

Water Treatment Plant Long Term Capital Strategy – Decision Quality Review

ISSUE

As the City of Saskatoon (City) and surrounding region continues to grow, a strategy is required to increase the water treatment capacity to 450 Million Liters per day (MLD), which will provide safe and reliable drinking water for approximately 500,000 people.

BACKGROUND

The City's Water Treatment Plant (WTP) has been a cornerstone of the community since 1906, providing reliable and safe drinking water to support growth in the city. The current WTP, as of 2021, has a firm treatment capacity of approximately 250 MLD and has two remote reservoirs with pump stations which service the city and region, and a third reservoir currently under construction.

Since 1980, the City has utilized a capital planning process to identify expansion and upgrades needs for the WTP and provide a schedule for the development. In 2009, City Council approved the commission of CH2M Hill to complete an update to the Long-term Strategy which has driven capital expansion to date.

CURRENT STATUS

An update to the Strategy will ensure that the growing demands of the city and region are met while maintaining levels of service. The Strategy will inform project and financial planning including capital expenditures, cash flows, borrowing, and customer utility rates.

AECOM was commissioned by the City in November 2019 to complete the update of the Strategy. The goal of this update was to identify the best approach to increase the City's water treatment capacity to 450 MLD. AECOM delivered the final Report to the City in May 2021, which included options for the City's consideration.

Due to the magnitude, level of complexity, and strategic decisions evaluated, a Decision Quality (DQ) Review of the long-term strategy will be undertaken utilizing internal resources to determine the best approach to increase the City's water treatment capacity.

DISCUSSION/ANALYSIS

DQ is a systematic approach to making decisions and is meant to handle significant and strategic decisions effectively. DQ helps to ensure that the best value path is chosen, defines the framework for a good decision, and engages the right people to ensure that a decision is successfully implemented. The DQ framework includes six requirements for a quality decision:

- Appropriate Frame;
- Creative Alternatives;

- Relevant and Reliable Information;
- Clear Values and Trade-offs;
- Sound Reasoning; and
- Commitment to Action.

To apply the DQ framework, a Decision Board of Senior Administrative staff has been formed to steer this decision to ensure alignment with the City's Strategic Goals. The Decision Board will be responsible for decisions related to direction, values, and drivers while the Project Team will be responsible for ensuring quality deliverables, evaluations, and alternatives are available to support the Decision Board's decision making.

Included in the DQ Review are the following considerations:

- Providing safe, potable water as demand increases;
- Meeting levels of service at an acceptable level of risk and cost;
- Determining a sustainable and rate equitable path for capital expansion at the WTP; and
- Gaining a clear understanding of the City's risk tolerance related to water treatment capacity.

FINANCIAL IMPLICATIONS

The DQ Review will be completed by existing internal resources therefore, there will be no financial impact to the City to complete the DQ Review.

Once the DQ Review is complete, the Long-Term Strategy will be finalized and include the impacts on aspects of Saskatoon Water's finances, including capital replacement and expansion, operating budgets, and water rate increases. Ultimately, the Long-Term Strategy will outline capital expenses to provide safe and reliable drinking water for approximately 500,000 people.

NEXT STEPS

The final report from the Decision Quality Review will be brought forward for approval to City Council in Q2 2022.

Report Approval

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