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**Official Report
of Debates
(Hansard)**

Friday 22 November 2002

**Journal
des débats
(Hansard)**

Vendredi 22 novembre 2002

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general government**

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES**

Friday 22 November 2002

Vendredi 22 novembre 2002

*The committee met at 1029 in the Westin Hotel,
Ottawa.*

**SUSTAINABLE WATER AND
SEWAGE SYSTEMS ACT, 2002**

**LOI DE 2002 SUR LA DURABILITÉ
DES RÉSEAUX D'EAU ET D'ÉGOUTS**

SAFE DRINKING WATER ACT, 2002

**LOI DE 2002 SUR LA SALUBRITÉ
DE L'EAU POTABLE**

Consideration of the following bills:

Bill 175, An Act respecting the cost of water and waste water services / Projet de loi 175, Loi concernant le coût des services d'approvisionnement en eau et des services relatifs aux eaux usées;

Bill 195, An Act respecting safe drinking water / Projet de loi 195, Loi ayant trait à la salubrité de l'eau potable.

The Vice-Chair (Mr Norm Miller): I'd like to call to order this meeting of the standing committee on general government on the hearings into Bill 175 and Bill 195.

TAGGART CONSTRUCTION

The Vice-Chair: The first presenter here this morning is Taggart Construction Ltd. If you can introduce yourself, please, you have 15 minutes to use as you please. You can use the whole time on your presentation or you can leave time for questions and comments.

Mr Doug Haight: Good morning, Mr Chairman and members of the committee. My name is Doug Haight and I am the Kingston construction manager for Taggart Construction. Our company represents approximately 250 employees and we are pleased to have this opportunity to present our views on Bill 175, the Sustainable Water and Sewage Systems Act.

Taggart Construction is a family-owned business that has been in operation since 1948, with water and sewer construction being the core line of our business. Our firm also carries on business in land development, general contracting and house building. As you can see, all these lines lend themselves to good knowledge of water and sewage systems.

Naturally, our company is committed to the maintenance and expansion of the province's vast network of water and waste water systems. We are, therefore, supportive of Bill 175, because maintaining a plentiful, healthy water supply requires ongoing investment by government and consumers.

Bill 175 is important to ensure that the water and sewage systems of Ontario are good for public health, financially sustainable and environmentally friendly. The situation throughout the province today is one of critical need of investment in our water and sewage infrastructure.

In our day-to-day experience in water and sewer construction we see many examples of existing infrastructure in need of replacement or repair. Many of the reconstruction projects we have been involved in still employ the use of combined sewer overflows. This causes periodic discharge of raw sewage into our waterways. Aging sewer systems allow large quantities of groundwater to infiltrate into the system which must then be treated at a considerable cost to the municipalities. This situation is much more prevalent in older cities such as Kingston and Ottawa.

Large projects are in many cases put off the longest due to financial constraints. Such a project in our area is the Rideau River crossing in Kingston, which has involvement with both trunk sewer and water and water main crossing the river. The existing pipes are over 50 years old and are well beyond their sustainable lifetime. In addition to being beyond their lifespan, they are the single crossing of the river for a very large percentage of the sewage from the core city heading for the treatment plant on the east side of the river. Obviously, any disruption of service in this force main would have a huge environmental impact due to spillages and overflows into the Rideau River.

We have supported full cost pricing and accounting legislation for many years with the belief that it is the only sure method to achieve the needed upgrades in infrastructure that will protect public health and the environment. Having the means in place to fund upgrades when needed rather than when they can be afforded would greatly increase stability of business cycles and planning for both ourselves and the municipalities.

The legislation as it stands requires municipalities to have dedicated reserve accounts, which we fully support. We believe the bill is a good framework, yet it needs to be strengthened to ensure that in the end a sustainable

water and sewage system is reached. As the bill now stands, regulation plays too large a role and too few provisions are addressed in the legislation.

I am aware that the Ontario Sewer and Watermain Construction Association have made suggestions to strengthen the bill, and I can tell you we are in full support of these changes.

I won't run through the amendments. I understand that they have been voiced at previous presentations. If the legislation and proposed amendments come into force, the government will need to ensure both environmental and financial compliance by municipalities. We agree with the suggestion that the best way to ensure the legislation goes forward as intended is to amend the legislation to specify which ministry is responsible for the environmental aspects of the bill and which is responsible for the financial. The Ministry of the Environment should lead the environmental oversight while the Ministry of Finance/SuperBuild leads in the financial aspects.

I would like to thank you for the opportunity to address the committee and I will address any questions at this time.

The Chair: That allows a couple of minutes per caucus. We'll start with the official opposition

Mr Richard Patten (Ottawa Centre): First of all, thank you for being with us today. I know of your company and some of the family members. I know you do a lot of very good work.

If I could ask you to elaborate on one point on which I think we agree, but perhaps you're in a better position to give us more specifics. That's the situation in Ottawa and Kingston in particular, in terms of the age of the infrastructure. What is the scope or the dimension we're talking about in both, not in specific dollars, but do you have a sense of a very large challenge fiscally?

Mr Haight: I agree the challenge is great. I'm actually involved on a number of committees in our area that I operate out of in Kingston, which would be similar to Ottawa due to the age of the cities.

Right now, they're just trying to get a handle on what the backlog is. Even those very much in the know are not able to get a dollar figure on this to date. We know it's large, we know it's beyond what the present funding situation can handle, but to give you a dollar figure I would be just guessing.

Mr Patten: The other comment I have is, as you've pointed out, the association has already identified a number of areas that are not in the bill but would be left simply to government regulation. When you see that in a bill, it usually means, "Those are the areas on which we really don't want to have debate and discussion. We'll do these things behind closed doors." I think you're pushing for us to be clear about all of this: let's make sure who's paying what. We know in some cases, some municipalities are probably not going to be able to handle the scope of what they have. They'll need some support from the provincial government, or they're going to have to raise taxes considerably, perhaps beyond the reality of

what their constituents might be able to support. I just want to make that comment that I think we agree with you that more of that should be in the bill, and we certainly will be putting forward amendments to that effect. Whether the government side will accept these or not remains to be seen.

Ms Marilyn Churley (Toronto-Danforth): I just wanted to follow up as well on full cost recovery and what that means to you. We've had many presentations in support of that aspect; in fact, it seems that it's one area where most people are on side. But we haven't really defined what it means in terms of what the government role is, the provincial government and I would say the federal government as well, in terms of the high infrastructure cost, the capital cost to bring systems up to standard, which is what you're talking about. So when we talk about full cost recovery, what I envision, and it's not clear in this bill, and we do have to find a model, is that both senior levels of government should come in with infrastructure capital funding to help municipalities which still should be metering and paying their share. In fact, I do think we should be paying for water, so we conserve it and understand how important it is to us. On the other hand, we have to make sure that poor people and smaller municipalities can afford it. I'm wondering what you think about the involvement of other levels of government, particularly in the capital funding?

1040

Mr Haight: We are of the belief that a transition period, a phasing-in period, is required, because the financial strains would be too great to make an immediate transition. Definitely, during that period of time, there is going to be a requirement from many municipalities for funding from all levels of government to make the transition. In the end, I'm sure there will be a few of the smaller municipalities that may never be able to fully make the transition to the new cost recovery system and there may have to be ongoing financial input from the various levels of government to assist them.

Ms Churley: Thank you very much.

Mr Garry J. Guzzo (Ottawa West-Nepean): Thank you for being here, Mr Haight, and welcome to Ottawa.

I'd like to refer to your written submission—page 2, the second paragraph; your comments with regard to combined sewer overflows. This is a problem in the downtown areas in older cities, where we've been facing massive costs to separate the sewers. Indeed, as a member of city council and regional council in the early 1970s, I remember passing a bylaw, which, Mr Chiarelli tells me, now has the sewer separation program virtually completed in Ottawa, which is an exaggeration, or you people would be on easy street and in retirement. I'd like you to explain and put on the record what happens in this overflow situation, how the raw sewage actually flows from the waste sewer into the main sewer.

Mr Haight: I can definitely speak from previous knowledge in the Kingston area, and I'm sure there are many similar situations here in Ottawa. In normal, everyday operation, the existing sanitary sewers are

typically picking up the sanitary flow. But being a combined sewer, all the storm water from that area is also captured by those combined sewers. During periods of heavy flow because of storm situations, the combined sewer obviously is running to overcapacity, and once it makes the transition into the trunk sanitary mains, they're not able to carry all the flow. So usually at certain interceptor points throughout the city, there is a cross-over, a cross link between the combined sewer. In day-to-day operation, it dumps 100% into the sanitary system and it's treated. During high flows it is, as the word portrays, a straight overflow and a straight discharge into a local waterway.

Mr Guzzo: Let me make it clear that despite 30 years of having them in place, we have not completed the combined sewer program—I think we're about 65%. The reason for that, of course, was the imposition of regional government, where the city of Ottawa had to finance the sewers to Kanata and the other outlying satellite cities, and that took priority over fixing this very serious problem. Let the record be clear on that. It's a serious problem and one that has to be expedited.

The Vice-Chair: Thank you, Mr Haight, for coming before us today. We appreciate it. I would also like to welcome the Minister of the Environment, Mr Chris Stockwell, who has joined us today in Ottawa.

NATIONAL CAPITAL HEAVY CONSTRUCTION ASSOCIATION

The Vice-Chair: I'd like to call our next presenter, the National Capital Heavy Construction Association. Welcome. You have 15 minutes to use as you please. You can present for the whole time or allow time for questions. Please introduce yourself.

Mr Jeff Mulcock: Good morning, Mr Chairman and members of the committee. My name is Jeff Mulcock, and I'm representing the National Capital Heavy Construction Association. I am currently a director and the past president of this association. I am very happy to be here and to have this opportunity to talk to you about Bill 175.

I'm also an individual who has a wife and children—very healthy children, and I'd like to keep them that way.

Our association represents approximately 215 contractors and associate members doing business within the national capital region. The objectives of our association are as follows: the betterment of the road-building, aggregate sewer and water main construction industries within the greater Ottawa area; maintaining the highest standards of construction and business methods; and promoting better understanding and goodwill between the public, owners, engineers and contractors. It is with these objectives in mind that we are here to support Bill 175.

Bill 175 is a method of commitment that ensures the municipalities of Ontario have the financial ability to supply and maintain a healthy and environmentally sound clean water supply and sewage disposal system for the

people of this province. As of now, the money to make this happen has not been there. It's time to start investing in Ontario's sewer and water infrastructure.

I have a picture—Tonia, did you distribute that picture? Has everybody had a good look at that? Isn't it ironic that everybody here is drinking bottled water? If we had jugs of water, it would probably have been distributed to this hotel through a pipe like that. That's a piece of a 36-inch water main that was taken out of the system about four years ago—the build-up inside. I do believe there still is some of that water main in existence here in Ottawa. It's a scary thought.

Our association believes that the full cost pricing and accounting legislation in Bill 175 will give municipalities the ability to upgrade and maintain their infrastructure so tragedies like Walkerton will be read about in history books and not in the daily newspapers.

We are very pleased to see that Bill 175 has a section that requires municipalities to have dedicated reserve accounts. I think they have been working and have introduced dedicated accounts on their water and sewage systems here in the city of Ottawa.

We feel that Bill 175 has a good foundation to work with, and the amendments to the bill that the Ontario Sewer and Watermain Construction Association have suggested could be one of this government's legacies to be proud of and for all Canada to follow.

The following suggested amendments would definitely strengthen this bill. I know everybody has heard about these amendments, but I think they are very important to entrench in this legislation.

First, full cost pricing should be mandatory for all municipalities. How municipalities implement full cost pricing is totally up to them; whether they implement full cost pricing should not be an option. This amendment will show the municipalities that this government is committed to the health and well-being of the people of Ontario and that full cost pricing will be a reality.

The second and third amendments should be the application of the user-pay principle and monitoring the amount used by metering. The user-pay principle will stop municipalities from adding the costs of water supply to property taxes, and the metering will show the end-user the actual amount of water consumed, which will eventually promote conservation. I know that here in Ottawa we have meters, and I'm watching my water taps all the time.

The fourth amendment should be to have a more defined definition of full cost pricing. This will give end-users a better understanding of what they are actually paying for. Also, the municipalities across the province will be able to have a more unified accounting of costs to determine the actual price to supply the water to the end-user.

The fifth and last suggested amendment is that this legislation should be phased in over a five- to eight-year period. This phase-in period will help municipalities manage the transition to full cost pricing and help protect consumers from steep rate hikes.

1050

If this legislation, with the proposed amendments, becomes reality, the government of Ontario will have a huge undertaking, which I know they will achieve.

To ensure this legislation is implemented as intended the bill should be amended to dictate which ministry is responsible for overseeing the environmental and the financial aspects of the bill. It has been suggested that the Ministry of the Environment should be responsible for the environmental applications while the Ministry of Finance should be given the financial responsibility. We agree with this suggestion.

The time has come for this piece of legislation and we want to applaud the government for moving to implement this policy. I'd like to thank you for this time to speak to you about this matter and I would be happy answer any questions you have.

The Vice-Chair: Thank you very much. That allows a couple minutes per caucus for questions. We'll start with the third party.

Ms Churley: I want to ask you the same question—you were in the room I think when I asked it—and that is trying to get a better definition of what we mean by full cost recovery. Of course we're going into this, as you pointed out, with an infrastructure deficit, a huge one, as demonstrated by this and many other problems. Given that we're going to be asking in my city and probably here too—people already pay water bills. Going into it with a big deficit, what would you propose? How would you propose that senior governments be involved in the process of dealing with that infrastructure deficit so it doesn't all fall on the shoulders of municipalities?

Mr Mulcock: Definitely, municipalities are going to need support from the provincial and federal governments. There's no way the municipalities can do it all themselves. There are programs in place right now that support the infrastructure programs, and the municipalities are going to need that support all the time. It is going to be a huge undertaking, as I said. It's going to take years to develop. I'm sure it can happen and I hope it will happen.

Ms Churley: Are you aware here in Ottawa if there are any water conservation programs in place by the municipality? For instance, in order to get new money to do upgrades, is there any kind of conservation built into the plan before they can get the money?

Mr Mulcock: I'm not quite sure I understand. Are there any programs in place right now?

Ms Churley: Yes.

Mr Mulcock: I'm not sure about that. I just bought a new house. I don't know if it's law or legislation that new house buildings have low-flow valves and conservation methods in these new houses. I don't know if there's a program actually to promote this.

The Vice-Chair: The government side?

Hon Chris Stockwell (Minister of the Environment, Government House Leader): I appreciate your deputa- tion. I'm kind of wondering about the full cost recovery

arguments; you're the second. Page 3 of the bill, 4(1), (2), (3) and (4), specifically lay out:

“(1) Every regulated entity that provides waste water services to the public shall give a written report about those services to the minister before the date specified by regulation.”

“(2) The report must contain such information as is required by regulation concerning the infrastructure needed to provide the waste water services, the full cost of providing the services and the revenue obtained to provide them and concerning such other matters as may be specified in the regulation.”

“(3) The report must be made in a form approved by the minister.”

“(4) The full cost of providing the waste water services includes the operating costs, financing costs, renewal and replacement costs and improvement costs associated with collecting, treating or discharging waste water and such other costs as may be specified by the regulation.”

That's ambiguous to you? It's not clear?

Mr Mulcock: Everybody's definition of “full cost pricing” is different. We feel there should be a defined definition of exactly what full cost pricing is.

Hon Mr Stockwell: When I speak to people and give them my definition, it seems to be a definition shared by many. If you have it that the cost of providing drinking water and servicing your waste water must be fully cost-recoverable, fully paid for within a separate water account within municipalities, do you have a different definition than that?

Mr Mulcock: No, it's a good definition, but it's a broad definition. There are ways to narrow everybody's understanding of what full cost pricing is, and that's all we're suggesting. You said it within one sentence or two sentences. There are many ways of hiding costs of supplying water and sewers to people. We just want to make sure it's defined.

Hon Mr Stockwell: Exactly. To close, that's exactly why we said you have to introduce the plan.

Mr Mulcock: Sorry?

Hon Mr Stockwell: That's why we said in the report that you have to introduce the plan. We're not going to allow municipalities to subvert the legislation through any other process. They must submit a plan, and that plan must be financially viable, signed off by their auditor-accountant. Engineers: signed off on the engineering side. If I tried to legislate that, every single possible nuance and change and administrative and accounting jiggery-pokery in legislation, this legislation would be this big and it would take about two and a half years to write.

Mr Mulcock: I understand. Everybody's thoughts about full cost pricing—there could be better ideas in other municipalities. My understanding, my feeling is that we should make the best practices, take these people's ideas and these people's ideas and put them into one. Let's have a great concept of what full cost pricing actually is.

Hon Mr Stockwell: That's why I have the report—

Mr Mulcock: Yes, but they're all different municipalities. I think we should put it into one and all be working on the same page.

Hon Mr Stockwell: OK.

The Vice-Chair: The official opposition: Mr Conway, would you like to ask a question? No? Very good. Thank you very much, Mr Mulcock, for coming before us today.

POLLUTION PROBE

The Vice-Chair: Our next presenter is from Pollution Probe, Ottawa. You have 15 minutes to use as you please. You can use the entire time for your presentation or you may allow time for questions.

Mr Rick Findlay: Good morning everyone. My name is Rick Findlay and I am director of the water program at Pollution Probe. Pollution Probe, as you may know, is a non-profit charitable organization that works with all sectors of society to protect health by promoting clean air and clean water. I'm pleased to have this opportunity to present our views on Bill 175, and in particular we're very happy to see you here in Ottawa.

Pollution Probe believes that the reliance of a community on its water and waste water services is absolute. Adequate supplies of clean water and an effective and efficient water and waste water treatment system and distribution network are critical to the health, security and prosperity of a community, large or small.

Maintaining a plentiful, healthy water supply and waste water system requires a long-term, sustainable continuous investment by consumers and governments, based on the principle of full cost accounting.

Pollution Probe supports Bill 175 because we believe it is an important step towards ensuring that Ontario's water and sewage systems are financially sustainable and good for public health. Commissioned by the Walkerton inquiry, Pollution Probe prepared a paper in 2001 entitled *The Management and Financing of Drinking Water Systems*. I would like to present a few key points based on that paper.

First, we must pay the full cost of providing safe drinking water and managing our water assets on a sustainable basis. When we did our research, we found that our water is cheap compared to all other countries of the world. It is becoming increasingly difficult for water system managers to provide safe drinking water to consumers in the face of pressures to maintain and operate a deteriorating infrastructure while responding to expansion demands for water, and being faced with unstable subsidy and funding programs.

Second, new legislation is needed to ensure sustainable asset management and it must adhere to the principle of full cost accounting. There are severe pressures on new and existing infrastructure. Application of the full cost accounting principle should lead to more rational assessment and informed decision-making about the need for new or expanded infrastructure.

Pollution Probe proposes a new approach called sustainable asset management: a model for the management and financing of water systems that makes sense for the long haul. Sustainable asset management is a conceptual model that provides a more systematic, long-term, anticipative and transparent approach to planning and decision-making.

Water and the extensive infrastructure required for its collection, distribution and treatment are assets that need to be managed in a manner that protects their value to society. The concept of sustainability and the principle of full cost accounting together with a long-term, life-cycle approach to protection of these assets, for example, over a 100-year time frame, will be needed in order to meet the needs of future generations. The sustainable asset management plan walks through an evaluation of the full life-cycle of a water system by asking six basic questions: What do we have? What is it worth? What condition is it in? What do we need to do to it? When do we have to do it? How much will it cost?

1100

Third, we believe that source water itself is an asset that needs to be part of this long-term approach to asset management. Managing water systems for the long haul has requirements and implications that extend beyond the planning, inventory and analysis of the physical and financial capabilities of the facilities and institutions responsible for delivering those water services. The source water itself is an asset that has value and needs to be included in the basic inventory of infrastructure assets. An assured supply of clean water is a fundamental prerequisite, and in the long-term planning of a system, consideration must be given to the conservation and protection of the water resource upon which the system is based.

Finally, the consumer has an important role, and legislation should ensure it. Implementing a sustainable asset management approach should be transparent and should ensure convenient access to consistent, accurate information on the state of a consumer's drinking water and the state and the sustainability of the assets that produced it. Consumers should be aware of their role in the drinking water process and, ideally, should be involved at all stages. This is consistent with the provisions in other jurisdictions including the United States, Europe and Australia.

I have examined Bill 175 from these points of view, as expressed in our submission to the Walkerton inquiry. I have concluded that Bill 175 can do the right thing to ensure long-term sustainable management of our water and waste water assets here in Ontario, but it may not. While I am supportive of Bill 175, I am concerned that the legislation is largely enabling, that it leaves a lot to regulation. I would be happier to see more requirements entrenched in the legislation, and fewer provisions left to regulations. I would prefer to see more specificity and guidance to waste water and water system managers, so that a consistent, open, fair and transparent asset management system emerges and is implemented.

I also wanted to note that, on the subject of Bill 195, we have commented on this in the past with that bill as well. We have concerns that many of the provisions are enabling and do not ensure implementation of some important provisions.

I thank you again for the opportunity to address this and welcome any questions.

The Vice-Chair: Thank you very much. That allows time for two and a half minutes per caucus. I will start with the official opposition.

Mr Sean G. Conway (Renfrew-Nipissing-Pembroke): Thank you, Mr Findlay, for a quite a good submission. I really just have one question. Unfortunately, it deals with a kind of messy detail. At least three of us, as I look around the room this morning, represent, sort of, rural, small-town Ontario. I represent a big slice of the Ottawa Valley west of here, and I must say, I can't take issue with anything you've said here, at the conceptual level. It's good, and I think you're right.

My difficulty is simply this: in communities like Cobden, Chalk River, Calabogie, Barry's Bay, and Eganville—and my friends from Grey and Simcoe can probably do the same—I think to myself, “How am I going to do this?” Because I want to do this, but I have to get somebody, locally, to pay for these good intentions.

I am told by the latest Statistics Canada report, I think, 80% of Ontarians live in cities of not less than 50,000—I know I live in the city of Pembroke, population 15,000. So once I get up around 15,000 and, certainly, up around 50,000 and 100,000, I've got a critical mass that allows me to do and pay for things that I really want to do.

My question is simply this: in small-town, rural-village Ontario, what practical advice do you have for Her Majesty's provincial government as to how we can do these good things; invite, as we will, local participation on a financial level, but make the latter bearable and palatable?

Mr Findlay: I appreciate the point. First of all, you'll notice that I used the words “full cost accounting” primarily in my remarks. That is because the first step that you need to take is to use a consistent set of accounting principles to understand what you have and what it really does cost you.

The second point of what you charge for the water is another question, and that's the pricing question. Ideally, all communities, everywhere, should pay the full cost of their water, but as you say, quite rightly, small communities are particularly pressured. That becomes, then, a policy decision; that becomes a question that then has to be dealt with when providing infrastructure funding grants by either federal or provincial governments. I think it should be a requirement that infrastructure funding should only be allocated on the basis of whether or not there is an asset management plan that is sustainable, and money shouldn't be provided if it isn't. It may well require that there will be a top-up requirement to make sure that small communities still are able to provide the kind of clean water everyone expects should come out of a drinking water tap.

Ms Churley: Thank you for your presentation. I'm really glad that you at least referred to the Safe Drinking Water Act, because we're not having a lot of submissions on it. I recognize that you did. I read your submission and it's quite good.

Because you dealt mostly with the other bill, I want to come back to the subject of full cost recovery because it is a great concern when we throw the phrase around. I'm glad that you did say “full price accounting,” because I can guarantee you it's going to be a major problem across the province if we take the position that municipalities have to find a way to cover it, even the medium-sized ones. Even Justice O'Connor said in part two of his report, when he doesn't define what model to use, that senior levels of government have to help out. He indeed mentioned as well that the downloading to municipalities from the government, especially around social services, has become more and more of a problem for those municipalities and the government should review that. He recommended it even though he said it's outside his jurisdiction.

This is a real problem that we've got: to define what we mean by this. We're starting off with an infrastructure deficit, kind of like—if I can allude to it—the hydro situation. People should be paying at cost for water as they should for power, but to have to deal with that incredible infrastructure deficit would be impossible for most municipalities, so we have to come up with a model. Would you support that? The federal and provincial level of government need to be involved in providing capital funding.

Mr Findlay: I agree, conditional on having an accurate and openly understood asset management plan for the long haul, for the 100-year kind of time frame, that allows you to really understand what you have and what you need to have to manage that system for the long haul. Yes, I think the federal and provincial governments have a very serious responsibility for funding those systems.

Ms Churley: People have pointed out that, in fact, neither of those bills before us today is dealing with source protection. The governments say they'll come in later with that. Would you support having source protection as part of the full cost recovery as well? Because that's not included at the moment.

Mr Findlay: I'm encouraging people to think about that idea, yes. I would love to see a connection in this bill with the concept of source protection and the realization that source water is important to protect. If you mess up your source water, you're going to have to pay more to clean it up.

Ms Churley: Yes.

Mr Findlay: It's part of the equation. It's a concept that I haven't really heard much about and I'd like to bring the two together.

Ms Churley: OK. Thank you very much.

Mr Bill Murdoch (Bruce-Grey-Owen Sound): Thank you for your comments. I, too, sometimes have concerns about bills where everything isn't there and we have to rely on regulations. That seems to be a common

thing that happens at Queen's Park, not with our government but with all governments. They like to put bills through and then we've got to worry about the regulations later. It just seems like that's what's been done in the past and right now too, so I have concerns.

I was going to mention to you that I do sit on a committee that's going over the regulations with AMO on 195. It's working quite well and I think we're going to come up with some good solutions there. Also in that committee it was decided that after this we'll go right into looking at the costs because, just like Sean said over there, there are a lot of little, small municipalities that just won't be able to do the new regulations. There's just no way. That's what's going to happen, and I'm quite sure we'll have to come up with some money at the provincial level. Hopefully the feds will help us out. That's what's going to have to happen, no doubt.

Mr Findlay: I would have to agree.

The Vice-Chair: Any other questions?

Mr Garfield Dunlop (Simcoe North): I just have a quick question. Thank you for your presentation this morning. I'm curious, with Pollution Probe—and I'm pleased to see you here this morning—in your investigations or data that you've compiled, are you aware of any other jurisdiction that is trying to do with their piece of legislation what we're doing with this? I'm surprised no one has brought up any other jurisdictions in any of our hearings yet, and I'm curious what may be happening in other areas.

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Mr Findlay: Yes, actually we did quite a lot of work on that. I've brought along a copy of the report that did look at this experience in a number of other countries. We included it in our Walkerton report, by the way. The report is called *The Management and Financing of Drinking Water Systems*. We looked at a number of jurisdictions. There are examples all over the world of systems that are well run on a long-term, sustainable basis. It's not really rocket science. It's just good management and accounting principles that one needs to follow. There are lots of clever examples. Right here at home we looked carefully at the situation in Hamilton, Ontario, and did a long-term, sustainable asset management plan, working with the Hamilton people and with R. V. Anderson Associates, and came up with an assessment of what that system would need to be sustainable over the long haul. So it's all here. You're welcome to see that information.

The Vice-Chair: Thank you very much, Mr Findlay, for coming before us today. We appreciate it.

DIXON WEIR

The Vice-Chair: Our next presenter is from the city of Ottawa. Welcome to the committee. You have 15 minutes to use as please; you can use it for your presentation or allow time for questions. Please state your name for Hansard.

Mr Dixon Weir: Good morning, Minister and members of the committee. My name is Dixon Weir. Je suis le gestionnaire du service de l'eau potable. I represent the Ottawa staff who manage water treatment and distribution systems for the city. I would like to point out that the views presented today at this session are those of city staff. These positions will be submitted to the city's environmental services committee for their review and comment and, with their approval, go before city council on November 28. It is our intent to submit a formal city of Ottawa position on these two acts prior to the December 2 deadline. We've also distributed to you, I believe, in French and English, short-form points that I'll be raising in greater detail in the presentation.

Just to set the present setting in the city of Ottawa, we've been providing water service to our customers since 1874, when the Fleet Street pumping station was initially constructed. Since that beginning, the system has gone through a series of changes, some brought on by a greater knowledge of and the need for public health protection and others brought on by the city's growth. Today, the city of Ottawa provides potable water for drinking and fire protection to over 750,000 customers.

The surface water system, referred to as our central system, draws over 340 million litres of water on an average day from the Ottawa River, treats it and distributes it over a geographic area approximately 50 kilometres from east to west and 25 kilometres from north to south. Beyond our central system, we provide water service to rural customers in Vars, Carp, Munster hamlet and a portion of Richmond through small, groundwater-based communal systems. As I say, all of these are groundwater-based. We also provide assistance and support to microsystems, if you will, through individual facilities located throughout that region. The city of Ottawa staff believe that the experience gained in operating large and small, surface and groundwater-based water supply systems provides us with a unique perspective in commenting on these new acts.

The events of Walkerton have reminded us of the importance of and interrelationship between drinking water quality and community health and prosperity. The province has, appropriately so, taken the time to reassess and improve upon the regulatory framework upon which this service depends. The new Safe Drinking Water Act and the Sustainable Water and Sewage Systems Act are two such commendable efforts. Both will contribute to an overall improvement to the service we deliver.

However, there are a number of issues and inquiry recommendations that these acts and others introduced to date do not address. Many of these involve extremely complex and difficult issues to resolve, most importantly source water protection. While we understand and appreciate the difficulty that these issues present, many of which may be beyond the ability of the province to resolve on its own due to international or interprovincial jurisdictions, we encourage the province to determine a path forward to resolving these issues, a sort of blueprint for change, if you will. This could help municipalities

understand how the province intends to deal with these as of yet unaddressed issues.

The drinking water service that we provide is to a large extent dependent upon three other supporting regulations, namely, the water works and sewage works regulation, dealing with operator certification, the drinking water protection regulation, and the designated systems regulation, all of which are undergoing fundamental modifications. Large municipalities such as the city of Ottawa are extremely hard pressed to be able to support and comment on these provincial initiatives to the extent necessary. Smaller communities must be in a worse position to recognize and appreciate the degree to which this fundamental service is being altered, much less to be able to react to it. City staff are concerned that the current rush to regulation will in fact result in less understanding and comprehension of the new service delivery realities that this service deserves.

Equally important to the drinking water service providers is the timing of various requirements of the Safe Drinking Water Act. While city staff are concerned about the ability and consequence of implementing the suggested changes in the limited time frames listed in part two of the Walkerton report, the absence of schedules within the proposed legislation does little to improve upon the confusion that currently exists for drinking water providers and their customers. We suggest that the ministry lay out a timetable explaining when various aspects of this new act could come into force. This information could form an important part of the blueprint for change that we talked about earlier and could provide water suppliers with a plan and an ability to budget to meet these new budget realities.

One of the strongest recommendations of the Walkerton report was to urge the province to speak from one source when it comes to drinking water and environmental protection. We are pleased to note that the province is beginning to alter the responsibilities so that they meet this recommendation. Recent changes to the responsibility for the administration of the Sustainable Water and Sewage Systems Act and the Nutrient Management Act are important improvements to better consolidate and clarify program delivery and responsibility. We are encouraging the government to continue with this approach so that the Ministry of the Environment will be the sole ministry with clear responsibility in the environmental protection and drinking water delivery fields.

The relationship between the Ministry of the Environment and the drinking water service providers is changing fundamentally and dramatically. Just as guidelines have become legally enforceable standards, so too have inspectors become regulators. It will become important for both the ministry and the municipalities to appreciate this difference and to begin to communicate accordingly, especially with our customers. It is important that when conveying information with respect to compliance with drinking water standards, a clear distinction be made between issues that pose an immediate

health risk and those that may entail a bureaucratic or reporting deficiency. For example, it would be important to distinguish between reporting critically important issues, such as the presence of e coli in drinking water, and a failure to post an operator certificate in a prominent location. Any failure to recognize this and to distinguish between these types of situations could lead to a needless loss of confidence in our service that we provide.

The new Safe Drinking Water Act proposes significant changes to the current operator certification program, including an end to grandfathering and the need for periodic recertification. Let me be clear that the city staff are very supportive of the need to require operators to pass an examination and to pass periodic recertification examinations. However, we are equally concerned about the potential loss of skilled and knowledgeable operators these initiatives may cause. This same concern has been expressed by a number of municipalities and must be considered in the context of the fact that approximately 2,000 of 4,000 operators across the province are currently grandfathered. We call upon the ministry to assist the municipalities in developing training and testing programs to confirm the knowledge and competency of our experienced operators and to eliminate a sense of intimidation that could prompt the departure from the industry of many otherwise talented and knowledgeable operators.

As important as it is to ensure that current operators are able to continue in this service, it is equally important that the province and the municipalities work together to identify where future operators are going to come from and how we ensure that there is a ready and adequate supply of trained staff to operate these critically important systems. We recommend that the province, the municipalities and training institutions work together to develop the training programs that will ensure that a continuous supply of qualified operators is readily available.

In setting the level at which citizens of Ontario should expect their service delivery, Commissioner O'Connor stated "a reasonable and informed person ... would feel safe drinking the water." This, city staff feel, is a reasonable approach. However, we are concerned that this seamless level of service may not be attainable under the proposed regulatory framework that distinguishes very significantly between the responsibilities of municipal and non-municipal drinking water service providers. Under the act, municipal service providers are required to have licences, operational plans, accredited operating agencies and financial plans, all of which are subject to the scrutiny of the province and the public.

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As for non-municipal service providers, they are required only to submit design documents, obtain the local municipality's consent and, once construction is complete, submit a certificate of compliance that the works have been constructed as proposed. There is no requirement for a licence, an operational plan, a financial plan or an accredited operating agency. We feel that this regulatory imbalance poses a risk to public health.

Perhaps even more unfair are the act's provisions to impose upon the local municipality in which any non-municipal system is located a sort of no-fault insurance coverage for non-municipal systems. Three different sections of the act describe the province's ability to impose upon the local municipality the operating, maintenance and perhaps ongoing ownership liability for these systems with little or no opportunity to refuse on the part of the municipality. Further, the municipality may not even be able to recover the costs associated with these imposed systems.

The result is that municipalities have little choice but to either ban these systems or impose upon these developments the rules the province has imposed upon the municipal systems. Rules that call for operational plans and financial plans have conditions of obtaining municipal consent. The province is in effect imposing upon local municipalities the provincial responsibility to ensure that a reasonable, informed person served by a non-municipal system would feel safe drinking the water. This differing standard of service is inappropriate and inconsistent with the entire thrust of the Walkerton commission's recommendations.

Water suppliers across the province are increasingly aware of the potential impact that distribution system care and maintenance have on the quality of water delivered. An oversight we would like to see redressed in the new act is the responsibility to operate distribution systems in compliance with industry best practices and standards.

In the city of Ottawa, for example, we estimate that approximately 500 kilometres of water distribution system is beyond the municipality's responsibility to operate. This includes systems operated by local health complexes, university campuses and federal government installations. We would suggest that private owners of large distribution systems be required to develop and submit operational plans to their municipal water supplier for review and approval. We feel that the risk of contamination and failure would be minimized with this type of approach and would greatly increase the protection of public health.

We are, however, pleased to see the province moving ahead with Bill 175, the Sustainable Water and Sewage Systems Act. As we mentioned previously to both the minister and Commissioner O'Connor on their visits to Ottawa, sustainable financing is as important to service delivery as water quality monitoring is to drinking water.

One issue that we feel we should bring to the attention of this committee is the need to include storm water collection and treatment within a sustainable financing plan. For older cities such as Ottawa, this aspect of environmental protection and enhancement is a critical component of our service and, as recognized by watershed protection plans, storm water is an integral component of source water protection and thereby public health protection.

We feel that this aspect of municipal servicing needs to be dealt with on a sustainable basis and suggest that

the ministry needs to take this into consideration in finalizing both the Sustainable Water and Sewage Systems Act and the Safe Drinking Water Act.

Finally, we continue to have concerns with the entry of the province into this area of municipal responsibility. We hope the provincial oversight function does not overwhelm the need to continue to allow for locally determined service levels, staffing levels and funding approaches. We look forward to participating with the province in the development of regulations supporting Bill 175.

In summary, we feel that both the Sustainable Water and Sewage Systems Act and the Safe Drinking Water Act outline a sound and rational approach to service delivery and health protection. That being said, there are some issues we believe need further exploration or explanation to ensure that the best possible service delivery is provided to the citizens of the province.

With the Safe Drinking Water Act, these opportunities include the province developing a blueprint for change to inform municipalities and citizens alike of how they propose to deal with the issues identified within the Walkerton reports but not yet dealt with by act or regulation. These would include complex issues such as source water protection and entanglement between provincial and municipal roles and responsibilities, as well as the federal role. Secondly, ensure that the speed of implementation of the modified and restructured acts and supporting regulations does not overwhelm the municipalities' ability to consult, comprehend and comply with them. Thirdly, more clarity is required around the issue of timing for various initiatives considered within the act. We hope these would be included within the blueprint for change mentioned previously.

Continued consolidation of environmental responsibility within the Ministry of the Environment is also beneficial. Operator certification needs to be handled carefully by the province and municipalities alike to ensure knowledgeable and experienced staff are not intimidated into or inadvertently encouraged to leave their chosen profession. Further, training programs need to be developed to ensure the development of future operators and the ongoing professional development of existing operators.

The proposed differing standards between municipal and non-municipal water supply systems create a public health risk and impose provincial responsibilities on to municipalities. Unregulated non-municipal distribution systems pose a potential health risk that would be best addressed by clearly making them subject to the requirements of these acts.

With respect to the Sustainable Water and Sewage Systems Act, it too is an important piece of public health protection legislation that the city readily supports. However, like the Safe Drinking Water Act, there are opportunities for improvement, and these include addressing the issue of storm water collection and treatment on a sustainable basis, and ensuring that local

municipalities continue to be able to develop local levels of service and cost recovery strategies.

We hope the ministry and the province will take advantage of the knowledge and expertise that is available across the province and will consider the changes offered in these consultation sessions when finalizing the acts and the supporting regulations.

Certainly the city of Ottawa is prepared to support the ongoing development of the act and its regulations and would be pleased to assist in any way the minister or ministry may find helpful. Thank you for your time and your interest.

The Chair: Thank you very much. That affords us time for only one caucus to ask a couple of quick questions. I believe the last time we started with the official opposition, and so this time it would be Ms Churley.

Ms Churley: I don't want to throw it out of whack, but I would defer to one of the local members to ask a question.

The Chair: That's very kind of you.

Mr Murdoch: I'm not a local member, but I think Garry would like me to comment just quickly, since I am the parliamentary assistant. I was going to mention that a lot of your concerns are going to be addressed in the regulations. We are working quite closely with AMO on those. If Ottawa wants to have someone on the AMO team, we'd certainly appreciate that. Also, there will be another act with the water source.

I was trying to think of the other one. In terms of training, we have a new centre that will be put into Walkerton, which hopefully will get control of that, because you're right, it's all over the map. So some of those concerns will be addressed.

The Chair: Mr Patten?

Mr Patten: Two quick ones. You identified the non-municipal system that falls within the geographic area of the municipality and that that could impose on municipalities extra costs that aren't readily seen. Do you have a specific example? In other words, are you really concerned about this for Ottawa?

Mr Weir: I think it's a concern. Certainly in Ottawa we're faced with this situation. We don't have a health concern, but we are concerned that we don't know what's going on within some large private distribution systems. The lack of awareness poses some concern to us. We feel that as we have a responsibility to provide operational plans on our distribution systems, we think people within those areas would likewise be well served by operational plans that are consistent with our own and with water quality monitoring.

The Chair: Thank you for coming before us here this morning. We appreciate your presentation.

KINGSTON CONSTRUCTION ASSOCIATION

The Chair: Our next presentation will be from the Kingston Construction Association. Good morning and welcome to the committee. We have 15 minutes for you

to divide as you see fit between a presentation or questions and answers.

Mr Murray Aitken: Good morning, Mr Chair and members of the committee. They say the only thing tougher than following a comedian when you make a speech is going right before lunch, so bear with me.

The Chair: Apparently you're not the person the Hansard expects. Could I get you to introduce yourself for the purpose of Hansard?

Mr Aitken: Sure. My name is Murray Aitken. I'm a director at large and a member of the board of directors of the Kingston Construction Association.

Our construction association represents over 300 member firms in the greater Kingston area. We're pleased to have the opportunity to offer some insight and hopefully present some valuable views on Bill 175, the Sustainable Water and Sewage Systems Act.

During this presentation, I'd like to explain our support of the bill, explain who I am and what the construction association is and also comment on some loopholes, on a tangential point to Bill 175, regarding impost fees and development charges in the greater Kingston area. Moreover, I was planning on underlining the five amendments that we've all heard several times already today. I'll leave that alone but also try to reiterate the need for this safe and sustainable water system.

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The member firms of the Kingston Construction Association employ over 5,000 people. We serve industrial, commercial, heavy civil and institutional sectors. We have members that are from pipelayers to sheet metal workers. We have probably the best first-hand experience, next to the actual operators, in how these systems are maintained, how they're repaired, how they're replaced, from sewers and water mains to water treatment plants and waste water treatment plants.

In addition, I'm a project manager with Anchor Concrete Products, which is a supplier of precast concrete components. We're a family-owned company. We've been around for 30 years. Pre-manufactured concrete products range from catch basins and manholes to potable water reservoirs, private septic systems and well units and well casings.

From both the Kingston Construction Association's viewpoint as well as Anchor Concrete Products' viewpoint we've got first-hand experience in the field of seeing deteriorating infrastructure, not only in Kingston but across Ontario.

Naturally, the Kingston Construction Association is committed to the maintenance and expansion of the province's vast network of water and waste water systems. We support Bill 175 because maintaining a healthy water supply requires a continuous investment by government and consumers. We feel it's an important step toward ensuring that Ontario's water and sewage systems are financially sustainable, good for public health and environmentally friendly.

We're faced with a critical need to invest in our water and sewage infrastructure, as you've already heard today,

in Kingston. If you're not aware of the city, we're about two hours from here. We have 120,000 people. We have a broad mixture of employee bases. We lie at the intersection of the St Lawrence River, the Rideau Canal and Lake Ontario. From that, we're one of the oldest cities in Ontario. Certainly our downtown core is one of our oldest ones. We're Canada's first capital. We've got a lot of newer urban areas. Like any other municipality, we've grown. We have a lot of smaller villages and municipalities in the area.

We have become more recently known for some disastrous storm overflows. Doug Haight from Taggart Construction commented on those. We've had some pretty high-profile environmental charges relating to leachate contaminating both the sewer as well as the rivers. As Doug touched on, we've got a leaking sewer main and a water main that runs underneath the river. It's been an issue for a number of years and it just hasn't come up to speed and we're now just getting to the point where we may actually see it come out for tender.

Like many areas, we have an endearing city council. I hate to admit it, and you hate yourself for watching them on that weekly television program, but we recently tuned in and—

Mr Patten: You don't fall asleep, though.

Mr Aitken: No. It's a dry subject. What happened just recently was our CAO urged our city council to actually put off projects. Stop spending; don't spend any more. Don't fix roads, don't fix sewers because we have such a backlog. Burt Muenier, the CAO, explained that "a multi-million-dollar backlog of projects have received funding approval but haven't yet started due to a lack of city staff to manage the workload.

"To help avoid the problem, council decided that capital works projects may be bumped from the priority list if they don't get started within two years after funding is approved."

The workload and cost will only increase if we're doing this. The only reason we mention this point is because we feel Bill 175 is going to probably help to at least ensure a bit more planning and we're going to have compliance dates. We're not going to get into a situation where council is weighing off spending money on a police station versus spending money on leaking sewer mains.

We've already found that we've suffered a lot from a generation of neglect. Being an old city we have pipes that are—it's despicable in some ways.

Over and above our support for Bill 175, we wanted to bring up the loophole I alluded to earlier regarding development charges and impost fees. We only bring it up because the city of Kingston is exploiting this loophole. We feel it's a tangential point to Bill 175 and I think we're going to prevent this from happening.

I'll just quickly explain some background on development and impost charges. We realize municipalities need to finance new growth, so we've got development charges. We've accepted that as an industry, as have other areas. Existing ratepayers shouldn't have to foot the

bill for new growth as they've already paid for existing water plants. New growth can pay for new water plants and any additional capacity. As an association, we believe that it's important that funding for new growth be in place, so we've always supported these development charges.

The original legislation for impost fees was a small portion of the Municipal Act and is applicable to water and sewer infrastructure only. It allows municipalities who find they have overcharged for growth requirements to use the surplus funded by fees levied on new growth to be used for any capital projects. This legislation doesn't require background studies, there is no transparent reporting and you don't have to revisit fee levels after five years.

In contrast, the Development Charges Act requires rigorous background studies, more transparent reporting and updating every five years, and that funds are only available for growth-related expenditures.

While most municipalities are using development charges, and areas like to the GTA are definitely into that, Kingston is using a loophole in the system. They have passed a development charges bylaw for everything except water and waste water, and have taken advantage of the fact that the much older impost section of the Municipal Act has not been repealed. They have passed a separate impost fee bylaw for water and waste water growth funding. Hence, they are not subject to the requirements to do proper background checks or studies, proper transparent reporting and regular updating of the charges every five years. This can lead to overcharging new development on the backs of old development and hindering economic growth. We would suggest repealing the outdated portions of the Municipal Act that enable impost fees.

Further to that, we have been a proponent for many years of the full cost pricing and accounting legislation contained in Bill 175. We believe it is the only way to secure much-needed new upgraded infrastructure in a timely manner and to protect public health and the environment. It will help to stabilize business cycles and assist planning for municipalities and us as business owners. We want to applaud the government for moving to implement this policy.

We support Bill 175 and are particularly pleased that there is a section in the legislation that requires municipalities to have dedicated reserve accounts. Hence, it would circumvent some of the issues we are having with our loophole.

We believe the bill is a good framework but, as we already mentioned, we believe it could be strengthened with the five amendments that are listed in the handout. In addition, at the back of that handout are the actual articles that referenced our CAO.

If this legislation and the proposed amendments come into force, the government will need to ensure environmental and financial compliance by municipalities. As has already been mentioned, we believe it's too much of a task for one ministry, so we want to split it between two

ministries, the Ministry of Environment and the Ministry of Finance.

The members of the Kingston Construction Association support Bill 175 with the five amendments that have been proposed by the Ontario Sewer and Watermain Construction Association. We know it's the right thing to do for today, and we also believe it's the right thing to do for generations to come.

On behalf of the KCA, I would like to thank you for the opportunity to present our views.

The Chair: Thank you very much. That affords us about a minute and a half per caucus for questions. Ms Churley, I'll let you kick this round off.

Ms Churley: Thank you. I can think of a lot of questions to ask, but there's no time, so I'm going to just focus on the suggestion that keeps coming up over and over again, and that is the split between the two ministries, the Ministry of the Environment dealing with the environmental piece and SuperBuild dealing with the other piece. I'm not sure where that came from except that right now SuperBuild provides some funding for infrastructure programs. It came to my attention recently, for instance, and I raised this with the minister at estimates, that the government underspent \$171 million, only \$29 million of the budgeted amount, and the rest, we think, went back to general revenue. I'm in favour of a dedicated, safe drinking water fund, which was part of my original safe drinking water bill, but it's not in this one. It ties in with my concern as we speak about full-cost recovery, other governments giving money for infrastructure capital programs. I'm not quite sure what the big deal is—everybody keeps recommending that—where it came from, that it would be split. Why not just suggest a safe drinking water fund so that the Minister of the Environment, who is here, would have a direct say in the projects that are funded, which he doesn't get to do right now. SuperBuild decides.

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Hon Mr Stockwell: Who is this question to?

Mr Aitken: Would you like to take it?

Ms Churley: I don't understand the rationale for that.

Mr Aitken: We agree with the dedicated reserve funds wholeheartedly. The notion that we split it between two ministries I think just came about because we believe it's too much of a task to manage that one—Mr Stockwell's portfolio, I believe, has been taken to just environment from energy, and they've created a separate person to look after energy.

Mr Patten: He wants energy back, actually.

Mr Aitken: With what's going on with our hydro bill, I don't think he's wise to take it back.

Ms Churley: Aha. So there.

Mr Aitken: That being said, I think it's going to fall in the same kind of situation where it's too much to manage, all of that under one ministry. Most people around this table could probably contend that we're strapped as it is to manage some of these projects.

Ms Churley: We don't have time to pursue it.

The Chair: Thank you, Ms Churley.

Mr Dunlop: We keep hearing about SuperBuild and the Ministry of the Environment splitting up this file. I'm curious why people are not suggesting the Ministry of Municipal Affairs. Have you any comments on that? The financial has always gone to municipal affairs for municipalities. It's something I certainly want to bring up when AMO comes on Monday to our deputations in Toronto.

Mr Aitken: I don't really have a lot of comments on that, to tell you the truth. We support the whole bill. How it gets managed from a government point of view—we just want the dedicated reserve funds, and we want clean, safe drinking water, but how it happens from a government point of view, is something that—we're recommending it be done through these two ministries. We're open to other opportunities, and we are certainly not against municipal affairs being involved. How it would play in, I couldn't tell you. We're really supportive of the whole notion that this is even happening. We have to applaud the fact that in this legislation it's come to light. It's a big step.

Hon Mr Stockwell: I don't want to get too in depth into this debate. I think it's inside baseball with respect to how it's managed, where it's managed. It's more of a political argument than a public policy argument. I would just say that the Ministry of Finance and SuperBuild have the expertise to manage the financial components, to check the reporting and do it. We at the Ministry of the Environment have the ability to inspect, educate, level charges, and do those kinds of things.

I take your point. What I thought we were trying to accomplish here is a dedicated reserve fund, full-cost recovery, cleaning up the mess we have with separated sewers, and I thought we had gone a long way to doing that in this bill. If I thought there was going to be some huge debate on how the machinations of government work, I would have probably consulted on it. I just can't believe anyone gives a damn but us.

Mr Aitken: If I may, I completely agree. The important thing for us is that every day we can go to the tap and we can get a glass of water.

Hon Mr Stockwell: That's my point, too.

Mr Aitken: When that toilet gets flushed, you don't have a concern it's going to be on a beach you're going to have your kids swimming at. We're concerned that we can put a shovel in the ground and put pipe in the ground.

Mr Patten: Under the section where you talk about the city of Kingston using some loopholes on the development charges, you suggest "repealing the outdated portions of the Municipal Act that enable impost fees." Your assumption there is that development charges are essentially for new development and that has some parameters. Your impression is that that is abused and development charges, by virtue of bylaws, are introduced to charge all kinds of things that are unrelated to new development. The sections you identify as the outdated portions: do you have those noted?

Mr Aitken: Not in this presentation, but I could get them for you.

Mr Patten: If you could do that, that would be useful.

Mr Aitken: It's a side point, like I mentioned, but I think it's an important one. I believe Kingston is one of the only ones that has this type of set-up. Certainly, it's a whole other debate. We could probably sit around the room all day and talk about that one. But yes, I can get that information.

Mr Patten: OK. That would be useful, because I've been presented with that argument several times.

Mr Aitken: Is that right?

Mr Patten: Yes.

The Chair: Thank you very much for coming before us this morning.

SITE PREPARATION

The Chair: The final presentation of the morning session will be from Site Preparation Ltd. Good morning and welcome to the committee.

Ms Kathleen Grimes: Good morning, Mr Chairman and members of the committee. My name is Kathleen Grimes and I act as president and general counsel for Site Preparation Ltd and its related companies.

Our group of companies has been involved in sewer and water main construction since the early 1970s. Since that time, we have been involved in residential sewer and water main construction, as well as the construction of sewer and water mains in relation to industrial, commercial and institutional developments. In addition, we have also been involved in projects directly with various municipalities.

Accordingly, we are pleased to have this opportunity to present our views on Bill 175, the Sustainable Water and Sewage Systems Act.

Our company is committed to the maintenance and expansion of water and sewage systems in Ontario. We are supportive of Bill 175 because it provides the basis for the governance of all water and sewage systems in this province. For those of us in the industry, we have been well aware of the need for legislation if Ontario intends on maintaining a plentiful and healthy water supply.

I have a piece of pipe with me today—actually, it's at the back—that I brought from a project that we just completed in the Ottawa area this month. The project involved the replacement of an old cast-iron water main with a new plastic water main. I understand that you've already seen several decaying pipes, so I won't pull it out of my bag, but if you'd like to view it, it is in the back. It is just a sample of what those of us in the sewer and water main industry see on a regular basis and there are many more like this still delivering water in Ontario. In fact, there are still asbestos water mains delivering water in the Ottawa-Carleton region. One would have thought that all these water mains would have been replaced by now, but they haven't. I would suspect that lack of funding is the culprit.

This is why we are supportive of Bill 175. It sends a clear message to municipalities and consumers across

this province. Firstly, it makes it clear that clean water is an important priority. Secondly, Bill 175 recognizes the fact that to sustain a healthy water supply requires continuous investment by both governments and consumers. Thirdly, Bill 175 reminds governments and consumers alike that, although water and sewer infrastructure is out of sight, it should not and cannot be put out of mind.

Water and sewer infrastructure must be protected and must be sustainable over time. We believe that Bill 175 is an important step in this direction.

We have been proponents for full cost pricing and accounting legislation for many years. These concepts are the backbone of good governance and we believe it is the only way to secure much-needed upgraded infrastructure that will protect public health and the environment. Full cost pricing will stabilize business cycles and planning for those of us in the industry and for municipalities. This is particularly important with respect to municipal governments. Full cost pricing will ensure that all municipal governments take stock of their sewer and water main systems, determine the true costs associated with providing a sustainable water and sewage system and determine the source of revenue to fund such costs.

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With Bill 175, municipalities are being given direction on how to govern, and direction and guidance on how to act fiscally responsibly with respect to the water and sewage systems for which they have control and responsibility. With this in mind, we want to commend the government for moving to implement this policy.

Again, we support Bill 175 and we are particularly pleased that there is a section in the legislation that requires municipalities to have dedicated reserve accounts. I personally have been a huge proponent of dedicated reserve accounts because at the end of the day, one's knowledge of the costs associated with water and waste water systems, such as operating costs, financing costs, renewal and replacement costs and improvement costs, is all rather meaningless if the revenues raised to fund such costs can be spent elsewhere.

It's one thing to know what things cost and develop a cost recovery plan accordingly, but the funds collected must be set aside to cover those costs. I refer back to my earlier comment wherein I indicated that Bill 175 reminds governments and consumers alike that although water and sewer infrastructure is out of sight, it cannot be put out of mind.

In this sense, we believe the bill is a good framework and the basis for good governance. It ensures that full cost pricing and reserve accounts are on the minds of all municipal governments. But it is our view that it must be strengthened if we are to achieve the goal of creating sustainable water and sewage systems. As the bill now stands, there is too much left to regulation and not enough provisions entrenched in the legislation.

I am aware that the Ontario Sewer and Watermain Construction Association has made suggestions for strengthening the bill, and we support these amendments. I believe you've already heard the comments with respect

to those suggestions and I will not bore you with them again, although they are in the materials that you have been provided with.

One point I would like to clarify, however, is the difference—and I think this came up earlier—between fullcost pricing as we see it, which is an end-user pay system based on usage and cost, whereas full cost recovery, as outlined in the bill, basically says, “Come up with a recovery plan for costs, period.” It doesn’t specify how or put any limitations on the municipalities as to how they should do that.

We think that subsection 9(4) in the proposed legislation should be expanded upon to specify that the cost should be recovered from the end user through full cost pricing. We’re certainly not averse to the idea of subsidizing the end user, but not the costs.

If this legislation and the proposed amendments come into force, the government will need to ensure both environmental and financial compliance by municipalities. This may be a difficult task for one ministry alone to oversee. To address this, we agree with the suggestion that the best way to ensure that the legislation is implemented as intended is to amend the legislation to dictate which ministries are responsible for overseeing the bill. I have now heard a discussion on that, so I don’t think I’m going to mention SuperBuild and environment. I guess it’s probably appropriate for the government to decide how best to handle that.

I’d like to thank you for your time and ask if there are any questions.

The Chair: Thank you very much. That gives us about two minutes per caucus for questions, starting with the government members.

Mr Norm Miller (Parry Sound-Muskoka): I don’t think I can argue with your idea that the end user pays, but I’m trying to think practically as well—end users being households and families. Is there some sort of maximum cost that you would think a family should pay per household for water?

Ms Grimes: I believe that the Ontario Sewer and Watermain Construction Association has conducted studies that would indicate that the increase would be between \$2 and \$6 a month to implement full cost pricing. I think the bill is a step in that direction. Don’t get me wrong; I’m not saying let’s not implement this bill. It’s a great step, heading in that direction, but at the end of the day, I think it’s important that people be aware of what it costs to deliver water in this province and that they have to pay for it, and they have a better appreciation for its value, as well.

Mr Miller: Frankly, I’m surprised that it would be that low; \$2 to \$6 per month per household would be the cost—

Ms Grimes: That’s what I understand the studies say. We would be happy to provide that information to you.

Mr Miller: That’s sort of an average across the province.

Ms Grimes: Yes, but that wouldn’t account, maybe, for some of the smaller municipalities. As I said, I’m not

objecting to subsidizing the end users, but it has to be based on full cost—what does this cost to deliver in Ontario?—and charge the user accordingly based on usage and cost.

Mr Miller: How do you recommend subsidizing the end user? Have you any ideas on that?

Ms Grimes: I think that’s why we have elected officials, to figure that out.

Mr Miller: I thought you might have some good ideas.

Ms Grimes: I don’t know; I think that’s something that once you get the information in, once the information starts coming in from the municipalities—right now people don’t really have a good grasp, in my view, of what it costs to deliver safe water in this province. This is a good step to move forward with that and, you know, things change all the time.

Hon Mr Stockwell: You just made my point too—

Ms Grimes: Good.

Hon Mr Stockwell: And I appreciate it—with respect to, we need one specific piece of legislation that says specifically what exactly everyone needs to do. We have 415 municipalities. I can’t build a one-size-fits-all piece of legislation. That’s why they make their applications and we’re going to have differences about how they achieve it, when they achieve it, lengths of time and subsidies. That’s why the amendment that you’re offering, although I’m sure it’s well intentioned, is near impossible for me to deliver on, with 415 different municipalities.

Ms Grimes: Yes, I would agree, and I think once the information starts to flow in, the government will have a better handle on how to make further amendments; that’s what legislation has, are amendments, you know.

Hon Mr Stockwell: I appreciate that point. Thank you.

Mr Conway: Just to pick up on the earlier two points—because I think they’re very good points. You know, my colleagues will all have some responsibilities for this; I won’t. There’s a lot of virtue here and I’m big on virtue. I look at this and say to myself I can’t quarrel with anything you’ve said. I think you make a very powerful and compelling argument. The only question I have to ask myself is, “Why has none of this happened? Or why has a lot less of this happened than obviously ought to have been the case?” I think we know, after Walkerton—and listen, I’m more guilty than anybody else in the room. I ask myself the question—well, after Walkerton, everybody’s now going to sober up and be serious and all of these politicians, whether they’re local or provincial—you see, I think one of the problems the politicians have with this is there are huge costs, as the minister has just rightly said. The trouble with these costs is they’re buried under the ground and they’re big, big costs. You know, it’s a lot easier to go cut a ribbon on a day care centre or on an arena—and we’ve all done it; I’ve done it.

Ms Grimes: I hope I made that point, subtly, but yes, it is a problem because it’s out of sight.

Mr Conway: Tell me, Kathleen, help me with this a little bit. I may need a course in psychology as to how I'm going to change the fundamental politics of this, because you're absolutely right—

Ms Grimes: I don't know. I'm not a psychologist, I'm a lawyer, but I think—

Mr Conway: Well, then, you've got to be—

Hon Mr Stockwell: You've got to be a psychologist.

Ms Grimes: I will be today.

Mr Conway: Because I want to be blunt. I think I know why we've got a lot of the problems. Politicians everywhere kind of look at this and say, "We know what we know. How do we get this across and build a constituency for it?" I think the minister is right. He made some comments earlier that there's a huge job in terms of public education out there.

Interjection.

Mr Conway: Well, I don't know. The judge says we may or may not be able to conquer all with veritas. All I know is that there's an expectation that the psychology that has driven the provincial and municipal politicians for the last half-century is going to change significantly. I hope and pray it does, but it seems to me there are some very nasty issues around planning and zoning and subsidization that are at the heart of some of the most difficult municipal and provincial politics I've ever encountered and I hope virtue and truth are all that it's going to take.

Ms Grimes: I would hope so, but this is definitely a step in that direction. I think there's an acknowledgement by the government that somebody has to step in and set some rules on how they're going to deliver safe drinking water in Ontario, together with sewage systems. I mean, this is the step, and maybe everything, as you had said, is not going to be done right the first time, but it is a step and we're very supportive of that.

Mr Conway: Well, you've been a clear and helpful witness and I thank you for your submission.

Hon Mr Stockwell: When you get money, virtue and truth will follow.

Ms Grimes: Is that true?

Ms Churley: My suggestion would be that we all suit up and we go down into the sewers and we take a look for ourselves, which I have done.

Interjection.

Ms Churley: I have, in the sewers. I only went once. But seriously, it was quite an education. You're quite right that we don't see it.

Ms Grimes: You don't see it, so it's out of mind.

Ms Churley: When people don't see it. I'm serious about that. Chris, you should go down in the sewers. I'll take you down. I'm sorry to say this, but this takes us back to when the minister said that how the finances are handled is inside baseball and not relevant to this discussion. But it is, and this is why: As I said earlier, the SuperBuild funding and OSTAR funding—right now, there's no dedicated water fund.

I'll be finished in a second. All this money goes to all kinds of other projects, and even then \$171 million of the municipal partnership fund was not spent.

The reason I'm raising it again is this: you raised a very good point about municipalities being strapped. Justice O'Connor referred to that. The municipalities are choosing, as do other levels of government, to spend the money on their arena or whatever, where people can see it. This brings me back to my argument that we've got to take the plunge and come back to having a dedicated water infrastructure fund that cannot be stolen from—

Ms Grimes: I think that even goes a step beyond what we were contemplating at this time. I think mentioning environment and SuperBuild, and having two ministries involved, was simply to oversee municipalities—one, to oversee how they're handling it from a financial perspective, and the other, from the practical side with environment. Certainly, we would definitely support an additional reserve account financed by the provincial government.

Ms Churley: For the infrastructure costs.

Ms Grimes: For infrastructure costs, certainly, other than a user-pay system that has a dedicated reserve system on the municipal level.

Ms Churley: Thank you very much.

The Chair (Mr Steve Gilchrist): That concludes our morning session. The committee will stand in recess until 1 o'clock sharp.

The committee recessed from 1202 to 1300.

DUFFERIN CONSTRUCTION

The Chair: I'll call the committee back to order promptly at 1 o'clock, as promised. As we consider our deliberations on Bill 175 and Bill 195, our first presenter in the afternoon is Dufferin Construction Co. Good afternoon, welcome to the committee

Mr Michel Rodrigue: Good afternoon, Mr Chairman and members of the committee. My name is Michel Rodrigue. I'm district manager, eastern region, representing Dufferin Construction. Dufferin Construction is a heavy civil contractor employing about 600 hourly paid workers and 140 salaried workers. So we have quite a large workforce. In 2001, as a matter of fact, Dufferin Construction was rated as the 13th-largest contractor in Canada. Last year we undertook approximately \$316 million worth of work, primarily in the province of Ontario. Dufferin is on the frontline of sewer and water main construction. I think we can speak comfortably as having first-hand knowledge of the condition of the existing infrastructure, and that's what I'd like to deal with today.

I'd like to begin by stating that we are fully supportive of Bill 175 because maintaining a clean and healthy water supply requires a steady stream of investment.

There are amendments that we would like to see introduced to improve the bill; however, in my opinion, even without those amendments, the bill is a critical piece of legislation that is long overdue and for four very good reasons should be passed by this legislative group.

The first issue I'd like to talk about is health. I think that I can state without any risk of contradiction that

every community in Ontario experiences occasional water quality problems. Thankfully, most of the problems are minor. However, I believe that even the minor problems and most certainly the major problems are unacceptable.

Interruption.

Mr Rodrigue: I guess I'm going to have musical accompaniment.

We do not live in a Third World nation where contaminated drinking water is accepted as a way of life. We should not be a province where we spend more on bottled drinking water than we do on tap water.

From an engineering point of view it's not difficult to draw water, purify it and deliver it through a pipe to your home. Why do we fail so miserably, so often, in achieving this simple task?

The answer, in my opinion, is that a water system is only as strong as its weakest element. If somewhere in the delivery system there is a pipe that is past its best before date, then of course you will experience failure of the entire system. Contaminants will infiltrate the system and the public's health will be placed in jeopardy.

"The public" is an expression that sounds remote. I'd just like to bring the reality of the situation a little closer to home. You, members of this committee, have before you glasses of drinking water. Unfortunately, they come from a bottle. If they came from a tap, I could tell you that up until January 15 of this year the water you were drinking in this hotel flowed through a pipe that was constructed in 1894. This pipe was buried under the Rideau Canal approximately 100 years ago along the alignment of Laurier Avenue, for those familiar with the city. The cast-iron pipe was made before the First World War—in fact, before automobiles were common on the streets—and joined together using poured lead joints. The pipe was laid under the Rideau Canal in an area that ultimately became contaminated by the old railway yards in front of Union Station, for those of you who remember when there were railway yards there.

Dufferin Construction replaced that pipe last winter and consequently has first-hand knowledge of this. I can say that the water in front of you, if it was coming from a tap, would be safe to drink. At least, I assume it would be. If you visited the hotel at this time last year, I can assure you that definitely the water was well beyond its best before date.

The second issue I'd like to discuss today is the environment. Of course water in Ontario is in plentiful supply. We all know that. Unless your head has been buried in the sand, you also know that we are polluting Ontario's water at a dreadful rate. We need to conserve our water if for no other reason than because our children and grandchildren will need clean, unpolluted water.

I give you as an example of the environmental problem the town of Carleton Place. Many of you from the Ottawa area are familiar with it. It's located just west of Ottawa on Highway 7. As recently as 1980, the town drew water from the Mississippi River, purified and distributed it. They distributed almost twice as much

water as was metered in the households it was delivered to. The reason for this was the water mains leaked. They leaked because they had not been properly maintained and replaced. They were cast-iron water mains. They didn't have any sacrificial anodes. The soil was hot, or reactive, and ate holes in the pipe, and the pipe wasn't very old when it started leaking.

Again, the system is only as strong as its weakest element and there were plenty of weak elements in the town of Carleton Place water system in the 1970s and 1980s. This can't be good for the environment—perfectly good water drawn from the river, treated and pumped right into a leaky pipe. I believe the town of Carleton Place has repaired their problems at this point, although I'm not sure of that. But I can assure you there are plenty of other communities in Ontario where they haven't fixed those problems, for lack of money and poor planning. Thousands of litres of water are wasted every day through broken water mains, and I don't think we can afford to waste that water.

Examples of leaking systems abound and, without proper maintenance, the problems will only grow. We must put in place legislation that requires communities to maintain their water systems if for no other reason than to maintain water.

Thirdly, let's discuss finance. Every year we dance around tax hikes and tax cuts at the municipal level. Ottawa is going through that process right now. With a \$1.8-billion budget for 2003, it's inevitable that someone at some time is going to start demanding that a capital works program be cut in order to trim the fat.

Replacement of an old water main prone to infiltration of contaminants, like Laurier Avenue, replacement of a leaking water main that breaks every winter and wastes our valuable natural resources, like the ones in Carleton Place and also Rockcliffe Park, or installation of a feeder main to a high-tech business park does not constitute fat, in my opinion. And yet a few days ago a journalist wrote in the Ottawa Citizen complaining that city council had hidden away \$120 million to spend on replacing an aging infrastructure. The headline read, "\$290 Million Cash Stash Kept Secret From Councillors." That's in Monday's paper if you want to look at it. Thank goodness the people who run Ottawa have the foresight to set aside money for these important matters and have the wisdom to spend it where it's needed, that is, on water mains that are still in use long after their best before date has expired.

Not all communities are as professionally run as Ottawa, hence the need for legislation to ensure that decisions concerning our health and environment are made for sound engineering reasons, not because someone with a loud voice wants a new arena, a library or a conference centre rather than clean water.

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I would also like to look at economic opportunity. I'm not sure how this ties in to Bill 175, but I think it needs mentioning. Good-quality infrastructure helps drive the economy. I don't think anybody would argue with that.

Good roads, bridges, border crossings, ports, rail systems all serve to provide a conduit for healthy, prosperous communities to attract investment and provide employment.

On the western outskirts of Ottawa, we have a concentration of high-tech businesses that require world-class infrastructure to survive. Processing plants that produce fibre optic switching gears, state-of-the-art medical equipment, specialty chips and processors all require a constant flow of clean water, and that's critical to their manufacturing process—water required for manufacturing as well as drinking. Without the infrastructure that Ottawa can provide, there would never have been a Kanata high-tech business park. World-class infrastructure can attract business and therefore create economic opportunity.

This legislation, Bill 175, is an important step toward ensuring that Ontario's water and sewage systems are financially sustainable, good for public health and environmentally friendly. Currently, we are faced with a real need to invest in our water and sewage infrastructure. We have been a proponent of full cost pricing or full cost recovery and accounting legislation for many years. We believe this will lead to much-needed new, upgraded infrastructure while protecting the public health and the environment. It also provides a means to stabilize business cycles and planning for us contractors and for the municipalities. With this in mind, we want to commend the government for moving to implement this policy.

We support Bill 175 and are particularly pleased that there is a section in the legislation that requires municipalities to have dedicated reserve accounts. While we believe the bill is an excellent piece of legislation, it's our view that it should be strengthened if we are to achieve the goal of creating sustainable water and sewage systems. I am aware that the Ontario Sewer and Watermain Construction Association has put forward some amendments. I won't go through them again, but we do support these amendments.

If the legislation and the proposed amendments come into force, the government will need to ensure both environmental and financial compliance by the municipalities. This may be too large a task for the ministry to oversee alone. I think this might have been mentioned in a previous speech. To address this, we agree with the suggestion of that previous speech that the best way to ensure that the legislation is implemented as intended is to amend the legislation to dictate which ministry is responsible for overseeing the financial and which the environmental. These are matters that could be shared by the Ministries of the Environment, Finance and Municipal Affairs.

I thank you again for this opportunity to address the committee.

The Chair: That affords us just under two minutes, so I'll give the time to Mr Patten.

Mr Patten: I think the construction association of Ontario executive committee must be represented by all

these companies that presented today because you're all saying the same thing.

Mr Rodrigue: Well, in our own words, I hope.

Mr Patten: In different ways.

You're right, the committee has heard the five recommended amendments that are suggested. You made a comment, "The bill is a critical piece of legislation that is long overdue and for four very good reasons must be passed by this legislative group." I should tell you, with a majority government, the government controls the Legislature. They can call what they want, when they want and pass whatever they want. I think you probably know that. When the Legislative Assembly meets, we like to think that we, in opposition, can sometimes offer some points of view that might change or contribute to ameliorating the process, but I just want to point out that if the government is with you on this one, it will be passed; which is not to say that we're not with you, it's just to say that in a majority government, that's there.

When you talk about healthy water, you're talking more than volume; you're talking about good quality water.

Mr Rodrigue: My concern is that when a water main breaks—and they do regularly in Rockcliffe Park in the wintertime—the water main empties into the trench and then, if any water drains back into that pipe, it is now contaminated by whatever was in the ground. That's what I mean by healthy water.

Mr Patten: If I may make one suggestion to your industry, when politicians are trying to respond to requests for money for hospitals, education and the general environment—and there's a need obviously that we recognize for sewers, which nobody sees, and the infrastructure of things—there is a need for good partners who will also help promote that concept of the nature of the infrastructure. It's probably only when disasters happen that suddenly the public increases its awareness.

I appreciate your presentation today, but I would also throw out a challenge likewise. It seems there's general agreement in your field and your industry and sector, but we've got to make the allocations for those and people have to see the interrelationship between health, environment and good community infrastructure.

Mr Rodrigue: Yes. If there's anything we can do to support the legislation, we would be prepared to do it. If what you're saying is that we need to have an understanding of the demands on government in terms of financing from the health point of view, as well as education, absolutely, we understand those things. It's in the headlines every day.

The Chair: Thank you for coming before us to make a presentation today.

MORVEN CONSTRUCTION

The Chair: Our next presentation will be from Morven Construction Ltd. Good afternoon and welcome to the committee. Just a reminder: you have 15 minutes

for your presentation, for you to divide as you see fit between your talk or questions and answers.

Mr René Doornekamp: Good afternoon, Mr Chairman and members of the committee. My name is René Doornekamp and I'm president and founder of a company called Morven Construction. We do sewer and water main construction in the Kingston area. I'm also past president of the Ontario Sewer and Watermain Construction Association.

My company and our organization are committed to the maintenance and expansion of the province's vast network of water and waste water systems. We are therefore supportive of Bill 175, because maintaining a plentiful, healthy water supply requires a continuous investment by government and consumers. This legislation is an important step toward ensuring Ontario's water and sewage systems are financially sustainable, good for public health and environmentally friendly. Currently, we are faced with a critical need to invest in our water and sewage infrastructure.

I'm from the Kingston area. Earlier today, you heard of problems in the Kingston area. One of the biggest problems is that we have a sewer line under the Cataraqui River, which is part of the Rideau Canal system. We don't know the exact location of this pipe or even its condition. The only thing we know for certain is that it's way past its design life, and the only reason it hasn't been rectified or there hasn't been a solution to the problem is that there hasn't been any money available to do it. The money is huge and the problem is complex.

In the Kingston area also, we've got a beautiful waterfront and we're constantly plagued by sewers overflowing during heavy storms. In a nutshell, if this act was passed in the early 1900s, this problem would have been solved 30 years ago.

We have been a full proponent of full-cost pricing and accounting legislation for many years. We believe it is the only way to secure much-needed new and upgraded infrastructure and to protect public health and the environment. It also means stabilized business cycles and planning for us and municipalities. With this in mind, we want to commend the government for moving to implement this policy.

We support Bill 175 and are particularly pleased that there is a section in the legislation that requires municipalities to have dedicated reserve accounts. While we believe the bill is a good framework, it is our view that it must be strengthened if we are to achieve the goal of creating sustainable water and sewage systems. As the bill now stands, there is too much left to regulation and not enough provisions entrenched in the legislation.

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If this legislation and proposed amendments come into force, the government will need to ensure both environmental and financial compliance by municipalities. This may be a monumental task for one ministry alone to oversee. To address this, we agree with the suggestion that the best way to ensure that the legislation is implemented as intended is to amend the legislation to dictate

which ministry is responsible for overseeing the environmental aspects of the bill and which is responsible for the financial aspects of the bill. The Ministry of the Environment should be responsible for environmental oversight, while the Ministry of Finance, or SuperBuild, should be given the financial oversight responsibility.

Thank you again for this opportunity to address the committee and I look forward to any questions.

The Chair: Thank you very much. That affords us two and a half minutes per caucus for questions. This time we'll start with Ms Churley.

Ms Churley: Thank you very much for your presentation. We have heard from many construction, sewer and water main workers. You seem to all agree on this one particular bill. Have you had the chance to look at the Safe Drinking Water Act at all?

Mr Doornekamp: No, I haven't.

Ms Churley: So your main focus is this. I just wanted to talk to you a bit about the full cost recovery and what it means to you. In trying to define it we have to recognize that particularly the smaller municipalities, but even medium-sized ones, with all the other costs that in fact Justice O'Connor directly spoke about in part two of his report, that the restructuring, as he called it—we call it downloading to municipalities—means that they're having to take on more social costs, like welfare, that it's going to be a real burden and suggests that the government review that. But the reality that we see, and many people have said this, is that governments tend to spend money on what's visible, not what's underground: the pipes.

It's a big problem. What I'm suggesting is that although I support full cost recovery in principle, the two senior levels of government pull together a dedicated capital infrastructure program to deal with the infrastructure deficit that we have. People should not have to be paying for that, or at least only a portion of that, because otherwise it's unworkable. You, more than most, know how big that infrastructure deficit is. Do you think you would support that?

Mr Doornekamp: Oh, exactly. I think this program has to be phased in over a period of five to six years. At the end of that period, essentially what it would cost to produce a litre of water is what you charge your consumer. But we're not going to turn around and put this in effect next week. It's a long process.

We talked earlier about smaller municipalities. I live in a town called Napanee. Their water supply system works on the full cost pricing system. They charge whatever it costs to produce water. Essentially they've adopted this policy already and it works for them.

Ms Churley: Did they have infrastructure problems to begin with?

Mr Doornekamp: They did, and various government programs have brought things up to speed. There's still work to be done, but right now, every year, they're putting money aside to upgrade their existing infrastructure.

Ms Churley: That's good.

Mr Dunlop: I didn't know if you knew it or not but Ms Churley has actually been down a sewer pipe.

Mr Guzzo: Were you in government at the time or opposition?

Mr Dunlop: I'm curious whether or not she had the proper ventilation equipment when she went down there.

I just wanted to say to you, sir, we've heard the comments a number of times this morning and the last couple of days about how we don't have a lot of ribbons to cut around a sewer pipe or a water main, but I want to compliment your industry on getting out to this particular round of hearings. We've heard very loud and clear from your industry—

Mr Guzzo: Welcome to eastern Ontario.

Mr Dunlop: Well, it was the same in Queen's Park as well, but I appreciate the fact that you've made such a strong deputation throughout all of the hearings so far. That's really the only comment I had, is that we're hearing the same story basically over and over again. I compliment you on that.

Mr Miller: I'm interested in smaller communities, because in my riding of Parry Sound-Muskoka we have many smaller municipalities. You were saying the town of Napanee has full cost—

Mr Doornekamp: Yes, essentially. It wasn't instituted by the OSWCA, but just basic business principles dictated that they do business this way.

Mr Miller: What sort of typical costs are there to the people of Napanee per household? Do you have any idea?

Mr Doornekamp: I couldn't tell you that.

Mr Miller: I was surprised by one of the earlier presenters, when I was trying to get some idea of what this was going to mean to the average person in the average household. He said it was only \$2 to \$6 beyond what they are paying now per month. I was surprised. I would have thought it would be a much higher cost than that.

Mr Doornekamp: I don't actually live in the town, so I'm on a well, but I've never heard any complaints about large water or sewer bills.

Mr Miller: That raises a good point. You're on a well. How will you feel if we, as the provincial government, decide that we should subsidize smaller communities or cities that are faced with large costs to deal with this?

Mr Doornekamp: Some of the have-not communities need it, and it's good for the province. I think we should do it.

Mr Miller: OK. Thank you.

Mr Patten: No questions.

The Chair: Thank you very much for coming before us today. We appreciate your presentation.

SOUTH NATION CONSERVATION CLEAN WATER COMMITTEE

The Chair: Our next presentation will be from South Nation Conservation Clean Water Committee. Good afternoon. Welcome to the committee.

Ms Ronda Boutz: Good afternoon, Mr Chair and committee members. Thank you for the opportunity to present to you today on behalf of the South Nation clean water committee (CWC). My name is Ronda Boutz. I'm water quality coordinator with South Nation Conservation. Archie Byers, mayor of North Stormont township and a member of the clean water committee, will join me at the end of the presentation to pass along some comments from the municipal perspective.

The South Nation clean water committee supports the implementation of Bill 175 and Bill 195 to protect our drinking water. We understand that the regulations, when announced, will provide more of the actual details on how you will be protecting surface and ground water.

What I'd like to do today is to bring forward two recommendations to this committee on the proposed bills from our clean water committee.

The South Nation clean water committee recommends that watershed management programs such as total phosphorus management be an eligible component under the full cost accounting for water and waste water services under Bill 175 and Bill 195, and further recommends that, where full cost accounting for water and waste water infrastructure in small rural communities is cost-prohibitive, the province provide financial assistance.

I'll take just a couple of minutes to go over what our Clean Water Committee is and what the total phosphorus management program is all about.

The Clean Water Committee is a multi-stakeholder group with representation from agriculture, government, environmental groups, municipalities, industry, South Nation Conservation and other stakeholders throughout the watershed that have an interest in water quality and water conservation. We have an established track record and have been assigned implementation of several water management programs in the South Nation River watershed under South Nation Conservation. One of the key programs that we operate is the clean water program. It offers grants to water quality improvement projects. Funding for the program comes from several sources, including the total phosphorus management program. Some of the local municipalities have used their water bill funds to help fund the total phosphorus management program in our watershed.

Our watershed is located in eastern Ontario. It's approximately 3,900 square kilometres. We have 15 lower-tier municipalities and a population of about 90,000. About 60% of our land use is agriculture, predominantly dairy and cash crop. We have 17 waste water lagoons that discharge into the South Nation River. Our drinking water supplies comes from both ground water and the South Nation River itself. As a result, in order to provide a safe surface and ground water for drinking, the first line of defence must be prevention. One way to prevent contaminants from entering the water system is to implement best management practices, and this is what we are doing through the clean water program.

The total phosphorus management program, or TPM for short, is a water quality offsetting program where

increased phosphorus loading from new or expanding municipal or industrial waste water facilities is removed by implementing non-point source projects such as manure runoff control, the upgrading of faulty septic systems, stream bank erosion control or treating urban storm water.

The South Nation River phosphorus levels at our outlet exceed the provincial water quality objectives by five times. Studies show that over 90% of this phosphorus is originating from non-point sources.

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There's a significant net water quality and environmental benefit to the TPM program as it requires a 4:1 offset. What this means is that for every kilogram of phosphorus that's added from a new or expanding discharge, four kilograms must be removed from a non-point source. Of course, in addition to phosphorus, other pollutants are removed, as well as wildlife habitat improved.

The South Nation clean water program is the link to transfer the funds from this waste water management to the implementation of non-point source projects.

I'd also like to take a couple of minutes this morning to talk to you about municipalities and safe drinking water affordability.

Full cost recovery for water and waste water infrastructure in some rural communities could be cost-prohibitive. Drinking water would be at risk because it might not be affordable. In these cases, the province needs to look at funding assistance to these municipalities. Rural municipalities have extreme financial pressures to meet current and future demands for water and waste water infrastructure.

South Nation watershed has surface and groundwater supplies that are at risk from our rural communities that have faulty septic systems or improper land management practices in hydrogeologically sensitive areas. Rural communities in our watershed will continue to require new water and waste water infrastructure. In some cases, it may be shown that full cost recovery would be cost-prohibitive for water and waste water servicing. The province will need to provide financial assistance to ensure a safe and secure water supply for these communities.

The village of Casselman, which is a municipality within our watershed, did not receive provincial funding for the waste water expansion for their developing community. In their case, they needed to adopt a TPM or total phosphorus management program. It was very important that they had the flexibility to incorporate this watershed program cost into their municipal water bill. If they were restricted from doing this, it may have negatively impacted their development and economy.

We do not know the future for water protection programs. As such, it is critical to maintain flexibility in safeguarding drinking water by allowing watershed programs to be an eligible cost under Bill 175.

At this time, I'd like to invite Archie Byers to come and say a couple of words on behalf of the municipality.

Mr Archie Byers: Good afternoon, Mr Chair, committee members. My first comment would be that, as mayor of the municipality of North Stormont, I am supportive of the necessity for the implementation of Bill 175 and Bill 195. As well, our municipality is very supportive of the total phosphorus management program that Ronda has just alluded to, and we have committed dollars to this program in the past. My concern is the full cost recovery for water and waste water infrastructure.

In North Stormont, we have three hamlets served by water and sewer, each of which serves approximately 200 dwellings. We have contracted with the Ontario Clean Water Agency, or OCWA, to manage and operate these systems. I feel we pay a premium for this service to get the expertise required to give our residents a level of comfort for their health and safety through the quality of water they are drinking.

Since the population of these hamlets is comprised mainly of retired and elderly people on fixed incomes, the many mandated extra costs to each facility would create an unaffordable situation for our residents. Larger operations could have comparable costs, but these would be divided among several hundreds or thousands of participants, creating much less of a cost impact per unit. Therefore, I request the province of Ontario to consider a substantial funding arrangement for small, rural water and sewer infrastructure.

I thank you for the opportunity to make this presentation today.

The Chair: Thank you very much. That gives us about two and a half minutes per caucus. This time we'll start with the government members.

Mr Dunlop: It's good to see you both here. Just so I've got peace of mind on this, has your conservation authority received money under the healthy futures program?

Ms Boutz: We are a partner with a submission from the Eastern Ontario Water Resources Committee. We're not receiving direct funding through the authority, but we are administering the program on behalf of five counties within eastern Ontario.

Mr Dunlop: Have you received any money from the Ministry of the Environment for the groundwater studies? I'm just curious.

Ms Boutz: I'm just trying to think. There is funding coming through for the new monitoring network that's being set up. We are in the process right now of establishing wells for that program.

Mr Dunlop: That's part of the \$12 million, I believe, that was announced last fall, and municipalities and conservation authorities are now working with that?

Ms Boutz: It could be. I'm sorry, I'm not as up to speed on that. I'm not dealing as much with the groundwater issue myself.

Mr Murdoch: I was just going to ask the mayor, is Ron MacDonell in your municipality or Grey-Bruce?

Mr Byers: Very close.

Mr Murdoch: Yes. He's with the working group with AMO on the regulations for 195.

Mr Byers: He's within the United Counties of SD&G.

Mr Murdoch: I knew he was in SD&G, but I just didn't know which part.

Mr Patten: Could I ask you to explain for me the total phosphorus management program? Can you elaborate on it?

Ms Boutz: The total phosphorus management program comes under the Ontario Water Resources Act as a policy 2 receiver, which states that any water body that's degraded shall not be further degraded. That policy is in force in the South Nation watershed for phosphorus because we do exceed the provincial water quality objectives in most areas of our watershed and then up to five times at the outlet.

What that means is that any new or expanding waste water or industrial discharge that's looked at adding more phosphorus into the river system has to either meet a zero phosphorus increase through implementing some sort of technology at source or they have the option in the South Nation watershed, if it's proven cost-effective through their environmental assessment, to enter into an agreement, which is this total phosphorus management program, to offset the phosphorus that they're going to be loading as a new phosphorus loading. For example, if they're adding another 100 kilograms of phosphorus to the river system, then they are required through TPM to remove 400 kilograms from non-point sources. They pay a certain cost per kilogram and then the clean water program is the delivery mechanism, because the program's been in place for about nine years now and we have a proven track record for delivery. It made sense to use an existing program to help transfer the funding from the municipalities to the non-point source projects.

Mr Patten: So it's a major pollutant, but in your research obviously you must identify other pollutants that would then of course be addressed at the same time, or is it strictly related—

Ms Boutz: Yes, exactly. A lot of the projects that are being implemented are such that when you're removing phosphorus, you're also removing other nutrients, bacteria, pathogens. Sediment loading is a big concern in our watershed as well. It's a net benefit. That's why we fully support the phosphorus management program, and it is operating right now as a pilot in our watershed.

Ms Churley: I couldn't agree with you more that watershed and source protection programs need to be eligible under full cost recovery, which leads me to my second point, that I also agree with you—and I've been making this point all along—that there needs to be a capital infrastructure program to deal with the infrastructure deficit. Certainly when we're talking about adding more costs to full cost recovery, ie, watershed management, it's all the more important so that especially smaller and medium municipalities can actually afford the program. I'm sure you would support that that infrastructure money would be there.

I'm also glad you're speaking about source protection, protecting the water before it goes into the pipe, because at this committee level we've been dealing mostly with

the safe delivery and treatment of water, which is very important, but we're not spending much time talking about protecting the water at the source. Frankly, neither of these bills deals with it. The government says they will be bringing that bill forward later.

I just wanted to make those comments to you, that I support your positions on this. It was good to hear that today, so that all members of the committee can be aware that those are the kinds of issues we need to be looking at as well.

The Chair: Thank you very much for coming before us here this afternoon. We appreciate your comments.

MICHAEL CASSIDY

The Chair: Our next presentation will be from Mr Michael Cassidy.

Ms Churley: No offence, Michael, but I have to catch a flight back to Toronto.

Interjections.

The Chair: Welcome to the committee. Just a reminder: you have 10 minutes for your presentation this afternoon.

Mr Michael Cassidy: I have given to the clerk copies which I believe have been distributed. I'll try and be brief in the presentation and leave a bit of time for questions because my time is limited.

1340

The Safe Drinking Water Act is a long-overdue response to the Walkerton tragedy. I think it's welcome, but it's also a much weaker response to the problems that were identified in the Walkerton inquiry than we had been led to expect from the statements made by both Premier Harris and Premier Eves, both of whom undertook to accept all the Walkerton recommendations.

I want to identify three areas of particular concern. It's a big bill, and therefore I thought it would be best to maybe just focus on two or three areas. I hope other people talk about other areas.

The first is the right to know. In the Walkerton report, Judge O'Connor emphasized the need to make community access to information about drinking water a basic principle of water management in Ontario. He said in the beginning of volume two:

"My recommendations are intended to improve both transparency and accountability in the water supply system. Public confidence will be fostered by ensuring that members of the public have access to current information about the different components of the system, about the quality of the water, and about decisions that affect water safety."

Ontario regulation 495/00 has gone partway to ensure the provision of public reporting. However, Bill 195 makes no attempt to extend public access to current water information in the spirit of the Walkerton report. Although Bill 175 contains extensive requirements for reporting to the minister concerning cost-recovery and other matters, it makes absolutely no provision for public access to that information.

I've quoted a couple of sections from Bill 175, sections 15 and 16. Both of these sections could easily be amended to ensure that information provided to the minister is also accessible to the public. Bill 195 could be similarly amended.

I want to submit that the bills could and should be extended to enhance public notice about possible unsafe drinking water and require that consumer reports relating to water quality and water safety be made available to the public through the environmental registry or a dedicated electronic registry that is publicly available. These steps would be in accordance, I suggest, with the recommendations, and I've cited five of them—43, 49, 79, 80, and 86—of the Walkerton report.

The second point I want to speak about is the right to appeal. Bill 195 creates a right of appeal to the Environmental Review Tribunal. It uses language similar to the Environmental Bill of Rights, but when you look at the fine print you find that Bill 195 restricts the right of appeal to the point where it entirely excludes members of the public.

Section 123 lists certain decisions of the director which are considered to be reviewable and may be appealed to the tribunal. All of the matters involve decisions to reject, change, revoke or cancel a permit. No provision is made for public notice and comment on permit applications or for an appeal process such as that provided under the Environmental Bill of Rights.

I'll just cite the beginning of section 38 of the Environmental Bill of Rights. It says, "Any person resident in Ontario may seek leave to appeal from a decision whether or not to implement a class I or class II instrument" which has been posted on the environmental registry. "Any person ... in Ontario." That is not duplicated in Bill 195. There is no provision for public notice and comment on permit applications, and only an applicant or permit holder can appeal a reviewable decision to the Environmental Review Tribunal.

At that tribunal, according to section 126, the parties are restricted to the appellant, the director, and it says, "Any other person specified by the tribunal." It doesn't make it easy for the public to get there.

I recommend that Bill 195 be amended to be fully subject to Ontario's Environmental Bill of Rights, including rights to appeal and the right to seek an investigation under part V of the Environmental Bill of Rights.

I note that Justice O'Connor took notice of the Environmental Bill of Rights, assumed it would apply and therefore did not recommend that there be a right to sue in the Safe Drinking Water Act.

The third point I want to raise is the question about appeals to the minister. Bill 195 allows proponents, but again not the public, to appeal in writing to the minister from a decision of the tribunal on any matter other than a question of law. The public is excluded because this appeal right is only extended to a person who is a party to a hearing before the tribunal. So we go back to the fact that that's the applicant for a permit, or someone who

holds an existing drinking water permit or licence, presumably one that's being changed.

Section 131 of Bill 195 provides that "the minister may, if he or she considers it to be necessary for the purposes of this act, confirm, vary or revoke the tribunal's decision." The Environmental Bill of Rights has a provision similar to this one, but it's a provision that I submit should be changed if the integrity of the environmental approvals and public hearings procedures mandated by the EBR is to be preserved. I submit that applies in this case as well with Bill 195. The minister should interfere with decisions of the tribunal only in the clearest case where a tribunal decision is clearly incompatible with government policy. Better still, I would recommend that section 131 of Bill 195 should be eliminated.

The specialized expertise of a tribunal such as the Environmental Review Tribunal makes it specially equipped to deal with the complex scientific and technical issues that are routine in matters such as the safety of the water supply. Also, if the public is to have confidence in the integrity of such bodies as the tribunal, the government must demonstrate its commitment to the integrity and independence of the review and appeal process by declining to interfere with the decisions of tribunals—perhaps in all but exceptional cases, perhaps not at all. Frankly, as I thought about it putting this brief together, I thought it's better to allow the tribunals to occasionally go a little further than the government wants to go than to interfere with them in the unbridled way the minister has.

I want to conclude by bringing a specific example to the committee's attention. This is the appeal that's currently underway to the Minister of the Environment, and it relates to the appeal by OMYA (Canada) from a decision of the tribunal relating to a permit to take water from the Tay River near Perth. I appreciate that this permit concerns source water rather than drinking water, but I would remind the committee of the high degree of interest at the Walkerton inquiry and the subsequent report that was devoted to source water protection and watershed planning. Unfortunately, the two bills now before the committee do not, as I believe they should, address the inquiry's proposals on that issue despite the promise of the government to implement all of the Walkerton report's recommendations.

The implications for the town of Perth of this particular appeal, and it's a community of 6,000 residents and some 2,500 jobs downstream from OMYA's proposed water-taking, were very clear. OMYA's original application was for a permit to take a million gallons of water a day, which is an amount equal to the entire daily consumption of the town of Perth, both for residential and industrial use. Both the quantity and the quality of Perth's drinking water were among the issues raised during an exhaustive 35-day hearing before the Environmental Review Tribunal.

In the end, the tribunal gave a compromise ruling. It allowed the company some expansion by giving them a

third of the water they had asked for, but it also set conditions for public accountability and transparency in the water-taking. Many of the tribunal's conclusions anticipated the recommendations of part two of the Walkerton inquiry report, which occurred in the spring of this year, a few months after the tribunal reported.

With the OMYA appeal to the Minister of the Environment—and this is why I'm concerned about appeals to the minister—our group of appellants faces a situation where political considerations and even political influence may lead to a ministerial decision which directly conflicts with the government's commitment, made by both Premier Harris and Premier Eves, to implement all of the Walkerton inquiry recommendations. So we'll get the policies of the Premiers on one hand and we could get a contrary decision in the case of the OMYA appeal.

Obviously, we don't yet know what the minister will decide, but we have moved to a process where there are no external guidelines or rules for ministerial decision-making. This is like back in the days of the absolute monarchy. All citizens should be uncomfortable that this undemocratic situation is allowed to continue. The experience my wife and I and our fellow appellants are going through in eastern Ontario reinforces our belief that the sections of Bill 195 relating to ministerial appeals should either be dropped or be sharply amended to ensure that ministerial decisions on appeals from the tribunal conform to existing legislation and stated government policies. If this is not done, then I suggest that the integrity and effectiveness of the Environmental Review Tribunal and its connected process will be at serious risk. I think that's a very serious matter that this committee should bear in mind when you make your recommendations back to the House.

Thank you very much for having me here.

The Chair: Thank you, Mr Cassidy. We've actually gone a minute over. That's the advantage of handing out typed notes. We could follow along and saw you were getting close to the end of your comments. I wanted to let you conclude. Thank you very much for coming before the committee here this afternoon.

Mr Cassidy: Thank you. Since you are well underway and I was to appear for another 10 minutes—

The Chair: No, you were to appear for a total of 10 minutes, Mr Cassidy, and you've gone 11.

Mr Cassidy: Thank you very much.

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CANADIAN ASSOCIATION FOR
ENVIRONMENTAL
ANALYTICAL LABORATORIES
STANDARDS COUNCIL OF CANADA

The Chair: Our next presentation will be from the Canadian Association for Environmental Analytical Laboratories. Good afternoon and welcome to the committee.

Dr Rick Wilson: Thank you very much, Mr Chair and honourable members. I am Rick Wilson. I am executive director of the Canadian Association for Environmental Analytical Laboratories, abbreviated as CAEAL. My comments this afternoon are also made on behalf of the Standards Council of Canada. The Standards Council of Canada and the Canadian Association for Environmental Analytical Laboratories jointly deliver the national accreditation program for environmental laboratories. CAEAL, our association, conducts the site assessments and the proficiency testing, which is an inter-laboratory comparison program. The Standards Council of Canada grants the accreditations to the laboratories. More than 70 laboratories in Ontario are either accredited for drinking water testing or are applicants. Accredited laboratories in other provinces are also involved in testing Ontario waters.

Both of our organizations are highly supportive of the province of Ontario's efforts to improve protection for drinking water, and we offer the following comments in the hope that we can help you strengthen the draft legislation along the lines of the vision created by Justice O'Connor.

I have three major areas of comment. The first is that Justice O'Connor's recommendation 41, in his part two of the report, was very clear regarding accreditation. He said, "All drinking water testing should be performed only by accredited facilities." We note that section 59(2) of the act provides exemption for tests and persons that will be prescribed by regulations. We have noted this discrepancy and we wonder whether this is the direction that Justice O'Connor intended.

The second area concerns responsibilities that are identified for the accreditation body that will deal with drinking water testing. The responsibilities include reports to the director. We find that the directions are sometimes unclear and inconsistent. We have identified four areas where we'd ask for some consideration for change.

Section 61(2) requires a copy of audit reports to be provided to the director, but nowhere does it say that the accrediting body will be provided with the names of the laboratories to which this will apply. It may be appropriate for the director to notify the accrediting body when he issues, renews, suspends or revokes a licence, as section 72(5) requires with directions that he issues.

The second comment in this area: there is no definition of the audit report for drinking water testing which the accreditation body must supply. Our program provides periodic site assessments at least once every two years, from which there is a report, and mandatory proficiency testing twice a year, which also creates reports. It is our understanding that the ministry desires reports of both activities, yet we believe that the current wording does not make reference to nor create the appropriate legal requirement for us to be able to provide that information to the ministry. Unless it is "required by law," the client confidentiality requirements that govern these activities would make it impossible for us to provide the information to the ministry.

Our third comment in this area: we note that section 65 requires the accredited laboratory to notify water system owners and operators if the laboratory has its accreditation for a test suspended or revoked, but it appears to us that there is no requirement in law for the accreditor to notify the director. Section 62(1)8 provides that if there is an accreditation agreement, then the accreditor should report suspensions or revocations, but the accreditation agreement is not mandatory under the law; hence the accreditor may be bound by client confidentiality requirements not to release the notice. This is clearly not what was intended; hence it would be best to ensure that the law requires the accreditor to report the information to the ministry.

Our fourth comment: section 67(1) requires the accreditation body to report annually to the minister concerning its activities related to drinking water testing, yet the following section, 67(2), provides no such restriction on what the minister may require in a report. Obviously our recommendation would be that 67(2) should be modified to restrict the minister's request to areas that pertain to drinking water testing.

Our final comment concerns the standard of operation that is expected from the accrediting body. Essentially, we make the point that there is no such standard expected in this legislation and we would urge that there should be. Section 62 currently refers to a testing standard. It is our understanding that this standard would apply to the accredited laboratories. There is no mention of a standard that would apply to the operation of the accreditation program. The only absolute requirement for the accreditation body is in section 61, and that is that it fulfill its requirements under this act.

Accordingly, we renew our previous recommendation to the ministry that the legislation should include a minimum requirement, in addition to the others that are listed in section 62, that the accreditation body must operate the accreditation program in conformance with a standard, such as ISO/IEC Guide 58, entitled "Calibration and testing laboratory accreditation systems—General requirements for operation and recognition," or its updates. This document is the basic standard that is accepted worldwide for operations of laboratory accreditation systems, and it is the one against which accrediting bodies are customarily evaluated by international organizations. We believe that the government and the people of Ontario are expecting a world-class system, and it seems to us that the legislation should demand that level of performance from the accreditation body.

Thank you very much.

The Chair: Thank you very much for your comments. That affords us, since we're down to two caucuses, about two minutes per caucus for questions. This time we'll start with Mr Patten.

Mr Patten: Actually, I found this rather instructive. It came at the legislation from another angle and it seems to me the points you've made make perfect sense in terms of compatibility and integrity of notifications, the in-

formation that should be shared, what information should be contained in any reporting—if there happens to be any deviation from the standard—and the accountability, which is, I guess, your intent.

The only thing I would ask the research officer, if I might, Mr Chair, is in the drafting, whether the ISO guidelines are one of the benchmarks by which this is examined—or has it been?

The Chair: You're posing a question for the researcher to come back—

Mr Patten: Yes, I guess it would be legal counsel that would probably know that.

The Chair: In any event, we'll take the question back and seek to get an answer for you, Mr Patten.

Mr Patten: Yes, OK.

Anyway, I appreciate that very much. I'm not a lawyer, but as a standards expert, it seems to me it makes eminent sense and follows up somewhat on the questions that were raised by Mr Cassidy as well.

Mr Guzzo: Mr Wilson, a couple of quick questions. First of all, where do I reach your association? I know how to get the Standards Council of Canada, but I don't know where to reach you.

Dr Wilson: We're here in Ottawa. I'd be pleased to provide a card. I believe the clerk has all of my particulars as well.

Mr Guzzo: Thank you.

With regard to Justice O'Connor's recommendation 41, I know I'm in a minority in the House and in my own party, but let me tell you, I appreciate what he is saying there but I don't understand the evidence and I don't understand the background that gave rise to it. As I read the evidence that was placed before the O'Connor commission, and particularly the evidence with regard to other problems that were faced across Ontario—other Walkertons happened where no one died, no one got sick because the system worked. Public labs and private labs, in different cases, both functioned and functioned properly. Accredited labs and non-accredited labs, both functioned and functioned properly.

I have difficulty with this recommendation flowing from Walkerton. It may make a lot of sense, it may have a lot of merit, but it isn't supported in the Walkerton evidence as far as I'm concerned, because that wasn't the cause of what happened at Walkerton. What happened at Walkerton was different from other locations across Ontario that faced the same problem with public employees and a PUC acting improperly. You disagree with that?

1400

Dr Wilson: No, I don't disagree, but I don't feel that in the space of a minute I have an opportunity to debate with you the Walkerton inquiry and its findings.

The Chair: I'll be pleased to give you two minutes.

Dr Wilson: I paid a lot of attention to the Walkerton inquiry, and I was in fact part of the evidence. It is entirely true, as you say, that there was no problem identified with the particular laboratory analysis in question. However, it is obvious that after a couple of years of

looking at the safety of the system, including evidence that we put before him that accredited laboratories perform better and more accurately than non-accredited laboratories, he came to that conclusion. I guess all I am doing is saying that there is an indication that the government is going to implement these recommendations. This is one of them. The wording seems to me to be very clear. When he made that recommendation—the existing regulation that is currently in place allows some exemptions and he clearly disagreed with those exemptions.

In my view, all this act is doing is recreating the regulation that currently exists, which allows exemptions.

Mr Guzzo: I accept that. I accept everything that you say. I simply have difficulty drawing it from the evidence at Walkerton. We accredit doctors and lawyers, and I have no difficulty with that, but I have difficulty when I try and deduce it from the evidence at Walkerton.

Dr Wilson: Part of the evidence that I presented to him two times is a very clear indication from our data that accredited laboratories provide acceptable answers without errors more times. In other words, they perform better and more accurately than non-accredited laboratories.

Mr Murdoch: Just to put something on the record, I represent and I'm pleased to represent the municipality of Walkerton, or Brockton, as it's called now. You have some good concerns there. I have been assured by our staff that we are going to give them due consideration. We'll look at them, so they'll be talking to your organization.

Dr Wilson: Thank you very much. Our intent is to enable the legislation to allow us, without any questions whatsoever, to disclose our information to the minister and to the public without having our lawyer telling us, "No, we can't do that."

The Chair: Thank you very much. We appreciate your coming before the committee with your views here this afternoon.

PROVINCIAL COUNCIL OF WOMEN OF ONTARIO

The Chair: Our final presentation this afternoon is the Provincial Council of Women of Ontario.

Ms Marianne Wilkinson: Thank you. You're getting a little ahead of time, are you? I seem to have just made it.

The Provincial Council of Women of Ontario was founded in 1923, and it was formed to consider the problems that all the different cities in Ontario were having in taking things jointly to the provincial government. It was actually an affiliate of the National Council of Women of Canada, which was set up in 1893, so it's one of the older organizations around.

Through that entire time, the main focus has been on researching items and taking them in front of government to try to make positive contributions to laws and regulations and policies of government.

Just this week, on Monday and Tuesday, I was in Toronto and we presented our 79th brief, it think it was, to some members of the government and opposition parties. Basically, our work is to better conditions pertaining to the family, community and society. So we cover all aspects. We're not a women's issues group, we are a people group.

Water has been one of the issues that we've looked at for a long time. Around 1910, the Toronto Council of Women was one of the organizations that pushed for and got a water filtration plant. That's how long we've been looking at water issues.

In 1983, we passed a policy, and if the government of the day had listened and followed it through, probably the Walkerton tragedy would not have happened. We don't like coming here after the fact, but safe water has been a long-term policy of ours. In 1983, we urged the government to have a safe water act to ensure safe drinking water at the tap and to direct the Ministry of the Environment to conduct research into the methods of treating drinking water to reduce or eliminate organic and toxic inorganic material from water. Even at that time we had concerns about the water monitoring system, that there were insufficient monitoring systems, and we urged that a long-term quality monitoring system be put in place.

We also have urged that setting standards was not enough, that it was a responsibility of government to ensure that the standards are actually met. One of the concerns we have is, in looking at things, we're not sure how the government will keep involved, because this is a public policy issue and it needs the government to be the one that ensures that things are passed.

In 1989, we passed a resolution supporting strong action to identify sites of groundwater contamination and institute remedial measures. That was 13 years ago and yet neither of the bills that are in front of you today deal with groundwater contamination or groundwater policy. Treating water without getting at the source of the contamination, and then dealing with trying to clean it up, is like treating the flu rather than providing flu shots. Preventive measures are always better than taking action after the fact. Why not take this action by preventing and cleaning sources of contamination in water rather than just treating it after it is contaminated?

In April 1997, we sent a letter to the standing committee on resources development, asking that the government "heed the wishes of the citizens to ensure we have a safe and secure source of water through public ownership and regulation of this, a treasured public resource."

We are still very concerned that it be public ownership and public regulations that are to be put into effect. We are opposed to privatization of water systems, whether they be municipal or provincially run systems, because this is a resource that is too precious to take out of the control of the public. We don't want to see any weakening of the protection we feel is important to everyone. That was in 1997. It was after that fact that there had been a lot of reduction in the inspection systems. We all

know the tragedy that had happened—people lost their lives. That is, in this province, something that should never have happened.

Last year, in 2001, we again spoke up on water issues and urged again that something be done on groundwater contaminants. We had suggested involving conservation authorities, the ministries of agriculture, environment and natural resources. We advocated an enhanced role of the Ontario Clean Water Agency—we were concerned that it stay and be strengthened—and for a significant investment in dealing with this issue.

Somewhat related to this—it's not in these bills, but it relates to sale of water and the use of groundwater. We've been informed about large areas where there is large-scale removal of groundwater for bottled water plants. This then reduces the water table and has an impact that may cause other contaminants to go in. So you can't really separate all the different aspects of water. I haven't related this today but another concern of ours is bulk sales of water, diversion of part of the Great Lakes. Any of those things that change the ecosystem will have an impact on water sources. It should all be looked at as one package.

We do need to look at the discharge of chemicals and fertilizers and other contaminants into our rivers and lakes because that again affects the source of our drinking water. Here in Ottawa, of course, our water comes from the Ottawa River, so it is a result of runoff and various things. There are some contaminants that get into water that cannot be removed in treatment plants, so it's really important that we don't let them get there in the first place.

1410

We're a little concerned, in Bill 175, about providing a service in a full cost recovery plan. The bill isn't really clear about who is paying for what. We did, in December 2000, receive a letter from the province in reply to one of our letters. They sent us a copy of Operation Clean Water, an action plan about drinking water and groundwater protection. It's about a five- or six-page document. That included assistance to Ontario communities of \$240 million in support of health and safety infrastructure and a provincial groundwater monitoring network.

The present act doesn't deal with these issues, but it does deal with having total costs. The province is passing on huge costs to municipalities when they passed on to them all responsibility for this infrastructure. In the past they provided funds to enable municipalities to fund this necessary infrastructure. What we want to know is how they are going to be funded now. One of the members of our council told me they had read that the municipality of Lansdowne, near Kingston, worked out that it was going to be \$209,000. While that doesn't sound like much, for that little municipality it's a lot. They were getting funding of \$13,000, and they had no idea how they were going to afford to pay for it.

We're quite well aware that user fees are a regressive form of taxation and that they hit the poor hardest,

because everybody uses roughly the same amount of water but the poor have far fewer resources to pay for it.

We think that all society benefits from having a source of clean water, and we'd be interested in seeing an action plan at the provincial level on how the measures in these bills would be funded, which we're not aware of now.

I must say we are pleased, however, that we are moving forward on enhanced standards to have clean water, and that it is now a government priority. We urge you to immediately institute source protection, and to keep the provision and monitoring of water a public responsibility and not one to be farmed out to private interests where profit is a major motivator.

Finally, we would like to hear how these measures can be carried out without hurting the most vulnerable members of our society.

The Chair: Thank you very much. That gives us about two minutes per caucus for questions. I think Mr Murdoch has a question.

Mr Murdoch: Thank you for your views. I take exception to the second paragraph on your second page. It wouldn't have mattered what the province had or had in place if you've got people who don't do their jobs in a PUC that is publicly funded and publicly run. When they don't do their jobs, things like this will happen. I take a little exception to that.

Bill 195: right now there is a committee sitting with AMO—Norm Miller is on the same committee. We have about 10 people, a cross-section of AMO, sitting with us doing the regulations for Bill 195.

We're actually getting along really well. I think AMO is pleased so far with what we've done, and when the regulations come out, that will answer a lot of your questions in here. Then we'll go into the funding; we know that's going to come. We have to figure out how much this will cost out there in the province. There are a lot of little municipalities in my area that won't be able to afford some of the regulations if their systems are done. Maybe in some cases we shouldn't be forcing them to do what they have to do.

That's going to all come with the regulations. Then we're going to look at the funding with that same committee with AMO. It seems to be working quite well, and you know, once being part of AMO—I think that's the way we should go.

The other one you're concerned about is that we haven't done anything about the source. Well, that bill will come. You can't put the cart before the horse. We have a lot of studies out there. We're spending millions of dollars with conservation authorities and municipalities studying the source of our water. There's no indication out there how many wells we have, how many open wells—all that kind of thing. Some wells go right down into aquifers that are going to cause a lot of pollution. We have to get that data, and that's what we're doing right now. Then there will be a bill come forward.

I think we're doing it in the right manner. Rather than dumping everything in at once and having all kinds of

problems, I think we're taking very good action in the way we're doing this.

With all those things that are going on, I think most of your questions are going to be answered. You said this should be done before. Well, it looks like you probably started back with other governments; it's not just one government. To me, looking at your dates here, you've worked with all three governments and not been too satisfied. That's happened.

We're doing something, and I think we're doing quite well. We're well underway with the regs. Next, as I say, we'll start looking at the costs, and then there will be another bill to come out with the source.

Mr Guzzo: We could always use the same formula we used to take sewers to Kanata, when you were the mayor of Kanata. We could form a new regional government and tax the downtown core to bring the sewers out to the good people of—

Ms Wilkinson: I could question that, but that's not the issue today, Mr Guzzo.

Mr Patten: A little bit of history here. Welcome, Marianne. You've brought a number of very important issues that a couple of other presenters identified. The one about the groundwater and your observation of groundwater contamination and protection linked to other groups that talked about conservation authorities and about watershed protection and contamination. Both have said it isn't implicitly protected, but it was identified out of the Walkerton report, the source water protection and watershed planning.

One example that was identified today was the appeal on the permit that will allow half of the application for the Tay River, which is not a very big river. It's not the size of the Ottawa River and it certainly isn't the size of the St Lawrence. It's a very tiny river in many ways. The application that has gone forward would permit a removal of water that would rival the total usage of the

town of Perth and its 6,000 residents. I wondered if you had any involvement in that or whether your council had any comment on that particular application.

Ms Wilkinson: The council of women only deals with policies they have developed across the whole province. I have personal views on that, but the council itself has not got into that issue. We tend to look at things in a broader way rather than individual examples, although we will use the examples to illustrate what we are doing.

In that particular case, it relates to what we have said about large-scale reduction of water and wells and various other things. It's the same concept. It changes the ecosystem. We don't actually know exactly how it's going to change and it seems that these things are done rather ad hoc. Our feeling is that there should be an overall plan on how we deal with the water resources in the province, and that doesn't seem—I've read that it's coming. We read all the time that things are coming, but until they're there, we keep questioning them. That's part of our role, because we are an organization that spans all political parties. We are non-partisan in that respect. We're only interested in the communities.

Mr Patten: On the area you have identified, I think the minister himself said there was a plan to map the aquifer of Ontario, which I guess is a momentous task. However, it is in the works. It's absolutely, vitally important. I think the points you made related to that and its impact, in some cases, on enabling other contaminations to occur by virtue of the depletion of the aquifer or the groundwater. I think that is something down the road that we all have to consider. Thank you very much for your comments.

The Chair: Thank you, Ms Wilkinson, for coming before us this afternoon. We appreciate your comments. With that, the committee stands adjourned until next Wednesday at 3.30 back in Toronto.

The committee adjourned at 1418.

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Also taking part / Autres participants et participantes

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Clerk / Greffière

Ms Tonia Grannum

Staff /Personnel

Ms Lorraine Luski, research officer,
Research and Information Services

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