



Fall 2021

Consortium Leaders Roundtable

**Achieving community goals through
sustainable water service management**



Agenda and Primer

October 19 - 20 from 12:00 p.m. to 4:00 p.m. (EDT)

Consortium Leaders' Roundtable - Agenda

Day 1 – Tuesday, October 19, 2021

12:00 p.m. Eastern Time Enter REMO and get settled at a table. This is an opportunity to reconnect with other Consortium colleagues.

12:20 p.m. **Welcome** – Bernadette Conant, CEO

12:40 p.m. [Water utilities as anchor institutions: Exploring the role and opportunity of water management in our communities](#)

Municipal water departments/utilities are major local employers and shapers of the physical environment for current and future generations. Municipal water managers have the opportunity to operate within their mandates in a way that aligns with broader community goals. Join us for an exciting "At Issue" session with thought leaders from both within and outside the water sector to set the stage for the Fall Roundtable. Let's explore how we can get to the futures we want through water.

Guest Speakers:

- **Dhesigen Naidoo**, President of Human Right 2 Water
 - **Cheryl Nelms**, General Manager, Project Delivery (Metro Vancouver)
 - TBC
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2:00 p.m. **Break / Networking**

2:20 p.m. [Moving towards collaborative governance and integrated city services: Navigating new dynamics](#)

Collaboration is an effective mechanism to align efforts across municipal branches, departments and units — but implementing it is not without challenges. Utilities must consider the role of leadership, culture, change management and the intentional recognition of allies and co-benefits within the municipality to successfully integrate collaborative governance approaches.

Join us for facilitated breakout discussions where Consortium Leaders will set the stage by sharing their insights on addressing challenges, change and uncertainty through collaborative governance approaches.

Case Studies:

- **Francois Bouchart**, Director, Water Resources and **Nancy Stalker**, Acting Director, Water Services (City of Calgary)
 - **Jimmy Zammar**, Director, Integrated Strategy & Utilities Planning, Engineering Services (City of Vancouver)
 - **Cathie O'Toole**, General Manager (Halifax Water)
 - **Dave Szeptycki**, Director, Strategy and Innovation, Environmental Services (York Region)
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3:45 p.m. **Synthesis and wrap-up**

4:00 p.m. Adjourn Leaders Roundtable (Day 1)

4:30 p.m. REMO platform closes

Day 2 – Wednesday, October 20, 2021

12:00 p.m.
Eastern time

Networking

12:20 p.m. **Welcome** – Carl Yates, Chair, Canadian Water Network

Overview of sessions from Day 1 – Sandra Cooke, Director, Municipal Consortium

12:40 p.m. [Re-evaluating utility spending through a service delivery lens](#)

Explore ideas on how reframing water system spending through a Levels of Service lens can offer creative solutions to financing evolving challenges and needs, such as resiliency, equity and asset management. Are there opportunities to optimize utility spending to better align with corporate and customer values?

We will draw on some of the core concepts and insights from the year-long peer Strategic Sharing Group on "Advancing Levels of Service in the Context of Uncertainty," including strategic data management, understanding your customer, strategies to generate council buy-in, and leveraging co-benefits.

Case Studies:

- **Bu Lam**, Director, Sanitary & Stormwater Utilities (City of Kitchener)
- **Shannon Abbott**, Manager, Customer & Strategic Services (City of Calgary)
- **Michael Latimer**, Corporate Asset Management Policy, Research and Initiatives Advisor (Region of York)

Strategic Sharing Group Table Facilitators:

City of Kitchener, City of Vancouver, City of Calgary, Region of York, Halifax Water, EPCOR, Region of Waterloo

2:00 p.m. **Break / Networking**

2:20 p.m. [Value-based Investing: An opportunity for water utility financing?](#)

Green, Blue, Social and Sustainable: Impact investing is gaining considerable traction year-over-year. Considering this momentum in impact investing combined with the need to maintain and advance our water services, are there opportunities for water managers to pursue novel funding arrangements in partnership with their financial managers? Leaders in the finance sector will help contextualize these trends for water utilities and provide us with insights into what the future opportunities might be for investing in our communities.

Guest Speakers:

- **Sara Alvarado**, Executive Director, Institute for Sustainable Finance
 - **Adam Spence**, Founder and CEO, Social Venture Connexion (SVX)
 - **Randy LeClair**, Director, Capital Markets (City of Toronto)
 - TBC (City of Kingston)
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3:20 p.m. **Synthesis, wrap-up and looking forward**

4:00 p.m. Adjourn Fall 2021 Leaders Roundtable

4:30 p.m. Platform closes

Consortium Leaders' Roundtable – Primer

Achieving community goals through sustainable water service management

The Leaders' Roundtable is a bi-annual opportunity for Consortium Leaders to participate in structured discussions on strategic water management topics. For the Fall 2021 Roundtable, we will build on our discussions of affordability and equity from the Spring Roundtable and explore elements contributing to the sustainability of water services in Canada. Specifically, we will focus on evolving practices around **utility governance** and **financial sustainability** and their role in achieving broader community goals. Attendees will hear from Canadian and international guest experts, as well as peers from across Canada, about success stories and lessons learned.

Getting to the future we want through water

Across Canada, water utilities and municipalities are responsible for water management services in their respective communities. At a basic level, this includes providing safe drinking water, wastewater treatment in support of public health, environmental protection, and managing stormwater to protect against flooding. Utilities are increasingly expected to do more with less and expand their role to take on additional elements (e.g., source protection) and ensure equity in service delivery and operations. Regional and local realities dictate specific utility priorities that drive utility operations, planning and investment.

The provision of water management services supports the achievement of community values and goals such as livable and green cities; a clean environment; resilience, public health and safety; economic development and prosperity; social inclusion and equity; affordability; and net-zero carbon emissions, among others.

Governance and financial sustainability are two pathways we will explore to help utilities meet their responsibilities and contribute to community priorities.

Governance has a cross-cutting impact by setting the playing field in which water utilities and municipal water service providers operate. For example, governance structures that are well integrated with other relevant departments (e.g., transportation, urban planning, parks) and disciplines (e.g., drinking water, wastewater, etc.) have an increased ability to provide cost-effective long-term solutions which achieve multiple community benefits or goals.

Similarly, financial considerations are fundamental to implementing sustainable water management. Innovations in financial strategies and advancements in asset management, such as better defining levels of service and aligning with customer values, will enable more creative and locally-appropriate solutions to delivering water management services.

The COVID-19 pandemic has provided an opportunity for communities to rethink the status quo and opened the door to do things differently. How can changes to utility governance and financing help us move toward community goals?

Roundtable format and objectives

The flow of this meeting will follow an hour-glass shape (see Figure 1). The wide points at the beginning and end represent where we will engage in strategic discussions regarding the broader community context within which utilities operate, and the narrow points in the middle represent a focus on strategies relevant to internal utility leadership and decisions. The first two sessions (Day 1) will centre on governance, and the third and fourth sessions (Day 2) will address financial sustainability.

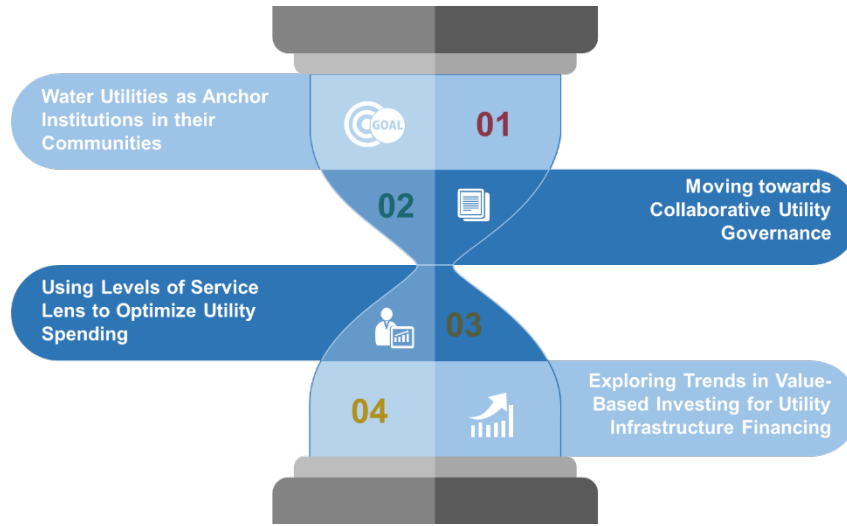


Figure 1. Representation of session topics and focus.

On **Day 1**, we will begin with a high-level, strategic discussion looking at opportunities to connect municipal water management decisions with broader community priorities and discuss the concept of water utilities and municipal water service providers as anchor institutions. We will then examine the role of collaboration within local governments to achieve water utility mandates, including considerations of leadership, culture and change management.

On **Day 2**, we will explore fresh ways of working towards financial sustainability. We will begin with a discussion on reframing utility spending through the lens of customer Levels of Service and then take a step back to examine the financial sector trend of value-based investing and what this means for community water initiatives.

Regardless of the 'level' of conversation, we will look to ground big ideas and concepts within the day-to-day reality of municipal water managers. Our overarching objective is to provide attendees with an opportunity to connect with peers and share state-of-practice and knowledge on the key topics of utility governance and financial sustainability, while framing discussions within the context of broader community challenges and priorities to support sustainable community water management.

Session #1: Water utilities as anchor institutions in their communities

Session objective:

1. Connect the dots on key issues outside of traditional water silos to help situate municipal water managers and utilities' roles in contributing to broader community goals.
2. Generate ideas and consider a variety of ways in which alignment of water utility and community goals can practically be achieved.

Format: At-issue style panel discussion, with interactive Q&A.

As leaders in municipal water management, we understand the importance of the services we provide — water is vital to communities' health and prosperity now and in the future. There remains a critical need to ensure that water is well integrated within community development. However, broader societal trends, notably the COVID-19 pandemic, have highlighted the need for greater social responsibility at all levels. It is increasingly no longer just about *what* we do but *how* we do it.

At the Spring Leaders Roundtable we heard from Cathy Bernardino-Bailey of the Cincinnati Water Authority about the important opportunity for water utilities to recognize themselves as anchor institutions in their communities. **Anchor institutions** are large, place-based institutions — e.g. hospitals, municipal governments, utilities, universities — which serve as economic, social and cultural centres for their community and are deeply invested in community wellbeing and outcomes. As major local employers and shapers of the physical environment for current and future generations, municipal water managers have an opportunity to operate within their mandates in a way that aligns with broader community goals.

Cities across Canada have outlined multiple high-level goals to advance towards sustainable and thriving communities. For example, goals may include creating reliable, affordable and transparent city services, or creating livable cities with green spaces and connections to natural ecosystems. These goals may also be tied into broader national trends, such as taking action on climate change by becoming a net-zero emissions community, or addressing economic disparities in the COVID-19 recovery period.

What are the pathways to get us to the future communities we want and allow us to be anchor institutions that effect positive change? Consider, for example, understanding our customers and linking service provision to their priorities and values; collaborative governance processes both internal to the organization and externally when identifying solutions; continuous improvement on the financial sustainability of our utilities; exploring value-based investment opportunities; and delivering services in a truly equitable way.

In this session, we will explore the role and opportunity for water managers and utilities as important influencers and foundational participants in communities. Join us for an exciting 'at issue' style session with thought leaders from within and outside the water sector to set the stage for the Fall Roundtable. Let's explore how to get to the future we want through water.

Discussion questions

1. What are the ways in which your utility is a **leader** in your community (e.g., promoting 'procuring local', environmental protection, reliable range of employment opportunities, climate change adaptation and mitigation, ensuring equitable service delivery, etc.)
2. Who do you **collaborate** with to understand your community's needs and goals, and how do you work together to address those needs and achieve those goals?
3. What opportunities do you see for your utility to play an **anchoring role to catalyze change** in your community? Can you think of an example of where your utility has taken a community goal and internalized it through actions in your organization (e.g., with respect to culture, operations, investments, etc.)?
4. What **characteristics** do you consider to be critical to an organization being a considered a *positive* anchor in their community? How does an anchor organization behave?
5. How does recognizing and internalizing broader community goals through your behaviour, values/culture, and actions (utility governance) impact **financial sustainability**?
 - E.g., does this highlight opportunities to better address cost-sharing, avoided costs, cost-benefit trade-offs, affect valuation of engineered and ecological water services? Does it put additional financial strain on utilities by expanding scope of work/mandate, or doing things differently?
6. What are some of the anticipated positive **outcomes** of aligning activities and investments with community values? What are some anticipated **barriers**? What are the consequences of *not* acting as a positive anchor institution?

Session #2: Moving towards collaborative governance

Session objective:

1. Explore opportunities for collaborative governance to achieve utility goals, and by extension community goals.
2. Identify strategies for navigating and implementing greater collaboration within the municipality/utility.

Format: Case studies by Municipal Leaders, followed by facilitated table breakout discussions.

Utilities must constantly evolve in response to new challenges and meet the moving targets of sustainable water management and service delivery. The COVID-19 pandemic and other megatrends are changing what is expected from municipal water services, and new approaches are needed. This means both in terms of what services are provided (source water management, flood protection, etc.) and how they are provided (equitably, affordably). Whether a formal restructuring of municipal governance is underway or there is a push to make changes within existing operational frameworks, collaboration is considered one of the most effective ways to achieve utility goals.

Collaboration in municipal water governance and decision-making aims to reach across internal silos to engage with key stakeholders to ensure solutions are appropriate and effective for local realities. Collaborative governance can play a vital role in helping utilities navigate uncertainty, improving organizational resilience and supporting their ability to function effectively as anchor institutions and contribute to community goals.

Despite the well-understood benefits of greater integration in water management, it continues to be challenging to put into practice. Realizing these benefits requires utilities to assess how to develop and support collaborative approaches within existing municipal governance structures and processes. To successfully incorporate collaborative governance approaches, utilities must consider the role of leadership, culture, change management and the intentional recognition of allies and co-benefits within the municipality.

This session will bring forward highlights from conversations CWN hosted with a cross-section of Consortium Leaders earlier this year. Collaboration was identified as an effective mechanism to align efforts across municipal branches, departments and units — but not without its challenges.

During this session, we will explore the opportunities for collaborative governance to achieve utility goals, and by extension, community goals. We will also aim to identify strategies for navigating and implementing greater collaboration within municipalities and utilities. Join us for facilitated breakout discussions where Consortium Leaders will set the stage by sharing their insights on addressing challenges, change and uncertainty through collaborative governance approaches.

Discussion questions

1. **Identifying allies, shared goals and co-benefits:** How does this support collaborative governance? What are some examples? What are some common barriers and examples of how these barriers could be addressed?
2. **Soft governance:** What are some examples of how strategic management and coordination across departments can support/advance collaboration? What kinds of informal relationships keep things moving at your utility? How can you promote and support informal relationships to support collaboration?
3. **Leadership and culture:** What elements of leadership have contributed to more successful collaboration? What elements of your organization's culture have helped or hindered collaboration? Discuss the role that leadership plays in shaping culture around collaboration.
4. **Change management:** In trying to adapt to changes in governance, what has helped? How can collaborative approaches support your work and continuity of services in times of change? Discuss the benefits and challenges of adopting an agile approach when managing change within the utility.
5. **Navigating uncertainty:** Do you have examples of how collaborative approaches have helped your utility navigate uncertainty and/or manage risk? Have any of your municipal/utility governance structures or processes helped your utility better navigate uncertainty and/or manage risk?

Session #3: Re-framing utility spending through a service delivery lens

Session objective:

Explore ideas on how reframing water system spending through a levels of service lens can offer creative solutions to financing evolving challenges and needs, such as resilience, equity and asset management.

Format: Case studies by Consortium Leaders, followed by facilitated table breakout discussions.

As anchor institutions in our communities, achieving financial sustainability for municipal water services is a priority. Narratives around financial sustainability tend to focus on concepts of ageing infrastructure and closing the funding gap. However, there are new challenges that utilities must address that impact both system costs and revenue generation. These include building resilience to climate change, changing demand patterns, new technologies and expanded mandates. Unfortunately, we know that simply increasing customer user fees is only part of the equation, and it is not always straightforward. A core need in advancing utility financial sustainability is identifying ways to optimize utility spending of existing revenue in the face of rising costs.

Through this session, we will explore how reframing the conversation through a service delivery lens may offer alternative pathways to address the challenge of achieving financial sustainability. For example, what level of service do we need to provide, and how do we sustainably finance that? How can we optimize spending while accounting for the various factors involved in delivering water services, including people, processes and infrastructure? How can this framing better help us build the resiliency needed to address new and emerging challenges, and better address equity in our service delivery? How can this approach elevate our ability to achieve our mission and purpose as a public water utility without breaking the bank?

Discussions around levels of service have often been the purview of the asset management department. Still, they are central to utilities' core function and direction: delivery of reliable water services. In the challenging process of re-examining levels of service — e.g., determining the current service level for various customers, setting appropriate targets for the community, and identifying how to achieve those technically and financially — are there opportunities to optimize spending to better align with corporate and customer values? Revisiting levels of service does not necessarily need to be an added cost that widens the funding gap, but can be seen as an opportunity to redirect and reprioritize funds and efforts to be more cost-effective in achieving service delivery goals.

For this session, we will draw on some of the core concepts and insights from the year-long Strategic Sharing Group on [Advancing Levels of Service in the Context of Uncertainty](#). These discussions have revealed some of the financial implications and opportunities of putting refined levels of service into practice in the context of emerging trends. Because of diverse internal and

external drivers, Canadian municipalities and water utilities are at different points in their journeys of understanding and updating their service levels. Regardless of where your utility finds itself on that journey, join us for facilitated breakouts with Strategic Sharing Group participants. We will explore the potential opportunities to optimize utility spending by advancing levels of service in your utility/municipality, thereby contributing to achieving utility financial sustainability goals.

Discussion questions

1. **Understanding your customers:** Reflect on what kind of information you are gathering on your customers. Are you gathering input from your customers on levels of service, including their expectations, priorities, and willingness and ability to pay for different services and levels of service? Do you have examples of where these customer insights have or may contribute to lower-than-expected costs (e.g., opportunities for increased maintenance activities vs. new capital works)?
2. **Strategic use of data:** Utilities and municipalities manage large volumes of data, which carry a cost to collect and store. There is also a hidden cost attached to collecting and storing poor quality data or data that goes unused. What strategies does your utility use to better align data collection efforts to your corporate, customer and technical levels of service? Share examples or ideas of where data collection and analysis can be refined to ensure spending (including people, processes and infrastructure) aligns with target levels of service.
3. **Generating internal and external buy-in:** Refining levels of service to drive decision-making on investments is a change from the status quo and requires approval. What are some strategies to develop council, board and public buy-in on reallocation or prioritization of budgets and spending? To what extent do your **community's top priorities** (environment, climate change, public health, economic trends, etc.) influence your utility's phasing or prioritizing efforts and advancements in your levels of service?
4. **Co-benefits and cost-sharing:** Collaboration across silos can lead to more cost-effective and locally appropriate solutions. Who has your department partnered with to establish appropriate levels of service (internal or external to your organization)? After determining alignment or overlap of strategic goals, have you had success in cost-sharing for service delivery? What do cost-sharing arrangements look like?

Session #4: Value-based investing as an opportunity for water utility financing

Session objective:

Better understand trends in value-based investing and opportunities for financing municipal water management.

Format: Moderated panel discussion with guest speakers, followed by Q&A.

Notwithstanding a complete realignment of federal-provincial-municipal funding arrangements, new sources of financing for municipalities will be important to bridge the infrastructure funding gap, accelerate a green economy and adapt to a changing climate. Value-based investing is growing in Canada and may present an opportunity to diversify revenue and financing sources for municipalities, particularly for water, wastewater and stormwater services. Given that water utilities are central to achieving community goals of resilience and environmental protection, is the time right for leveraging private funding to advance water services in Canada?

Significant shifts are happening in finance. Many investors are searching for competitive returns and positive impacts. Much of this desire is being driven by members of the millennial generation who want to connect financial and societal outcomes. The increased desire of millennials to invest their 'money with meaning' may present a unique opportunity for water.

Much effort is put into managing water services so that they are sustainable and environmentally sound. Hence, water services are included in the project categories suitable for funding under the Green Bond Principles. These principles are a collection of voluntary frameworks with the stated mission and vision of promoting the role that global debt capital markets can play in financing progress towards environmental and social sustainability.

The trend of sustainable, values-based investing is growing in Canada. The City of Toronto, City of Ottawa and City of Vancouver have issued green bonds for public transportation. As of now, there are no green bond issuances for water infrastructure. However, water management is built into these cities' green bond frameworks, so the stage is set.

With the current momentum in green or sustainable investing and the need for water services to support ever-growing communities, are there opportunities for water managers in partnership with their financial managers, to pursue novel funding arrangements? Are there other partnership opportunities to leverage co-benefits for water, carbon and energy? How can water managers pivot toward a renewed sense of sustainability or 'regenerative sustainability,' where public and private investments drive environmental enhancement (not degradation), generate economic opportunities and optimize the wellbeing of citizens?

Bring your CFO with you to the session as we hear from leaders creating financial frameworks and products that seize the interest of a new generation of investors. Leaders in the finance sector will help contextualize these trends for water utilities and provide insights into future opportunities for investing in our communities.

Discussion questions:

1. **Utility readiness:** What are some intermediary steps to bridge municipalities towards future financing opportunities that bring in private equity to support sustainable water services?
2. **Finding allies:** What partnership opportunities exist for communities to leverage co-benefits for water, carbon and energy? Are there particular opportunities to fund energy related projects to accelerate buy-in and timelines on big ticket items such as co-generation or bio-gas production?
3. **Utility readiness:** Is your municipality/utility in a position to embrace the transparency of the use and management of the proceeds, and reporting to ensure value and integrity to investors? Are you prepared to address concerns the public may have with respect to perceptions around 'greenwashing' that accompany trends in sustainable investing?
4. **Connection to internal utility investment decisions:** Are there any concepts that can be borrowed from **Environmental Social Governance (ESG) frameworks** for Green Bonds to apply to utility financial management and decision-making? For example, can additional values-driven frameworks help utilities align spending with community goals?

Consortium Leaders' Roundtable – Attendees



Confirmed Attendees		Organization
Bernadette Conant	Chief Executive Officer	Canadian Water Network
Carl Yates	Chair, Board of Directors	Canadian Water Network
Jamie Austin	Director, Utilities Operations	City of Abbotsford
Kate Polkovsky	General Manager	Alberta Capital Region Wastewater Commission
Rod Pleasance	Senior Operations Engineer, Water & Sewer	City of Burnaby
Shannon Abbott	Manager of Customer and Strategic Services	City of Calgary
Francois Bouchart	Acting Director of Water Resources	City of Calgary
Gillian Skeates	Manager, Finance	City of Calgary
Nancy Stalker	Acting Director, Water Services	City of Calgary
Joseph Green	Project Engineer	Durham Region
John Presta	Director, Environmental Services	Durham Region
Stephen Stanley	Senior Vice President, Commercial Services	EPCOR
Susan Ancel	Director, One Water Planning	EPCOR Water Services
Audrey Cudrak	Director, Edmonton Water Treatment Plants	EPCOR Water Services
Cindy Shepel	Director, Drainage Operations	EPCOR Water Services

Confirmed Attendees		Organization
Cathie O'Toole	General Manager	Halifax Water
Michael Loken	Acting Director, Water/Wastewater Treatment & Compliance	City of Greater Sudbury
Bu Lam	Director, Sanitary & Stormwater Utilities	City of Kitchener
Greg St. Louis	Director, Utilities Gas & Water Division	City of Kitchener
Cheryl Nelms	General Manger, Project Delivery	Metro Vancouver
Terry Bender	Vice President, Operations	Ontario Clean Water Agency
Alicia Fraser	Vice President of Operations, South Peel	Ontario Clean Water Agency
Marilyn Journeaux	Director, Water Services	City of Ottawa
Scott Laberge	Acting Director, Technology, Innovation, Engineering Support Services	City of Ottawa
Elaine Gilliland	Director, Wastewater	Region of Peel
Kurtis Doney	Director, Water, Waste & Environment	City of Regina
Russ Munro	Director, Saskatoon Water	City of Saskatoon
Genevieve Russell	Project Manager, Sustainability	City of Saskatoon
Lindsay Menard	Process Engineer	City of Thunder Bay
Eleanor McAteer	Director, Water Infrastructure Management	City of Toronto
Heather Roberts	Director, Water & Wastewater Services	Utilities Kingston
Rodney Bouchard	General Manager	Union Water Supply System
Pam Law	Manager of Engineering & Planning	Region of Waterloo
Olga Vrentzos	Manager of Water Operations	Region of Waterloo
Mark Schwark	Director, Green Operations	City of Vancouver
Jimmy Zammar	Director of Urban Watersheds, Sewers & Drainage	City of Vancouver

Confirmed Attendees		Organization
Wendy Kemp	Acting Director, Infrastructure Asset Management	York Region
Erin Mahoney	Commissioner, Environmental Services	York Region
Dave Szeptycki	Director, Strategy and Innovation, Environmental Services	York Region

Canadian Water Network's Canadian Municipal Water Consortium

