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**THE REGIONAL MUNICIPALITY OF NIAGARA
JOINT MEETING OF
CORPORATE AND FINANCIAL SERVICES COMMITTEE
AND
PUBLIC WORKS AND UTILITIES COMMITTEE
REPORT CFS 12/PW 14-2003**

Minutes of a joint meeting of the Corporate and Financial Services Committee and Public Works and Utilities Committee held in Committee Room 4, Regional Municipal Building, Thorold, Ontario, on Wednesday, July 16, 2003, commencing at 9:00 a.m.

ATTENDANCE

Committee: Councillors Martin, Co-Chair; Badawey, Co-Chair; Zimmerman, Regional Chair; Bentley; Burroughs; Davidson; Eke; Harry; Hildreth; Muir; Rigby; Saracino.

Staff: Mr. Trojan, Chief Administrative Officer; Mr. Bacchus, Commissioner of Corporate Services; Mr. Neville, Commissioner of Public Works; Mr. Brcic, Director, Water and Wastewater Services; Ms. Reilly, Legislative Assistant.

Staff
(Part-time): Ms. Williams, Senior Financial Analyst.

PRESENTATION

1. Water and Wastewater Master Servicing Plan Update

Mr. Neville, Commissioner of Public Works, advised that the completed Water and Wastewater Master Servicing Plan Update is the most comprehensive assessment of the water and wastewater systems across Niagara to ever be undertaken. The Commissioner commented that it became evident at the beginning that the update should also address area municipality issues related to water and wastewater servicing. The update encompasses the work and reports of many people including Regional, Area Municipality and the Ministry of Environment staff, Technical Resources Committees, and MacViro Engineering Inc. and CH2M HILL. Mr. Neville commented that there are major policies that will have to be developed to implement the recommendations within the report and that Regional Council and staff will need time to assess the financial impact and strategies so that a capital works program can be developed.

Mr. Neville introduced Mr. Eric McDonald of MacViro Engineering and Mr. Mains of CH2M HILL to provide an overview of the Water and Wastewater Master Servicing Plan.

Mr. Mains advised that their presentation is outlined in two parts: Part One – The Role of Master Planning and Part Two – The Region & Area Municipalities Master Plan.

Part One:

The study encompassed a time period over two years and involves multiple stakeholders and was a major commitment involving project time and leadership of Technical Resources Committees. The Outcomes of the study are of region wide significance in achieving a complete understanding of both the regional and area municipalities systems. Benefits of the study include a clearer understanding of the environmental issues, (CSOs, water quality contaminants, complete understanding of region wide infrastructure even though separate jurisdictions) and provides an opportunity to build on these Outcomes. The Update is a proactive management approach to address emerging industry expectations with respect to:

- Changes to the regulatory environment
- Customer expectations
- Best practices implementation
- Regulatory compliance
- Addressing Regional Council's Smart Growth initiatives
- Asset/Data Management
- Ability to support new growth and economic development through the provision of timely infrastructure services
- Meeting national and provincial benchmarking initiatives
- Ensuring reliability and security of the water and wastewater service

Benefits of Master Planning:

- Commitment to environmental stewardship – Niagara Region placed in a leadership role for the delivery of water and wastewater services
- Capacity limitations/deficiencies identified early for timely action
- Strategies for enhanced drinking water quality and reduction of CSOs developed
- Delivering an Environmentally Sustainable Niagara

Best Practices Expectations:

The Walkerton inquiry has highlighted the Best Practice Expectations with respect to:

- Accountability and public transparency
- Quality assurance and environmental responsibility
- Efficient and effective operations
- Capital works financing ability

Part Two:

The scope of the 2003 Master Servicing Plan – most comprehensive assessment ever undertaken:

- A business plan (capital program) based on best management practices.
- Consists of full reviews and assessments illustrated through working papers developed for the following:
 - Data management
 - Asset management
 - Customer care strategies
 - Long-term servicing vision to fulfill future servicing strategies
 - Water and Wastewater quality issues
 - Combined Sewer Overflows programs
 - Water use efficiency programs
 - Hydraulic modeling and GIS representation of all water and wastewater systems
 - Water quality modeling to predict the distribution water quality deficiencies
 - Capital works programs for both the regional and area municipalities systems
 - Financial analysis and rate structure recommendations

The process for the Master Servicing Plan Update was a multi-party stakeholder and comprehensive and massive effort to achieve a program for best practices for the management and delivery of water and wastewater services.

Mr. Mains highlighted the conclusions and recommendations as follows:

- Ownership of the water and wastewater infrastructure amended such that the Region would own and operate all sewage pumping stations, sewage forcemains, pressure reducing valves and rechlorination facilities within the water distribution systems
- Adoption of a financial strategy requiring wholesale rate increases
- Develop a data management implementation plan
- Implement a “single point of contact” customer care system
- Assume responsibility for all CSO control work
- Conduct a comprehensive review of the current two tier structure for the delivery of the water and wastewater services
- Implement a water use efficiency program
- Develop a strategy for agricultural water uses
- Collaborative effort through Region and area municipalities maintenance of water and sewer system models

The following chart represents the implementation of a ten (10) year Capital Works Program

	<u>Region</u>	<u>Area Municipalities</u>
Wastewater	\$300 million	\$77 million
Water	\$299 million	\$116 million

A chart outlining Capital Program costs by functions for the Water and Wastewater Systems was highlighted.

Mr. Mains, as well, defined water and wastewater rate projections for the next ten years indicating a 3 to 10 percent/annum increase.

In reviewing "Asset Management" for the Regional Municipality of Niagara Infrastructure, Asset Values total approximately \$1,100M with an annual capital renewal requirement of \$27M per year (based on legislation).

Mr. Mains summarized the Master Plan as:

- A major comprehensive study that addresses both the Region and area municipalities
- Data management and asset management programs defined
- Delivery Service suggested as being subject to review
- \$60M annual capital works program
- Defines water and wastewater rate projections for the next ten years

Following discussion by Committee, it was:

2. Moved by Councillor Rigby
Seconded by Councillor Harry

That Report PWA 118-2003/CSD 106-2003, July 16, 2003, respecting the draft Water and Wastewater Master Servicing Plan Update, dated April 2003, be received.

That a Sub-committee of the Public Works and Utilities Committee be established to review and finalize the recommendations of the final draft report on the Water and Wastewater Master Servicing Plan Update dated April 2003, develop and recommend related policies and undertake the review of service delivery models for water and sewer servicing in Niagara.

That the existing joint agreement with MacViro Engineering Inc. and CH2M HILL be amended to include additional engineering services related to the hydraulic modeling completed as part of the MSP Update, servicing of Wainfleet and approved additional scope to complete the draft report in the amount of \$120,000 plus GST, to be charged to Project SW 0010.

That copies of the final Water & Wastewater Master Servicing Plan Report, upon approval by the sub-committee, be distributed to the Area Municipalities.

Carried.

Councillors Davidson, Harry, Martin and Rigby volunteered to serve on the Sub-committee and the Regional Clerk was directed to send a memo to all members of Council inviting them to serve on the Sub-committee.

ADJOURNMENT

Committee adjourned at 10:30 a.m. to meet again at the call of the Chair.

Doug Martin
Co-Chair

Gail Reilly
Legislative Assistant

Vance Badawey
Co-Chair

Thomas R. Hollick
Regional Clerk