

TASK FORCE ON RURAL WATER FUNDING

Proposal to Address the Water Needs in Manitoba

September 1, 2001

RURAL WATER INFRASTRUCTURE

With rapid new developments in the rural economy, especially the agricultural industry, change and diversification have become critical factors if Manitoba is to maintain its farm communities. The one component of paramount importance to bring economic development opportunities such as value-added processing to rural Manitoba is potable water. Without adequate supplies delivered in a cost-effective way, many of the initiatives that need to be taken will not be possible.

One cannot overlook the fact that quality piped domestic supplies of water are long overdue. In many cases, health factors and quality of life issues demonstrate the need for quality piped domestic water to farm homes and communities, including communities in Northern Manitoba where public health concerns are paramount.

Within communities, water and wastewater treatment plants are required to produce quality water for distribution in the rural water systems and also to treat the wastewater that is produced within the communities. In summary, both rural water distribution systems and water and wastewater treatment systems are required if good, clean potable water is going to be provided to rural Manitoba.

The needs have been established and the solutions have been developed, but they cannot be implemented. The basic problem is funding. Even though Manitoba funding has increased, it has not kept pace with the needs due to the lack of a federal funding partner. Historically, the Manitoba Water Services Board (MWSB) and Prairie Farm Rehabilitation Administration (PFRA) have provided support for water supply projects outside of the larger urban centers, but there is a continuing need for governments to invest in rural water infrastructure over the next 10 years, particularly with the

continuing escalation in the demand for water. Some funding is also available through the new National Infrastructure Program, but it is already evident that this program will only be able to address a very small part of this growing problem.

The Task Force on Rural Water Funding is responsible for coordinating and orchestrating the lobbying initiative to address the water needs in rural Manitoba. The Task Force was formed under the umbrella of the Association of Manitoba Municipalities (AMM) and is comprised of 4 representatives from the AMM and 3 other representatives from various parts of Manitoba. The Task Force is funded and staffed by the AMM.

HISTORY AND BACKGROUND

The Rural Water Development Program (RWDP) has been used by PFRA for the development of secure water supplies in the rural prairie community since 1935. RWDP has allowed individual farmers, water user groups, water co-ops and small communities to develop safe and clean water supplies. The program objective was to introduce and promote means to provide water supplies of suitable quantity and quality to meet the need for small domestic and municipal systems and secondly, to provide drought-proofing to rural communities. Unfortunately, this PFRA program funding has been eroded to the point where cost sharing is no longer possible.

Municipalities see rural water distribution systems as essential for the maintenance and enhancement of life on the rural prairies. This is evidenced by the increasing demand for rural water distribution systems, where requests for funding of construction of new projects far exceeds the federal funding available under the National Infrastructure Program, and RWDP has neither the budget nor the relevant program authority.

As a result, we are left with no means for the federal government to participate in addressing rural water distribution infrastructure needs in Manitoba.

Water and wastewater infrastructure programs have been used for three decades in the development of water supply, treatment and distribution systems, and for the development of wastewater conveyance, treatment and disposal systems in rural prairie communities. The objective of these programs has been rural economic development, which is achieved by promoting greater diversification and value-added activities throughout rural Manitoba. All current federal program funds for water and wastewater infrastructure have been allocated and no new projects can be added.

The Task Force would encourage the federal government to view the issue of rural water infrastructure as an investment opportunity which will lead to significant returns to the federal government, Province and communities across Manitoba.

BENEFITS OF RURAL WATER INFRASTRUCTURE DEVELOPMENT

There are many economic and social benefits to investing in rural water infrastructure development throughout Manitoba. These include a significant rate of return to the federal, provincial and municipal governments on their investment and a healthy and prosperous economy throughout Manitoba. It is estimated that the federal government receives a full dollar back through various taxes for every dollar they invest in infrastructure.

Rural infrastructure for water and wastewater are a prerequisite to continued diversification into value-added processing in Manitoba, while upholding the tenets of environmental sustainability. For example, the expansion of the livestock industry in Manitoba has created several new opportunities for rural water infrastructure. Residents concerned about the possibility of contaminated drinking water would welcome a safe alternative to well water, and livestock operations would welcome a source of water that is reliable and does not have intensive capital requirements. Other benefits of new or upgraded water treatment and distribution systems include a general reduction in health risks, increased opportunities for residential and commercial development, improvements to reliability of volume and

pressure of supply to meet demand during peak periods, improvements to fire fighting capacity and related insurance requirements, and population growth in municipalities.

INVESTMENT REQUIRED TO ADDRESS THE WATER NEEDS IN RURAL

MANITOBA

The funding requests coming forward from municipalities throughout Manitoba indicates an immediate demand of \$90 million for rural water distribution infrastructure and an additional \$90 million for community water and wastewater treatment infrastructure. This represents a total demand of \$180 million for rural water infrastructure throughout the province. In fact, during the first intake of applications for funding under the National Infrastructure Program earlier this year, the demand for water and sewer related projects was illustrated very clearly. Out of approximately 300 applications received, 116 were for water and sewer related projects. These 116 applications represent \$152 million worth of projects in rural Manitoba. To date, \$33.6 million of funding announced through the National Infrastructure Program in Manitoba is going to water and sewer related projects. This leaves the majority of projects unfunded.

It is absolutely critical that immediate positive steps are taken to assist our committee in pursuing value-added initiatives in our communities. In light of the funding requests coming forward from municipalities throughout the province, we believe a 10-year, \$180 million federal/provincial/municipal rural water infrastructure agreement should be implemented. This is in addition to any programs already in place. This agreement would call for the three levels of government to contribute \$6 million each (\$18 million in total) annually over the next 10 years for a total rural water infrastructure package of \$180 million.

The Task Force would also recommend that the priorities under this agreement be set by Canada/Manitoba/municipalities in a mutually acceptable framework, which will ensure the maximum economic, social and environmental benefits to all levels of government.

The Task Force also recommends that the existing staff and structure of PFRA and the Manitoba Water Services Board be used in the delivery mechanism of these new rural water infrastructure projects. Therefore, no new government agencies would have to be created.

CONCLUSION

The need for clean, potable water is an issue of utmost urgency in our communities. There are still far too many rural residents that do not have adequate water supplies that comply with the Canadian Drinking Water Standards. In addition, the issue of environmental stewardship in the treatment and handling of water is equally important and must be addressed. The Task Force on Rural Water Funding believes that not only is clean, potable water a basic right for all Manitobans, but it is one of the building blocks of a strong, competitive economy. With continuing development of good, clean potable water, farms can diversify, municipalities can bring economic opportunities to their communities and jobs can continue to be created in Manitoba. As we enter a new decade, a new century and a new millennium, it is evident that governments must invest in developing this precious resource called water and build on past successes when governments funded these works. Canada must continue to invest in rural water infrastructure. By doing so, governments will receive a significant return on their investment, communities will have good, clean, potable water and our communities will be stronger and better places to live.