoid major cost spikes in future infrastructure renewal efforts, and to maximize the investment being made by rate payers, ideally 256 kms of pipe would be replaced between now and 2050, or roughly 61% of the network.

Report Card

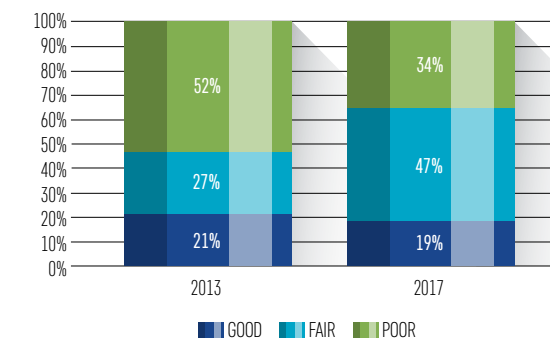
Successes

- One of the lowest rate structures in NB
- Downward trend in breaks
- Focus on renewal efforts, resulting in reduction of infrastructure in poor condition
- \$770K in annual savings achieved through improvement efforts
- Obtained other levels of government funding
- 100% of past rate increases have gone to renewal efforts
- Projects taking place citywide
- Very low water loss ratio in the system (9.52% for 2016)

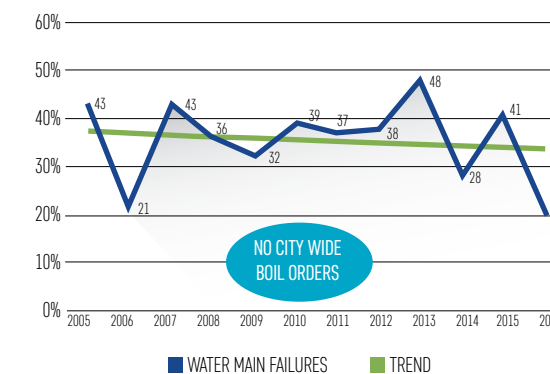
Challenges

- 23% decrease in average water consumption
- Aging infrastructure creates a risk of water main breaks causing interruptions to customers.
- Major infrastructure to be replaced is under major roads and streets
- As per the Long Term Financial Plan, the Utility should reinvest \$12.76M back into the system, each year. (In 2016, that amount was \$9.11M.)

Water & Sewer Infrastructure Status



Water Main Breaks



Water & Sewer Rate Comparison 2017

(Based on a family of four)

| MUNICIPALITY | 2017 YEARLY |
|--------------|-------------|
| FREDERICTON | \$877 |
| DIEPPE | \$916 |
| MONCTON | \$998 |
| NEW MARYLAND | \$1,055 |
| SAINT JOHN | \$1,296 |

BASED ON 272M³ ANNUAL CONSUMPTION FOR EACH OF WATER AND SEWER

FREDERICTON RESIDENTIAL AVERAGE BASED ON USAGE WAS \$747

For more about Fredericton's Water & Sewer Utility, visit www.fredericton.ca or contact Service Fredericton at 506-460-2020 or service@fredericton.ca.