

The Regional Municipality of Durham

MINUTES

COMMITTEE OF THE WHOLE

Wednesday, December 11, 2019

A regular meeting of the Committee of the Whole was held on Wednesday, December 11, 2019 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, Lee and Wotten
Councillor Collier was absent on municipal business
Councillor Drew was absent on municipal business and attended the meeting at 10:32 AM
Councillor Wotten was absent on municipal business and attended the meeting at 10:32 AM

Staff

Present: E. Baxter-Trahair, P. Abbey, G. Asselin, D. Beaton, B. Bridgeman, S. Danos-Papaconstantinou, J. Demanuele, B. Holmes, J. Hunt, R. Inacio, R. Jagannathan, M. Januszkiewicz, R.J. Kyle, K. McDermott, G. Muller, J. Presta, M. Sheriff, M. Simpson, S. Siopis, N. Taylor, S. Penak, C. Tennisco and R. Walton.

1. Declarations of Interest

There were no 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: Recommended 2020 Water and Sanitary Sewer User Rates (2019-COW-33) [Item 6. B)]
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J. Presta and M. Simpson provided a PowerPoint presentation on the recommended 2020 Water and Sanitary Sewer User Rates.

J. Presta and M. Simpson advised that it is recommended that the combined 2020 water and sanitary sewer user rate increase by 3.2%.

Highlights from the presentation included:

- Overview of Regional Water & Sewer Systems
- Factors Impacting User Rates
- Consumption and Growth Trends
- Water and Sewer Ten-Year Capital (\$millions)
- Proposed 2020 Water and Sewer Budgets – Use of Reserve Funds
- Proposed 2020 Net User Revenue Funded Costs
- Factors Impacting 2020 Proposed User Rates
- General Motors Water Usage
- Impact of General Motors
- Impact of Proposed Increase
 - Residential Sector
- How Do Our 2019 Rates Compare?
- How Do Our Annual Rates Compare?
- Water Consumption Trends
- Asset Condition Rating: Water and Sewer 2018 (\$millions)
- Water Supply System Performance Measures
- Sanitary Sewerage System Performance Measures
- Conclusion

A question was raised regarding the connection charges for a recent water service hook-up, on a business property, in the Town of Newcastle, and whether an opportunity exists for staff to develop a business model for a special service hook-up rate for incoming businesses, to facilitate new growth and industry. J. Presta explained that the Region operates on a 'full cost recovery' model, and that there is equity in applying the applicable charges outlined in the by-law. He noted that staff often meet with the customers to review and explain the details regarding the service hook-ups.

M. Simpson responded to questions regarding the reduced operations at General Motors in the City of Oshawa and its related feeder plants; the anticipated 2020 user revenues for the newly planned operations; whether the projected increase for the water and sewer consumption use and charges will offset the loss of revenue from General Motors; and if General Motors provided staff with the projected water and sewer consumption usage for its future operations. Discussion followed regarding the basis for the projected consumption for the incoming and existing industries.

Detailed discussion ensued regarding the applications for the Water Supply Treatment Plant and the Sanitary Sewerage Treatment Plant rate stabilization reserve funds; and the proposed debt financing for future water supply and sanitary sewage services. J. Presta responded to questions regarding the Asset Management condition rating in terms of the project pressures considered in 'poor or very poor' condition.

M. Simpson responded to questions regarding lowering the water and sewer user rates, closer to the rate of inflation; whether it would be appropriate for the developers to incur a water levy, similar to Transit, to lessen the financial burden on the residents; and utilizing the reserve funds to reduce user rates. Discussion followed on the Region's ability to access Federal and Provincial grant programs for Area Municipal capital projects, including the Clean Water and Wastewater Fund (CWWF). M. Simpson advised that staff will be undertaking a regulatory analysis to implement the new Community Benefits Charges in response to Bill 108 *More Homes, More Choice Act*, 2019 which includes waste diversion services.

In terms of education, it was questioned whether staff has considered producing a chart comparing the household residential water and sewer rates with the costs of the utilities. Discussion followed on the customer consumption and growth trends, and the decline in the residential base consumption.

J. Presta responded to questions with respect to the Water Supply System Performance Measures; and, the increased consumption outlined in the Sanitary Sewerage Performance Measures for energy used kWh/ML treated wastewater.

N. Taylor responded to questions regarding what the recommended 3.2 per cent combined water and sanitary sewer rate increase represents in dollars for the average residential customer; the proposed contributions into the 2020 Water and Sewer reserve funds; the gross overall budget for the Water and Sewer operating and capital costs; opportunities to adjust the 2020 sanitary sewer user rate increase; the estimated surplus reserve funds for the years 2018 and 2019; and whether the Region has incurred a deficit during the last 5 to 10 years, as a result of the projected consumption and growth trends. M. Simpson and J. Presta responded to questions regarding the proposed 2020 Net User revenue funded capital costs of \$43.8 (\$ millions); and the proposed considerations for the years 2021 to 2029 reserve funds.

Discussion ensued with respect to lowering the Regional recommended 4% sanitary sewer rate increase to a 2.3% increase.

5. Correspondence

There were no communication items to be considered.

6. Reports

A) 2020 Water Supply and Sanitary Sewerage Strategic Issues and Financial Forecast ([2019-COW-32](#))

Report #2019-COW-32 from N. Taylor, Commissioner of Finance, and S. Siopis, Commissioner of Works, was received.

N. Taylor responded to questions regarding the proposed revenues for the Ontoro Blvd. watermain.

J. Presta and S. Siopis responded to questions with respect to the Region's bulk water filling services and the unaccounted water usage by the haulers; the need to ensure user cost recovery; the installation of backflow preventers to isolate risks that could be a hazard to the drinking water system; is the water hauled considered 'potable', and if so, why is potable water being used for cleaning the roads; the decommissioning of the bulk water station at the Whitby Water Supply Plant; and the funding for the twinning of the York Durham Region trunk sanitary sewer.

Discussion ensued regarding the usage of the Data Acquisition System, the Process Optimization Data Integration Services (SCADA) and the Eramosa System for the York-Durham Duffin Creek Water Pollution Control Plant (WPCP).

Moved by Councillor Joe Neal, Seconded by Councillor Leahy,
(85) That we recommend to Council:

That the 2020 Water Supply and Sanitary Sewerage Strategic Issues and Financial Forecast be received and forwarded to the 2020 Business Planning and Budget deliberations for Water Supply and Sanitary Sewerage Services, including the practice of using existing asset management reserve funds, based on asset management best practices to address the needs of the Regional water supply and sanitary sewer systems.

CARRIED

Moved by Councillor Leahy, Seconded by Councillor Smith,
(86) That the Committee of the Whole recess for 15 minutes.

CARRIED

The Committee recessed at 10:56 AM and reconvened the meeting at 11:10 AM.

B) Recommended 2020 Water and Sanitary Sewer User Rates ([2019-COW-33](#))

Report #2019-COW-33 from N. Taylor, Commissioner of Finance, and S. Siopis, Commissioner of Works, was received.

Moved by Councillor Nicholson, Seconded by Councillor Smith,
(87) That we recommend to Council:

- A) That the 2020 Regional water rates increase by 2.3% and Regional sanitary sewer rates increase by 4.0% from the 2019 user rate levels as set out in Schedule 1 and Schedule 2 respectively to Report #2019-COW-33 (attached), effective January 1, 2020 (increase for an average residential customer of 3.2%);
- B) That the 2020 Raw Water rates for the Whitby raw water customers be increased by 5.0% as set out in Schedule 1 to Report #2019-COW-33 (attached), effective January 1, 2020;
- C) That the 2020 water charges for the Sun Valley Heights Homeowners Co-operative Water System be as set out in Schedule 3 to Report #2019-COW-33 (attached), effective January 1, 2020;
- D) That the 2020 Regional Water and Sanitary Sewer Systems Miscellaneous Fees and Charges be as set out in Schedule 4 to Report #2019-COW-33 (attached), effective January 1, 2020;
- E) That the 2020 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 #2019-COW-33 (attached), effective January 1, 2020; and
- F) That the Director of Legal Services be instructed to prepare the necessary by-laws to implement the foregoing recommendations.

CARRIED AS AMENDED LATER IN THE MEETING
ON A RECORDED VOTE
(See Following Motion)

Moved by Councillor Nicholson, Seconded by Councillor Ashe,

(88) That the main motion (87) of Councillors Nicholson and Ashe be amended as follows:

- In Part A) by deleting the number “4.0%” and replacing it with “2.3%”, and
- By adding the following as a new Part G):
‘That the Commissioner of Finance be authorized to make the necessary changes to the proposed financing of the gross expenditures for the 2020 Sanitary Sewerage Business Plans and Budgets, outlined in Report #2019-F-52 as required by the amendment to the recommended User Rate increase, including additional contributions from reserve and reserve funds, with a subsequent information report to be provided.’

CARRIED LATER IN THE MEETING
ON A RECORDED VOTE

Discussion ensued regarding how much a Regional sanitary sewer rate increase by 2.3 per cent would reduce the yearly cost for the average residential customer; and the expected surplus reserve funds for the years 2018, 2019 and 2020.

E. Baxter-Trahair responded to a question regarding the budget variances for savings from the personnel expenditures and the 2020 personnel surplus carry overs. E. Baxter-Trahair advised that the Region is looking at modernization initiatives for streamlining and automating processes to increase efficiencies, for savings within the Region.

The amending motion (88) of Councillors Nicholson and Ashe was then put to a vote and CARRIED ON THE FOLLOWING RECORDED VOTE:

Yes

Councillor Anderson
Councillor Ashe
Councillor Barton
Councillor Carter
Councillor Chapman
Councillor Crawford
Councillor Foster
Councillor Highet
Councillor Kerr
Councillor Leahy
Councillor Marimpietri
Councillor Mulcahy
Councillor John Neal
Councillor Joe Neal
Councillor Nicholson
Councillor Roy
Councillor Ryan
Councillor Wotten
Councillor Yamada
Regional Chair Henry

No

Councillor Bath-Hadden
Councillor Dies
Councillor Drew
Councillor McLean
Councillor Mitchell
Councillor Pickles
Councillor Smith

Members Absent: Councillor Collier
Councillor Lee

Declarations of Interest: None

Councillor Joe Neal questioned whether the projected Water and Sewer revenues will result in an overall reduction of the bulk water fees. N. Taylor advised that staff will review the impact of the reduction on the bulk water fees and provide Councillor Joe Neal directly with the numbers prior to Council.

E. Baxter-Trahair and S. Siopis responded to questions regarding the hiring of six additional staff for the Work Department in the year 2020. J. Presta provided an update on the staffing required for the new Seaton Reservoir.

N. Taylor responded to questions regarding the monies built into the 2020 budget for transfers to the Capital reserve funds; and the estimated funding for emergency repairs in the year 2020. At the request of the Regional Chair, J. Presta provided a summary of the costs and emergency repairs on the well in Sunderland.

S. Siopis also responded to questions regarding the proposed increase in the frontage charges and the potential for staff to speak with the Economic Development on options to mitigate these costs, to encourage growth within the Region.

B. Bridgeman responded to questions with respect to approaching the Province in regard to reviewing options for increasing the development charge contributions from the developers. Discussion followed on whether staff have approached the Province for a fixed rate energy cost.

The main motion (87) of Councillors Nicholson and Smith was then put to a vote and CARRIED AS AMENDED ON THE FOLLOWING RECORDED VOTE:

Yes

Councillor Anderson
Councillor Ashe
Councillor Barton
Councillor Bath-Hadden
Councillor Carter
Councillor Chapman
Councillor Drew
Councillor Foster
Councillor Highet
Councillor Kerr
Councillor Leahy
Councillor Marimpietri
Councillor McLean
Councillor Mitchell
Councillor Mulcahy
Councillor Nicholson
Councillor Pickles
Councillor Roy

No

Councillor Crawford
Councillor Dies
Councillor John Neal
Councillor Joe Neal

Councillor Ryan
Councillor Smith
Councillor Wotten
Councillor Yamada
Regional Chair Henry

Members Absent: Councillor Collier
Councillor Lee

Declarations of Interest: None

C) Oral Health Clinic Relocation and Expansion to Meet the Needs of the Ontario Seniors Dental Care Program (2019-COW-34)

Report #2019-COW-34 from R.J. Kyle, Commissioner & Medical Officer of Health, N. Taylor, Commissioner of Finance, and S. Siopis, Commissioner of Works, was received.

R.J. Kyle and P. Abbey responded to concerns raised regarding the service delivery model adopted for the provision of the Provincial Ontario Seniors Dental Care Program (OSDCP), being the Region as opposed to the private sector practitioners.

Discussion ensued with respect to the provincial cut-off levels for the OSDCP eligible income level being unrealistic; alternate options for seniors with barriers to access the services; and the Brock Community Health Centre (CHC) dental operatories. It was questioned what options the Region could provide to expand the Program to capture the seniors or families that earn just above the annual eligible income to also receive the oral health services provided by the public health units; and whether staff could provide a report back to Committee outlining the scope of the needs and potential options to expand the Program to offer the services to the various income levels.

The Regional Chair advised that staff would provide a report back to the Committee in the new year with respect to the scope of the needs and options on how to expand the Program to provide dental services to the seniors above the annual eligible income levels.

Moved by Councillor Chapman, Seconded by Councillor Pickles,
(89) That we recommend to Council:

- A) That authorization be granted to proceed with a competitive process and award a contract to retain a consultant in accordance with Purchasing By-Law #68-2000, as amended, to determine detailed capital costs to relocate and expand the current Oral Health Clinic from the Whitby Mall at 1615 Dundas St. E. in the Town of Whitby to the Midtown Centre at 200 John St. W. in the City of Oshawa to accommodate up to 4,000 new low-income senior clients;

- B) That financing for the cost of the consultant be funded from within the 2019 approved 100 per cent Provincial operating funding for the Ontario Seniors Dental Care Program as articulated in the 2019 Public Health Funding and Accountability Agreement;
- C) That authorization be granted to negotiate a lease agreement with 2381502 Ontario Inc., o/a Midtown Centre to relocate the Oral Health Clinic, conditional upon funding approval from the Province for capital costs related to the Ontario Seniors Dental Care Program and Council approval;
- D) That the pre-consultant estimated cost of \$2.3 million to relocate and expand the Oral Health Clinic be included for consideration in the 2020 Health Department Business Plans and Budget to be funded from anticipated Provincial capital funding;
- E) That beginning the work to relocate and expand the Oral Health Clinic be subject to Provincial funding and Council approval; and
- F) That the Commissioner of Finance be authorized to execute any necessary agreements.

CARRIED UNANIMOUSLY
ON THE FOLLOWING RECORDED VOTE:

Yes

Councillor Anderson
Councillor Ashe
Councillor Barton
Councillor Bath-Hadden
Councillor Carter
Councillor Chapman
Councillor Crawford
Councillor Dies
Councillor Drew
Councillor Foster
Councillor Highet
Councillor Kerr
Councillor Leahy
Councillor Marimpietri
Councillor McLean
Councillor Mitchell
Councillor Mulcahy
Councillor John Neal
Councillor Joe Neal
Councillor Nicholson
Councillor Pickles
Councillor Roy

No

None

Councillor Ryan
Councillor Smith
Councillor Wotten
Regional Chair Henry

Members Absent: Councillor Collier
Councillor Lee
Councillor Yamada

Declarations of Interest: None

D) Authorization to Initiate a Comprehensive Review for the Design of a Proposed Community Improvement Plan for Durham Region (2019-COW-35)

Report #2019-COW-35 from N. Taylor, Commissioner of Finance, and B. Bridgeman, Commissioner of Planning & Economic Development, was received.

B. Bridgeman responded to questions regarding why the proposed Regional Community Improvement Plan (CIP) is not being considered as part of Envision Durham, the Municipal Comprehensive Review (MCR) of the Regional Official Plan (ROP), including the request of a separate consultant for the design of the CIP.

Discussion ensued regarding the potential need for the development of affordable senior ground-based housing units, without a garage or driveway. It was noted that the cost of a driveway, with a garage, is approximately 25 per cent of the cost to build a house.

Moved by Councillor Foster, Seconded by Councillor Barton,
(90) That we recommend to Council:

- A) That funding in the amount of \$125,000 for consulting services in support of a comprehensive review for the design of a proposed Regional Community Improvement Plan be included for consideration as part of the Region's 2020 Business Planning and Budgeting process;
- B) That subject to budget approval, that Regional staff be authorized to commence the process for developing a Regional Community Improvement Plan, as authorized under Section 28 of the Planning Act; and
- C) That Report #2019-COW-35 be circulated to Durham Region's local area municipalities for information.

CARRIED ON THE FOLLOWING
RECORDED VOTE:

Yes

Councillor Anderson
Councillor Ashe
Councillor Barton
Councillor Bath-Hadden
Councillor Carter
Councillor Chapman
Councillor Crawford
Councillor Dies
Councillor Drew
Councillor Foster
Councillor Highet
Councillor Kerr
Councillor Leahy
Councillor Marimpietri
Councillor Mitchell
Councillor Mulcahy
Councillor Nicholson
Councillor Pickles
Councillor Roy
Councillor Ryan
Councillor Smith
Councillor Wotten
Regional Chair Henry

No

Councillor John Neal
Councillor Joe Neal

Members Absent: Councillor Collier
Councillor Lee
Councillor McLean
Councillor Yamada

Declarations of Interest: None

7. Confidential Matters

There were no confidential matters to be considered.

8. Other Business

8.1 Price Waterhouse Coopers Draft Report: The Contact Centre Transformation

Councillor Joe Neal inquired when the Price Waterhouse Coopers draft report, commissioned under the Audit and Accountability funding from the Province, would be available to the Councillors.

E. Baxter-Trahair advised that the review of the draft is ongoing; and, that an update on the Report will be forthcoming in January of 2020. The Chief Administrative

Officer noted that an electronic copy of the Price Waterhouse Coopers report would be emailed to the members of Council.

8.2 Extension of the Highway 407 east to Highway 35/115 and Highway 418

The Regional Chair announced that Highway 418, a north/south connection from Highway 407 to the 401, and, the Highway 407 east extension to Highway 35/115 are now open to traffic.

8.3 Promoting Innovate Ways to Co-Own A Home

Councillor Drew announced that earlier in the day the Honourable Steve Clark, Minister of Municipal Affairs and Housing, unveiled the province's "Co-owning a home" Guide, in Port Perry, in the Township of Scugog. She advised that the Guide is a provincial initiative to promote housing innovation through co-ownership to address the housing crisis by looking at alternative housing ideas. She noted that the Minister also visited the Golden Girls, who co-own a renovated heritage home in Port Perry; and, are featured on the Guide's cover.

The Guide is available on-line at [Co-owning a home Guide](#).

9. Adjournment

Moved by Councillor Carter, Seconded by Councillor Chapman,
(91) That the meeting be adjourned.

CARRIED

The meeting adjourned at 12:18 PM

Respectfully submitted,

John Henry, Regional Chair

Committee Clerk