



Addendum to the Regional Council Agenda

Lower Level Boardroom (LL-C)
Regional Headquarters Building
605 Rossland Road East, Whitby

Wednesday, September 28, 2022

9:30 AM

Note: Additional agenda items are shown in bold

1. Traditional Territory Acknowledgement
2. Roll Call
3. Declarations of Interest
4. Adoption of Minutes
 - 4.1 Regional Council meeting – June 29, 2022
 - 4.2 Committee of the Whole meeting – September 14, 2022
 - 4.3 Closed Committee of the Whole meeting –
September 14, 2022
5. Presentations
 - 5.1 Bobbie Drew, Chair, Durham Regional Police Services Board and Todd Rollauer, Chief, Durham Regional Police Services, re: Quarterly Update to Regional Council
6. Delegations
 - 6.1 Robert Horgan, Durham Resident, re: Lack of Regional and Community Supports for Men being Abused and their Children and Homelessness
 - 6.2 Imtiaz Mohammed, Ajax Resident, re: Interim Suspension of Service Line Warranties of Canada Inc. Program (2022-COW-27) [Item #3 of Report #7 of the Committee of the Whole]

New

- 6.3 Mike Van Horne, Service Line Warranties of Canada, re: the Service Line Warranty Program (2022-COW-27) [Item #3 of Report #7 of the Committee of the Whole]**
Requires 2/3rds vote to be heard

7. Reports related to Delegations/Presentations

- 7.1 Item #3 of Report #7 of the Committee of the Whole, re: Interim Suspension of Service Line Warranties of Canada Inc. Program (2022-COW-27) (See Pages 109 and 110 of Agenda)

8. Communications

- CC 108 Information Report #2022-INFO-55 from the Chief Administrative Officer, re: Assessing the Feasibility of a Potential Future District Energy System
- CC 109 Correspondence from the Municipality of Clarington, re: Resolution passed at their Council meeting held on June 20, 2022, regarding Community Warning Program similar to Amber Alert
- CC 110 Correspondence from the City of Oshawa, re: Resolution passed at their Council meeting held on June 20, 2022, requesting the Provincial Government for a Community Warning Program for Persons of Special Needs or Circumstances
- CC 111 Correspondence from the Town of Ajax, re: Resolution passed at their Council meeting held on June 20, 2022, regarding an Emergency Alert for Vulnerable Persons Who Go Missing
- CC 112 Information Report #2022-INFO-68 from the Commissioner of Finance, re: 2021 Annual Investment Report
- CC 113 Correspondence from Debbie Leroux, Director of Legislative Services/Clerk, Township of Uxbridge, re: Oland Holdings (Uxbridge) Inc. Zoning By-law Amendment Application – 102 Prouse Road, Part Lots 16 & 17, Concession 1, Township of Uxbridge
- CC 114 Memorandum from Alexander Harras, Regional Clerk/Director of Legislative Services, Corporate Services – Legislative Services, re: requesting Regional Council to repeal By-law 49-2017

CC 115 Correspondence from Marlene Boetto, Whitby resident, re:
consideration of the Water and Sewer Line repairs and charges
by the Region of Durham

CC 116 Correspondence from Don White, Whitby resident, re: SLWC
Insurance Inc. and the issues related to the Water and Sewer
Lines which were previously controlled by The Region of
Durham

CC 117 Memorandum from Alexander McPherson, Solicitor, Corporate
Services - Legal Services, dated September 20, 2022 re:
Expropriation of Lands Required for Regional Road 3
Rehabilitation Project

New

**CC 118 Correspondence from Sally Mullen, Whitby resident re: Sewer
Bylaw Amendment, Service Line Warranties of Canada
(SLWC), and the associated issues**

Pages 6 - 23

New

**CC 119 Memorandum from John Presta, Commissioner of Works, re:
Project Status Information related to the Road
Reconstruction of Thornton Road North from Conlin Road to
Winchester Road East (Regional Road 3)(2022-W-40) [Item #4
of Report #7 of the Works Committee]**

Pages 24 -26

9. Committee Reports and any related Notice of Motions

9.1 Planning and Economic Development Committee

9.2 Works Committee

9.3 Committee of the Whole

10. Notice of Motions

There are no notices of motions

11. Unfinished Business

There is no unfinished business

12. Other Business

There is no other business

13. Announcements

14. By-laws

- 46-2022 Being a by-law to Repeal By-law 49-2017
- This by-law implements the recommendations contained in CC #114 of the Memorandum presented to Regional Council on September 28, 2022
- 47-2022 Being a by-law to adopt Amendment #189 to the Durham Regional Official Plan
- This by-law implements the recommendations contained in Item #1 of the 7th Report of the Planning & Economic Development Committee presented to Regional Council on September 28, 2022
- 48-2022 Being a by-law to stop up, close as a public highway, subject to any easements required by any utility, that portion of Stellar Drive (Regional Road 25) located in Part of Lot 20, Concession 1, designated as Part 15, Plan 40R-20137 and Part 2, Plan 40R-25848, in the Town of Whitby (the "Lands")
- This by-law implements the recommendations contained in Item #7 of the 7th Report of the Works Committee presented to Regional Council on June 3, 2009
- 49-2022 Being a by-law to appoint the firm of Deloitte LLP as the Municipal Auditor for the 2021 to 2022 fiscal years inclusive
- This by-law implements the recommendations contained in Item #8 of the 6th Report of the Finance & Administration Committee presented to Regional Council on June 23, 2021
- 50-2022 Being a by-law to expropriate all estate, right, title and interest in Part of Lots 33 and 34, Concession 7, designated as Part 3 and 5, 6 subject to DN19324, and 7 on Reference Plan 40R-31092, Darlington; in the Municipality of Clarington, in the Regional Municipality of Durham.
- This by-law implements the recommendations contained in CC #117 of the Memorandum presented to Regional Council on September 28, 2022

New

51-2022

Being a by-law to amend By-law No. 90-2003

This by-law implements the recommendations contained in Item #3 of the 7th Report of the Committee of the Whole presented to Regional Council on September 28, 2022

15. Confirming By-law

New

52-2022

Being a by-law to confirm the proceedings of Regional Council at their meeting held on September 28th, 2022

16. Adjournment

Notice regarding collection, use and disclosure of personal information:

Written information (either paper or electronic) that you send to Durham Regional Council or Committees, including home address, phone numbers and email addresses, will become part of the public record. This also includes oral submissions at meetings. If you have any questions about the collection of information, please contact the Regional Clerk/Director of Legislative Services.

I am requesting that this submission be included as Correspondence for the Regional Council meeting on September 28th, 2022, for consideration by Council and Region Staff.

Council and Region Staff

Re Sewer Bylaw Amendment, SLWC, and associated issues

I've read a lot, written a lot, and listened a lot, regarding the sewer bylaw amendment issue and all associated issues that have arisen from it. As a 30 year resident of Whitby, I have a few things to say.

INTRODUCTION:

I believe most elected officials truly are acting on behalf of their constituents. With all that you have to deal with, you must rely heavily on recommendations and advice from Region staff who work in their fields of expertise, i.e. the Works Dept. staff. You cannot be expected to be experts in all things. And yet you are the ones residents turn to when things go awry. A difficult position to be in, for sure.

With regard to the sewer issue, I will only make this **suggestion for Council** – please keep eyes wide open when recommendations to cut services, especially those that are low budget items of great benefit, are made by various departments. And please question such recommendations thoroughly. Thank you for now stepping up in this situation, and doing the right thing.

My **recommendations for the various Region departments, Works, Admin, etc.,** are:

- act in the best interests of residents;
- be honest and communicate well, tell the truth, the whole truth, and nothing but the truth. Be transparent and forthcoming. Do not try to “spin” things, be vague or obscure, or deliberately ignore what you know residents are asking (e.g. bylaw amendment's effect on “taxes” in #6 of the Region website FAQ's, that I describe below). That has not happened with regard to this sewer issue. Residents are not so easily fooled.

At the Durham Region Works Committee meeting on September 8, 2021, Councillor Ted Smith asked then Commissioner of Works Susan Siopis about the proposed change which shifts the responsibility for private property sewer repair from the Region to the homeowner. Specifically he asks about:

“the anticipated impact on homeowners and how we may, as councillors, expect this to be received by the homeowners who are affected” (which is all homeowners in Durham Region)

Former Commissioner of Works Susan Siopis's response includes this statement:

“For the vast majority I think this will be a non event, non issue.”

With respect, I beg to differ with Susan Siopis. **This is an issue, a significant issue, as evidenced by the significant reaction from Durham residents.**

The problems arise not only from WHAT was done but HOW it was done and HOW it continues to be handled.

THE WHAT:

- 1. What is the justification for the bylaw amendment?**

The reasons I have heard/read from Region staff include:

a) To align water and sewer services

The Region decided to shift this financial burden to residents to make it consistent? Is there consistency across all services provided by the Region? No, there are very definite differences in each service provided, along with exclusions, conditions, etc. If you want to make it consistent, another option would be to PROVIDE service to water lines, instead of CUTTING service to sewer lines. That would achieve consistency and not adversely impact residents.

The Region website FAQs regarding reasons for this change state: “it is easier for both homeowners and the Region to understand who is responsible for repairs on private property”. Don’t the Region’s employees know the scope of their jobs, understand their responsibilities? Changing them isn’t going to make it any easier if they are having trouble understanding them now. Why are they having trouble understanding them? Perhaps educate them rather than cut services to residents.

b) A lot of other municipalities do not provide this service to residents.

The argument that “others (municipalities) do it this way” is one I was taught as a child not to rely upon.

Again from the Region website FAQs:

“When making the decision, the Region conducted a review of best practices within the water industry and Durham Region was the only municipality in southern Ontario that provided sanitary sewer repair services for service connections on private property.”

Just because other municipalities in **southern** Ontario do it differently doesn’t mean we have to change to their way of doing it and does **not** mean it is better. Better for whom, I might add? What about municipalities in **northern** Ontario – do they still provide sewer service? Why not maintain services for residents, not jump on any opportunity to cut them? Since September 2nd, I have been emailing Council members and Region staff, trying, without success, to get the actual stats on this. Surely this was researched thoroughly before change was proposed? Of the 444 municipalities in Ontario, how many provide this service to residents? Even if we are the only ones to do that, I believe it’s a feather in our cap, something to be proud of and which makes Durham Region more attractive, so why mess with it? Calling the change “best practice” doesn’t mean that it actually is. Why is it considered “best practice”? That is a very popular “buzz word/term” but is very hollow.

c) Cost – this is not actually relied upon much by Region staff who have addressed this question. Elaine Baxter-Trahair indicated sewer repair costs on private property in the Region amounted to no more than \$300,000 for the entire year (2021), covering 178,000 households!. That seems like a very insignificant amount in the overall budget, and weighing cost vs. benefit is a no-brainer. Great benefit for little cost. Sure finding efficiencies is wise, but this is not that.

- d) **Risk – of doing work on private property?** I don't understand this. If Region workers are competent, why is this such a risk? And if it is a risk, it's an added burden to residents if the responsibility is transferred to them – why put the burden on homeowners to try to figure out which companies are good service providers for this type of work? I wouldn't know where to begin, what questions to ask, and I suspect that's the case for most residents. Of course we could always pay SLWC hundreds of dollars a year and trust that they will find good service providers, but frankly I don't want to have to do that for so many reasons. The Region has a whole department that oversees this type of work and is likely in the best position to minimize risk, as they have been doing it for decades.
- e) Ms. Baxter-Trahair said that having residents be responsible for sewer repairs was a “**more equitable and transparent way of delivering our services**”. Wait, didn't you just stop delivering a service? And how is it more transparent? Do 150 residents contact the Region within a few days regarding something that is “transparent”? “Equitable” and “transparent” = buzz words with no substance.

If these arguments don't stand up to scrutiny, WHY make this change? Elaine Baxter-Trahair said that it is her “best professional advice”. Not good enough. Give good reasons, reasons that make sense. Residents don't understand the “reasons”. That's part of why people are up in arms.

THE HOW:

Communication! In so many respects! It plays a huge factor! And it continues to be a huge problem!

Let me count the ways that this has been bungled, mishandled:

1. **Communication from the Region, of the CHANGE IN RESPONSIBILITY for sewer repairs:**
 - a) Report #2021-W-31 from the Commissioner of Works to the Works Committee, September 8, 2021, stated:

“3.8 Regional staff will develop and implement a communication strategy to notify rate payers of the recommended change to the service limit for sanitary service connections.”

This simply was not done. No direct mailing to residents. **No communication that could conceivably reach all residents**, including seniors who may not access computers, etc. This change has the potential to cost residents thousands of dollars in sewer repairs, yet they were not notified. They had no reason to protect themselves by looking into home insurance coverage, outside company plans, etc.

- b) **Social Media and the Region's website**

Mr. Presta's reply to my questions about this indicated:

“The Region has communicated this change on our website and has a social media campaign on-going to bring attention to the change as well as the warranty protection program being offered by Service Line Warranties Canada

(SLWC). Please note that SLWC commenced with their marketing campaign with a social media campaign, a press release and a mailout to residents.”

Regarding the “social media campaign”:

A **social media campaign** does not cut it – not all of us use social media, especially the elderly. Logos were attached to this reply I received, for Facebook, Twitter, Instagram, and You Tube. I have since asked WHAT EXACTLY was posted on these sites PRIOR to the public uproar. The Region has been doing a lot of scrambling after the fact (and doing it badly, I’m afraid, as evidenced by its FAQs relating to SLWC on the Region website). But what was posted before the uproar? What was put on these social media sites, and when? Logos mean nothing, show nothing, answer nothing. I have been asking this for weeks and as of September 25th, have not received an answer. It should be simple to provide this, if it was in fact done. And the communication that I’m referring to is the CHANGE in sewer repair responsibility – not advertisements or background info on the outside company SLWC.

Regarding the Region’s website:

As for the **Region’s website, prior to the public outcry** I spent hours searching the website, including painstakingly searching back through all of the “news” items, one day at a time starting from the present day. I finally found a reference to the sewer bylaw change with the headline:

“Remember to think before you flush to avoid clogs”

It included this: *“Check out our website to find out or learn more about the updated Sewer User Rate Bylaw.”*

https://www.durham.ca/en/news/remember-to-think-before-you-flush-to-avoid-clogs.aspx?fbclid=IwAR32t80R5Uk87OVaRWIAHrBs5Xa3O9Zmq5rMWXP5nqRkA_EM8uoLz8w8iHc

It is just laughable and beyond ridiculous to use a headline like that to advise residents of a major change in the provision of services. The links one is directed to follow take you to the actual bylaw #90-2003. Are residents supposed to read the bylaw and figure out the differences between the original and the amended version? I tried that. It wasn’t easy. The website gave the option to click on and see the “original” bylaw – that would have made it much simpler to compare to the amended bylaw but unfortunately when “original” was clicked on, it brought up the **consolidated** amended version, so you couldn’t specifically tell what has changed. I finally figured out that an amendment to the terms “building sewer” and “sewer service” via bylaw 25-2022, created the change in repair responsibility. Since Sept 2 I have been asking for a copy of the original bylaw 90-2003 (I sent multiple emails to Works and Council) and I finally received a short reply on September 23rd from Mr. Presta, indicating I would receive a reply on September 26th. I decided to email the front line staff before I received his response, to see if the “worker bees” could help me, and a clerk answered me within hours, providing the original text of the bylaw.

As for the Region’s website, after the public outcry”:

The Region’s website has been updated, again under the headline “Sewer Line Warranties of Canada”. Yes, certainly because of all the confusion caused by SLWC’s letter and the Region’s

partnership/non partnership with them, that needs to be addressed. But also highlight the **change in responsibility** for sewer repairs. Stop hiding behind SLWC, talking about that company. Address the real issue, the main issue – the change in responsibility for sewer line repairs on private property. **That should share headline space.** The Region can't even get SLWC's name right in one of the FAQ answers. Substandard work.

The FAQ's that are currently on the Region's website – again under the SLWC heading – are vague and misleading. I'm attaching one of my social media posts that deals with each of these FAQ's. On the Region website, under "Regional Government, Accountability and Transparency" are the words "ethics", "respect", "honesty", "integrity". I believe the Regional Government strives for this. I now do not believe the higher-ups of Region staff strive for this – not when they hear the uproar of residents and post answers as they have to question 6 of the FAQs. Please read my comments on the individual questions.

c) **Front line Region employees** spent a lot of time answering questions, responding to emails, dealing with irate residents – they didn't deserve that and it was entirely preventable. Those in charge of these decisions do need to deal directly with irate residents. I repeat – they have NOT been responsive to my very specific questions. Front line staff have been, to the best of their ability.

2. **Communication from SLWC, mailed to all residents:**

My guess is that the Region was relying upon **the letter sent to all residents by SLWC**, to "notify" us of our new responsibility. The problem with that is:

- Many people **threw that letter in the garbage** without reading it, as it looked like typical junk mail we all get on a regular basis.
- Those who actually noticed the Region's logo on the mailing seemed to actually read the letter from SLWC. However, **even that letter did not indicate that this is a new financial responsibility for residents** (and a **cut to services** provided by the Region). I read the letter, but initially assumed it didn't apply as I knew the Region had always been responsible for sewer repairs on private property. Only the presence of the Region logo made me stop and think and look into it further. **Totally unnecessary confusion and concern was experienced by residents when they received the letter from Service Line Warranties of Canada.** It was particularly unfortunate that it added a preventable stressor to seniors, anyone struggling with other life issues at the time, etc.
- **Timing!** The amended bylaw came into effect on July 1, 2022. Residents did not receive the letter from SLWC until the first few days of September 2022, two months later. Where was the opportunity for residents to look into adding coverage to home insurance policies, etc., before the change came into effect? **Where was advance notice? Residents were unknowingly on the hook from July 1st, 2022 on.** Are we to spend hours on a regular basis constantly searching for any bylaw changes on the Region's website that may potentially affect us? And are filed under misleading headings? And then very difficult to decipher even if one does notice the item and follow the links?

- **When I received the SLWC letter on September 2nd, I, like many others I'm sure, reached out to the Region for answers. I'm still waiting for those answers.** The delay leads me to wonder if it's because they have to figure out how to spin the answers, provide vague answers, obscure the facts. They are not hard questions! Sept 2nd, I emailed Council members, and Mayor Mitchell forwarded my email to Mr. Presta for a response. The response on Sept 3rd focused mainly on giving background information on SLWC. That was not what I was asking – my questions were numbered and very clear. Why has the Region partnered with SLWC? To try to have them do its dirty work?
- I firmly believe some residents have signed up with Service Lines Warranties of Canada out of fear and misguided trust that the Region would not steer them wrong – and yet it did. SLWC's plans are expensive.

3. The Partnership with SLWC

- a) **Is the partnership with SLWC really in the best interest of residents?** Is that the best option the higher-ups could come up with? Why promote a company that will charge over a hundred dollars a year (and there has been a substantial increase in its plan price in 2022) per household? The cost to provide the service is only a couple dollars per household/year, and we have been paying for it in our sewer fees, yet the Region is recommending we pay 20x that amount. By contrast the Region provides very little advice to residents to check with home insurance providers to see if coverage is already provided or can be added for a nominal fee. Instead, the FAQ's on the Region website state:

"8. Does an individual property owner's home insurance provide for the coverage of broken water and sanitary sewer service connections?"

A typical basic home insurance coverage does not cover for any damages to water or sewer service connections. A resident should consult with their individual home insurance provider to confirm coverage."

This is not a complete answer. Don't just confirm coverage – perhaps look into adding it on at much cheaper cost than signing up for SLWC's plans. And this deficient advice was added only **after and because of** the public uproar.

Do NOT rely on other municipalities to do due diligence (Report #2021-W-31, 6.4). This issue has indeed caused an uproar in other regions in Ontario. And I'm not sure if they were cutting service to residents **as well as** promoting SLWC, or just promoting SLWC through use of their logo. Durham has done both at once. There are 444 municipalities in Ontario – only 62 have partnered with SLWC – why? Have you presented that info? Are there concerns? Have any terminated their partnerships with SLWC? Where is the satisfaction with SLWC's services info coming from? Did Durham Region staff not see what a kerfuffle this SLWC mailing caused in O5956395ttawa and other cities? Is that what you call doing your due diligence?

<https://www.cbc.ca/news/canada/ottawa/sewer-line-insurance-canada-ottawa-staff-council-1.5956395>

- b) “Royalties” Don’t be obtuse about the “royalties” situation (see FAQs on website). “Royalties” smack of kickbacks and corruption and leave a bad taste in everyone’s mouth. The Region may have agreed to forgo the “royalties” for the first two years of the partnership, but what about after this time period? (Report #2021-W-31, 9.5)
- c) The Region **WILL** have administrative costs associated with the partnership with SLWC in terms of “monitoring” its performance, preparing reports, educating front line staff as to how to respond to questions from the public, etc. Negligible? What exactly will it cost, compared to the cost to the Region of providing the repair service?
- d) Investigate thoroughly before partnering with any company. At the COW meeting on September 14th, questions were raised about whether SLWC was regulated as insurance providers are and no one seemed to know the answer. I don’t believe SLWC is required to follow the rules of insurance providers – those rules are designed to provide consumer protection. The following statement by Myles Meehan, vice-president of public relations for SLWC and Pennsylvania-based parent company Homeserve in 2021, does not reassure me, but rather prompts the concern of which rules, designed to protect consumers, are they NOT required to follow? And what is that impact on their customers?

“In Ontario, it’s a non-insurance product, so we don’t have to follow the same rules as if we would be offering a product backed by an insurance policy,”

- e) An Ajax resident’s presentation to the COW meeting on September 14th raised concerns about many issues related to SLWC, including exclusions and conditions attached to the coverage plans of SLWC. It does not seem that this has been thoroughly investigated by staff.
- f) Yes, SLWC may hire local contractors to do its repairs, but what about companies that don’t want to partner with SLWC? What terms and conditions does it impose upon local contractors who do join its ranks? Is there a fee for them to become one of SLWC’s authorized contractors? Can smaller local businesses afford this?
- g) Report #2021-W-31, 11.1 states:
*“This report aligns with the following strategic goals and priorities in the Durham Region Strategic Plan:
Goal 5.1 and 5.2 – Service Excellence*
 - *Optimize resources and partnerships to deliver exceptional quality services and value; and*
 - *Collaborate for a seamless service experience.”*

Saying something does not make it true. How does this “**deliver**” services? It is a cut to services. How does it deliver **value**? There are far more cost effective methods which the Region fails to mention – such as ADDING COVERAGE to home

insurance policies. “Collaborate for a seamless service experience.” How? More hollow buzz words.

My Humble Recommendations:

1. **Repeal bylaw 25-2022 – go back to providing a low cost, high benefit service which residents have been benefitting from and paying for in sewer usage costs.** There should not be an increase in sewer fees as we have **already** been paying for this service.
2. **Do NOT embark on an “education plan”** – the Region has already shown it cannot communicate effectively. I have absolutely no faith in the Region’s ability to provide clear, honest, factual, transparent information. Do not throw more of our money away. Such a plan would likely cost more than the sewer repairs themselves. And find new employees who can communicate properly and effectively, or smarten up the ones we have.
3. **Provide compensation to residents** who paid for sewer repairs themselves, from July 1st, 2022, according to the amendment 25-2022 to bylaw 90-2003.
4. **Provide compensation to residents** who signed up with SLWC in response to the mailing they received with the Region’s logo on it **or ensure that SLWC provides refunds if requested.** Ensure that this is actually communicated to anyone who signed up, and that such communication is done properly.

And finally:

5. Region employee “higher-ups” who has a hand in devising and implementing this change should **apologize profusely**, and promise not to do it again. (Council members should apologize to a much smaller degree, as they weren’t paying attention.) Whoever is responsible for the communication part in this fiasco should be significantly educated or replaced.

I very much resent having to spend my free time researching this, writing about it, following up on unanswered requests for answers, etc. Region Staff are paid, and paid well, to act in the best interests of the residents they serve.

Sally Mullen
Whitby Resident

Below: One of my many Facebook posts regarding this sewer issue – this one regarding the current FAQs on the Region website:

“Sorry, another long post, but needs to be said.

Re the recent change to the sewer bylaw, that shifts financial responsibility for repairs from the Region to residents:

I have sent 3 emails to the Region containing very specific questions regarding this issue, and the questions remain unanswered.

*The Region has added info to its website regarding Service Line Warranties of Canada, the company we all received a letter from offering repair plans for sewer and water lines. Unfortunately the newly added FAQ section on the Region's website really misses the mark, with vague and misleading answers. This is not transparency, as the Region claims to provide. Council may reverse the decision to cut sewer repair services, however we still need to pay attention to how the Region is still misleading residents regarding this situation. The employees of Durham Region are supposed to act on behalf of the residents, and I believe the front line staff do. Is it the "higher ups" who are obscuring the truth (and I'm **not** referring to our elected officials)? Is this how we want them to conduct themselves? If we don't examine what happened in this situation, it will continue, as evidenced by the Region posting this misleading info about SLWC after the public outcry. Tell the truth, the whole truth, and nothing but the truth – foster respect and trust and provide the much promised but sadly not delivered transparency.*

Here are the "Service Line Warranty Canada Program FAQs" and answers posted by the Region, and the grade I'd assign each question if a student was answering the questions on a quiz.

1. GRADE: F – FAIL

"Why are residents receiving mailings from Service Line Warranty Canada?"

Service Line Warranty Canada (SLWC) is a global company with 4.8 million customers and has its North American Corporate Head office located in the USA. SLWC has offices in Ontario, and it works with many municipalities throughout Canada.

SLWC offers optional warranty programs for sewer and water service connection repairs for residential homes. The company uses local contractors to complete the repairs."

Providing information on the number of customers this company has or stating that it offers warranty programs is NOT answering the question. The reason WHY residents are receiving the recent mailings is because the Region recently amended the sewer bylaw to shift financial responsibility for sewer repairs from the Region to residents, and did not notify residents, instead relying upon this marketing material from an outside company to do the dirty work. Then the Region entered into a partnership with this company, to let the company use the Region's logo to promote its products, and claims this is to assist residents. Wrong – it confused and annoyed residents. What the Region should have done is directly notify residents that they are now responsible for sewer line repairs, not hide behind this outside company's marketing material which itself does NOT indicate that this is a new responsibility for residents.

And the company's name is NOT "Service Line Warranty Canada" as written on the Region's website – it is "Service Line Warranties of Canada". At least get the company's name right. It is a division of HomeServe USA Corp (HomeServe), an American company.

2. GRADE: F – FAIL

"Why is Durham Region's logo on the envelope and the letterhead?"

The Region entered into an agreement with SLWC that permits the use of the Region's logo for marketing materials. By entering into the agreement with SLWC, the Region was able to ensure that SLWC is prohibited from any door-to-door telemarketing and marketing and selling products other than the warranty packages. The Region does not earn any commissions or fees by endorsing SLWC.

A number of Ontario municipalities have also approved SLWC including the Region of Peel, the Cities of Ottawa, Windsor, Hamilton and Kingston, the Town of Niagara-on-the-Lake among others. According to

the SLWC website, they have worked with more than 65 Canadian municipalities. SLWC is also recognized by the Local Authority Services, which is part of the Association of Municipalities of Ontario (AMO)".

Does the Region provide its logo to other outside companies to ensure that they don't do door-to-door telemarketing or selling of other products? No, it does not, or the logo would be all over the place!

Also, this company's standard practice is to provide "royalties" to the municipalities it partners with in the form of a kickback of 5% of the revenue it receives from residents who buy warranty plans from them. Durham Region has apparently opted to forgo these royalties in favour of "reduced" warranty rates with SLWC. However, what the Region doesn't tell you is that this arrangement is agreed to for the first 2 years only and subject to change after that – the Region can accept these royalties then. So to say the Region does not earn any commissions or fees by endorsing SLWC is not quite true. Basically it feels like the Region has sold the use of our logo to an outside company, promoting it above local companies who could provide the same services to residents. And SLWC is an American company.

3. GRADE: A – this answer is true

"Is this program mandatory for residents?"

No, SLWC's warranty program is completely optional. Should a property owner be interested in the program, they can decide to enroll now or at any time in the future and can cancel at any time."

4. GRADE: B – this answer is true, but long overdue and buried in FAQs on the website

"Are homeowners responsible for sewer and water service connection repairs on their property?"

Yes. Homeowners are responsible for repairs to sewer and water service connections that are located on their private property.

For sewer pipes, the Region provided repair services for sewer service connections up to 1 metre (three feet) outside the house foundation. The resident was responsible to repair the service connection if it was damaged within 1 metre (three feet) from the house foundation or within the house.

For water pipes, the Region provides repair services for the service connection within the public right of way up to the property line of the residence. The resident continues to be responsible for any repairs to the water service connections on private property or (internal plumbing) within the house.

In April 2022, the Sewer System By-law (90-2003) was amended so that the Region would be responsible to repair sanitary sewer service connections only within the public right of way. The resident is now responsible to complete all repairs on their private property.

The Region continues to be responsible for the repair and restoration of the sanitary sewer and water service connections within the public right of way up to the property line of the private residence."

*This is a **new** financial responsibility for residents and a **cut to services** provided by the Region. Making residents aware of this should have been done by the **Region itself** sending out info to **all** residents via mail **before** the change occurred – which was July 1, 2022. Authorizing an outside American company to send marketing materials in September 2022, for a service many residents believed the Region provided, is a far cry from directly communicating the change to residents so that they would understand that this is their new responsibility. Direct and timely notice would have given residents a chance to look into adding coverage to home insurance policies for example, rather than signing up for much more expensive warranty plans with an outside company. Heck, the Region could even have suggested that folks contact their insurance providers to see if they might already be covered – that would have been helpful.*

5. GRADE: F – FAIL

“What is the situation with water service connections underground in our front yards?”

Nothing has changed related to water service connections. Individual property owners have always been responsible for the repair and restoration of the underground water pipes on private property. The change in the by-law is to align the responsibilities of the sanitary sewer service connections with the existing responsibilities for water service connections.”

While the answer addresses the question about water lines, it goes on to discuss the “reason” for changing the sewer bylaw which is why I gave it a failing grade – more on that below in question 6.

6. GRADE: F – COLOSSAL FAIL

“Why did the Region make the change in the by-law?”

The Region wanted to align the responsibilities for water and sewer lines for consistency and make it easier for both homeowners and the Region to understand who is responsible for repairs on private property. When making the decision, the Region conducted a review of best practices within the water industry and Durham Region was the only municipality in southern Ontario that provided sanitary sewer repair services for service connections on private property.

You can find more information about the change to the by-law through the following links:

[September 8, 2021 – Regional Works Committee Report #2021-W-31](#)

[September 29, 2021 – Regional Council Minutes](#) (See page 20 of 29)

[April 27, 2022 – Regional Council Minutes](#) (See page 25 of 25)

These are available to the public online at durham.ca/Council.”

The Region decided to shift this financial burden to residents to make it consistent? Is there consistency across all services provided by the Region? No, there are very definite differences in each service provided, along with exclusions, conditions, etc. If you want to make it consistent, how about now PROVIDING service to water lines, instead of CUTTING service to sewer lines. That would achieve consistency and not adversely impact residents.

The answer goes on to say it makes “it easier for both homeowners and the Region to understand who is responsible for repairs on private property”. Doesn’t the Region’s employees know the scope of their jobs, understand their responsibilities? Changing them isn’t going to make it any easier if they are having trouble understanding them now. Why are they having trouble understanding them?

And the argument that other municipalities do it this way is one I was taught as a child not to rely upon. Just because other municipalities in Southern Ontario do it differently doesn’t mean we have to change to their way of doing it. What about municipalities in Northern Ontario – do they still provide sewer service? Why not maintain services for residents, not jump on any opportunity to cut them? No, none of these “reasons” stand up to scrutiny. Which begs the question, why is the Works Dept. so entrenched in making this change?

7. GRADE: F – FAIL

“What impact, if any, will this have on property taxes? If no impact, why not?”

There will be no impact to property taxes, as water and sanitary sewer repairs are not paid for by property taxes. Water supply and sanitary sewer user rates are collected through a water bill and the revenue is used to maintain the systems in good repair.”

Okay, I will concede that the Region answered this one technically correctly, but they had to have known that what residents want to know is if the savings that result from the Region NOT providing this service will be passed on to residents. Maybe these savings won’t be passed on to residents by way of property tax rebates, since the monies for sewer repairs come out of our sewer bills not property taxes, but will these savings be passed on to us via reduction in our sewer bills? Do we continue to pay the same

amount, for a service we no longer have? Don't deliberately ignore the real question. It needs to be answered still.

8. GRADE: F – FAIL

“Does an individual property owner’s home insurance provide for the coverage of broken water and sanitary sewer service connections?”

A typical basic home insurance coverage does not cover for any damages to water or sewer service connections. A resident should consult with their individual home insurance provider to confirm coverage.”

A very poor answer, as many people are finding that they are indeed already covered for such repairs under their home insurance policies. At the very least, coverage can often be added on for a nominal cost, often much lower than the cost of a warranty plan through SLWC. Why doesn't the Region tell us this? Why are they so determined to promote this outside company, SLWC? Give us good, solid, honest reasons why we should pay this outside company's high rates for coverage. Who is benefitting? Or perhaps just continue to provide the sewer repair service which, according to the Region's Works Dept.'s own stats, in 2021 cost households only approximately \$2 each for the whole year, in contrast to SLWC which charges approx. \$100 per year.”

Analysis of the Viability of Introducing a Water and Sewer Line Warranty Program for the City of Toronto and its Residents

Date: October 12, 2021

To: Infrastructure and Environment Committee

From: Chief Financial Officer and Treasurer and the General Manager, Toronto Water

Wards: All

SUMMARY

This report responds to City Council's request to the Chief Financial Officer and Treasurer and the General Manager, Toronto Water, to report back on the viability of introducing a water and sewer line warranty program for the City of Toronto and its residents.

The purpose of such a program would be to provide residential property homeowners with the option of a homeowner service warranty protection repair plan to help address their repair costs to the private portion of water and sewer service line pipes located on their private property in the event of a failure or breakdown. While providers of such plans can, and often do, market them directly to residential property homeowners, in this instance, Service Line Warranties of Canada ("SLWC") approached the City, through a presentation to the Infrastructure and Environment Committee ("IEC"), as referenced below, about the prospect of its partnering with the City, through a co-branding marketing agreement, to offer such a plan, giving rise to the request for this report back.

For the reasons set out in this report, City staff have determined that the proposed introduction of a service line warranty program is not viable and, therefore, recommend that this report be received for information purposes with no further action.

The timing of the submission of this report has been impacted by the disruption caused by the COVID-19 pandemic.

RECOMMENDATIONS

1. The Chief Financial Officer and Treasurer and the General Manager, Toronto Water, recommend that this report be received for information.

FINANCIAL IMPACT

There are no financial impacts due to the recommendation to receive the report for information. Any financial implications associated with future decisions pertaining to the provision of a Water and Sewer Line Warranty Program would need to be further assessed and identified.

DECISION HISTORY

At its meeting on September 30, October 1 and 2, 2020, City Council adopted, on consent, Item IE15.10 -- Service Line Warranties by which City Council requested the Chief Financial Officer and Treasurer and the General Manager, Toronto Water, to report back, by the first quarter of 2021, on the viability of introducing to Toronto a water and sewer line warranty program for the City and its residents. The Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.IE15.10>,

As part of its consideration of Item15.10, City Council had before it a communication dated September 11, 2020 from the General Manager, Service Line Warranties of Canada ("SLWC") which included a presentation dated September 17, 2020 to IEC, IE. Supp.IE15.10.1 ("SLWC Presentation"). This SLWC Presentation can be found at:

<https://www.toronto.ca/legdocs/mmis/2020/ie/comm/communicationfile-117988.pdf>

COMMENTS

Water and Sewer Line Responsibilities

The City operates and maintains municipal water and wastewater systems throughout the City. These municipal systems are located either within City-owned lands, such as a road allowance, or within lands in which the City holds a land interest, such as an easement. The City's obligation to maintain and repair these municipal water and wastewater systems extends only to the private property line, or easement boundary, as the case may be, of properties serviced throughout the City. The underground water and sewer private service line pipes located within each residential private property that connect to the City's water and wastewater systems, known as plumbing under the Building Code, is the responsibility of the private property homeowner. It is the responsibility of each private property homeowner to maintain and repair their own service line pipes as part of their plumbing system at their own cost.

Occasionally, and more commonly during extreme winter cold weather periods, water and wastewater service line pipes can become damaged, leak and fail requiring homeowners to pay for the excavation, repair and/or replacement at their own cost.

While typically, individual home insurance policies include coverage for water damage caused by sudden and accidental rupture of plumbing (including private service line pipes), such insurance policies often do not provide coverage for the actual repair needed to the damaged plumbing itself, including, for example, the underground service line pipes located on the private side from the property line to the foundation wall of a private home. In this event, repairs could pose a significant and unbudgeted expense for the homeowner.

Private Water and Sewer Line Warranty Programs

Recognizing that insurance companies may not provide coverage for these types of repairs, private businesses have capitalized on the business opportunity to provide homeowners with the option of a "warranty" service or homeowner service warranty protection repair plan offering repairs, at a fixed plan cost. Therefore, in addition to insurance companies offering enhanced coverage for additional premiums, several home protection service providers began to provide fee for service plans, based on monthly subscription fees that offer guaranteed service and repairs of the private service line pipes up to a certain value. These plans operate similarly to the more commonly known home heating/cooling protection plans available in the marketplace. Homeowners are free to make decisions to enter into such service plan contracts and to choose among various services providers, and many have done so for home heating services in addition to service line protection. Some private companies offering these home protection services also offer variable plans which include optional extra repair services.

Co-branded SLWC Business Model

SLWC has approached the City, through its SLWC Presentation to IEC, regarding the prospect of its partnering with the City through a co-branding marketing agreement to provide homeowners in Toronto with a homeowner service warranty protection repair plan, the details of which have not been provided to staff beyond the SLWC Presentation. However, as referenced in the SLWC Presentation, SLWC's business model is premised on securing the endorsement of the City, including, use of the City's logo, for advertising and marketing purposes, through a proposed co-branding marketing agreement for its proposed service line warranty plan. Based on the SLWC Presentation, in return for its endorsement, SLWC would offer the City a revenue component. It is believed, but would need to be confirmed, that this revenue component would be in the form of a royalty based on the number of plan contracts signed between SLWC and Toronto residential homeowners.

Other municipal experiences

As noted in the SLWC Presentation, a number of municipalities in Ontario have entered into what is often referred to as 'partnership' arrangements with SLWC.

The City of Hamilton has promoted the SLWC business service to its residents since 2014. The City of Hamilton receives royalty payments from the provider based upon a

percentage of plan sales. The intent of the payment is to cover any additional administrative costs borne by the municipality in fielding calls and enquiries from homeowners concerning the optional voluntary program. The City of Hamilton also provides its "model" contract with SLWC to municipalities in Ontario in return for a royalty from a municipality utilizing their model contract.

The City has also reviewed publicly available local media reports and memoranda presented to Ottawa's City Council about the SLWC program implemented in that municipality. Based on this review, the City should be aware of the risk that homeowners who receive materials from the SLWC with municipal insignia (as part of any co-branding arrangement) might be confused about the municipality's role in such a program. This confusion might involve homeowners erroneously believing that the municipality is providing, backstopping, or requiring enrollment in the program.

Warranty protection repair plan for the City and its residents

City staff have considered the viability of a homeowner service warranty protection repair plan for the private portion of water and sewer service line pipes located on private property and identified a number of concerns that are provided below.

No expressed demonstration of need

From a public policy perspective, staff have not seen a demonstrated need from either homeowners, ratepayer's associations, the business community or via political advocacy for the City to provide municipal endorsement and co-branding utilizing the City's logo to a private company offering a pay-for-service warranty repair plan program for homeowner's service line pipes.

Staff have not seen a need expressed in terms of lack of service availability or deficiencies within the plumbing business sector or a public demand for the City to provide its endorsement and co-branding of any particular company offering plumbing repairs.

Lack of equitable approach

If a need was demonstrated for the introduction of such a program requiring the City's endorsement and co-branding, it would be important to offer an open, fair and equitable process to provide all potential private sector providers of such services with the opportunity to participate and to ensure that an unfair advantage is not gained by one provider over another.

An open and equitable process would demonstrate that the City is providing a competitive and transparent process consistent with its values, among others, of transparency, participation, and accessibility.

Incompatibility with the City's Purchasing By-law and Policies

In these circumstances, City Council authority is required to approve any licence to use the City logo for such commercial purposes, and to approve any related revenue-generation arrangements as Toronto's Municipal Code Chapter 195, Purchasing, does not authorize the latter.

The City, through Strategic Partnerships, maintains policies that govern partnership activities including sponsorships. These policies formalize the practices the City has used for many years to create successful partnerships and ensure consistent treatment for every potential partner. Any variance from these policies would also have to be approved by City Council.

The City's Sponsorship Policy provides, among other things, as follows:

- that the City does not endorse the products, services or ideas of any sponsor (see s.5.1.9);
- that the sponsorship must not result in, or be perceived to result in any competitive advantage, benefit or preferential treatment for the sponsor outside of the sponsorship agreement (see s.5.2.8);
- that sponsors are prohibited from implying that their products, services or ideas are sanctioned by the City (see s.5.3.4);
- that to protect the privacy of Toronto's residents, sponsors are not to have access to personal information held by the City (see s.5.3.2); and,
- that there shall be no actual or implied obligation to purchase the product or service of the sponsor (see s. 5.3.5)

Certain similar provisions can be found in other City policies like the City's Individual and Corporate Naming Rights Policy and, as such, the City policies governing partnership activities prohibit endorsement. In addition, any proposed partnership program may have implications for the City's Corporate Identity Program.

In order to provide its endorsement and co-branding of one company operating on a for-profit business model, either through direct agreement or through a competitive process, a comprehensive review and amendment process would be needed to align City policy and procedures to facilitate such a process and provide staff with a revised public policy context and direction from City Council.

Potential post-award administrative, liability and risk challenges

Setting aside the other concerns noted above, even if the City were to receive revenue in the form of a royalty for its endorsement of a private service program, the revenue may not be a sufficient consideration. For example, Ottawa advises its residents that the compensation received offsets the administrative cost of the program to the municipality, however, it does not otherwise generate revenue. Other municipalities (i.e. Region of Peel and Kingston Utilities), do not accept royalties or other forms of revenue from their agreement with the private service provider.

Should Council provide direction to staff to proceed with provision of the City's endorsement and co-branding with SLWC or an open competitive process, a

supplementary report would be recommended in order to bring to Council's attention additional concerns regarding potential liability and risk challenges, including risks associated with any potential insolvency or failure of a service provider to perform the services, in addition to the afore-mentioned post-award administrative requirements and the associated staffing costs and resulting budget pressures.

Summary

This report provides Council with the requested analysis of the viability of introducing a water and sewer service line warranty repair program for the City of Toronto and its residents. Based on the concerns raised in the body of this report, specifically:

- no expressed demonstration of need;
- lack of equitable approach;
- incompatibility with the Purchasing By-law and City policy; and
- concerns with potential post-award administrative impacts, liability and risk challenges

Staff have determined that the proposed introduction of a water and sewer service line warranty repair program is not viable and, therefore, recommend that this report be received for information purposes with no further action.

CONTACT

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SIGNATURE

Heather Taylor
Chief Financial Officer and Treasurer

Lou Di Gironimo
General Manager, Toronto Water



**The Regional
Municipality of
Durham**

Works Department

Memorandum

Date: September 27, 2022

To: Regional Chair Henry and Members of Regional Council

From: John Presta, P. Eng., MPA., Commissioner, Works

Copy: Elaine Baxter-Trahair, Chief Administrative Officer
Nancy Taylor, BBA, CPA, CA, Commissioner, Finance
Nicole Pincombe, BAH, MPA, CPA, CMA, Director,
Business Planning and Budgets
Brad Dobson, P. Eng., Acting Director, Environmental
Services
Mike Hubble, P. Eng., Manager, Environmental Services
Design

Subject: Project Status Information Related to the Road
Reconstruction of Thornton Road North from Conlin Road
to Winchester Road East (Regional Road 3) – Works
Committee Report #2022-W-40

Background

Further to questions and discussion at the Works Committee meeting on September 7, 2022, Regional staff were asked to provide additional information regarding the status of the Thornton Road North Reconstruction project led by the City of Oshawa (City). In April 2021, the City released a Request for Proposal for detailed design services for the reconstruction of Thornton Road North from Conlin Road to Winchester Road East (Regional Road 3). TY Lin was selected as the successful engineering consultant. Phase 1 of the assignment includes road reconstruction from Conlin Road to south of Highway 407.

In conjunction with the reconstruction of Thornton Road North, and in accordance with Report #2020-COW-23 titled Regional Pre-servicing of Designated Employment Areas, the Regional Municipality of Durham (Region) plans to provide water supply and sanitary sewer servicing from Conlin Road to south of Highway 407 within the Northwood Employment Area.

Progress to Date

In December 2021, TY Lin submitted a 30 per cent design package to the Region showing the proposed watermain and sanitary sewers on Thornton Road North. Oshawa's road reconstruction details were not included in the submittal as the design criteria for the storm sewer had not been confirmed.

As of the date of this memorandum, an updated 30 per cent design package that incorporates proposed Regional and City infrastructure has not been submitted for review. Until very recently, the storm sewer design criteria remained outstanding, which prevented TY Lin from being able to advance the detailed design. This project hurdle has delayed major elements of the project, including the geotechnical/hydrogeological investigation, permitting/approvals, and utility relocations.

City staff have recently learned that hydro poles on the east side of Thornton Road North must be relocated closer to the property line. The hydro poles are owned by Oshawa Power and Utilities Corporation (OPUC), and they also convey secondary lines including communication cables and Hydro One infrastructure. All utility companies must work in a coordinated manner to facilitate a complete relocation.

Based on recent Regional project experience, the hydro pole relocation process typically requires a minimum of one (1) full year to complete. At this time Regional staff are not aware of any communications being initiated with OPUC to commence the design of a hydro pole relocation.

In addition, Enbridge Gas owns and operates a natural gas pipeline along the west side of Thornton Road North. It is anticipated that the natural gas pipeline relocation will also be required to undertake road reconstruction. Additional detailed design of Thornton Road North is required to confirm the impacts to these existing utilities.

Anticipated Timelines and Project Integration

Based on recent Regional experience with a project of this scope and magnitude and considering its current status, it is anticipated that an expedited design process and cooperation of all utility companies could permit a Fall of 2023 tender at the earliest. A potential expedited design process would allow construction to commence in the Spring of 2024. The project's critical path will be most affected by utility relocations and regulatory approvals such as permits from the Central Lake Ontario Conservation Authority. Please note if property acquisitions are required to accommodate the proposed road reconstruction, additional time and resources will be required resulting in impacts to the project schedule.

In addition to road reconstruction and servicing, the Region plans to construct a new Durham Region Transit (DRT) facility at 2400 Thornton Road North. The Region presently envisions that construction may commence early in 2024 and will last approximately 18 months. Should the two (2) construction contracts be undertaken simultaneously, the road reconstruction and servicing design package must integrate staging plans that accommodate truck haulage in and out of the DRT development site.

It is not expected that the simultaneous construction activities will have a significant impact on the schedule of either project.

Project Budget

Once the detailed design has progressed to a stage where the project uncertainties can be estimated, an updated project estimate will be developed which will allow staff to update the total project costs and recommend any additional funding required for the annual budget process.

End of Memo