



2024-2027

Multi-Year Budget

City of London

2024 to 2027 Business Plan

Service: Water

\$1.56

Cost per day for the
average rate payer
(2024 to 2027)

Who we are:

- The City operates, sustains, expands and improves the waterworks infrastructure to efficiently deliver high quality and reliable drinking water to residential, commercial, industrial and institutional customers.
- This service is responsible for water infrastructure planning, engineering and design functions, the operation and maintenance of the water distribution system along with managing the billing system for water, wastewater and stormwater.

What we do:

- The provision of safe, reliable potable water services contributes to the health of the City's residents, the protection of property through fire suppression activities and economic activity by ensuring sufficient water supply for commercial, industrial and institutional customers.

Why we do it:

- **Mandatory** - The provision of drinking water is critical to ensuring the public health and safety of residents as well as contributing towards economic activity in the community. All major urban Ontario municipalities are responsible for drinking water systems and must conform to the requirements of all applicable legislation and regulations including the Safe Drinking Water Act, and its related regulations, most notably Ontario Regulation 188/07: Licensing of Municipal Drinking Water Systems, Ontario Regulation 169/03: Water Quality Standards, Ontario Regulation 170/03: Drinking Water Systems and Ontario Regulation 128/04: Certification of Drinking Water System Operators and Water Quality Analysts.

The following table provides an overview of the budget for this service:

Budget Summary (\$000's)	2024	2025	2026	2027	2024 to 2027 TOTAL
Gross Operating Expenditures	\$103,501	\$107,431	\$111,550	\$115,705	\$ 438,187
Other Revenues	-\$103,501	-\$107,431	-\$111,550	-\$115,705	-\$438,187
Total Capital Expenditures	\$106,200	\$61,725	\$74,053	\$78,115	\$320,093
Full-Time Equivalentents (FTE's)	100.5	101.0	101.0	101.0	N/A

Reflects 2024 to 2027 approved City budget as of March 1, 2024.

Note: Budget adjustments related to 2024 to 2027 Multi-Year Budget business cases are reflected in the annual budgets presented in the table above, however, there was no rate impact in year 2024. The rate impact of the 2024 business cases will be addressed in 2025 rate increases. The 2024 budgeted figures in the draft 2024 to 2027 budget document did not reflect the 2024 budget adjustments from the business cases.

Linkage to the 2023 to 2027 Strategic Plan

This service supports the following Strategic Areas of Focus in the 2023 to 2027 Strategic Plan:



**Reconciliation, Equity,
Accessibility, and
Inclusion**



**Economic Growth, Culture,
and Prosperity**



**Housing and
Homelessness**



**Mobility and
Transportation**



Wellbeing and Safety



**Climate Action and
Sustainable Growth**



**Safe London for Women,
Girls, and Gender-Diverse
and Trans People**



Well-Run City

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this service:



Environmental:

- Renewing water assets helps protect the environment by reducing and preventing water leaks. Older water assets are more prone to leaks and watermain breaks as they reach the end of their useful life. The treatment and distribution of drinking water has an impact on the environment through the use of chemicals for treatment and electricity for treatment and distribution. Reducing and preventing leaks helps to limit this impact on the environment.

Socio-economic Equity:

- The City of London is a Blue Community which means that Council has affirmed that access to drinking water is a human right, and the City has made a commitment to not disconnect water supply from customers who cannot afford their water bill.

Governance:

- In Ontario, the drinking water sector is highly regulated to ensure safe, reliable drinking water and all systems must conform to the requirements of all applicable legislation and regulations including the Safe Drinking Water Act, and its related regulations, most notably Ontario Regulation 188/07: Licensing of Municipal Drinking Water Systems, Ontario Regulation 169/03: Water Quality Standards, Ontario Regulation 170/03: Drinking Water Systems and Ontario Regulation 128/04: Certification of Drinking Water System Operators and Water Quality Analysts. The City accomplishes this through a Quality Management System and Operational Plan which detail the steps we take to provide safe, reliable drinking water to Londoners. The City of London drinking water system is recognized as a safe and reliable system and we regularly receive perfect or near perfect scores on the audits on our system that regularly occur.

The following section provides an overview of the key activities the service plans to undertake from 2024 to 2027 to implement the Corporation's 2023 to 2027 Strategic Plan, as well as an overview of the risks and challenges the service is anticipated to experience during this period:

Service Highlights 2024 to 2027

- Training and Education – The City's ongoing training and education program will continue to provide Water Operations staff with mandated training, continuing education and skill-development to maintain and escalate their certification levels and ensure compliance with regulatory requirements such as the accredited Operating Authority for London's Drinking Water System.
- New Reservoir –Springbank Reservoir #2 is nearing the end of its useful life and also requires expansion to maintain security of supply. Design of this work is underway with construction beginning in 2024. This is a critical project for the Water System and will be the largest project undertaken by the Water area in over ten years.
- Rapid Transit Coordination - Over the Multi-Year Budget period the Infrastructure Renewal program will be continuing to be coordinated with the Rapid Transit program to support the renewal of infrastructure nearing or at the end of life along Rapid Transit corridor.
- Excess Soil Handling Facility – This new project involves funding a feasibility study and the construction of a new facility for handling excess soils related to Water and Sewer operations projects, in order to adhere to Provincial regulatory requirements.
- Construct new and refurbish existing storage facilities to develop inventories of specialized products for better preparedness in the event of emergencies and/or imminent failures. Many appurtenances to the water distribution system have long lead-times when procuring these products. As part of Ontario's mutual aid program in the water-wastewater industry (OnWARN), the City will be capable of providing assistance to other communities by having readily available products for immediate use.
- Support the establishment of internal locate services in order to optimize efficiency and effectiveness of this legislated service.

Risks and Challenges Anticipated in 2024 to 2027

- The Fibre Optic Acoustic Monitoring Program actively monitors several of the City's most critical watermains. In the event that the system identifies a problem, City staff will act quickly to rectify the issue before a catastrophic failure occurs. As the scope and magnitude of these repairs are hard to predict or quantify, there is a financial risk related to addressing these repairs. It should be noted that addressing these repairs has a much lower financial and social cost than dealing with a major watermain break.

- The Condition Assessment Investigative Program uses non-invasive technologies to find deficiencies in steel and concrete watermains. If a problem is identified, City staff will act quickly to rectify the issue before a failure occurs. As the scope and magnitude of these repairs are hard to predict or quantify, there is a financial risk related to addressing these repairs. Addressing these repairs has a much lower financial and social cost than dealing with a watermain break.
- As key water operations and engineering staff are nearing retirement, the training of junior staff will need to be accelerated. Through training and mentoring, junior staff will be provided the opportunities to gain the knowledge, skills, and abilities to fill senior operator roles. Operations staff must be fully qualified and appropriately certified in accordance with Safe Drinking Water Act requirements and continue to fulfill the City's Drinking Water Quality Management Standards - Operational Plan. Staff are provided these opportunities in order to advance their levels of certification in preparation for increased responsibilities.
- There is uncertainty inherent in any forecast of future water demand revenue. Unpredictable events such as weather patterns or the operations of industrial plants can have a significant impact on demand and ultimately the total water rate revenues.
- Unforeseen changes in legislation or regulations, including those specifically related to construction of watermains or health and safety can have a financial impact on the capital and operational work of the Water Service Area.
- A colder than normal winter can freeze water services and lead to an increased number of watermain breaks both impacting customers and increasing operational and repair costs.

Other reference information and links:

- Link to the City of London website page: [Water Service Area Financial Plan](#)
- Link to the City of London website page: [Backflow Prevention and Monitoring Program](#)
- Link to the City of London website page: [Water By-law W8](#)
- Link to the City of London website page: [Infrastructure Renewal Projects](#)

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