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# An Engineer's Perspective on Financial Plans for Water Systems

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# Historical Context for…
# Sustainability / AM / Financial Plans

| | 1970's-80's | 1990's | 2000's | 2010's |
|---|---|---|---|---|
| GLOBAL | UN raises awareness of global sustainability Brundtland Commission 1987 – first definition for "sustainability" | Sustainability broadened to include socio-economics | Kyoto Accord signed. Climate change and human impact on the earth are "accepted" | Cost of GHG emission reductions challenge commitment to meet objectives. Link made between AM and sustainable communities, |
| NATIONAL | Environment rises to top of political agenda - new legislation and funding programs | Debt elimination becomes national focus. Downloading becomes "fad" | Infrastructure becomes a national issue. INFC, NAMWG, NRTSI created PSAB 3150 introduced | . Infrastructure remains at top of political agenda. Economic crisis with infrastructure spending used as stimulus |
| LOCAL | Environmental and growth related infrastructure projects "boom" – compete for available funding | Infrastructure deterioration and debt reduction on collision course. | Walkerton launches asset management into regulated industry (Water License / Financial Plan – O.Reg 188/07) | Province launches "Building Together ", MIII program, a "carrot" approach to encouraging AM |

# Financial Plan…  Sustainable Infrastructure

## Infrastructure Sustainability Equation

**Needs (Costs) = Revenue**

# Financial Plan…  Sustainable Infrastructure

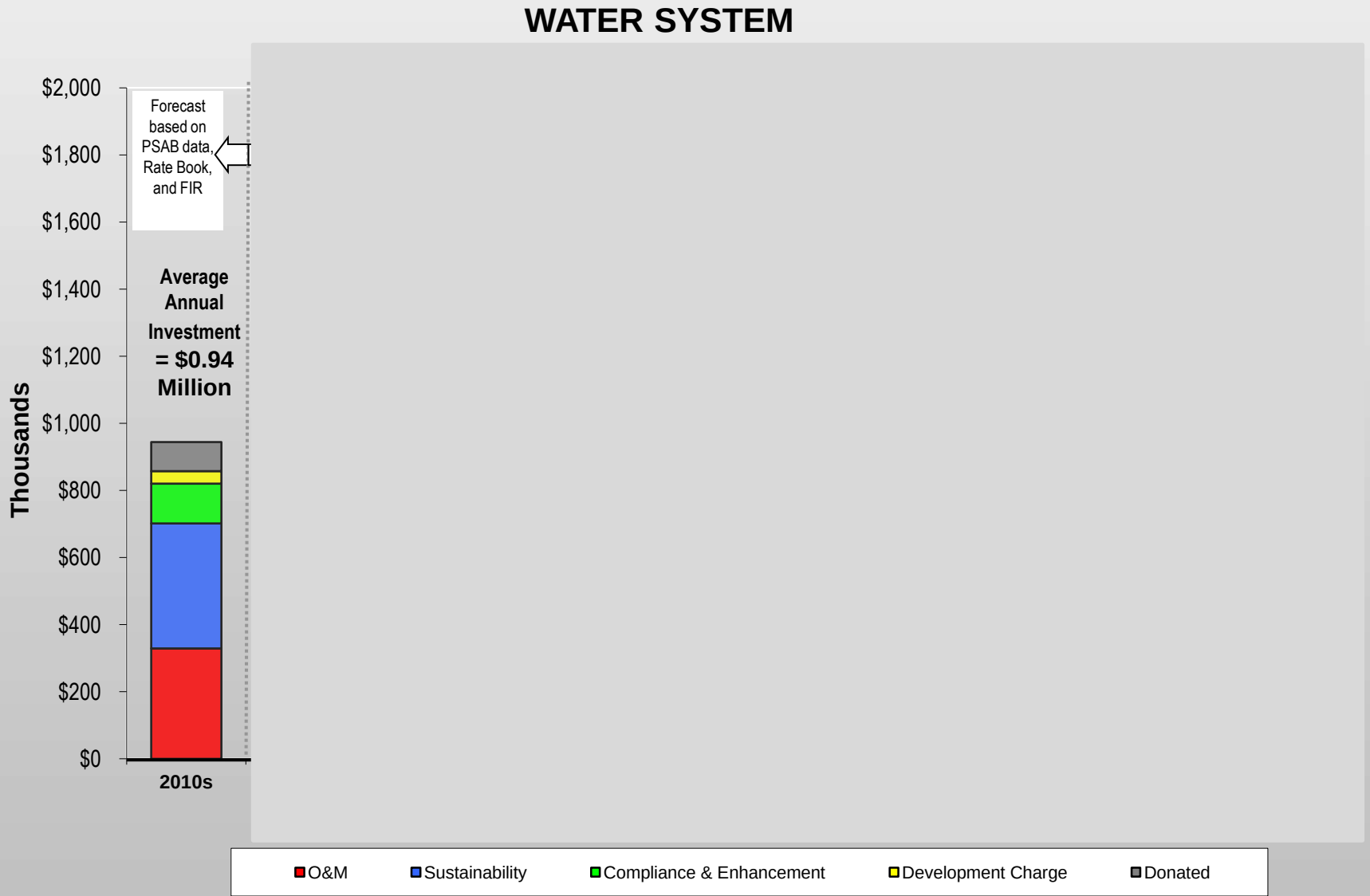
## Infrastructure Sustainability Equation

**Needs (Costs) = Revenue**

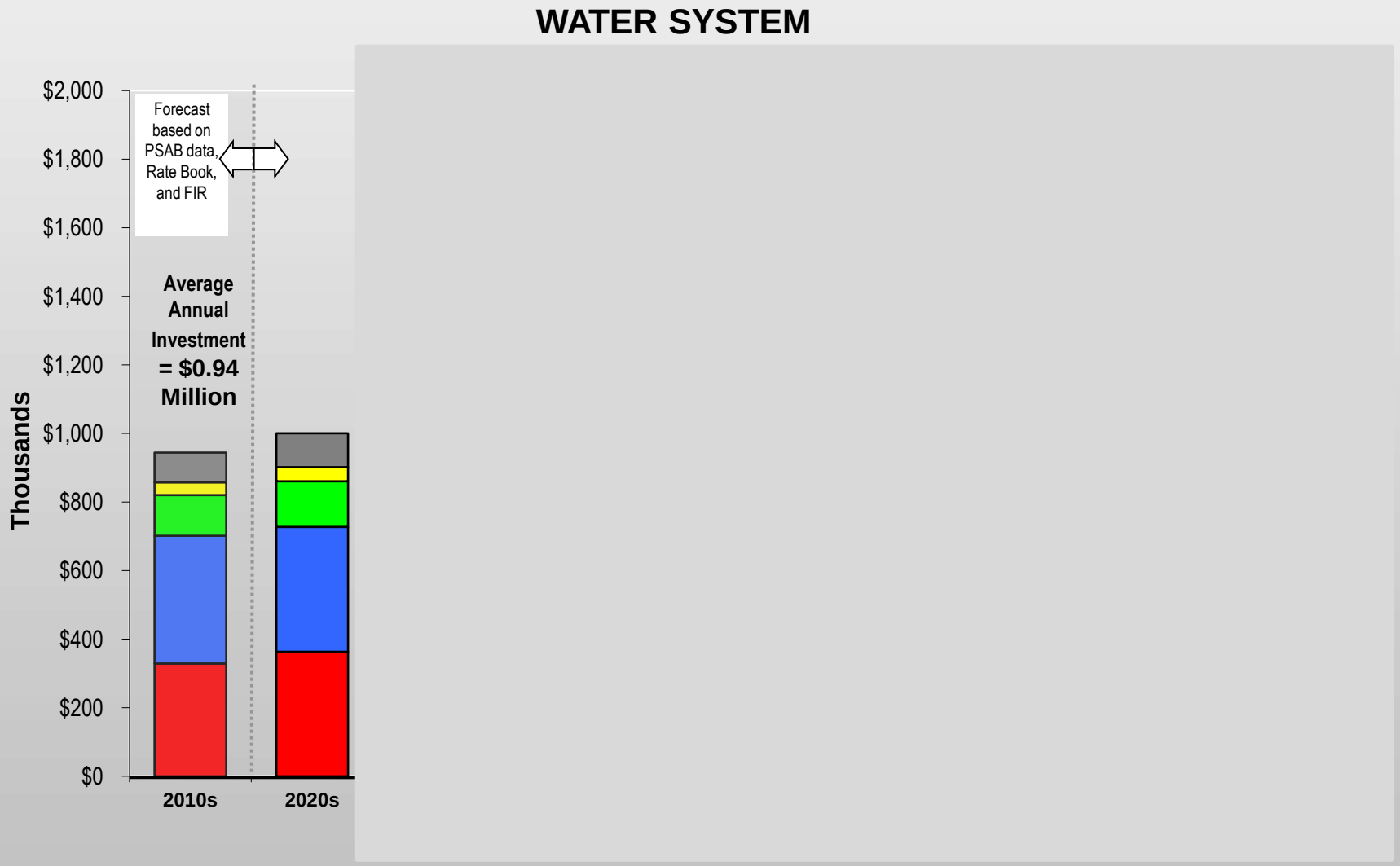
- TCA Continuity Schedule

- Statement of Cash Flow
- Statement of Financial Position
- Statement of Operations

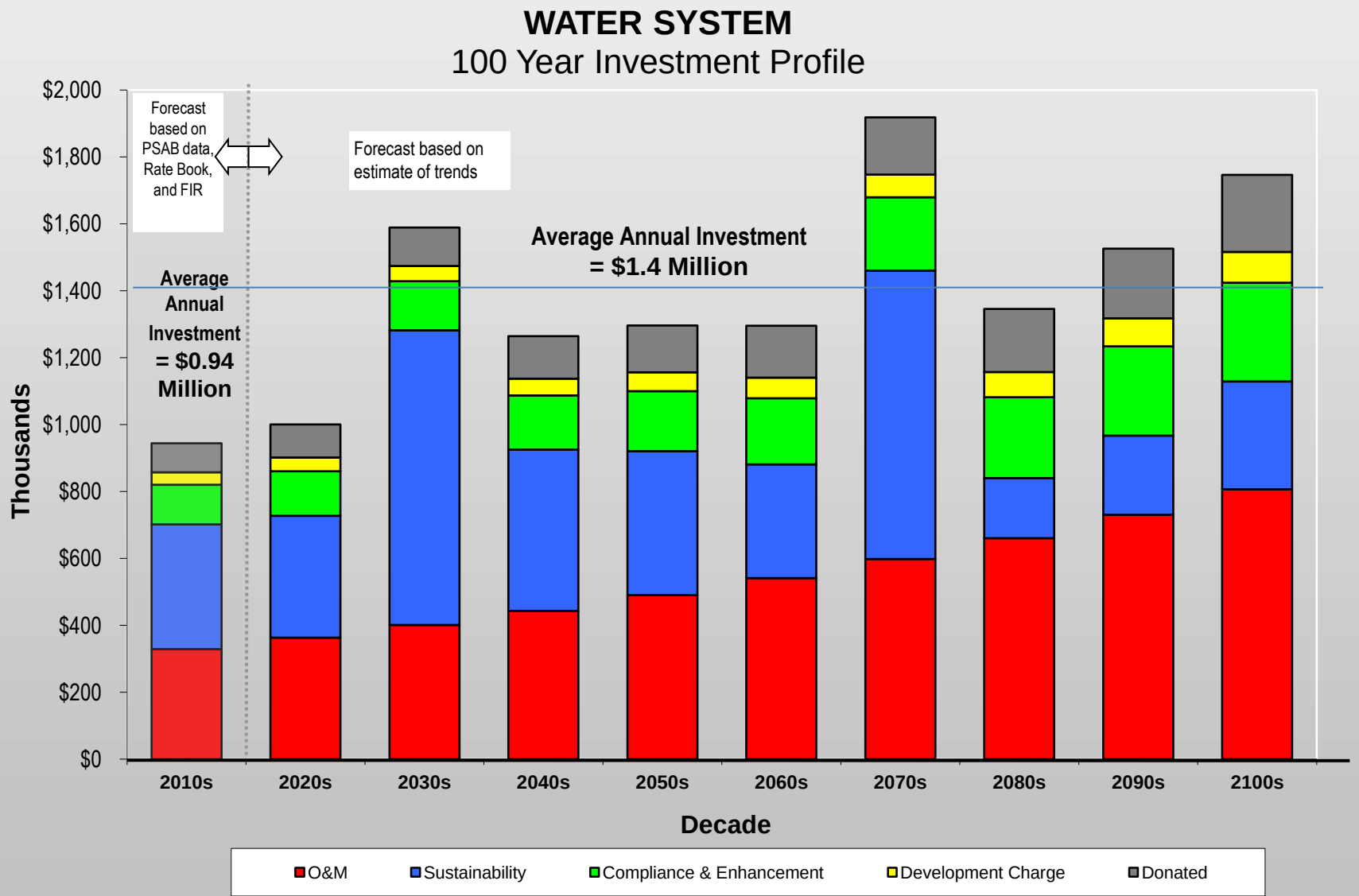
# Water System Investment Needs – 10 year budget



# Water System Investment Needs – 20 years



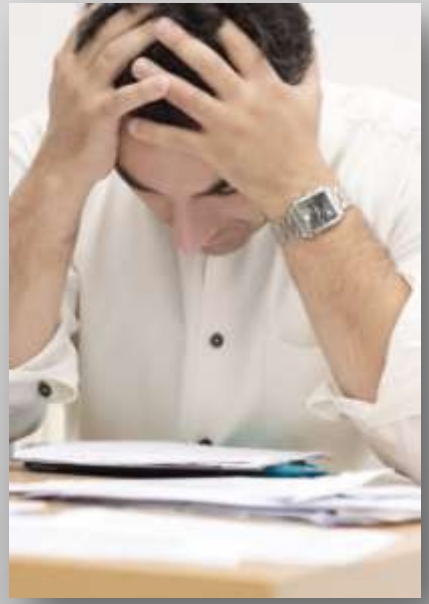
# Water System Investment Needs – 100 years



# Financial Plan…  Sustainable Infrastructure

## Infrastructure Sustainability Equation

**Needs (Costs) ≠ Revenue**



**NOW WHAT?**

# Financial Plan…  Sustainable Infrastructure

## Infrastructure Sustainability Equation

## Needs (Costs) ≠ Revenue

OPTION 1
You hope someone is going to come along and magically give you  all the money you need!

# Financial Plan… Sustainable Infrastructure

## Infrastructure Sustainability Equation

## Needs (Costs) ≠ Revenue

OPTION 2
You discover the tree that grows money!

# Financial Plan…  Sustainable Infrastructure

## Infrastructure Sustainability Equation

## Needs (Costs) ≠ Revenue

OPTION 3
You develop an Asset Management Plan and work on the equation components as a team !

# Financial Plan… Sustainable Infrastructure

## Infrastructure Sustainability Equation

## Needs (Costs) = Revenue

Impacted by…
- Service levels
- Doing the right project
- Doing a project right
- Innovation / new technologies / R&D

Impacted by…
- Rates
- Tax/Levy
- User fees
- Grants
- Loans / Debt
- Other financial tools?

# Thank you for your time.