

NEWS RELEASE

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LAS to develop business case on water and wastewater joint municipal services corporation

Based on expert panel recommendations, LAS will develop a business case to evaluate whether a joint municipal services corporation would be a financially sound and practical solution for some of Ontario's water and wastewater infrastructure challenges.

Ontario's municipalities own almost all of the water and wastewater systems in the province. Many systems, particularly in smaller communities, are grappling with how to operate, maintain or expand these systems while keeping water rates affordable.

In the face of these challenges, LAS struck an expert panel in early 2024 comprised of municipal finance, economics, policy, legal and operations experts to look at potential options. The [LAS Expert Panel: Report on the feasibility of water and wastewater utility model](#) was accepted by the LAS board and is now available on the LAS website.

The panel reviewed financial data and consulted extensively with the municipal sector and other key stakeholders. The panel concluded that a voluntary public utility option, such as a joint municipal services corporation, could offer some financial, administrative and operational savings and benefits. For example, a joint MSC has the potential to:

- Access more sophisticated capital financing tools and better borrowing rates.
- Enable better system wide planning to match system capacity with growth.
- Address staffing shortages by allowing for a critical mass of staffing expertise.
- Address soaring construction and operations costs through joint procurement.

"At the outset, we decided that any solution must be completely voluntary for municipal governments. That is how all of LAS programs work. We also committed to keeping water and wastewater infrastructure under public management," said Craig Dyer, Expert Panel Chair. "The public must have confidence in the safety and quality of our drinking water and wastewater systems. Private interests and profit motives would erode that trust."

The panel report acknowledges that creating one or more joint municipal services corporations will come with its own financial and policy challenges.

"We know there are pros and cons to changing the status quo. That is why a more detailed business case, with fulsome financial modeling, is so important," said LAS Chair Gary McNamara. "During the consultation,

we had massive interest in our work. We now need a municipal staff working group to take this to the next level.”

Municipal staff who are interested in the potential of joint municipal service corporation model are invited to join the working group, with a Council resolution.

“On behalf of the LAS Board, I want to thank the expert panel and staff for their tireless work to delve into this critical matter,” McNamara said. “LAS is committed, as always, to solutions that are created by municipalities for municipalities.”