

The Regional Municipality of Durham

MINUTES

COMMITTEE OF THE WHOLE

Thursday, December 13, 2018

A regular meeting of the Committee of the Whole was held on Thursday, December 13, 2018 in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby, Ontario at 9:30 AM

Regional Chair Henry assumed the Chair.

Present: All Committee members were present with the exception of Councillors Collier, Drew, Marimpietri, Roy, Ryan, and Wotten

Councillor Ashe left the meeting at 12:15 PM

Councillor Barton left the meeting at 12:21 PM due to municipal business

Councillor Collier attended the meeting at 9:40 AM and left the meeting at 11:49 AM due to municipal business

Staff

Present: E. Baxter-Trahair, G. Asselin, S. Austin, D. Beaton, B. Bridgeman, J. Demanuele, J. Hunt, R. Inacio, R. Jagannathan, G. Mueller, S. Munns, V. Patterson, S. Penak, J. Presta, M. Simpson, S. Siopis, N. Taylor, C. Tennisco and R. Walton

1. Declarations of Interest

2. Statutory Public Meetings

There were no statutory public meetings.

3. Delegations

There were no delegations to be heard.

4. Presentations

- 4.1 John Presta, Director, Environmental Services, Works Department; and Mary Simpson, Director, Financial Planning & Purchasing, Finance Department, re: 2019 Water Supply and Sanitary Sewerage Servicing and Financing Study (2018-COW-177) [Item 6. A)]
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J. Presta and M. Simpson provided a PowerPoint presentation regarding the 2019 Water Supply and Sanitary Sewerage Servicing and Financing Study. A copy of their presentation was provided as a handout.

Highlights from the presentation included:

- Overview of Systems
- Sanitary Sewerage Capital Program
- Water Supply Capital Program
- 2019 Construction Program
- 2019 Capital Program
 - Major Projects: Sanitary Sewerage
 - Major Projects: Water Supply
- Climate Change
- Energy Management Initiatives
- Financial Planning
- Asset Condition Rating: Water and Sewer
- Development Forecast
- Proposed 2019 Capital Financing
 - Water Supply
 - Sanitary Sewerage
- Capital & Debt Charges Forecast (\$m)
- Water & Sewer Total Debt (\$m)
- Water & Sewer Debt Servicing (\$m)
- Units to Repay DC Debt
- Future User Rate Pressures
- Risks
- Future Directions

J. Presta responded to questions regarding the timelines to complete the construction along the Bloor Street Zone 1 Feedermain in Oshawa; the Bloor Street Zone 2 Feedermain in Courtice; and the Rossland Road Zone 1 Feedermain in Ajax. Councillor Joe Neal questioned the specifics for the Bloor Street Zone 2 Feedermain project in Oshawa. J. Presta advised he would look at the specifics and report back to Councillor Joe Neal directly.

M. Simpson responded to questions with respect to the reduction in the water and sewer revenues; and the potential for a zero percent increase in the 2019 rates to lessen the financial burden for residents.

Discussion ensued regarding the additional \$10.2 million funding for the expansion of the Newcastle Water Supply Plant in 2019; the increased 2019 budgeted Capital expenditures for the Area Municipality Road Programs; the Area Municipality Capital projects submitted under the Clean Water and Wastewater Fund (CWWF); the future project pressures considered in “poor or critical” condition; and the approved funding of approximately \$14.7 million for the 2019 Polybutylene Service Connection Replacement program to address rehabilitation / replacement needs identified in the Region’s Asset Management Study.

Councillor Foster inquired on the number of anticipated 2018 active projects that are behind schedule. J. Presta advised staff would look into this and report back to Councillor Foster directly.

Discussion ensued regarding the Safe Drinking Water Act, 2002, and the Region's 'duty of care' under the Act. J. Presta advised that staff will be holding a training session for all Regional Councillors on Friday, May 3, 2019 with respect to the obligations under the Safe Drinking Water Act, 2002.

Discussion also ensued regarding the Region's automated bulk water filling station services; the metering of usage; unaccounted water not recorded through a meter; the need for reading flows to ensure user cost recovery; the phase out of hydrant permits for use of fire hydrants; and the proposed 2019 bulk water filling station planned at the Zone 4 Reservoir Site for Seaton.

Councillor Joe Neal asked staff for a comparison of the collected revenues from hydrant permits for the years 2017 and 2018. Councillor Foster also asked that staff look at the bulk water revenues of the Region versus the Greater Toronto area municipalities. J. Presta advised he would provide this information to Councillor Joe Neal directly; and would also review the indicators for the bulk water revenues of the Region versus the Greater Toronto area municipalities.

M. Simpson and J. Presta responded to questions with respect to how the residential Development Charge (DC) forecasted activity from 2018 to 2028 is projected. Discussion followed on the how the potential DC receipts could impact future funds for capital programs; and how staff determine the growth rate utilized for the Region's Asset Management Study.

J. Presta reviewed the decrease in the Ministry of Transportation and GO Transit infrastructure funding as outlined in the 2019 Water Supply and Sanitary Sewerage Capital program.

Councillor Kerr inquired whether the issues of the sewer back-ups along Thomas Street in the City of Oshawa have been rectified. S. Siopis advised staff would look into that and follow up with Councillor Kerr directly.

Councillor Pickles inquired on the timelines for the trunk sanitary sewer improvements to the Central Duffin Collector on Valley Farm Road in Pickering; and if one (1) lane for traffic could remain open during the construction. J. Presta advised that the project is in the planning phases and once more details are established he would then look into the timelines, options to allow for traffic flow, and would follow up with Councillor Pickles directly.

Discussion also ensued on the station locations for the extension of water and sanitary services for Columbus; and the Environmental Assessment for the Zone 4 water supply project.

A numerical discrepancy was noted on pages 2 and 3 of the 2019 Water Supply and Sanitary Sewerage Servicing and Financing Study under the 2018 'Allowances and Other Provisions'. Staff advised they would review these numbers.

Moved by Councillor Kerr, Seconded by Councillor Highet,
(1) That the Committee of the Whole recess for 10 minutes.

CARRIED

The Committee recessed at 10:54 AM and resumed the meeting at 11:06 AM.

4.2 John Presta, Director, Environmental Services, Works Department; and Mary Simpson, Director, Financial Planning & Purchasing, Finance Department, re: Recommended 2019 Water and Sanitary Sewer User Rates (2018-COW-178) [Item 6. B)]

J. Presta and M. Simpson provided a PowerPoint presentation on the recommended 2019 Water and Sanitary Sewer User Rates. A copy of their presentation was provided as a handout.

J. Presta and M. Simpson advised that it is recommended that the combined 2019 water and sanitary sewer user rate increase by 1.8%.

Highlights from the presentation included:

- 2019 Regional Water & Sewer Highlights
- 2019 Estimated Costs
- Annual Water Customer Growth
- Residential Basic Usage Per Customer
- Water Consumption Growth
- Third Block Water Consumption
- Factors Impacting 2019 User Rates
- General Motors
- Impact of Recommended Increase
- How Do Our 2018 Rates Compare?
- How Do Our Annual Rates Compare?
- Water Supply System Performance Measures
- Sanitary Sewerage System Performance Measures
- Proposed Charges and Fees
- Conclusion/Recommendation

Discussion ensued regarding the status of the Range Road/Ontoro Boulevard area construction of a watermain; the previous request in 2001 to extend municipal services to this area; the existing water quality in private wells in the Range Road/Ontoro Boulevard area, the 2005 petition process; and opportunities for funding arrangements including the cost-sharing of these charges.

Councillor Collier inquired whether a provision could apply for the water connection and frontage charges to be grandfathered, as outlined in the petition submitted by the residents in 2005.

Councillor Collier provided notice that a Motion would be forthcoming at the Wednesday, December 19, 2018 Regional Council meeting in regard to the Range Road/Ontoro Boulevard area water connection and frontage charges.

Councillor Nicholson inquired what percentage of water the Oshawa Water Plant No. 1 supplies. J. Presta advised he would provide the data to Councillor Nicholson prior to the December 19, 2018 Council meeting.

Discussion ensued regarding a full cost recovery water and sewer system; how the Region's rates compare to the Region of Peel; the anticipated future consumption rates; and increases in the fee schedule for Laboratory services.

Councillor Joe Neal questioned the actual number of employees proposed to be hired. J. Presta advised he would look into that and provide the numbers to Councillor Joe Neal directly.

Councillor Joe Neal also asked which companies are provided permission for hook-up to water stations/hydrants. J. Presta advised he would follow-up and provide the information to Councillor Joe Neal directly.

5. Correspondence

There were no communications to consider.

6. Reports

A) 2019 Water Supply and Sanitary Sewerage Servicing and Financing Study ([2018-COW-177](#))

Report #2018-COW-177 from N. Taylor, Commissioner of Finance; and S. Siopis, Commissioner of Works, was received.

Moved by Councillor McLean, Seconded by Councillor Leahy,
(2) That we recommend to Council:

- A) That the 2019 Capital Program and financing for the Water Supply and Sanitary Sewerage Systems, as set forth in Attachments #1 and #2 of Report #2018-COW-177 be received and provide the basis for the 2019 Water Supply and Sanitary Sewerage Capital Budgets to be presented to Regional Council during the 2019 Regional Business Planning and Budget process; and

- B) That the 2020-2028 Water Supply and Sanitary Sewerage Capital Forecast (Appendix #3 to Report #2018-COW-177) be received for information and planning purposes.

CARRIED

B) Recommended 2019 Water and Sanitary Sewer User Rates ([2018-COW-178](#))

Report #2018-COW-178 from N. Taylor, Commissioner of Finance; and S. Siopis, Commissioner of Works, was received.

Moved by Councillor Smith, Seconded by Councillor Pickles,

(3) That we recommend to Council:

- A) That the 2019 Regional water rates increase by 1.1% and Regional sanitary sewer rates increase by 2.6% from the 2018 user rate levels as set out in Schedule 1 and Schedule 2 respectively to Report #2018-COW-178 (attached), effective January 1, 2019 (increase for an average residential customer of 1.8%);
- B) That the 2019 Raw Water rates for the Whitby raw water customers be increased by 7.4% as set out in Schedule 1 to Report #2018-COW-178 (attached), effective January 1, 2019;
- C) That the 2019 water charges to the Sun Valley Heights Homeowners Co-operative Water System be as set out in Schedule 3 to Report #2018-COW-178 (attached), effective January 1, 2019;
- D) That the 2019 Regional Water and Sanitary Sewer Systems Miscellaneous Fees and Charges be as set out in Schedule 4 to Report #2018-COW-178 (attached), effective January 1, 2019;
- E) That the 2019 fee schedule for laboratory services at the Regional Environmental Laboratory located at the Duffin Creek Water Pollution Control Plant be as set out in Schedule 5 to Report #2018-COW-178 (attached), effective January 1, 2019; and
- F) That the Director of Legal Services be instructed to prepare the necessary by-laws to implement the foregoing recommendations.

CARRIED LATER IN THE MEETING ON A
RECORDED VOTE
(See Following Motions)

Moved by Councillor Nicholson, Seconded by Councillor Joe Neal,

- (4) That the main motion (3) of Councillors Smith and Pickles be amended by adding the following as a new Part G):

- G) That Finance Staff, in conjunction with other departments, investigate opportunities to provide relief to lower income users of water and sewer; and that the report be returned to Council in sufficient time to be included in the 2020 Water Supply and Sanitary Sewerage Servicing and Financing Study and the 2020 Water and Sanitary Sewer User Rates Reports.

MOTION DEFEATED

Moved by Councillor Joe Neal, Seconded by Councillor John Neal,

- (5) That Report #2018-COW-178 be deferred to consideration of the 2019 Detailed Water and Sewer Business Plans and Budget.

MOTION DEFEATED

The main motion (3) of Councillors Smith and Pickles was then put to a vote and CARRIED ON THE FOLLOWING RECORDED VOTE:

Yes

Councillor Bath-Hadden
Councillor Carter
Councillor Crawford
Councillor Dies
Councillor Foster
Councillor Highet
Councillor Kerr
Councillor Leahy
Councillor Lee
Councillor McLean
Councillor Mitchell
Councillor Mulcahy
Councillor Pickles
Councillor Smith
Councillor Yamada
Regional Chair Henry

No

Councillor Anderson
Councillor Chapman
Councillor John Neal
Councillor Joe Neal
Councillor Nicholson

Members Absent:

Councillor Ashe
Councillor Barton
Councillor Collier
Councillor Drew
Councillor Marimpietri
Councillor Roy
Councillor Ryan
Councillor Wotten

Declarations of Interest: None

7. Confidential Matters

There were no confidential matters to be considered.

8. Other Business

There were no other items of business to consider.

9. Adjournment

Moved by Councillor Bath-Hadden, Seconded by Councillor John Neal,
(6) That the meeting be adjourned.

CARRIED

The meeting adjourned at 12:33 PM

Respectfully submitted,

John Henry, Regional Chair

C. Tennisco, Committee Clerk