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Monday 18 October 2010

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Lundi 18 octobre 2010

**Standing Committee on
General Government**

Water Opportunities and Water
Conservation Act, 2010

**Comité permanent des
affaires gouvernementales**

Loi de 2010 sur le développement
des technologies de l'eau
et la conservation de l'eau

Chair: David Oraziotti
Clerk: William Short

Président : David Oraziotti
Greffier : William Short

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Monday 18 October 2010

Lundi 18 octobre 2010

The committee met at 1402 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr. David Oraziotti): Good afternoon, everyone. Welcome to the Standing Committee on General Government. We're going to get started so I will ask, Mr. Mauro, if you can read into the record the subcommittee report, and if there are any questions or comments, we'll take those, vote on that and then we can get to the presentations.

Mr. Bill Mauro: Your subcommittee met on Tuesday, September 28, 2010, to consider the method of proceeding on Bill 72, An Act to enact the Water Opportunities Act, 2010 and to amend other Acts in respect of water conservation and other matters, and recommends the following:

(1) That the committee hold public hearings in Toronto on Monday, October 18, 2010, and Wednesday, October 20, 2010.

(2) That the committee clerk, in consultation with the Chair, post information regarding public hearings on the Ontario parliamentary channel and the committee's website.

(3) That the committee clerk, in consultation with the Chair, place an advertisement the week of September 27, 2010, in the Globe and Mail.

(4) That interested parties who wish to be considered to make an oral presentation contact the committee clerk by 5 p.m. on Wednesday, October 13, 2010.

(5) That the committee clerk distribute to each of the subcommittee members a list of all the potential witnesses who have requested to appear before the committee by 9 a.m. on Thursday, October 14, 2010.

(6) That the committee clerk schedule the witnesses on a first-come, first-served basis.

(7) That all witnesses be offered 10 minutes for their presentation and that witnesses be scheduled in 15-minute intervals to allow for questions from committee members, if necessary.

(8) That the deadline for written submissions be 5 p.m. on Wednesday, October 20, 2010.

(9) That the research officer provide a summary of the presentations on Friday, October 22, 2010, at 10 a.m.

(10) That, for administrative purposes, amendments to the bill be filed with the clerk of the committee by 12 noon on Friday, October 22, 2010.

(11) That the committee meet on Monday, October 25, 2010, and Wednesday, October 27, 2010, for clause-by-clause consideration of the bill.

(12) That the committee clerk, in consultation with the Chair, be authorized, prior to the adoption of the report of the subcommittee, to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

The Chair (Mr. David Oraziotti): Okay, thank you, Mr. Mauro. Any questions? Everyone has the report?

Mr. Dave Levac: Agreed.

The Chair (Mr. David Oraziotti): Agreed? All in favour? Opposed? Okay, the subcommittee report is carried. Thank you very much.

Committee, please note the deadlines for information and also the dates for clause-by-clause as well.

WATER OPPORTUNITIES AND WATER
CONSERVATION ACT, 2010LOI DE 2010 SUR LE DÉVELOPPEMENT
DES TECHNOLOGIES DE L'EAU
ET LA CONSERVATION DE L'EAU

Consideration of Bill 72, An Act to enact the Water Opportunities Act, 2010 and to amend other Acts in respect of water conservation and other matters / Projet de loi 72, Loi édictant la Loi de 2010 sur le développement des technologies de l'eau et modifiant d'autres lois en ce qui concerne la conservation de l'eau et d'autres questions.

RIVERSIDES FOUNDATION

The Chair (Mr. David Oraziotti): We'll move to presentations. Again, as agreed to by the committee, presenters will have 15 minutes for their presentation: 10 minutes maximum for their comments and five minutes for questions among members of the committee. You can start by stating your name, and you can proceed with your presentation.

Mr. Kevin Mercer: I'm Kevin Mercer, founder of RiverSides Foundation. Since 1995, our mission at RiverSides has been to advance the adoption of low-impact development designed to eliminate stormwater runoff pollution fouling Toronto's rivers and Lake Ontario nearshore waters. Central to that mission is the goal of urban watershed renewal, emphasizing rainwater harvest-

ing as the pivotal green-tech solution to grey infrastructure of waste water management practised throughout Ontario and most of North America.

RiverSides' Five Things community stormwater social marketing campaign has earned the US Council of Great Lakes Governors designation as the Lake Ontario urban, non-point-source-pollution prevention, education and outreach success story. We largely support our efforts through a social enterprise to manufacture rain barrels. This unique residential rainwater harvesting technology has been selected by none other than the city of Washington, DC's preferred design for residential rain barrels.

Indeed, RiverSides has primarily sold its award-winning Five Things low-impact stormwater campaign and advanced rain barrel design to the United States, an export success story that results from having been starved of support and funding in Ontario, where smart stormwater design has languished compared to the United States, Europe or Australia. That reflects Ontario as a province rich in cheap water, relatively bereft of municipal leadership and driven by higher-tier government stormwater regulations; when asked to address the challenges of climate adaptation, municipalities revert to the pipes-and-tunnels vision of urban stormwater infrastructure.

Ontario has fallen further and further behind those jurisdictions where stormwater is recognized as the indicator species of environmental leadership. For smart jurisdictions, green energy and energy conservation do not shoulder aside equivalent efforts for clean tech in water.

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For that reason, RiverSides soundly welcomes this government's proposed Water Opportunities Act but seeks this Legislature's members' support to ensure that this legislation goes well beyond being a mere paean to pipes, pumps and treatment technologies. The value of this act will be achieved when Ontario changes the landscape both in figurative and metaphorical terms by cleaning up our own deficit in clean-tech water systems, when it puts its money and that of its municipalities toward smart stormwater, and when it takes pride in public engagement in the conservation and smart design solutions rather than leaving water to the engineers of pipes and pumps.

For decades, Ontario and its municipalities have ignored the importance of advanced stormwater management methods. Ontario has been a desert for the funding of water technology infrastructure and water clean tech, and has for the most part dismissed water, partially because of the Walkerton tragedy, as something that belongs in a pipe throughout its life. Meanwhile, the rest of the world and other provinces such as Alberta have moved well beyond, to adopt water in the same light as green energy.

Ontario's age-old leadership of conservation authorities and early stormwater regulations has been whittled down to the point where Ontario has lost its lead. If the evidence on the ground is anything to go by, we have

actively disengaged from what is necessary to be a leadership jurisdiction respecting clean tech in water.

I offer you one example, and that is the treatment of rain, the primordial element. Does the proposed Water Opportunities Act give rain its primacy, or does it just consider it the source of treated water, the source of runoff pollution and the reason for flooding? Will this act realize that rain is the ultimate resource and that its impacts result not from itself but from poor urban design, a pipes-and-tanks-focused municipal infrastructure and a lowest-common-denominator attitude toward the ultimate resource, so that it ends up being classified as a waste product we call stormwater?

Most importantly, rain is climate change that hits the ground. How Ontario deals with rain is central to climate change adaptation and the resilience of our economy and society. This act, and the future of Ontario, rest with recognizing the value of rain, as well as adapting existing infrastructure to reduce costs associated with water and waste water infrastructure.

In the same way that we have changed our view to accommodate green energy supplies, we must instil a conservation ethic of use and an industrial strategy premised on fostering the creative class of designers, manufacturers and advocates in the field.

I will leave you with an instructive story. As Canadians, we have precious few environmental leadership points, and water certainly isn't one of them. Internationally, our performance in terms of regulatory, research, implementation and public engagement with respect to advanced water technologies is woefully deficient.

Right now, Ontario municipalities dispose of rain as sanitary sewage or stormwater, and yet for five years our organization has sought to resolve that climate change challenge through its groundbreaking water energy nexus project. Our business case for cities to build out rain harvesting as a strategy to reduce electricity demand, reduce greenhouse gas emissions and curtail demand for larger water and waste water asset infrastructure has, by and large, been ignored. Meanwhile, Germany, Australia, Texas and others, for 20 years or more, have been harvesting rain as a principal source to flush toilets, water yards and wash anything other than people.

RiverSides Foundation's groundbreaking research into the water energy nexus identified the electrical generation and water and sewage infrastructure conservation opportunities as well as the GHG reduction opportunities that would arise from a full build-out of rainwater harvesting in commercial, institutional and residential sectors. However, the project failed to find suitable financing and support, and Ontario missed a five-year advantage in commercial-building rain harvesting as a climate change adaptation technology. That lead has now evaporated as the French water utility, Veolia Water, has published a parallel water infrastructure energy assessment which it plans to sell to municipalities worldwide.

Five years of effort has encountered resistance to rain harvesting by the province, the city of Toronto and, indeed, many other would-be environmental supporters

largely indifferent to the value of rainwater harvesting. By the same logical extension, preferring the existing water and waste water infrastructure to advanced stormwater management is akin to saying we have no shortage of energy because we have coal plants, so why generate green power?

Is it any wonder that Ontario falls farther and farther behind Germany, Australia and even the United States, who have identified stormwater as a priority water technology and supported by regulations and technology funding the implementation of lot-level runoff capture and distributed stormwater treatment that accommodates rainwater harvesting as a central green building and neighbourhood design technology?

Water security, stormwater adaptation and climate change resilience are three immediate factors tied to rainwater harvesting. I encourage this government to strengthen the ties between water infrastructure policy, energy conservation policy and climate change policy. Few of us are aware that pumping municipal water and sewage constitutes the largest individual electrical demand of major cities throughout Ontario. Toronto water and sewage consume fully 33% of the city of Toronto's energy budget, roughly as much as the TTC, streetlights and buildings combined.

Please ensure that this act addresses the water-energy nexus associated with the provision of water and waste water services by municipalities throughout Ontario. We ask this Legislature to ensure that this act acknowledges rainwater harvesting technologies and their adoption in green buildings and retrofits by establishing regulations and funding for rain harvesting throughout Ontario. This can be achieved by establishing permeability coefficient costing of rainwater runoff similar to what the US and other jurisdictions are pursuing for clean-water protection. I ask this Legislature to show the leadership that this issue needs by establishing a framework for municipalities to fund their water and waste water infrastructure through lot-level levies that encourage property-based solutions to runoff. Cleaning up water that has been mistreated offers fewer business opportunities globally than being a leader in keeping water clean, using less of it and transforming waste into a resource.

For this act to facilitate the creation and growth of globally competitive companies and high-value jobs in the water and waste water sector, we must value water and the technologies that accompany its protection. This act must promote advanced technologies such as grey and rainwater harvesting and reuse to make the most of the water that we have.

I thank you for your attention and look forward to seeing the opportunities for water that Ontario so richly deserves.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. Mr. Barrett, go ahead if you have questions.

Mr. Toby Barrett: Thank you, Chair, and thank you to RiverSides for that presentation. You've certainly brought us back to kind of the core principle: that so

much of our water does come from rain. In the area where I live, probably half the people in my riding are not hooked up to the sewer pipes and the water pipes that you're talking about. Our water comes from rain—on the roof, through an eavestrough and into a cistern. Many of us have wells for drinking water, but the rest of the water comes from rain.

I'm quite heartened by your work with respect to the rain barrel project. I've mentioned this in the Legislature: The Ontario Horticultural Association has adopted the rain barrel. You may be familiar with that.

Mr. Kevin Mercer: Yes, I am.

Mr. Toby Barrett: They had what I thought was an excellent program, in very easily understandable language, to encourage people to have rain barrels at their eavestrough rather than having it, say, wash out on the street or wherever.

I just think of the system I have. We have a number of wells on various farms. I've had wells for drinking water. Regrettably, salt on the roads and things like that deteriorate the quality of that kind of water. As I understand it now, it's essentially illegal, through public health, to treat and drink rainwater coming from your roof. I don't know whether you're aware of that.

Mr. Kevin Mercer: Yes, I am.

Mr. Toby Barrett: I can understand why that's done, but—

Mr. Kevin Mercer: We actually are one of the few jurisdictions in the world where that remains a restriction. The Australians are treating and drinking rainwater, and they are in Texas as well.

Mr. Toby Barrett: In Ontario, there must be technology that would allow people like those in my riding to go back to drinking rainwater by cleaning it up.

Mr. Kevin Mercer: There is, absolutely.

Mr. Toby Barrett: Okay. Because I think you—

The Chair (Mr. David Oraziotti): You have one last question, Mr. Barrett.

Mr. Toby Barrett: In your presentation, you seem to limit rainwater to flushing toilets, watering yards and washing anything other than people. I think that's short-sighted. Rain is a really valuable resource. We have a fair number of inches in this part of the globe, and I'm hoping that your work can take us further so that we use it for more than just flushing toilets.

Mr. Kevin Mercer: I welcome that.

The Chair (Mr. David Oraziotti): Thank you, Mr. Barrett. Mr. Tabuns, questions?

Mr. Peter Tabuns: Kevin, thanks very much for the presentation. On page 5, you say that water and sewage consume fully 33% of the city of Toronto's energy budget. Is that the corporation of the city of Toronto?

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Mr. Kevin Mercer: The corporation of the city of Toronto, correct.

Mr. Peter Tabuns: And what do you have, offhand, for megawatt capacity?

Mr. Kevin Mercer: I have a report which I can forward to you.

Mr. Peter Tabuns: Okay, I would appreciate that.

Mr. Kevin Mercer: It was developed by the Toronto Atmospheric Fund to identify the greenhouse gas savings resulting from rainwater harvesting in buildings and the combined sewer system in Toronto.

Mr. Peter Tabuns: You make a number of recommendations for approaches that we should be taking to this bill. Do you have concrete amendments to the act that you can provide us with?

Mr. Kevin Mercer: I can.

Mr. Peter Tabuns: Okay, if you could do that and give it to the clerk so that it could be circulated to us, I would appreciate that.

Mr. Kevin Mercer: Thank you.

The Chair (Mr. David Oraziotti): Ms. Jaczek.

Ms. Helena Jaczek: Thank you, Mr. Mercer. Certainly, many of your comments absolutely resonate with the government members. Of course, this is why we're bringing this bill forward: because we see the need for significant change. Although grey water harvesting and reuse are currently permitted under the building code, we're not seeing the kind of uptake that perhaps we would all wish.

I just wanted to make sure you understand that we will require a review of the building code, and these kinds of water conservation measures will be particularly referenced and become potentially new standards, so this is definitely something we're looking at.

But just in your experience, based on the fact that you have been able to get your technology to other jurisdictions, what kind of—if you could maybe expand a little bit on those further opportunities to commercialize rainwater harvesting technologies here in Ontario to create jobs. Could you just elaborate a little bit?

Mr. Kevin Mercer: I think the best example is, as member Barrett outlined, starting with the individual residential rain barrel. Most municipalities will have a rain barrel program, but it will be the lowest-common-denominator technology. It will not actually tie into anything. We have a tendency to offer residential property owners, in effect, the least we can get away with. If we applied that to our roads or to any other infrastructure, it would be embarrassing. It would also be illegal.

It seems that we treat the growth of technology with respect to water on a second-class basis when it comes to stormwater and as a priority when it comes to drinking water. I suppose that's at least admirable in that we are protecting human health. However, the Europeans, particularly the Germans, have levelled the playing field with respect to the two and have focused on how to create a lot-level system where the property uses that water which accrues to the lot level, whether it's from rain or from other sources, as a first, as building in a series of lot-level activities by buildings, whether they're residential or commercial, and then sizing their larger municipal or regional infrastructure as a result.

We take the opposite view. We build large municipal and regional infrastructure and then we add, sort of at the edges, what little we can get away with and then suggest

that we don't have enough money because we've spent it all on large municipal infrastructure. The best example is stormwater—

The Chair (Mr. David Oraziotti): Thank you, Mr. Mercer. That's the time we have for your presentation.

Mr. Dave Levac: On a point of order, Mr. Chair: Mr. Tabuns asked whether there would be some materials available. Mr. Mercer, if you could share that with the table as well, so that we could all have it. I'm curious about that—

Mr. Kevin Mercer: I shall forward it.

Mr. Dave Levac: Thank you.

The Chair (Mr. David Oraziotti): Thank you, Mr. Levac.

Mr. Kevin Mercer: Thank you very much, Chair and members.

The Chair (Mr. David Oraziotti): Thank you, Mr. Mercer, for your presentation. We appreciate you coming in today.

CONSERVATION ONTARIO

The Chair (Mr. David Oraziotti): Our next presentation is Conservation Ontario. Good afternoon. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five for questions. Please state your name for the purposes of Hansard, and you can begin when you're ready.

Mr. Charley Worte: My name is Charley Worte. I'm the source water protection manager at Conservation Ontario, the provincial organization representing Ontario's 36 conservation authorities.

With me today is Deborah Martin-Downs, director of the ecology division at Toronto and Region Conservation Authority, one of Conservation Ontario's members.

Conservation Ontario supports the proposed Water Opportunities and Water Conservation Act. Our comments, which are supported by specific proposed amendments in the handout that you have, are intended to strengthen the legislation.

Conservation Ontario is also a member of the Ontario Water Conservation Alliance. While we will focus our presentation today on two key areas, Conservation Ontario also supports the alliance's recommendations.

Our first recommendation deals with the need for integrated management of Ontario's water resources. The primary purpose of the Water Opportunities and Water Conservation Act is "to conserve and sustain water resources for present and future generations." While the act provides a number of tools to support the efficient and sustainable use of water resources, these tools cannot be successfully implemented without a comprehensive understanding of the state of our water resources.

The watershed is universally recognized as the fundamental unit for managing water because water flows across jurisdictional boundaries. Integrated watershed management, or IWM, is the internationally recognized process of managing human activities and water resources on a watershed basis. IWM allows us to characterize our

sources of water, identify issues and concerns, understand the various stakeholders involved and determine collaborative approaches for dealing with multiple challenges, allowing us to minimize conflicting demands.

IWM is based on a collaborative process among stakeholders to identify issues and concerns, develop and implement actions, monitor and report progress and update as required in order to adapt to change.

Conservation Ontario believes that to ensure sustainability of Ontario's water resources, the Water Opportunities and Water Conservation Act must be based on an IWM approach to provide the knowledge to guide implementation.

In Ontario and across Canada, the benefits of IWM are being recognized over sector- or issue-based approaches. In his report on the Walkerton inquiry, Justice O'Connor endorsed the need for an integrated approach to managing Ontario's water resources.

Although the Clean Water Act is based on a watershed approach to develop source protection plans, it does not address water uses for all purposes.

In his recently released annual report called *Redefining Conservation*, Ontario's Environmental Commissioner calls IWM, as carried out by the province's conservation authorities, "an excellent example of how natural landscape features can be conserved and protected in Ontario's land use planning context."

Conservation Ontario is recommending that integrated watershed management be incorporated into several areas of the act. The purpose statement of the act must recognize the need to manage water on a watershed basis. In doing so, it will allow the province to ensure sustainable water resources, taking into account the consideration of human, economic and ecosystem needs.

The province must set provincial targets to allow Ontario to measure and monitor overall performance in achieving water conservation objectives. A process for setting watershed-specific targets is also recommended. Targets at this scale would promote sustainable water use on a watershed basis.

Municipal water sustainability plans and joint plans must be completed under the umbrella of integrated watershed management to ensure sustainable management for all components of water, waste water and stormwater. These plans must also recognize sustainability of water for ecosystem functions as well as human use.

Performance indicators for water sustainability plans must be based on the need to conserve and sustain water resources. We recommend that indicators be linked to the maintenance of watershed health in accordance with watershed plans and water budgets.

Ontario is a leader in watershed management. The province has the opportunity to reflect in the Water Opportunities and Water Conservation Act the importance of watersheds as the fundamental water management unit which must underlie all water decisions and activities. The proposed changes to the act would recognize IWM's contributions to better water management.

Our second key recommendation speaks to the need to recognize green infrastructure as a viable addition to

traditional water infrastructure and conservation approaches. Green infrastructure means natural vegetation and vegetative technologies, including forests, natural areas, streams and riparian zones, green roofs and walls, engineered wetlands and stormwater ponds.

Green infrastructure helps to maintain a more natural balance and conserve water supplies at the source. Green infrastructure provides a wealth of benefits relating to biodiversity and habitats, water quality and erosion control, recreation, improved quality of life and a greater resilience to the impacts of urban growth and climate change.

We believe that green infrastructure can support all three purposes of the Water Opportunities and Water Conservation Act.

The act speaks to fostering innovative technologies and services. Green infrastructure is an emerging area for new technology and practices, including green roofs and walls and engineered wetlands and stormwater ponds. Green infrastructure technologies and practices not only address water infrastructure needs but have the added benefit of providing green space for community health, providing habitat, cleaning air and water, and addressing climate change effects.

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Another purpose of the act is to create opportunities for economic development and clean technology jobs in Ontario. Investment in green infrastructure is cost-effective, moving us beyond single-purpose projects and leveraging funds to solve multiple problems. The use of green infrastructure is also cost-efficient.

For example, a study of the Credit River shows that green infrastructure provides services worth more than \$370 million each year, including annual savings of \$100 million in water supply costs.

Research and innovation in green infrastructure is also a growth sector, providing ample opportunities for green job creation and technology development.

Finally, the Water Opportunities and Water Conservation Act is intended to ensure conservation and sustainability of our water resources. Green infrastructure helps to maintain and enhance the flow of clean water back to our water sources, reduces runoff, and filters pollutants. Technologies such as rainwater harvesting help to conserve water and reduce energy costs associated with water treatment and distribution. Investment in green infrastructure will also offset costs of investment in traditional water infrastructure.

Taking a green infrastructure approach also facilitates water conservation target setting by placing water demand and use in its ecological context. Green infrastructure will help us adapt to a changing climate by creating robust natural and urban systems, leading to the protection of water quality and quantity and reducing stress on our water infrastructure.

By including green infrastructure in the Water Opportunities and Water Conservation Act, the province will entrench its leadership in watershed management and show its support for innovative green technologies to meet future needs.

Conservation Ontario recommends that green infrastructure be incorporated into the following areas of the act: The province should support the inclusion of green infrastructure as tools within municipal water sustainability plan and joint plans; and performance indicators should also promote green infrastructure technologies, services and practices as a means to maintain and improve Ontario's water resources.

As local watershed managers, conservation authorities already use integrated, ecologically sound practices to manage water resources. Conservation authorities can provide an understanding of the watershed context, including watershed conditions, watershed stakeholders and existing water conservation programs.

Conservation authorities are an integral part of protecting our watersheds' existing green infrastructure and promoting new green technology. We believe that with the changes we propose, the act will put Ontario in the forefront of sustainable water resource management.

Ontario's conservation authorities are ready to provide support to the implementation of the act specifically related to the development of water conservation targets and municipal water sustainability plans through our available watershed information, knowledge and expertise.

Thank you for the opportunity to speak with you today.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. You're right on time.

We'll go to questions. Mr. Barrett, do you have any questions for the presenters?

Mr. Toby Barrett: Do we go in rotation?

The Chair (Mr. David Oraziotti): Yes.

Mr. Toby Barrett: I'll defer to Mr. Tabuns.

The Chair (Mr. David Oraziotti): Sorry, Peter. Go ahead.

Mr. Peter Tabuns: Thank you for the presentation. One question that comes up is the performance indicators that you say should be part of this legislation. What are the things that we need to benchmark in order to determine that that municipality or other entity is performing their job properly?

Mr. Charley Worte: With respect to watershed management?

Mr. Peter Tabuns: Yes.

Mr. Charley Worte: You can't speak to specific indicators because they need to flow from the capacity of the system under discussion. I think what we're saying is, you need to understand the watershed you're working in, what its capacity is, what its water resources are and the quality of those resources, and let that information dictate to you what the parameters need to be to manage water sustainably in that watershed.

Mr. Peter Tabuns: Okay.

The Chair (Mr. David Oraziotti): Thank you. Ms. Jaczek, go ahead.

Ms. Helena Jaczek: Following up a little bit on that, I guess from our perspective, although we expect aspirational targets overall to be introduced as part of the act, we feel we need some baseline data to look

specifically at various watersheds and municipalities. So I appreciate your comments in general and also on the importance in terms of the green infrastructure; I think that's very important. I know that as it relates to the Lake Simcoe Protection Act in my area, a lot of those ideas permeate that act.

I would like to just simply say that I hope conservation authorities will be in a position to assist municipalities. They're going to have to produce sustainability plans. They're going to have to consider a number of different options. With your knowledge, your resources, I guess the question is: Will you be able to assist municipalities?

Mr. Charley Worte: I think that's the overall intent of our recommendations, to make it clear that a lot of this work needs to be done on a watershed basis, that we need to have that understanding in that context. That, by default, means involving the conservation authorities in that work. Certainly, conservation authorities are interested in becoming involved in supporting municipal planning. We think that it's necessary to do it that way, that municipalities can't successfully do that on their own because they don't have the entire context of a watershed.

The Chair (Mr. David Oraziotti): Thank you. Mr. Barrett, go ahead.

Mr. Toby Barrett: There's no question that a watershed approach is the approach to take. I think the conservation authorities in Ontario and maybe the Tennessee Valley Authority are the only ones that think in terms of watershed.

Many of the conservation authorities own land, buy land and sell land. I know that my conservation authority just sold 1,000 acres so that they can buy more land somewhere else. I think part of their role is to probably log it for funding. With the buying and selling of land by conservation authorities, is that investment made strictly for watershed management now, or is it to buy, say, woodlots for logging? That's one question I have, just given the mandate of the conservation authorities.

Mr. Charley Worte: The mandate of the conservation authorities is to develop programs to properly manage and conserve the natural resources in a watershed. The purchase of land, or the management of land, is primarily for the purpose of sustaining the environment, the water and the natural features of the watershed. Part of that may be sustainable use. I'm not going to speak specifically to that, because I'm not familiar with the circumstances there, but the primary purpose is to sustain and protect the watershed and the resources as a whole.

Mr. Toby Barrett: That's through legislation, I suppose.

Mr. Charley Worte: Yes. That's section—

Mr. Toby Barrett: Purchasing watersheds: If the conservation authorities were going to ramp that up, I wonder what role municipalities would play. There are no municipalities testifying today. It's unfortunate. These hearings are being held in the middle of a municipal election. I'm assuming, as many of the groups testifying assume, that the property taxpayers are going to foot the

bill for this. I just wanted to point that out, given your close relationship as conservation authorities with municipal partners. I know Ms. Savoline may have some comments on that as well, as our municipal critic.

Mrs. Joyce Savoline: I have a question.

The Chair (Mr. David Oraziotti): If you have something very brief, because it's about time.

Mrs. Joyce Savoline: My question is, how are municipalities going to be involved? It's noticeable that none of them are appearing today, and I doubt they will during a municipal election, because there really can't be any decisions made by councils now. So how do we get them involved to understand their partnership in all of this? And most especially, since conservation authorities levy the municipalities for their funding, how do we know how that relationship is going to take place and whether municipalities actually have something to say about this?

The Chair (Mr. David Oraziotti): If you have a brief response.

Mr. Charley Worte: I'm going to defer that to Deborah.

Ms. Deborah Martin-Downs: If I may briefly, the municipalities have been our partners in undertaking watershed plans and in determining the waters that are available for both environmental purposes and for groundwater purposes. Certainly they are at the table for the source water protection plans, where water balances have been developed. They are the key holders of the water sustainability plans, for they provide the water to the municipal residents.

In that way, they have to have water to supply, and that's the message that we're trying to leave with you today. There is a myth of abundance of water. We have what appears to be a lot, but at the end of the day, we don't understand how much is available, and in many places throughout the province we are even over-allocating what's available. So first we have to start from a position of knowledge of how much is available so we can set the targets and assist the municipalities in conserving it and treating it appropriately.

The Chair (Mr. David Oraziotti): Thank you. That's time for your presentation. I appreciate you coming in today.

RESIDENTIAL AND CIVIL CONSTRUCTION ALLIANCE OF ONTARIO

The Chair (Mr. David Oraziotti): Our next presentation is the Residential and Civil Construction Alliance of Ontario. Good afternoon. Welcome to committee.

Mr. Andy Manahan: Thank you very much. Dear Chair and committee members, on behalf of its members and stakeholders in the wider construction and infrastructure sector, the Residential and Civil Construction Alliance of Ontario is pleased to make a submission regarding Bill 72, the Water Opportunities and Water Conservation Act.

The Chair (Mr. David Oraziotti): If I can just ask you to state your name for the purposes of recording Hansard, and then you've got 10 minutes.

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Mr. Andy Manahan: My name is Andy Manahan, and I'm the executive director with RCCAO.

RCCAO was formed in 2005 as an alliance composed of management and labour groups that represent all facets of the construction industry. Our members include companies and workers who build both low-rise and high-rise homes as well as roads, sewers, water mains, bridges and other infrastructure.

RCCAO consults with government, the private sector and the construction industry to devise solutions to issues related to public infrastructure and advocate for adequate investment in public transit, roads and highways, water and sewer systems and other public infrastructure essential to economic growth and quality of life. We do provide research and reports and make recommendations on how to realistically ensure adequate infrastructure for the province.

You have before you a list of our members, but there are five from the management side and four from construction unions. I just wanted to highlight that one of our members, the Greater Toronto Sewer and Watermain Construction Association, sits on our board. I believe the Ontario section of that association will be presenting later this afternoon.

RCCAO members and stakeholders in the construction and infrastructure sector have had a long-standing interest in water policy in the province. We have provided comments in the past on the Clean Water Act, the Lake Simcoe Protection Act and the protection plan, and we have promoted the need for the Sustainable Water and Sewage Systems Act, 2002, as well as the development of regulations under that act to ensure full cost pricing for water. For example, I have attached a letter to the editor of Water Canada magazine which appeared earlier this year.

Our members include companies and labour that excavate and install underground water infrastructure, both for delivery of potable water to residential, commercial, industrial and institutional buildings and for stormwater and sanitary sewer systems for carrying waste water to treatment plants. We know from first-hand experience the dramatically greater costs to resolve water leaks and systemic breakdowns like sinkholes caused by pipeline breaks, compared with a more efficient asset-management approach where infrastructure maintenance is done on an ongoing basis.

In addition to our members' on-the-ground and, I might add, under-the-ground experience, RCCAO has commissioned extensive research on the costs of and solutions to water infrastructure challenges. I can provide these to the clerk later, but here are four of the reports that are listed in your handout. Excerpts from the last four reports listed are also appended to this presentation, but all the reports can be accessed via the RCCAO website at rccao.com.

Among other findings, these studies speak to the extraordinary societal costs of neglecting water infrastructure investment. The June 2009 study, for example, determined that in Ontario 25% of all processed water is leaked into the ground after leaving treatment plants due to faulty pipes, 30% of all the energy consumed in pumping water is wasted due to such leakage, and finally, the cost of improperly maintained water and waste water systems runs up to \$1 billion annually in the province of Ontario. Therefore, there are compelling reasons for the province to develop a legislative framework that will require municipalities to assess and maintain their water infrastructure.

For many years, we did advocate for the proclamation of SWSSA, arguing that the development of effective regulations under this act was a critical missing element in the matrix of protections recommended by the O'Connor commission. Only when municipalities are required to assess and recover the full cost of operating and maintaining sewer and water services will the public have the assurances that Justice O'Connor put forward.

Over the past two years, RCCAO has had meetings with a number of ministers and senior representatives within government and the bureaucracy who have indicated that new legislation would be preferable to SWSSA. The chief reasons cited were that SWSSA did not sufficiently deal with the special needs of very small municipalities facing high costs to update and maintain their systems and that SWSSA had been developed prior to the 2009 PSAB section 3150 accounting regulations and therefore did not reflect the new era of full accrual accounting for municipalities.

Both are valid concerns. While these could have been addressed by amendments to SWSSA, the government has chosen to introduce the Water Opportunities Act instead. This was also done, in part, to promote water technology development and export. This secondary goal of Bill 72 is legitimate and valuable but largely outside of our core expertise and concerns. For this reason, RCCAO does not intend to address part II of the bill, related to the Water Technology Acceleration Project.

However, RCCAO does support the broad intent of Bill 72, which, if passed, will provide a framework for developing and implementing a province-wide approach to planning and financing water and waste water infrastructure. We are concerned, however, that the bill does not go far enough in compelling every municipality, on its own or in combination with others, to develop, maintain and self-finance a sustainable plan for water and waste water infrastructure.

These are core principles that should be incorporated in the legislation:

- (1) Require full-cost pricing for water.
- (2) Establish mandatory metering to control how much water is used.
- (3) Create dedicated reserves to ensure that water and waste water infrastructures are always adequately maintained and operating at peak efficiency.

Experience has shown that without such requirements, the vast majority of municipalities will never implement

plans to fully maintain or replace this infrastructure or charge user fees sufficient to finance such plans. As the Conference Board of Canada report of November 2009 noted, "Underinvestment in this critical infrastructure can be attributed to the financing challenges confronted by Canadian municipalities, underpricing of water services and a lack of government priority. One might argue that there is a fundamental disconnect between the long-term nature of water infrastructure planning and the short-term priorities of elected municipal councils."

In addition, municipal underinvestment in water and waste water assets has been aggravated by traditional accounting practices and a lack of attention to effective asset management based on condition assessment and replacement cost rather than historical cost. This has been identified even by an association representing municipal officials, the AMCTO. There's a quote there, which I won't bother reading for you.

Bill 72 provides a clear opportunity to ensure that municipalities go beyond just tracking their historical investment in water and waste water assets to actually planning for and funding their ongoing needs.

The principle that users of such a municipal service should pay the cost of what they consume is hardly foreign. In fact, it is the norm for other municipal utilities. Again, the Conference Board of Canada has pointed this out by comparing other utilities, such as gas and electricity. At the end of the quote there on that page, it says that "a basic comparison between utilities in any given city would show the benefits of relying on users to fund the full cost of infrastructure."

In our June 2009 report, we did, however, talk about full-cost pricing in a little bit more of an expansive way. If I can just quote from the lead author in that, Tamer El-Diraby, "Full-cost pricing does not mean that the end users should bear all the costs. Governments (federal, provincial) should not lift its hands from infrastructure funding. It is unfair to download all the deferred maintenance costs to current users." Sorry; that was from the February 2009 report.

We also watch very carefully the private member's bill, Bill 13, which was put forward by David Caplan. We believe that this bill incorporates many of the principles and much of the language of SWSSA while also updating it to address some of the concerns that the former minister and his colleagues identified with the 2002 act.

While not dismissive of the Ontario Water Board concept within that bill, our CCO is not convinced that this is the only viable approach. We think that looking at regional water boards and their voluntary or required pooling across logical geographic regions such as watersheds, as was mentioned previously, will help to reduce the financial impact on ratepayers in very small communities.

This issue points to the clear requirement for extraordinary consultation as this bill is reviewed and implemented. It is critical that industry, municipalities, ratepayer organizations and other stakeholders have a

real ability, and certainly as we just heard, because of the municipal elections, I think we need to get municipalities at the table with other stakeholders to talk about this.

Our four recommendations are:

(1) That there be a separate consultation conducted to assist with the development of the regulations.

(2) That there be an extensive consultation process with all interested stakeholders to refine the pooling mechanism to address regional and small municipality concerns within the framework of asset management and full-cost pricing. In order to avoid any party instituting a “veto by delay,” a firm timeline, not to exceed six months, should be established for the process—

The Chair (Mr. David Oraziotti): You need to wrap up your presentation as soon as you can. If you want to make those a little more concise, that would be great. Thanks.

Mr. Andy Manahan: Okay, I will. Sorry.

Our third recommendation is that there should be language with respect to full-cost pricing, mandatory metering and dedicated reserves.

I’ll flip over to recommendation number four. In our submission to the Environmental Registry, we suggested that in part III, some of the responsibility should fall to the Ministry of Energy and Infrastructure rather than to the Ministry of the Environment. But now that we have a stand-alone Ministry of Infrastructure, our recommendation has been changed such that there be a close working relationship between MOE and the new Ministry of Infrastructure to develop strategies and steps with respect to the interrelationship between growth planning and sustainability plans—

The Chair (Mr. David Oraziotti): I’m going to have to stop you there. Time for questions. Ms. Jaczek, go ahead.

Ms. Helena Jaczek: Thank you, Mr. Manahan and the RCCAO, for your presentation and your recommendations.

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I just wanted to assure both you and members of the committee that, really, there has been considerable consultation with municipalities to date. Certainly, I was present when the AMO board was briefed on the introduction of this particular bill. Also, prior to introduction, there were many, many consultation sessions where individual municipalities came forward with a number of views, bringing to our attention, in fact, some of the statistics that you’ve also alluded to—in other words, the leaks and so on.

Our approach clearly is to not change the way that municipalities charge for water and waste water. We want them to develop sustainability plans. We think that, through that process, they will realize the potential for cost savings through infrastructure innovation and so on, not only from saving on the water side, but also the energy side that is required. Through those consultations, there was a great deal of agreement on that.

Because of the expertise of your organization, I would be particularly interested in hearing a little bit more about

what performance measures and targets you might want to see that could be looked at in order for municipalities to have a more sustainable water infrastructure going forward.

Mr. Andy Manahan: In addition to the broader framework of full-cost pricing, there is a section in one of the reports by Tamer El-Diraby which looks at other frameworks that can be used. I don’t want to get into great detail, but there can be economic valuation approaches, market techniques, contingent valuation approaches, travel cost approaches, wage differential approaches—what are the health impacts? What are the visual impacts? There’s a whole range of other things that I think can be used in sustainability planning.

Not all of these frameworks are appropriate for all municipalities. Certainly for larger ones, that might be better suited. The smaller municipalities, I think, should have a different approach.

What we’re arguing and I think what I’ve heard as well from municipalities is that the one-size-fits-all approach does not work. Therefore, it’s probably incumbent on us to sit together as partners to try to figure out the best approach.

The Chair (Mr. David Oraziotti): Thank you. Ms. Savoline, do you have a question?

Mrs. Joyce Savoline: Thank you for being here today. My question will be fairly similar again to the previous question I asked, and that was about the involvement of municipalities. As you’re aware, we’re in the middle of municipal elections in Ontario, so it’s a little difficult for municipalities to be represented at these hearings. I think it’s pivotal to hear from them, yet there’s no voice from them at all here.

I agree with your approach. In fact, from my former life as chairman of Halton region, I understand the concept of full-cost pricing; I understand the concept of keeping a rate budget completely separate from an operating budget, and being true to that and not mixing those monies, because your waste water and water budget is probably the biggest investment a municipality has. It’s billions of dollars of investment, and you really have to keep a close eye on that.

I guess what I’m asking you is, how do we get municipalities involved in this discussion? Because they’re a huge player. They are the folks who are going to be collecting the fees. They’re the folks who are going to be setting up the plans. They need to be involved in order to get what I consider to be their expertise in this matter, because there are a lot of very sophisticated municipalities that run really good shops. We’re not getting any feedback from them, and I’m not comfortable—

The Chair (Mr. David Oraziotti): Okay, let’s give him an opportunity to respond, because we’re not going to be able to get all the members—

Mrs. Joyce Savoline: It was an important question for me.

Mr. Andy Manahan: I’ll do my best to provide a succinct answer. I have been in touch with certain municipally based organizations, such as the Ontario Good

Roads Association and the Ontario Coalition for Sustainable Infrastructure. From my understanding, they're quite supportive of the intent of Bill 72. I think where we need the further consultation is on the regulatory side, as I mentioned in my presentation.

The Chair (Mr. David Oraziotti): Thank you very much for that. We're going to need to move on.

Mr. Tabuns, go ahead.

Mr. Peter Tabuns: Thanks for coming in and making this presentation today. Can you give us a sense of the scale of capital requirements to put our water delivery systems into good working order?

Mr. Andy Manahan: I did read the Environmental Commissioner's report that came out last month. I think they said that since 2007, there has been about \$650 million invested in water sewage infrastructure, but the gap is \$18 billion, so we have a long way to go.

Mr. Peter Tabuns: And your figures show that we're losing somewhere between \$500 million and \$1 billion a year in wasted water pumped into the ground.

Mr. Andy Manahan: Which includes the energy costs, yes.

Mr. Peter Tabuns: Right. Okay. Thank you. All I wanted was the scale.

The Chair (Mr. David Oraziotti): Thank you, Mr. Tabuns. Thank you very much for your presentation.

Mr. Andy Manahan: Thank you.

CANADIAN UNION OF PUBLIC EMPLOYEES

The Chair (Mr. David Oraziotti): Our next presentation is the Canadian Union of Public Employees.

Mr. Fred Hahn: I'll just get some water.

The Chair (Mr. David Oraziotti): Yes. Good afternoon, and welcome to the standing committee. You've got 10 minutes for your presentation. We'll divide the remaining time up for questions among members. If you want to make a statement for your entire time, then there will not be an opportunity for the deputant to respond. That will be your choice and I'll have to judge accordingly based on the time that's remaining. If you want to state your name for the purposes of Hansard, you can begin when you're ready.

Mr. Fred Hahn: Absolutely, and I will do my best to be pithy.

My name is Fred Hahn. I'm the president of CUPE Ontario. CUPE represents 230,000 workers in the province, with members in health care, social services, education and also in municipalities. We have 80,000 municipal workers who do all kinds of work maintaining roads, delivering social services, collecting garbage, but also operating municipal water and sewage plants. It's on behalf of our whole membership that I'm here but in particular those municipal workers who help to provide clean and safe drinking water.

The intentions of the bill, we think, are quite laudable, both to improve the environment and the economy, considering climate change and the state of provincial

finances, but we think that Bill 72 actually misses that opportunity.

In a major water bill the government hasn't addressed water infrastructure spending, real conservation efforts or the province's boil-water advisories—one just recently announced affecting thousands in Sault Ste. Marie. Moreover, we fear that this opens the door to privatization of water resources.

Rather than repeating a lot of well-known stats, it's clear that we've already gone past the warning signs regarding water in our communities. We're managing, but just barely, a dwindling resource, and there are, we believe, private, for-profit motivated corporations that are poised to take this resource and actually sell it back to us.

Most of Ontario's water system is, we know, reliable, affordable, safe and clean, but it's becoming harder and harder to have that happen. There remain core issues that siphon this critical resource and it's mainly tied to this issue of broken and aging infrastructure. We just heard about this, but we know that some reports put water loss as high as 25% travelling through pipes that are cracked and broken.

Municipalities have to be concerned about delivery, conservation and cleanliness, but the Ontario Association of Municipalities, while reporting that municipalities spend \$1.5 billion a year on water and waste water and while they acknowledge there has been provincial and federal investment in infrastructure, there remains an infrastructure gap—we just heard about it—and it's at least \$1.2 billion a year. This gap could not be funded by property taxes or by user fees.

The only section of the bill that speaks to industrial use—the bill focuses a lot on individual users. It talks about public procurement and building codes, but it leaves out the issue of industrial users like beverage companies, pulp and paper, and laundry industries that actually use 90% of the water in the province. The water billing section, part V of the bill, doesn't make a distinction between industrial or residential users.

Industrial users are not neutral actors in the industry. They're responsible for shortages which drive up demand. For example, in Guelph, the Wellington Water Watchers launched a campaign against Nestlé because that corporation was taking 3.6 million litres of water per day out of the watershed and it was reversing the ground flow of water in the Mill Creek. In addition to taking that water, it should be noted that to manufacture plastic water bottles it takes a huge amount of water, sometimes three to five litres to produce one single litre bottle.

The bill not only doesn't address the issues between individual water users and industrial ones; it doesn't talk about conservation by way of funding the infrastructure gap. We believe conservation should be viewed this way. There are matrices that show that a \$1-billion investment in actual water infrastructure could create as many as 47,000 jobs. This new employment would not only include repairing and upgrading the existing system, but it would have a dual purpose of safeguarding the integrity of our system and creating jobs in difficult economic times.

There are no clear targets or a conservation framework and so it's difficult to conceptualize really what's going to be achieved by Bill 72. Conservation goals amount to another issue, which we fear is the province actually downloading to municipalities responsibilities that have no financial or aspirational support.

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The bill talks about municipal plans, but we think it will encourage mergers instead of instituting best practices. That will mean that in smaller jurisdictions and in northern and remote and aboriginal communities where we have many of these boil-water advisories, there will actually be reduced accountability in the community for the water in that community.

We know that there were 435 boil-water advisories as of May this year, and the bill does nothing to address those issues particular to aboriginal communities. We know that these communities will benefit from water technology which will be developed in the future. We understand that, but the need for system improvement in these communities is now, and there is no built-in incentive to attract immediate public investment to remedy the current situation for those communities.

The merger plans that are being envisioned here we think do little to foster anything except alternative service delivery models or public-private partnerships, and it should be noted that the bill defines a provider as a municipality, person or entity having jurisdiction over one or more services. It doesn't actually make clear that a municipal service provider is a public entity.

The deepest concern we have is actually about allowing a soft point for private market access to Ontario water as a whole. There are thousands of people who already work in the water tech industry in the province, like Zenon Environmental Inc. and Pathogen Detection Systems Inc. While these are Ontario-based employers with Canadian roots, they've been bought out by global industrial leaders and they're no longer Canadian-owned or -controlled.

Reviewing corporate behaviour in other jurisdictions around water gives us a grim picture of what comes from water privatization. Essentially, it's about rising costs, diminished accountability and problems even accessing this life-sustaining resource.

There was a report commissioned, The Water Opportunity for Ontario, and that document, from our view, reads like a business plan. I'll quote just part of it: that this "document provides recommendations to create the market conditions that will enable investment in water infrastructure, technologies and services, and will support the establishment and growth of existing and new Ontario water companies."

We think that this expansive language goes far beyond solely investing in the technology required to move forward. I just want to cite one example—well known, I'm sure, to many of you—in the city of Hamilton in the 1990s. The city awarded a contract to Phillips Utilities Management Corp. for water and waste water treatment. Then it faced 10 years of financial and environmental

mistakes and mismanagement. Among the problems that occurred, half of the staff were dismissed or laid off within 18 months. Millions of litres of raw sewage spilled into the harbour. Homes were flooded. Additional costs were incurred. The ministry laid charges against the contractor. The accountability issues were difficult to track down because the corporation changed ownership four times. Finally, it was brought back in-house in 2004.

In conclusion, we would like very much to be able to support an environmental way of moving forward in terms of water preservation, but in this particular piece of legislation we couldn't support it until there were clear conservation targets established and language that's present to prevent rising water costs on residential users alone. There need to be funding mechanisms to address infrastructure deficits, and we need to be clear that we are supporting public ownership of the system to deliver safe and affordable solutions, particularly to northern, remote and aboriginal communities.

There are eight recommendations in our brief. It is quite long and extensive. It's difficult to talk about all the issues related to this very complicated matter in 10 minutes, but I just want to highlight three of our recommendations.

The legislation needs to ensure that water costs are not solely linked to residential customers alone. They use 10% of the water. While we know that conservation efforts should be commended, many families are already facing escalating costs for water and stagnating wages. Water needs to be affordable for all.

Small, northern, remote and particularly aboriginal communities with their water utilities should not be put in the position to be forced to join or amalgamate with other jurisdictions. This will erode accountability for smaller and have-not municipalities for the water that they are responsible for.

Particularly, we need to see an amendment in part III of the bill, the definition of a municipal service provider to be clearly and specifically a public entity.

Thanks for your time and attention.

The Chair (Mr. David Orazietti): Thank you for your presentation. Questions? The Conservative caucus: You're up first, Mr. Barrett.

Mr. Toby Barrett: Thank you, CUPE. As you say, this is a kind of detailed and very complex issue. I have not had time to read all of your brief during your presentation. I appreciate the recommendations at the end.

There are just a couple of things that maybe could be explained a little further to me. With respect to the importance of stewardship—this is on page 2—you indicate in your introduction that "this proposed legislation will inhibit the endeavour." What areas do I focus on for that? Is that in the recommendations? Could you explain that a little bit more?

Mr. Fred Hahn: There are a number of pieces there, right? I mean, there are no clear targets that will be set out. It's not clear how municipalities will work, particularly without any funding resources or support from

the provincial government in terms of infrastructure, no mechanisms to be able to deal with the 90% of water users, those industrial users, and no ability to raise revenue from them in an effective way to fund the infrastructure gap.

Why would companies provide capital to invest in infrastructure and technology? That sounds very good, but it seems to us that they would only do that if they thought that they could follow through with service delivery and other mechanisms to continue to make profit. That makes sense for companies. We quote from this report, and that's a real concern to us, because from our perspective, water is, and should remain, a public resource.

Mr. Toby Barrett: Okay. I know on page 3—and you've said this—you're concerned that the proposed legislation would lead to higher costs on residential users, and if it's ignoring the industrial users and asking for more equity with respect to that and usage, can we quantify that? Do we have any idea of what costs we would be looking at? I do know that in former Minister Caplan's bill, there were some dollar figures connected with that one. Has anybody costed this out?

Mr. Fred Hahn: In terms of infrastructure investment or in terms of—

Mr. Toby Barrett: You talk about increasing costs. What are we looking at over the next couple of years? Do we have any idea, if this legislation is going to move forward?

Mr. Fred Hahn: Well, if municipalities are responsible for introducing new technologies and upgrading current systems just to fix them—and all of that is done only on the backs of residential users—the costs would be astronomical.

Mr. Toby Barrett: Okay, thank you.

The Chair (Mr. David Oraziotti): Thank you. We need to move on. Mr. Tabuns, go ahead.

Mr. Peter Tabuns: Fred, thanks very much for coming in and making the presentation today.

Could you talk to us a bit about the kind of funding mechanism that should be set up in this bill so that municipalities will be able to actually manage their capital needs?

Mr. Fred Hahn: There are a couple of different ways that we would like the government to consider. Number one: real infrastructure investment that targets money for upgrades of current water systems. We articulated in the brief how those kinds of investments actually generate jobs, which will actually help the economy, so for every dollar invested in infrastructure, it can actually come back, not only as a dollar, but more, to provincial coffers. So that's a clear bang for your buck.

But we think there have to be some funding mechanisms with private corporations that are taking millions of gallons of water out of our watersheds. They are profiting from this water, and we need to ensure that there is a system in which those industrial users are paying for water in a way that that money can also be used to invest in a way that ensures conservation but that also helps to fix infrastructure.

Mr. Peter Tabuns: There was earlier commentary about the total dollar value of the water that's being pumped into the ground right now—let's say \$500 million to \$1 billion a year. Is that consistent with your understanding of the wastage that's happening at this point?

Mr. Fred Hahn: In terms of a dollar value, yes. We knew and quote in our brief that—some reports quote that as much as 25% of the water travelling through pipes is actually lost as a result of aging and broken infrastructure, so it would be easily that much money.

Mr. Peter Tabuns: Thank you.

The Chair (Mr. David Oraziotti): Ms. Jaczek.

Ms. Helena Jaczek: Thank you very much, Mr. Hahn. I certainly want to assure you that our government remains totally committed to public ownership of our water systems, and this proposed act does not change that in any way.

Also, I think it's important to note that we have received many comments from municipalities. Obviously, your membership works for municipalities, and the former chair of Halton region no doubt will be happy to know that Halton has, along with some 12 other major municipalities, submitted comments on this proposed act.

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I'd like to ask CUPE—you're a national organization: Are you aware of any other provincial jurisdictions that have taken what you might consider a more advanced approach to water conservation, or anyone that has done something that you would like to perhaps see in this bill?

Mr. Fred Hahn: We certainly prepared this brief in the Ontario context, but it's absolutely something that I can and will find out from the rest of our organization. We do, as you noted, organize municipal workers in every province across the country, so I will definitely go and see if there are other things that have been done in other places.

But just following up on your question, I'm glad to hear of your commitment to public ownership, so certainly, then, some strengthening in the language of a municipal service provider would be helpful in the piece of legislation.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. That's the time we have.

Mr. Fred Hahn: Thank you.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Mr. David Oraziotti): Our next presentation is the Ontario Public Service Employees Union. Good afternoon, and welcome to the Standing Committee on General Government.

Mr. Dan Vincent: Good afternoon, ladies and gentlemen.

The Chair (Mr. David Oraziotti): You have 10 minutes for your presentation and five minutes for questions among members. If you could state your name, whoever will be speaking, and you can begin when you're ready.

Mr. Dan Vincent: My name is Dan Vincent. To my right is Mark Edgerton and to my left is Megan Park.

The Chair (Mr. David Oraziotti): Thank you. You can go ahead.

Mr. Dan Vincent: My name is Dan Vincent. I'm the OPSEU chair. This is Mark Edgerton, who is OPSEU vice-chair of the ministry employee relations committee for the Ontario Clean Water Agency. We represent 600 staff who work in over 579 water and waste water treatment facilities, operated and maintained by OCWA on behalf of 180 municipal and First Nations clients.

I've worked for the Ontario Clean Water Agency for 17 years, and I am an operator/mechanic at the Carleton Place water and waste water treatment facilities. Mark has worked for 11 years and is a senior operator at the Kawartha hub—water and waste water treatment. We're here today to offer you the perspective of the operational staff.

We stand solidly in support of water conservation. However, we're the folks who have the job of making our facilities meet all the new standards, targets and deadlines that policy-makers legislate. Most of the time, we don't get any more resources, as in more operational staff, to do the job.

We are here today for three reasons. First, we think the bill needs to reinforce the principle that the ownership and delivery of water and waste water systems remain in public hands. Secondly, we urge a more cautious and inclusive approach to the development of water technologies and their potential commercialization. Third, schedule 3 to Bill 72 amends OCWA's mandate. We are concerned that a greater share of the crown agency's already stretched resources will be allocated away from operations. It is our operations work that ensures Ontario's communities have clean and safe drinking water.

I attended a breakfast panel in June put on by a government relations firm. Bill 72 was the subject of discussion. All three panellists came from the private sector. They were all in the business of promoting private sector solutions to water conservation. In order to do so, they needed to establish the issue as one being too great for governments to solve on their own. They said \$18 billion is needed globally to improve water infrastructure. They spoke of how the financial crisis of 2008 has wiped out the ability of governments to fund water infrastructure. One speaker said that the biggest driver of innovation and technology is, "How do we control these costs: energy, chemicals and labour?"

As you might expect, we have an opinion on labour costs. We, as the staff of OCWA, have been on the receiving end of a concerted effort to drive down wages for a number of years now. I'll speak about this later, but let me say that I don't think the downward pressure on wages has benefited the agency's efforts to bring clean water to our communities' taps. In fact, it has contributed to a 20% job vacancy rate at OCWA.

Back to the breakfast panel in June: There was enthusiastic support for public-private partnerships. There was enthusiastic support for allowing giant multinationals

into Canada via the Canada-European Union trade agreement, currently under negotiation.

The private sector's support for P3s belies the experience in Canada. As you know, in 2004, Hamilton went to a publicly operated water and waste water treatment facility after a horrendous 10-year experience. The private operator refused to take responsibility for the flooding of residents' homes, with 180 million litres of raw sewage discharged.

Halifax tore up its contract with French multinational Suez after the company refused to conform to environmental standards for the cleanup of the harbour. This would have left taxpayers on the hook for any fines if there were violations.

The fact is that privatization leads to job loss and rate hikes. Service and water quality are put at risk.

One has to ask the question: How could it ever make sense for governments, on the one hand, to tell citizens to change their behaviour and use less water because it is a scarce resource, and on the other hand, give over control of this scarce resource to companies whose only interest is to maximize profit?

We urge the committee to add the following commitment to section 1 of part I of Bill 72: to ensure that the ownership, operation and decision-making for drinking water and waste water systems remain public.

My experience of 17 years at OCWA has made me cautious about the relationship between the private sector's promotion of technologies and the risk borne by the public when municipally owned water systems buy these technologies. For example, technologies involving biosolid utilization have been sold to municipalities. The pitch from the private sector is that it will provide municipalities with a revenue stream. The reality is that a viable market may only be around for a couple of years, and subsequently municipalities are left bearing the full cost of the technology.

There is much discussion in this bill about developing a domestic market for innovative technology developed by Ontario researchers and companies. However, my experience has been that this emphasis on private sector solutions to water treatment and conservation can be a pathway for multinationals to enter the Ontario market.

In the last 20 years, the coagulation-flocculation process has gone through technological advances so that the actual infrastructure takes up a smaller footprint and the process works more rapidly. These technological advances have often been developed by university researchers and then bought up by private firms. I know of at least one example of a Canadian firm marketing advanced coagulation-flocculation technology whose parent company is Veolia Water, the giant French multinational.

While nurturing Ontario innovation is certainly a laudable goal, I think this emphasis on the commercialization of water technologies may end up benefiting the multinationals.

Bill 72 will create a new stand-alone corporation, the Water Technology Acceleration Project, known as WaterTAP. We oppose the government's decision to

make WaterTAP a private corporation and not a crown agency.

We note that while WaterTAP will report to the Minister of Research and Innovation, because it is not a crown corporation it will not report to the Legislature and, therefore, to the people of Ontario. WaterTAP's employees will not be public employees and therefore will not be subject to the rights and obligations or the protections of the Public Service of Ontario Act. We also note that the Freedom of Information and Protection of Privacy Act, or FIPPA, as it's called, will not apply to WaterTAP.

We note that the preamble to Bill 72 states: "Water sustains life. Wise stewardship and conservation of water, for both the present generation and for future generations, are of great importance to all Ontarians."

We agree. Therefore it is vital that WaterTAP, a private corporation with a mandate to bring together the public and private sectors to develop technologies to treat and conserve water, is accountable to the people of Ontario and transparent in all its dealings. We believe WaterTAP should be added to the schedule of designated institutions that are covered by FIPPA.

We support the recommendations of the Canadian Environmental Law Association that WaterTAP should have a broadly representative board, including representatives of First Nations communities, and that the provision in the bill to have a private internal review of the corporation every three years is amended so that the review is public.

As we stated at the outset, our third reason for appearing at this committee today is to share our concerns about broadening OCWA's mandate. As you know, schedule 3 to Bill 72 amends the Capital Investment Plan Act, 1993, which established the Ontario Clean Water Agency. On the face of it, giving OCWA a leadership role in the promoting and testing of new treatment technologies makes a lot of sense since OCWA is a crown agency accountable to the people of Ontario. We are one of the larger operators of water and waste water treatment facilities in Ontario.

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Clearly, a sustainable and safe water supply is vitally necessary for Ontario's economic and social well-being. As an agency that belongs to and reports to the people of Ontario, OCWA needs to take a leading role in ensuring the sustainability of our water resources. However, the experience of operational staff makes us concerned about the impact of additional requirements on the agency's operations.

Our experience of the last eight years since the Safe Drinking Water Act was passed is that we are required to test more frequently for more things, but we are given no additional resources to achieve these higher standards—

The Chair (Mr. David Oraziotti): Sorry, sir, I just want to let you know you're at time right now. You've got about 30 seconds to wrap it up, and then we'll move to questions. You may have an opportunity to express anything else you want through questions.

Mr. Dan Vincent: Okay.

If this is the case, then how does the government think OCWA is going to have the funds to meet the expanded mandate outlined in schedule 3 to Bill 72, which reads, "financing and promoting the development, testing, demonstration and commercialization of technologies for the treatment and management of water, waste water and stormwater"?

We strongly recommend to this committee that any amendments to OCWA's mandate must be accompanied by additional resources. We do not want to see the operation and management of drinking water and waste water systems that three million people in Ontario rely on suffer from the promotion and development of technologies that the private sector will benefit from.

The Chair (Mr. David Oraziotti): Thank you very much. Mr. Tabuns?

Mr. Peter Tabuns: First of all, thank you very much for coming in today and making a presentation. It's been quite useful.

Could you talk a bit more about WaterTAP being a crown agency and how you would see that structured?

Mr. Dan Vincent: Right now, the idea is to have it as a private entity, where the public doesn't have the opportunity to voice their concerns around it. If the public has the opportunity to voice their opinions on how Ontario is utilizing the water within Ontario itself, we will have more diverse opinions coming out, everybody will have the opportunity to have their say, and everybody will have the ability to bring it forward to let everybody know what issues may be arising from it.

The Chair (Mr. David Oraziotti): Ms. Jaczek.

Ms. Helena Jaczek: I would like to reiterate that our government is certainly committed to public ownership of our water systems in Ontario, just to lay that to rest.

I don't really have any specific question. I certainly am aware of the issues with OCWA. The chair of OCWA is my former boss at the region of York, and he certainly made me and, I know, staff at the Ministry of the Environment well aware of some of the issues that you've brought forward.

The Chair (Mr. David Oraziotti): Mr. Mauro.

Mr. Bill Mauro: Thank you for your presentation. Can you expand a little bit for me on the role that OCWA plays with First Nations communities?

Mr. Dan Vincent: We are a crown corporation which supplies the services of water and waste water to any community which requires it. Most of what we're seeing right now for First Nations is boil-water orders. We've been mandated to go in to rectify the situations.

Mr. Bill Mauro: So you're not currently operating—

Mr. Dan Vincent: We do have some First Nations systems. Actually, I'll leave that—

Mr. Bill Mauro: I'm just trying to create the link, because the previous group made mention of the number of boil-water advisories. I think you said 450—it was a very large number. I'm assuming that's a national number.

Interjection.

Mr. Bill Mauro: Four hundred and thirty-five, currently? Nationally?

Mr. Fred Hahn: In Ontario.

Mr. Bill Mauro: In Ontario, currently there are 435 boil-water advisories. It's a staggering number—

Mr. Mark Edgerton: That might not be a correct number right now, but over a year's time—

Mr. Bill Mauro: Close enough. It's a staggering number. How many of those are First Nations? I'm curious.

Mr. Dan Vincent: Of the 435?

Mr. Bill Mauro: Yes.

Mr. Dan Vincent: Those were all First Nations?

Mr. Fred Hahn: No, those were all the boil-water advisories.

Mr. Dan Vincent: All the boil-water orders?

Mr. Bill Mauro: Do you know how many were—

Mr. Dan Vincent: Not of the First Nations ones per se. They tend to be at a far higher rate out of First Nations than they are out of most urban municipalities.

Mr. Bill Mauro: And how many contracts does OCWA have with First Nations communities?

Mr. Dan Vincent: It would only be a guess at this point.

Mr. Mark Edgerton: It varies.

Mr. Dan Vincent: Yes.

Mr. Mark Edgerton: We're a for-hire agency; we're on a cost-recovery basis.

Mr. Bill Mauro: You do one of my communities as well, in Atikokan.

Mr. Dan Vincent: Yes.

Mr. Bill Mauro: Okay. Thank you.

The Chair (Mr. David Oraziotti): Mr. Barrett, go ahead.

Mr. Toby Barrett: Thank you, OPSEU. You mentioned Hamilton. I guess that was Phillips Environmental.

Mr. Dan Vincent: Yes, it was.

Mr. Toby Barrett: Stuart Smith was in that.

Mr. Dan Vincent: I don't know—

Mr. Toby Barrett: Yes, the former Liberal leader.

Mr. Dan Vincent: I do remember the fact of it being Phillips Environmental.

Mr. Toby Barrett: They didn't take responsibility for the sewage coming into homes. With Redhill Creek, there have been other problems in Hamilton. Does the public sector take responsibility for that now?

Mr. Dan Vincent: Through that now? Yes. Within our own Ontario Clean Water Agency, if it's deemed that we were the reason for it, then yes.

Mr. Toby Barrett: If there's reason, yes. I know that my house in Brantford had a sewage backup and nobody paid for that, and that's public.

Joyce?

Mrs. Joyce Savoline: Just quickly again on the Hamilton situation—first of all, thank you for being here. That whole scenario evolved around a sole-source contract, so there was not really any competitiveness or openness about how it was going to be managed. It was sort of just given over to Phillips. Do you have any comment about sole-sourcing? Should the government go with something like this? Is sole-sourcing with the private sector a good idea?

Mr. Dan Vincent: No, by no means. We tend not to look at sole-sourcing as being a true ability for any municipality to look at what options are there for them, where they may get the best bang for the buck. Just because it's the cheapest figure that's coming in, it doesn't mean that you're getting the best.

Again, Phillips came in with no track record. When they walked in the door, they were fairly new in Canada at that point in time. They got sold a very good bill of goods. The problem was, there was no track history that came with them, and what they found out 10 years later was what they ended up with.

What they have with a crown corporation—everybody knows who OCWA is. They know what we do. They know we'll always be there.

Mrs. Joyce Savoline: Transparency is really important.

Mr. Dan Vincent: That's right.

Mrs. Joyce Savoline: Thank you.

The Chair (Mr. David Oraziotti): Thank you for your presentation. That's the time.

EPCOR

The Chair (Mr. David Oraziotti): Our next presentation is EPCOR. Good afternoon. Welcome to the Standing Committee on General Government.

Mr. John Gorman: Thank you.

The Chair (Mr. David Oraziotti): You've been here for a little while so you're familiar with the process. You've got 10 minutes for your presentation.

Mr. John Gorman: That was very interesting; thank you.

The Chair (Mr. David Oraziotti): And five minutes for questions. Just state your name and you can start when you're ready.

Mr. John Gorman: Very well.

Thank you for having me. My name is John Gorman and I am responsible for stakeholder relations for EPCOR in Ontario. I'm pinch-hitting here this afternoon for Doug Walton, who has a medical matter that he had to take care of this afternoon.

I'd just like to tell you briefly about EPCOR, in case you are not familiar with us. We have over 100 years of experience helping municipalities and large industrial clients design, build, finance and operate water and waste water facilities in the US and Canada. We operate 45 facilities that treat water and waste water and we deliver water and waste water services to over 70 communities.

I would say that these partnerships in all instances have allowed communities to maintain the public ownership and regulation of their local infrastructure while having the benefit of gaining access to EPCOR's expertise that it derives from the various markets it operates in. We are wholly owned by the city of Edmonton.

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I'd just like to take a moment here to emphasize, especially following on the heels of two union presentations, that we work, in every instance, with the unions through unionized representation. We have no desire in

the Ontario market to own municipal infrastructure. Our ambition for this market is to provide our expertise in the design, finance and operation of water infrastructure.

To that end, we've been watching the Water Opportunities Act and the Ontario market with great interest. This is not a market where large infrastructure companies like EPCOR have been able to participate and lend their expertise. I think that's due to the absence of a framework in this province that allows the participation of companies like EPCOR. I think the second part of that is that municipalities have a very entrenched way of running their operations and managing their assets and their infrastructure, which has largely been to the exclusion of partnerships with the private sector and AFPs.

We have spent the last 18 months trying to involve ourselves in the deliberations around this developing act. I have to say that we've had a wonderful experience in terms of being included in the deliberations. Unfailingly, we've had a great response from everyone, from ministerial staff to departmental people that we've been working with, and it's been a good experience.

I'd like to use the remainder of my time to talk about the Water Opportunities Act from the perspective of whether or not it encourages all of the key stakeholders to do their bit to achieve the goals of the act. Before I get into that, as just general covering, we are strongly supportive of Bill 72. We see it as a progressive step towards creating a framework here in the province which will be key for large companies like EPCOR to come in with expertise and money and participate in the market and help the province reach its goals in terms of this act.

However, the question of whether or not all of the stakeholders are being made to toe the line in terms of reaching the goals and objectives is one where we feel that the act does not go far enough fast enough. We think there's more to be done to make key stakeholders actually walk the talk in this act.

I'm going to look at three key stakeholders here: municipalities, who are the owners of the infrastructure; industrial users, as were touched on by CUPE earlier; and large infrastructure companies like EPCOR and the role that we can play in this market.

If I could start with municipalities, the owners of the infrastructure, I had some detailed notes here about two areas where we would recommend that there be some tightening around targets. They had to do with full-cost accounting and conservation targets. But these two issues have been covered by the previous speakers, so I just want to make a general statement about this act and about municipalities.

As I said, large infrastructure companies like EPCOR have not been participating in this market and bringing their expertise and capital from other markets into this sector to help create jobs and bring innovative solutions simply because there hasn't been an appetite in this market for municipalities to work in partnership with large corporations. This act, while it's going to lay out a framework that companies like EPCOR will value and be able to make a determination on as to whether or not they can be involved in this market, is taking a very soft

approach to managing municipalities to the point where they want to look at innovative solutions and partnerships. We would encourage this committee to look at doing things like introducing hard targets on the conservation side and more aggressive measures to make municipalities move to true cost accounting so that they can break out of the conventional way that they've been doing things and look to more aggressive and innovative solutions.

When it comes to the commercial stakeholders, the industrial stakeholders, as the representative from CUPE mentioned, the Water Opportunities Act is silent on what these large commercial water users could be doing to help meet the goals of the act. While we understand that the government already has the mechanisms that it needs at some point to be able to compel very large water users to implement conservation and reuse measures, we think that the Water Opportunities Act is the place to do that and that the opportunity is now to set measurable conservation and reuse targets for industry.

This is an area where EPCOR has a great deal of experience in working with large water users in the private sector to implement solutions and infrastructure that reuse water. In turn, by reusing the water, it frees up the water capacity of the municipality, and it thereby ensures that the municipality doesn't have to build new infrastructure and can divert the capacity to existing developments and future developments.

So the bottom line here is, large commercial users of water have their role to play in conservation and innovation, and the Water Opportunities Act is the opportunity to do that. I'd encourage the committee to look at measures that are going to encourage or mandate industry to do so.

Lastly, the last stakeholder, of course, large infrastructure companies like ourselves—the bottom line is that for an EPCOR to come into the province and invest money, capital and bring over expertise, there has to be a framework in place that shows that there's going to be opportunity to work here.

Our experience to date, and the experience of other companies like EPCOR, in this sector has been very poor. Municipalities that have tried hard or attempted to do a form of AFP or private-public partnership have been unsuccessful for various reasons, and so there is no good example of how municipalities can work with companies like EPCOR that do have this expertise from other markets to drive innovation.

The Chair (Mr. David Orazietti): Thanks very much for your presentation.

Ms. Jaczek, you're up first.

Ms. Helena Jaczek: Thank you very much, Mr. Gorman, for coming to represent EPCOR at short notice. Certainly, we did hear a number of the points you made during the consultations, even prior to the introduction of the bill—sort of a frustration, in a sense, with municipalities not wanting to move to more innovative solutions.

I'm wondering if you could, from your experience, give us some ideas on how to, as an example, promote some demonstration projects, perhaps with industry in

some way, to kind of assure those municipalities that are a little reluctant to move to a certain new technology that they can do so. Do you have some examples you could give us of where this has worked?

Mr. John Gorman: Thank you for the question. As I mentioned, we have a great deal of experience in other markets, implementing solutions that are innovative and working in sort of a public-private partnership.

In Ontario, with the large water users, there are a number of examples of cities where—if I can use a specific example, in the city of London, there is a very large water user that uses about seven million litres of water a day. I think that's the equivalent of about 5,000 homes. They use all of that water and they put it into the river. As a result, they pay a fine of \$2 million per year. So they're using vast amounts of water, and they're paying a fine of \$2 million per year to jettison the water out because, from a private sector corporate perspective, it's cheaper and they can't justify the investment of a closed-loop system to reuse their own water.

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What we need to see is the guidance, intervention or participation of the government in bringing the municipality together with the large user to find a solution that is going to satisfy the municipality, because they're at risk of losing a fair amount of revenue from this company actually putting in environmentally friendly infrastructure, and satisfy the company as well in terms of being able to meet its recoup on the expenses. So there are these forces that are at odds all over the province.

The Chair (Mr. David Orazietti): I'm going to need to stop you there. Thanks.

Mr. Barrett, go ahead.

Mr. Toby Barrett: Thank you to EPCOR for presenting. Your work, I assume—primarily in the west, you're involved with the oil sands and some mining operations?

Mr. John Gorman: Yes, we do help operate some of the water infrastructure that is used for those—

Mr. Toby Barrett: So that would be, like, potable water for employees and treating waste water—

Mr. John Gorman: Absolutely, yes.

Mr. Toby Barrett: —from humans. But you're also involved, say, with the mining industry, with dealing with heavy metals and chemicals and things?

Mr. John Gorman: Yes, we are, and in treating that type of waste water and bringing it back up to quality standards. Right now, we're doing a very large reuse project for Suncor, which is creating a closed-loop system for them and enabling them to use water very efficiently in their operations.

Mr. Toby Barrett: And that would be right in the oil sands?

Mr. John Gorman: Yes.

Mr. Toby Barrett: Because we hear so much—I think, what, 18% of the oil the United States uses comes from the oil sands, but there's also a pushback on pollution and what have you. Could you just tell us a bit more about what's going on in the oil sands as far as water—

Mr. John Gorman: I'm sorry, that's not my real area of knowledge or expertise. But I—

Mr. Toby Barrett: But do you do any work—oh, go ahead.

Mr. John Gorman: I just will say that this is a reason why it's so important to bring in expertise from the companies and other players that are involved in other markets, because the lessons learned over there can be used in other markets, like Ontario. Ontario, as I mentioned, is a very insular place in terms of the way it manages its water and its water infrastructure.

Mr. Toby Barrett: Do you work with the mining industry in Ontario?

Mr. John Gorman: No, I don't. I don't believe so.

Mr. Toby Barrett: Thank you.

The Chair (Mr. David Orazietti): Thanks, Mr. Barrett. We've got to move on.

Mr. Tabuns, go ahead.

Mr. Peter Tabuns: First of all, thank you very much for coming in and presenting today.

If I understood your comments, you see this bill as providing an opening for large water companies to become involved in the provision of water services in Ontario, including the operation of municipal water systems?

Mr. John Gorman: That's right, yes.

Mr. Peter Tabuns: What part of this bill provides that opening?

Mr. John Gorman: I would say that the potential for the bill to provide the opening has to do with whether or not municipalities actually change the way that they approach managing their assets and their infrastructure. We have two points about that. One is that we feel that this act is going to get the municipalities there eventually, to the point where they will be looking at innovative ways to do things and looking for expertise outside of the province. But it's going to take too long to get there, in our view, so harder targets have to be introduced.

Mr. Peter Tabuns: Why would a harder target for conservation drive a municipality to have an outside corporation run its water system?

Mr. John Gorman: I'm sorry, are you asking why the two go together?

Mr. Peter Tabuns: Yes.

Mr. John Gorman: Okay. I think the sooner the municipalities truly understand what they have to do to hit concrete targets, the sooner they're going to realize that they're going to need the expertise and the technologies that this act is trying to promote to reach those targets.

Mr. Peter Tabuns: Couldn't those municipal corporations, in fact, simply hire an outside water company as a consultant or, on their own, secure technologies for reduction of water consumption, without turning over their water operations to another company?

Mr. John Gorman: Yes, absolutely, they could.

The Chair (Mr. David Orazietti): That's the time for the presentation. Thank you very much for coming in today.

Mr. John Gorman: Thank you.

**ONTARIO SEWER AND WATERMAIN
CONSTRUCTION ASSOCIATION**

The Chair (Mr. David Oraziotti): Our next presentation is the Ontario Sewer and Watermain Construction Association. Good afternoon, and welcome to the Standing Committee on General Government. You've got 10 minutes for your presentation and five for questions. If you can start by stating your name, and you can begin when you're ready.

Mr. Joe Accardi: Good afternoon, committee clerk, members of provincial parliament and ladies and gentlemen. My name is Joe Accardi. I'm the executive director of the Ontario Sewer and Watermain Construction Association. A little bit of background: I'm a licensed professional engineer with a degree in civil engineering, and I've worked in the sewer and water main industry for 12 years. I would also like to introduce Susan McGovern, who began with our association in early summer 2010, and holds the position of assistant executive director.

The OSWCA and its board are eager to provide advice and assistance to the committee with respect to Bill 72. We want to ensure that it is passed and regulations are drafted and implemented in a timely fashion. It is imperative that the government gets on with the business of ensuring clean water now and for future generations.

Both Susan and I are very pleased to be presenting to the Standing Committee on General Government in support of Bill 72, the Water Opportunities and Water Conservation Act, 2010.

Throughout this presentation, we will refer to the Ontario Sewer and Watermain Construction Association as the OSWCA.

A little bit about who we are: The OSWCA has been a champion of environmental protection and best practices in clean water management and job-site safety. We have represented the sewer and water main construction industry in the province of Ontario since 1971, almost 40 years. We represent over 800 companies across Ontario, including contractors, manufacturers, distributors and consulting engineers. Collectively, we perform over \$1 billion a year in capital projects to ensure clean, safe drinking water and environmentally responsible waste water treatment and disposal. The economic benefit our industry brings to Ontario is substantial.

We have handed out our brochure with additional details regarding the association, which you can refer to at your leisure.

As an organization, we are committed to the following: addressing issues with a unified voice; developing Ontario's clean water and waste water systems; ensuring a plentiful supply of drinking water for future generations; supporting and preserving our lakes and rivers through environmentally responsible waste water disposal and treatment; developing new and emerging Ontario water technologies and services; and partnering with all levels of government, the private sector and consumers to ensure Ontario's vital clean water and environmentally responsible waste water systems are a top priority.

Some water facts for the province of Ontario: We all know Ontarians care about the quality of our drinking water, and maintaining a plentiful, healthy water supply demands a continuous investment by government and consumers. Investment is needed not only to expand municipal water and sewage systems to meet growth challenges, but also to renew aging infrastructure in order to ensure safe and healthy communities. Unfortunately, and over time, there has been a steady decline in water systems across Ontario as the infrastructure is operating long beyond its original life expectancy. Not enough attention has been given to maintenance and rehabilitation.

Aging pipes have a direct impact on the quality of water reaching the consumer and also result in costly leakage rates. Many municipalities are currently working with leakage rates that are as high as 30% to 40% of costly treated water.

It is estimated that Ontario's water systems will require \$30 billion to \$40 billion of investment over the next 15 years. The public sector, private sector and consumers can play an important role in water conservation, which will help reduce the cost of clean, fresh water from source to tap.

Since the 2000 Walkerton tragedy, most reports have concluded that Ontario needs to move to develop full asset management plans, implement full-cost pricing, meter consumers to encourage conservation, identify and correct leaks, put in place long-term capital campaigns, and ensure dedicated reserves from collected water revenues. The OSWCA has always supported these recommendations and will continue to do so.

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For many years, the OSWCA has advocated for the proclamation of SWSSA, stating that the development of effective regulations under this act was the only thing missing to move forward with the recommendations by the O'Connor commission. Justice O'Connor clearly stated, "Only when the municipalities are required to assess and recover the full cost of operating and maintaining sewer and water services will the public be assured."

I'll now mention a little bit about some of the things we support. The OSWCA continues to support the following initiatives, of which we are happy to see many, but not all, included in Bill 72:

- (1) an understanding of the full cost of water and waste water systems with a focus on sustainability plans;
- (2) comprehensive system audits to determine the actual condition of underground infrastructure, the remaining life span and the cost of replacement;
- (3) over time, full-cost pricing in order to sustain water and waste water systems;
- (4) metering water services to encourage water conservation and long-term sustainability of water systems and resources;
- (5) maintenance programs to reduce leakage rates and increase systems efficiencies;
- (6) dedicated financial reserves to upgrade and maintain healthy systems;

(7) adequate government financial resources dedicated over the long term to ensure sustainability of these systems; and

(8) investing in the elimination of cross-connection of sanitary and storm sewers, ultimately contributing to keeping Ontario's lakes and rivers clean.

The OSWCA agrees with a conservation focus as a way of sustaining water resources in Ontario. The OSWCA also agrees that public agencies, including municipalities and government ministries, should prepare water conservation plans, achieve water conservation targets and ensure that goods and services purchased consider technologies that promote the efficient use of water resources. The regulations will need to be strict with respect to defining measures and targets to demonstrate progress. Much work will need to be done with the municipal sector to ensure that conservation measures play an important role in municipal infrastructure planning.

The OSWCA agrees with regulations prescribing information that must be included on or with municipal water bills. This will go a long way to helping consumers achieve conservation targets, as you need to understand what you are using before you can conserve.

Bill 72 is correct to focus on creating economic development and clean technology jobs in Ontario. It is important to identify opportunities to demonstrate and implement new and emerging Ontario water technologies and services with a focus on global commercialization.

While adding some important new provisions, Bill 72 has dropped the essential elements outlined in SWSSA requiring the development of plans for full-cost pricing. The regulations' powers are certainly broad enough to allow for such requirements in the future, but we feel that these should be core principles of the legislation. We also feel that the Minister of the Environment should be able to mandate performance indicators and targets to ensure that conservation targets and system optimization are reached.

The OSWCA would like to see Bill 72 go further in that all municipalities must prepare, approve and submit to the Minister of the Environment municipal water sustainability plans. We would also like to see the minister establish hard performance indicators and targets for those services to ensure that conservation targets and system optimization are reached by addressing aging infrastructure and growth challenges.

The OSWCA likes the idea of the Minister of the Environment preparing reports on various matters related to the success of this act, but we would like to see these reports more frequently as a sort of continual report card on the state of sewer and water maintenance and rehabilitation across the province.

Finally, we do not see a benefit for developing a new corporation with the objectives of promoting the development of Ontario's clean water sector. The province of Ontario already supports OCWA and the Ministries of Research and Innovation and of the Environment. We see this new organization as slowing the process of de-

veloping and implementing the regulations, as well as an unnecessary cost to the taxpayers.

The province of Ontario and the federal government have already put millions of taxpayers' dollars into institutions across the province with the sole mandate of commercialization. Places like MaRS and other centres of excellence across the country already exist, are up and running and are capable of providing commercialization functions as outlined in Bill 72. They are capable of developing, testing, demonstrating and commercializing innovative technologies. They are capable of expanding business opportunities on a global scale.

The Chair (Mr. David Orazietti): I'm going to need to stop you there. That's time. We're a bit over. I appreciate it. You're going to have an opportunity to respond with further information to the questions.

The Conservative caucus is up first, so if you want to go ahead: Ms. Savoline?

Mrs. Joyce Savoline: Thank you, Mr. Accardi and Ms. McGovern. I like some of the suggestions you're making—not all of them, but some of them.

I'm reading here that you're saying that it's appropriate to have a completely rate-supported budget from an operating budget so that there's transparency in what you need for those billions of dollars' worth of infrastructure in water and sewer.

Mr. Joe Accardi: To an extent. If I can just give you an example on how, to answer that question—thank you for the question. I'll give you an example. In the city of Toronto, we did some research on how that works out in being open.

Mrs. Joyce Savoline: The city of Toronto is not necessarily a good example, with all due respect.

Mr. Joe Accardi: I'll explain it to you in terms of the numbers they got. It sums up the numbers.

In the last three years, the city of Toronto has increased their water rates by 9%, every year for the last three years. On top of that, we looked at their budgets. Three years ago, their water and sewer rehabilitation budget was \$125 million to \$130 million. Last year, which is within three years, it was \$330 million. They obviously thought, through their asset management department, that funding needed to be dedicated, and it was reserved solely for increasing the budget and doing more work in the city of Toronto. That was through their water rates, which they believe—

Mrs. Joyce Savoline: So it's important to keep the two budgets separate so that the rate budget doesn't get siphoned into the operating budget to be used for other things.

Mr. Joe Accardi: One hundred per cent. We want dedicated reserve funding for—

Mrs. Joyce Savoline: Okay; that's my point. Do you also believe that it's important to have a sewer surcharge so that there is some measure of money being dedicated in that budget, based on the amount of water that's taken into the home? Almost all of it is going to be going back out again, whether it's through the tap running or the toilet being flushed or the pool being emptied or what-

ever, but somewhere, that sewer water needs to be treated as well. There have been implementations of sewer surcharges, under great resistance. Do you believe that's an appropriate charge?

Mr. Joe Accardi: Quite frankly, I think that in its infancy stage, the metering system is going to take some of that away. If the municipalities have 100% of their systems metered, then the more data collection the engineering department does in their department, they can better understand where the water's going. Metering what's entering is probably an easy way, or a more informative way, for municipalities to better collect data and to make better decisions on their infrastructure. So I think metering the water right now is a good solution for that.

Mrs. Joyce Savoline: I'm asking, in addition to the metering of the water coming in, to have a charge that is applicable to what the approximate is, based on the water coming in, for the water going out, so that you also have enough money to treat the sewage—

Mr. Joe Accardi: That's a very good question. I don't really know the answer—

Mrs. Joyce Savoline: Some municipalities are doing it.

Mr. Joe Accardi: I know some are. Obviously, we would support as much revenue as required to get into the industry. Quite frankly, the deficits are so large in some of these municipalities that whatever they can get and put back in and generate back into dedicated reserves would definitely be beneficial for all of us and not just people operating the systems.

Mrs. Joyce Savoline: Thank you.

The Chair (Mr. David Orazietti): Thank you for your response.

Mr. Tabuns?

Mr. Peter Tabuns: First of all, thanks very much for coming down and presenting today. I asked the question of a previous presenter: Does this bill, in your opinion, open the door to large corporations to come in and operate and own municipal water systems in Ontario?

1600

Mr. Joe Accardi: Thank you for the question. As an association, we don't really support that as coming through. However, I don't see that right now. What I see in the industry on the tech side and the engineering side is, I see municipalities moving more towards asset management on their own. I see them working more towards understanding what their systems are capable of doing on their own. I think they're getting more engaged in going to conferences and finding that out. So as much as it appears it may, I don't think that municipalities are going to move to that, as I heard your comments last time. I think they're more in tune to hire consultants to come in and do that type of work, and that's what we see in this.

Mr. Peter Tabuns: Okay. You cited a number of about \$35 billion to \$40 billion in terms of the capital funding deficit. Do you have a report you can provide us

with that details how that calculation was done, to provide to the whole committee?

Mr. Joe Accardi: Yes, we can do that.

Mr. Peter Tabuns: You can do that?

Mr. Joe Accardi: We got that from the Conference Board of Canada, so they have that study.

The Chair (Mr. David Orazietti): Thank you. That's time.

Ms. Jaczek, go ahead.

Ms. Helena Jaczek: Yes, thank you very much for coming in and giving us a very clear idea of the position of your organization. Certainly, as I look towards your recommendations—you didn't quite get to them—

Mr. Joe Accardi: Yes; sorry about that.

Ms. Helena Jaczek: But certainly I want to reassure you and the other stakeholders, of course including municipalities, that it's the government's intention to consult at every stage of this, including, when we get to them, the regulations. So I just wanted to make sure you were reassured.

You've also talked about baseline data and you've talked about metering. You have a statement here, though, that perhaps you could expand a little bit more: You'd like to see the minister establish hard performance indicators and targets for those services to ensure that conservation targets and system optimization is reached etc. Could you just maybe outline a couple of the best performance indicators that you would like to see?

Mr. Joe Accardi: Thank you for the question. There are a few performance indicators that are going around right now. There are a few companies that work with some of our membership—and our membership is not just the contractors; it's the consultants and municipalities. What they're doing: A prime example is, say, leakage rates. Currently there are a few companies that go around establishing technology that can quantify the leakage rates in your system. So a lot of municipalities in southwestern Ontario—it's probably one of the bigger hubs; Hamilton and York region are two of them—are doing a great job at really understanding where their leakage rates are in their system, and they're quantifying those numbers. They're using that data to judge when their systems need to be rehabilitated.

What the concept is on there is that they understand that the quality of the water is not only what leaves the facility; it's also what's transported through the system. What they're realizing is that the issue may not be meeting the industry standards on the quality of water that leaves the facility but the issue is transporting it through their system. That's one of the examples.

Why we see metering as a positive step: We feel that metering, once again, like I said, allows municipalities to collect a little bit more data to better understand, in conjunction with the data they're collecting with the leakage rates, their actual system. So what they're looking at is, "We are providing X amount of litres; X amount is being consumed. Is there a deficit?" They can better understand how their system works. We see that as a positive thing.

I hope that answers your question.

Ms. Helena Jaczek: Yes.

The Chair (Mr. David Oraziotti): Thank you for coming in today. That's the time for your presentation.

ONTARIO ENVIRONMENT INDUSTRY
ASSOCIATION

The Chair (Mr. David Oraziotti): Our next presentation is the Ontario Environment Industry Association. Good afternoon. Welcome to the standing committee.

Mr. Alex Gill: Good afternoon.

The Chair (Mr. David Oraziotti): You have 10 minutes for your presentation and five for questions. You can start by stating your name for Hansard, and you can begin when you're ready.

Mr. Alex Gill: Fantastic. My name is Alex Gill. For the last five years I've been the executive director of the Ontario Environment Industry Association, or ONEIA. This is my colleague Alex Keen, who's the chair of our water subcommittee and also the CEO of Altech, one of our leading air and water technology firms.

On behalf of the association, I'd really like to thank you for the opportunity to offer you comments today. As you may know, ONEIA is a member organization representing Ontario's environmental technology, service and product firms. This sector is a significant economic force in Ontario. It accounts for about \$8 billion of GDP and employs about 65,000 people; that's the broader environment sector. More than \$1 billion of this amount comes from the export of environmental goods and services. We expect this number to grow in coming years. Our estimates peg the worldwide market for this at about \$700 billion a year and growing, so there's a tremendous opportunity for Ontario to take advantage of here, and we know that a significant portion of this international market is going to be in water-related services, goods and technology.

This is going to be good news for our members because we represent a very broad swath of the water sector, including firms that specialize in conservation, software, consulting, technology firms—a very broad cross-section of the economy, and in this light the Water Opportunities Act presents a tremendous opportunity for our province for environmental and economic gain.

One of the challenges we have is that there isn't a lot of research in this area that says that this is the best way we can move forward in partnering government and industry.

We're very fortunate, however, that, back in 2009, with the support of the Ontario government, we partnered with consulting firm Deloitte to study the main barriers to growth for environmental and clean-tech firms across the province, and we provided a copy of this report to the members of the committee. This report was well received by all parties on environment industry day—I believe many of you were there—and it was quickly endorsed by the environment minister of the province of Ontario.

These findings offer some excellent advice you may wish to take under consideration as you move forward

with the proposed act, specifically the corporation WaterTAP, and we're going to be spending most of our time today talking about that.

I'd just like to quickly highlight four key findings from this report, and I'm going to turn it over to my colleague for a little more detail.

The report found that governments do best when they do not pick winners and losers among specific technologies, but that they create broader conditions that allow all businesses to succeed in a specific sector.

We found that the government's existing purchasing power, for example, green purchasing standards throughout government, can be an excellent way to support pilot projects and help Ontario companies land that first demonstration project or major client.

We found in this report that outcome-based regulations are often a better way to incent innovation than prescriptive regulations.

Finally, government programs and other initiatives are often ineffective for small to medium-sized companies that make up the bulk of the companies in this sector because it's very hard to tailor those programs to reflect the reality of those small firms.

I'd like to turn it over to my colleague Alex, who can offer some perspective on behalf of the association and his firm.

Mr. Alex Keen: I'd like to also reinforce the point that Ontario has a tremendous opportunity here. Companies like mine know that there's a huge Canadian and also worldwide market available for our technologies and services. The provisions of the proposed act—and specifically we're talking about the WaterTAP corporation—can help us with respect to these opportunities, but only if we get it right.

We know that the province is breaking new ground with corporations such as this and there are only a few other jurisdictions around the world that have taken a somewhat similar approach; namely, Germany, the Netherlands and, to a certain degree, Singapore. The first advice we'd like to offer is that we study these jurisdictions closely so that we learn from their successes and their failures.

With this in mind, I'd like to stress three key things for you this afternoon.

First, WaterTAP will be a stand-alone corporation that will operate fairly independently of the government. This can be a good thing, but we would ask that you pay particular attention to the governance of this corporation to ensure that the practical concerns of industry are fairly represented and that it doesn't unintentionally create specific barriers to the industry.

Bill 72 is as much a competitive and economic initiative as it is a policy and regulatory one. So we would expect and hope that WaterTAP would include representatives from industry on its board. We would suggest that a significant portion of the board be drawn from water firms themselves.

Secondly, we know the act is somewhat vague on many of its provisions, and we would expect that the

heavy lifting would be done in the regulatory phase coming up, as well as through the programs developed through the WaterTAP. In both these phases, we would strongly recommend that the government engage with the environmental sector to get it right the first time.

We're prepared to help by offering the expertise of our firms around these issues and the potential challenges for the framework and implementation of the corporation. We would also pull together multi-stakeholder groups that can provide the benefit of dealing with a one-window multi-stakeholder organization.

As Alex pointed out, ONIEA has a broad membership base. In addition to that, this would reduce the implementation times and improve the effectiveness of the consultation process.

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Third, and most important, we would like to talk about how we can ensure that WaterTAP stimulates innovation, which would be its objective. We have devoted considerable attention in the past years to encouraging innovation through universities. This is very important to Ontario's future, and employers in firms like mine will hire these well-trained graduates, with the new ideas and approaches that will come with them. One of the challenges, though, is stressing that academic research takes a long time to come to the marketplace and grow with new companies in the start-up phase. So one of the things we recommend is that we find ways to encourage research within the existing companies that are practising in Ontario. This would allow the technologies and approaches to grow within a company that already has proven sustainability, existing customers and other business support systems. This would greatly increase the chance that such investments would quickly result in commercial outcomes, employment and growth for Ontario.

We would also encourage the government, as it moves to implement the act, to recognize the importance of the service sector of the environment and clean-tech sector. We often are interested in the latest technology and promoting the newest, but we have to remember that services account for approximately one half of the \$8-billion environmental sector. We would urge the government to recognize this reality as it begins to utilize and develop a WaterTAP corporation and to engage and promote the water sector.

Finally, we need to find ways to encourage pilot projects through existing spending. We know we are all in a period of fiscal tightening, but one of the things a government can do in such a period of restraint is to use the investments that it is already committed to making to better effect. We know that the province will have to invest in refurbishing schools, hospitals and other government facilities—I've lost my place there.

The Chair (Mr. David Oraziotti): That's about time. If you want to take a minute, 30 seconds, and wrap up.

Mr. Alex Keen: I think, basically, as a final comment, the success of WaterTAP will come from encouraging creative solutions to water problems, and this includes new technology as well as looking at water in new ways

and new approaches and applications of existing technologies. The key to this will be stimulating the market to think differently about water, and that market will develop into a business for Ontario companies.

The Chair (Mr. David Oraziotti): Okay. Thank you very much for your presentation. Mr. Tabuns, you're up first.

Mr. Peter Tabuns: Thanks very much for coming and making this presentation today.

I want to go back to this point you raised recognizing the importance of the service sector. Are you suggesting that this bill will open the door to water supply systems being operated by large private corporations as opposed to the existing municipal water corporations?

Mr. Alex Gill: If you want to take a stab at it, I'll weigh in.

Mr. Alex Keen: Go ahead.

Mr. Alex Gill: Sure. I think in our initial feedback, that wasn't where we were going. The key piece we want to remind people about when it comes to the service sector is that we all have a bias towards the tangible. So we see a lot of government policy that's driven towards, "Is there a factory where people can put bolts in an assembly line?" What we don't want to neglect is that there are thousands of people in Ontario who are making money on the environmental service side who could be designing water systems for the developing world. There are entire rooms full of engineers in the GTA who are doing just that. We want to make sure that frame is also front of mind.

Mr. Peter Tabuns: So you don't see this bill, then, as opening the door to privatization of municipal water systems.

Mr. Alex Gill: I don't think so.

Mr. Alex Keen: To a certain degree, our presentation is centred around WaterTAP because, for one thing, it's one of the things that's not defined as well in the legislation. So it really does depend on how WaterTAP comes together, but I'm sure they're not going to put that on the agenda.

The Chair (Mr. David Oraziotti): Thank you. That's the time for your response. Ms. Jaczek?

Ms. Helena Jaczek: Thank you for spending quite a bit of time on WaterTAP, with obviously, some advice as to how that organization will look.

I just wanted to go back to the previous presenter, who felt that we had existing institutions and organizations that actually could play the role of WaterTAP, whereas from your presentation, it sounds like you're fairly supportive. Having perhaps heard that presentation—that there were other institutions that could fulfill that role—could you maybe expand a little bit as to what value added there is from WaterTAP, in your view?

Mr. Alex Gill: Sure. One of the reasons we've devoted so much of our attention to WaterTAP is that in the draft legislation, it's deliberately vague. So we know that any concerns we can raise will help shape how it gets formed.

Not to denigrate any of the institutions that are already in existence—MaRS, the Ontario Centres of Excellence

and the regional innovation networks are all doing an excellent job. I think if you look at the financial services side—for example, the collaboration between the Ontario government, the city of Toronto and what's going on around marketing Toronto as a financial services hub—you see a very rough model for what WaterTAP could become. And that was put in place despite the fact that there is a financial services alliance and the insurers have associations—they all do little pieces of the puzzle. But I think having something that's focused and a dedicated partnership organization that helps move everything forward would be in everybody's interest.

Mr. Alex Keen: I think the other thing about WaterTAP that would not be duplicated is the fact that it can work in the marketplace as well as developing companies and technologies, so generating a friendly marketplace and generating people to ask Ontario companies to solve their problems. That's not happening now.

The Chair (Mr. David Oraziotti): Thank you. Ms. Savoline or Mr. Barrett?

Mr. Toby Barrett: Thank you, ONEIA, and thank you for the Deloitte report as well. Yes, we are looking to environment industries to fill some of the gap from the hundreds of thousands of manufacturing jobs that we've lost in the last several years. It's not going to make up for a lot in the steel industry and some of the big ones like that.

In the Deloitte report, we talk about global competition, and we've heard testimony this afternoon as well—GE bought Zenon; I think those membranes come from Hungary now, but I'm not sure—about the impact of the large firms like Veolia with respect to water.

But just going back to the Deloitte report, where you make reference to not only relying on exports, which I think is part of the goal of this legislation, but also protecting the home market—and that sometimes gets into trouble. I know there's a mention here of emphasis on buy Ontario in the public procurement of contracts and local content. I know some of this is federal. There has been a bit of a ruckus. Obama has Buy America; that's been devastating for the steel industry in my area, and, more recently, cucumber growing. I think this buy Ontario—there's been a challenge with respect to either wind or solar. Has ONEIA done any further work on this, how to avoid some of those challenges?

Mr. Alex Gill: That's a very good point. First of all, let me be very clear: We're in no way suggesting that Ontario firms should be sheltered from competition or that they're somehow second-rate and can't compete internationally. We have some of the best firms in the world in this province. The challenge we have is that when a lot of international firms are coming here to sell their technology and their customers say, "Well, where have you installed this?" they will point to large government-funded facilities in Europe or in Asia and say, "We installed rainwater harvesting in Amsterdam city hall. We installed energy efficiency technology in the Berlin arts platz." All of a sudden, that breakthrough has given them an incredible footprint in our market.

What we're looking for the government to do is essentially find a way—and there have to be ways, because every jurisdiction in the world is doing it, and they're not getting challenged under the WTO—to allow Ontario companies to compete for the stuff that already has to be done anyway, and out of that, they'll be able to advance.

The Chair (Mr. David Oraziotti): Thank you. That's time for your presentation. We appreciate the comments. Thanks for coming in today.

ECOJUSTICE CANADA

The Chair (Mr. David Oraziotti): Our next presentation is Ecojustice Canada. Good afternoon, and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five for questions. State your name for Hansard, and you can begin your presentation when you're ready.

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Ms. Anastasia Lintner: Thank you very much. I appreciate the opportunity to come before the standing committee and speak to you today about Bill 72. You will have already received a pretty substantial submission written by Ecojustice and the Canadian Environmental Law Association, as well as a very small handout that was just provided on one sheet of paper. My name is Anastasia Lintner. I'm a staff lawyer employed by Ecojustice Canada. I also have a doctorate in natural resource and environmental economics.

The organization I work for, Ecojustice Canada, is a national non-profit organization that uses the law to protect and restore the environment in Canada. Ecojustice has long worked to promote water sustainability within Ontario, and we often partner with the Canadian Environmental Law Association when we are developing submissions on law reform, as we have done in this case.

The Canadian Environmental Law Association and Ecojustice are both members of a recently organized alliance called the Ontario Water Conservation Alliance, which has 47 member organizations who got together and endorsed an original platform associated with our expectations for this piece of legislation. The alliance is a coalition of citizens, organizations and businesses who believe an environmentally sustainable and economically secure province requires a comprehensive strategy for water conservation and green infrastructure.

The alliance has representation from diverse organizations, including parks organizations, environmental accounting and environmental labelling organizations, environmental training and environmental building organizations, municipalities, manufacturers of low-flow appliances, the environmental industry and landscape organizations. You will find in our longer submission, on pages 22 to 23, a comparison of the alliance's platform to Bill 72 as it came before you for discussion.

The Canadian Environmental Law Association and Ecojustice prepared initial comments on Bill 72, pursuant to the notice given by the Ministry of the Environment

under the Environmental Bill of Rights. We consulted broadly within the alliance to inform those submissions, and since then, we have continued to consult with the alliance and further strengthen these recommendations, and these are the ones that we are presenting to the standing committee.

Ecojustice is supportive of Bill 72, and believes there are additional measures that could be included to move Ontario toward a path of water sustainability and economic leadership. I do not want to go through this lengthy submission in great detail, so I will focus on three key aspects:

(1) We encourage you to think outside pipes and taps and enable innovation in the water sustainability sector by taking a holistic approach and emphasizing water conservation and green infrastructure solutions.

(2) We encourage you to create a culture of water conservation in Ontario by enabling a comprehensive public education campaign.

(3) We encourage you to provide capacity for First Nations to invest in and take advantage of water opportunities in Ontario.

With respect to the first aspect, innovation in the water sustainability sector, you have already heard testimony today that relates to the Water Technology Acceleration Project, or WaterTAP, a corporation which will be empowered to develop certification, labelling and verification programs, and, if requested, it would also be able to promote Ontario water innovation internationally. Ecojustice agrees with the need to further build Ontario's water sector and to promote economic opportunities in Ontario.

WaterTAP would help facilitate pilot projects and bring different sectors together to be a commercial vehicle for building Ontario into a world power in water technology and innovation, and we recommend that the vision for our water sector be expanded to include a more holistic approach, to think on a watershed scale, to emphasize water conservation and efficiency and green infrastructure solutions. In order to do that, we have made recommendations in our markup to Bill 72, which would broaden WaterTAP's objects and better reflect these opportunities for advancing conservation approaches by including services and practices as well as technologies.

Also, we recommend that taking an innovative soft path and green infrastructure approach will have opportunities for Ontario's leadership and economic advancement.

Secondly, on water conservation culture, Ecojustice believes that the Ministry of the Environment should lead a public education campaign on conservation, in particular by enabling existing institutions and organizations who can reach the public across Ontario.

We believe that there are great opportunities in linking water and energy solutions together, and that should be further empowered.

We believe the bill, in general, should be strengthened to add tracking, monitoring, reporting and continuous

improvement requirements that allow for advancement in this sector, and also to link to provincial priorities regarding employment training, and have a broad suite of occupations and professions be better enabled for these solutions.

On First Nations, Ecojustice believes that First Nations face unique challenges related to water sustainability. Many of these First Nations are in rural and northern situations where their systems remain at risk. There are many unresolved issues relating to resources, standards and governance. Water treatment solutions for First Nations communities, therefore, must be effective in remote, northern and rural communities as well as in the more urban centres in the south. In many cases, this will require new or expanded research to apply and modify water technologies that were developed for more populated solutions and may require exploring technologies from a point-of-use or small-system perspective rather than large-scale centralized systems approaches.

There are very specific contaminants of concern in individual First Nations communities with respect to their drinking water, and research is needed to obtain solutions that are readily implementable. Such research would also benefit non-First Nations communities with similar challenges to drinking water, such as rural and small communities.

To conclude, the Ontario Legislature has demonstrated leadership in promoting environmental sustainability over many decades. Ecojustice encourages you to seize this opportunity and entrench Ontario as a leader in water sustainability, and to do this by enabling the pursuit of innovation and excellence in developing and commercializing water technologies, services and practices. The testing ground for such research and innovation will benefit Ontarians directly, through local implementation of solutions and promotion of a new economy in water conservation-green infrastructure.

The challenge is to generate these solutions without a widely pervasive water crisis, as is being experienced in other jurisdictions such as Australia. Ecojustice believes that Ontario is up for the challenge and can be ready to resolve water conservation and protection challenges that arise in the future, and not only within Ontario.

Subject to your questions, those are my submissions.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. Ms. Jaczek, you're up.

Ms. Helena Jaczek: Thank you to Ecojustice and the Canadian Environmental Law Association, under the umbrella of the Ontario Water Conservation Alliance. I believe you put out a press release as well today, bringing your general support with your ideas for strengthening forward. I know that your organizations have been very involved and have provided input in our consultations to date. Certainly, we intend that dialogue to continue.

I think a number of the areas that you've touched on in your three broad recommendations will certainly be things that, assuming this bill is passed, we will be getting into at the regulation phase.

I have a background in health promotion. You talk about a public education campaign. Could you give us an

example of a jurisdiction that has provided a successful water conservation education program with some sort of measurable results? It would be really useful to know about something like that.

Ms. Anastasia Lintner: That's a great question. I don't have an example that I can send you a report about. I live in Guelph, and I would commend to you the efforts that the municipality of Guelph goes to, to educate the public about the different programs. I know that for some of their programs, such as the outdoor water use restrictions, not only the name of the program but the different levels are recognizable by a very broad representation of the individual citizens there, given the sorts of investments that they've made in those campaigns. So while I don't have the answer, I suspect that the municipality of Guelph would have lots of information about their success and how they achieved it.

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Ms. Helena Jaczek: Yes, we have heard from the city of Guelph, so it's good to hear from one of the members of the community that it's very well-known. Thank you.

The Chair (Mr. David Oraziotti): Thank you for the question.

Ms. Savoline.

Mrs. Joyce Savoline: Thank you for being here today. My question is with regards to WaterTAP. We talk about it here in terms of a stand-alone corporation for testing, demonstrating and commercializing innovative water technologies, but what decision-making powers do you see this organization having, since it's stand-alone?

Ms. Anastasia Lintner: I would see that the way in which it's governed and how it achieves its outcomes would be completely determined by the objects and the programs, as would be outlined in the legislation. So our recommendations are to make sure that the objects of the corporation would enable opportunities for new solutions that think beyond the current expertise that we have in technologies in Ontario and allow new innovation, new ideas. Smaller and medium-sized enterprises that would be thinking innovatively and thinking about solutions that we might not normally think of in general practice would find that they would fit within those.

Mrs. Joyce Savoline: So this organization would make those decisions?

Ms. Anastasia Lintner: The organization would make the decisions about what projects they would like to see move through—you know, getting the idea through to the commercialization. But it would be limited by and prescribed by the actual objects of the corporation.

The Chair (Mr. David Oraziotti): Thank you. That's time.

Mr. Tabuns, do you have any questions?

Mr. Peter Tabuns: Just very briefly, and thanks for the presentation, Anastasia.

The green infrastructure element that you want to see encouraged in the innovation of the water sustainability act: Could you talk a bit about leafy green infrastructure and its potential for dealing with our water problems?

Ms. Anastasia Lintner: My understanding of the leafy green infrastructure—for green infrastructure, we've provided a definition that would allow for lots of different opportunities that both are about preserving natural systems but are also about emulating natural systems. This term “leafy green infrastructure” is to limit it to the natural infrastructure, such as an urban forest canopy. The ability for an urban forest canopy to both slow down storm water runoff and allow the water to percolate into the groundwater more easily—in addition to the sort of benefits from the perspective of water sustainability, they also provide co-benefits of providing shade and helping with the reduction of the heat island effect in an urban centre. So this ability to think about those solutions as addressing water concerns would also enable us to realize these other benefits from an environmental perspective.

Mr. Peter Tabuns: Okay, thank you.

The Chair (Mr. David Oraziotti): Thank you very much for coming in today, and thank you for your presentation.

CANADIAN ENVIRONMENTAL LAW ASSOCIATION

The Chair (Mr. David Oraziotti): Our next presentation is the Canadian Environmental Law Association. Good afternoon, and welcome to the Standing Committee on General Government. You've got 10 minutes for your presentation and five for questions. State your name for the purposes of Hansard, and you can begin when you're ready.

Mr. Joseph Castrilli: Thank you, Mr. Chairman. Mr. Chairman, members of the standing committee, I'm pleased to appear before you on behalf of the Canadian Environmental Law Association to address Bill 72, the Water Opportunities and Water Conservation Act.

As members of the standing committee may know, the Canadian Environmental Law Association was established in 1970 to use existing laws to protect the environment and, where necessary, to advocate environmental law reforms. We have a long history of involvement in water-related issues generally, including water conservation matters in particular. As members of the standing committee also will be aware, our detailed submissions on Bill 72, which you already have, were drafted jointly with our colleagues at Ecojustice Canada, and have been endorsed by a number of other groups, as Ms. Lintner noted.

In the time allotted to me this afternoon, I want to raise just two points from our joint submission in order to leave time for questions from members of the committee.

First, we want to emphasize in our submission, among other things, the need to require conservation plans, establish standards and support green infrastructure. These matters, in our view, consist of five components.

(1) Permit conditions: One way water conservation can be achieved is to condition the obtaining of permits to take water under provincial law on having a water

conservation plan that includes development of best management practices for water conservation. The authority to tie water-taking permits to water conservation plans for both the public and private sectors was already contained in 2007 amendments that created section 34.1 of the Ontario Water Resources Act. However, as members of the committee are aware, section 34.1 is still not in force. Bill 72 would authorize the province to require municipalities, by regulation, to prepare water conservation plans as part of their water sustainability plans, the latter also required by this bill. The province, in my respectful submission, needs to explain how and when it will integrate the requirements of section 34.1 of the Ontario Water Resources Act with Bill 72 proposals and bring them both into force. In our view, it is past due for water-taking permits to be clearly linked to water conservation as a matter of law, for both the public and private sectors.

(2) Infrastructure grant conditions: With respect to this matter, we recommend that Bill 72 link obtaining infrastructure grants to the submitting of water conservation plans. This authority is not contained in Bill 72, but should be.

(3) Water efficiency standards: We support the implementation of water efficiency standards for various sectors. This does appear to be reflected in Bill 72 in two different respects: firstly, with respect to proposed section 34.12 under the Ontario Water Resources Act, which speaks directly to the question of water efficiency; and secondly, with respect to proposed amendments to the Building Code Act under a proposed section 34(7), which would authorize a review of water conservation standards to commence within six months of the amendments coming into force, and then once every five years thereafter.

(4) Green infrastructure incentives: On this issue, Bill 72 should define conservation and efficiency and green infrastructure as infrastructure, and authorize funding in respect thereto. Again, such authority is not currently contained in Bill 72, but should be.

(5) Land use planning and development: On this matter, Bill 72 should require that land use planning and building decisions incorporate innovative water conservation, green infrastructure and low-impact development approaches. However, apart from the proposed amendments to the Building Code Act that I noted a moment ago, this issue is not otherwise addressed in Bill 72.

From our background submissions and my comments this afternoon, members of the standing committee will see that we view Bill 72 as incomplete with respect to a number of these matters. Our markup of Bill 72, also contained in our full submission, attempts to remedy a number of these issues.

The second main area I wanted to focus on briefly was the question of intra-basin transfers. The provincial government needs to follow through on its commitment to strictly regulate intra-basin transfers of water by promulgating the regulation that has been expected for some

time on this issue under the Ontario Water Resources Act. Our background submission sets out what, in our view, the province should do both within and outside the four corners of Bill 72 on this matter. But in my respectful submission, failure to address this issue will undermine the goals of Bill 72 by encouraging a status-quo approach to water supply management based on building costly big pipe infrastructure that will disrupt watersheds, cause environmental harm and impede progress on achieving water conservation goals.

Subject to any questions members of the committee may have, those are my submissions.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. Mr. Barrett, you're up first.

Mr. Toby Barrett: I'd like to thank both CELA and Ecojustice, Sierra Legal Defence, for making your EBR submission available. You're the only organization that has, so far, and we were able to get a copy of yours off your website. Being in opposition, we don't get this kind of stuff.

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I might mention too that a very large number of people in my rural riding don't have high-speed Internet. They don't do this kind of stuff, so they probably don't send the stuff in. Secondly, they don't have access to it from the people who do send it in. Do you think there's a problem there? Your organization has been involved in this kind of stuff since 1970. In many ways, it's great to have an Environmental Bill of Rights registry and submissions to go in, but it freezes out an awful lot of people, including myself as an opposition member.

Mr. Joseph Castrilli: Thank you for your question. I think if you were to look, for example, at the provisions under the Environmental Bill of Rights, you would see that methods of engaging public consultation and communicating with the public generally are not limited to the Internet; that's just one of many ways to do so.

In fact, the statute sets out a variety of opportunities and methods that the minister could use in particular circumstances. I agree with you that in more remote and rural areas, there may be a need to be much more hands-on in terms of how information is disseminated.

Mr. Toby Barrett: I know the previous presentation—again, it's heartening, coming from an organization which I assume is involved with lawyers and what have you, that there was an emphasis on public education. As legislators, I feel we have the same problem when you have the power, as a group, to make a law. When you have that hammer, every problem that you see looks like a nail, so the knee-jerk reaction in many cases is to make a law or to make amendments rather than thinking of other approaches like public education, which we heard emphasized in the last presentation.

As far as public education—maybe it's unfair to ask you this question, but it was suggested that WaterTAP do this, it was suggested the Ministry of the Environment do this and it was suggested that other existing organizations and institutions be involved with public education. Is there any thought on where the focus should be? Should

it be coming from the Ministry of the Environment or should it be hived off to some other organization?

The Chair (Mr. David Oraziotti): You get an opportunity for a very brief response. We need to move on.

Mr. Joseph Castrilli: My sense is that public information and public education should come from a variety of sources; the Ministry of the Environment doesn't necessarily have to have a monopoly on that. If it thinks that a delivery of public information is better suited in particular circumstances to a special organization, I'm happy to have that happen, as long as it does happen.

The Chair (Mr. David Oraziotti): Thank you. Mr. Tabuns?

Mr. Peter Tabuns: Thank you very much for the presentation. The infrastructure grant conditions linking the obtaining of infrastructure grants to the submitting of water conservation plans: Is this solely with regard to water systems, or are you talking about using this as a lever for all kinds of infrastructure grants?

Mr. Joseph Castrilli: I think, for the purposes of this bill, it was designed to focus on water and waste water.

Mr. Peter Tabuns: Okay. Do you see any other obvious levers for ensuring that municipalities actually put together and deliver on water conservation plans?

Mr. Joseph Castrilli: I think the financial connection is a mighty powerful way of sending the message that I think, as a matter of government policy, the government would want to send. It's often used in other jurisdictions. I'm thinking, for example, that in the United States, infrastructure money is tied to good conduct with respect to environmental practices, and if there is a failure to engage in good conduct in circumstances where the impact is becoming serious, the financial strings are simply tightened. I think it's a very useful and effective means of reaching a public policy goal.

Mr. Peter Tabuns: Okay. Thank you.

The Chair (Mr. David Oraziotti): Thank you. Ms. Jaczek.

Ms. Helena Jaczek: Thank you very much for your presentation. In particular, I'm glad to see that you like the way we're going in terms of water efficiency standards and the amendments to the Building Code Act. In fact, the proposal is to ensure that water conservation becomes such an important part that even the name of the existing Building Code Energy Advisory Council is proposed to be amended to the Building Code Conservation Council. We're really trying to ensure that culture change at the top.

More specifically, as it relates to WaterTAP, there was, from a previous deputant, the idea that perhaps we have existing agencies that could in fact have the role that we see for WaterTAP. Could you just expand a little bit? You talk about a holistic approach and so on. Do you feel that there is value added from what we are proposing as WaterTAP?

Mr. Joseph Castrilli: I think it makes sense, when the government is trying to project a culture of conservation, to have an agency whose sole or primary responsibility is to deliver on that message, so I don't have any particular

problem with having an agency such as WaterTAP do that in this circumstance.

Ms. Helena Jaczek: Thank you.

The Chair (Mr. David Oraziotti): Thank you very much for coming in today, and thanks for your presentation.

Mr. Joseph Castrilli: Thank you, sir.

WATER ENVIRONMENT ASSOCIATION OF ONTARIO

The Chair (Mr. David Oraziotti): Our next presentation is the Water Environment Association of Ontario. Good afternoon and welcome to the Standing Committee on General Government.

Ms. Catherine Jefferson: Thank you very much, on behalf of the Water Environment Association of Ontario, for letting us speak to you today. You have a brief presentation prepared by us.

Just to give you some background, the Water Environment Association of Ontario represents the waste water sector in Ontario. Our membership includes representatives from municipalities, academia, engineering consulting firms, the industrial sector, the provincial and federal governments, First Nations, equipment suppliers and others. Each has a focus on waste water management, whether as a proponent of public education, as a system designer, construction and operation manager, operator training specialist etc. I won't read the rest of it.

Our members are intimately associated and involved with water, waste water and stormwater management from both urban and rural settings across Ontario. We have members from the largest municipalities to some of the smallest municipalities.

In addition, we're actively involved in design and implementation of new technologies pertaining to systems and individual components. As well, we have the need to find experienced waste water operators for system operations.

We appreciate being included in this consultation process and hope that our comments can shape this as we move along.

Our association's history in Ontario is long; our expertise in this sector, extensive. Our association mandate, vision and goals and those of the Water Technology Acceleration Project are quite remarkably the same.

We support in principle the objectives of part 1, section 1. However, we do have some concerns. The major comments pertain to these concerns, which are:

- the revision of the objects of the Ontario Clean Water Agency;

- the proposal to develop a corporation;

- the emphasis on water conservation, with minimal mention of waste water, stormwater or water reuse, which will obviously assist in that objective;

- the potential funding to support activities like water conservation for smaller municipalities; and

—the lack of reference to enhancing operator training and certification, which would encourage the water and waste water sector in Ontario, Canada and globally.

The use of terms in the proposed bill are not adequately defined as to meaning and implied intent. Terms such as “aspirational targets” are there.

The revision of the objects of the Ontario Clean Water Agency: It’s somewhat confusing as to what the intent is here—if it’s to be in the private sector or act on behalf of the government.

The OCWA may have expertise to lend municipalities. The larger municipalities may find the new objectives of OCWA intrusive.

The proposal to develop a corporation: We support the need for a dedicated and knowledgeable body to undertake the objects as set out in section 5. However, these objects should also include the development of training and certification of water and waste water operators as a key issue. The demographics currently lack sufficient numbers of trained professionals for water and waste water operations. Promoting this sector would also lead to promotion of new technologies through their daily operations.

On the other hand, although we support it, there is a concern that the formation of a corporation might dilute the effectiveness of associations such as ours, which already have well-established objects. There may be more effective ways to achieve the objects through collaboration of the government with these associations.

1650

Emphasis on water conservation: Throughout the document, we refer to water, but we haven’t defined what we mean by “water.” “Water” should include water harvesting, water reuse etc. There’s some inconsistency in the documents.

One of the roles of the proposed new act should be to educate the public and private sectors on the importance of the hydrologic cycle and human interference, with the subsequent opportunities generated in addressing water conservation, innovation and new technologies. We speak of both hard and soft technologies, training and accreditation being soft.

We applaud the government for moving forward on a verification program for technologies for homeowners, and we encourage the government to work with Ontario associations to communicate new and upcoming information to their members.

Potential funding to support activities like water conservation for smaller municipalities: That is important. Smaller municipalities may not be as advanced in their current plans, and they need the funds to do so.

A major component that’s missing is, as I indicated, the lack of reference to enhancing operator training and certification. That would encourage the water and waste water sector in Ontario, Canada and globally. We have to have a pool of experienced operators.

In summary, the objects of the corporation, as outlined in the explanatory notes, strike a chord with the Water

Environment Association of Ontario as they echo our organization’s goals.

In subsection 12(3), the minister gives the corporation the task of “assisting ministries and crown agencies in organizing conferences and other programs.” We suggest that this notion be re-examined. Within Ontario, there are a number of associations such as ours related to water and waste water. By implying that the government may organize conferences etc. on water and waste water, there could be a weakening of the associations or dilution in the participant pool for such activities. Organizations such as ours are membership-based. We urge the government to work with associations on the organization of conferences and transfer of technologies related to water opportunities. Our associations already have structures in place and mechanisms for transferring information without trying to compete with provincial departments or crown agencies. We believe the development of content and delivery to stakeholders may be best achieved through other than a government agency, i.e., collaboration with professional and technical associations.

That concludes my presentation.

The Chair (Mr. David Oraziotti): Thank you for your presentation. Mr. Tabuns, if you have any questions or comments at this time—

Mr. Peter Tabuns: Are there any amendments that you have drafted that you believe need to be brought forward for this bill?

Ms. Catherine Jefferson: Amendments? We can put something forward. We haven’t at this point in time. We’re a half-a-person organization, if you like.

Mr. Peter Tabuns: Okay. Then I won’t ask you to do that. The concern you had—you had a number of concerns, but one was making sure there wasn’t confusion between WaterTAP and OCWA in terms of their actual roles, and the definition of “water.”

Ms. Catherine Jefferson: Yes.

Mr. Peter Tabuns: Okay. That’s enough for me. Thank you.

The Chair (Mr. David Oraziotti): Thank you. Ms. Jaczek?

Ms. Helena Jaczek: Thank you very much, Ms. Jefferson, for coming and explaining a little bit about your concerns. Certainly around clarification of terminology I think this is something that clearly, going forward, we’re going to have to make sure we spell out very clearly. That point is well taken.

In terms of potential duplication, I think delineation of the exact functions of the organization is perhaps another clarification that’s required. I’m still trying to get used to the number of associations that are involved in water and the environment in Ontario. I guess, just going forward, if you could maybe elaborate a little bit on what your organization could specifically offer Ontarians in terms of developing our knowledge expertise in the water and waste water sectors. What’s your niche?

Ms. Catherine Jefferson: Unlike the Ontario Water Works Association, who deal with drinking water, our association is waste water- and stormwater-related. That

is our focus. Through our organization we try to do technology transfer through seminars, conferences etc.— networks of people we can work with. We're trying to reach out to the smaller municipalities.

The other thing I failed to mention is, there is an Ontario Coalition for Sustainable Infrastructure, which is composed of five associations, ourselves being one of them, which I also think could be useful as we move forward with this. But we are focused on waste water management and biosolids, which is an end product of the waste water process.

Ms. Helena Jaczek: Thank you.

The Acting Chair (Mr. Bill Mauro): Mr. Barrett.

Mr. Toby Barrett: I have a question. You focus on sewage treatment and stormwater and infrastructure. I think of Port Dover. They're building a gigantic reservoir to capture stormwater. They never had this system before. It'll be right into Lake Erie. Just on that alone, what is the infrastructure gap? How many communities have sewage treatment plants but don't have it separated out from the water that comes through the sewers from heavy rainfall, for example?

Ms. Catherine Jefferson: I couldn't give you the exact numbers on communities that don't have stormwater management. It's pretty much implicit in building these days in the Planning Act and development, having stormwater facilities on site or through the municipal waste water treatment plants. It was a practice to treat stormwater directly, but that's very expensive because you're treating a lot of water unnecessarily that could go to a holding pond, for instance.

That doesn't really answer your question other than—there are a lot of larger municipalities that have stormwater management. There are wetlands that are being used in some areas as well.

Mr. Toby Barrett: Exactly.

Ms. Catherine Jefferson: And if you have the land for them, that's a good choice too.

Mr. Toby Barrett: This legislation is designed to rectify some of those problems by various means. Do we have any idea—maybe we don't—how much this would cost?

Ms. Catherine Jefferson: I don't believe we do have a cost on that. I know the federal government has just been going through a proposed regulation for waste water. They've been trying to figure out the cost, and it's been tricky across Canada. Each province has trouble figuring it out.

Mr. Toby Barrett: Okay. So the—

The Acting Chair (Mr. Bill Mauro): Our time is up. Thank you very much for your presentation, Ms. Jefferson. I appreciate it.

COUNCIL OF CANADIANS

The Acting Chair (Mr. Bill Mauro): The next one is the Council of Canadians. If I could just ask you to state your name for the purposes of Hansard. You've got 10

minutes for your presentation, and that would leave us five for questions.

Mr. Mark Calzavara: My name is Mark Calzavara. I'm the regional organizer with the Council of Canadians. Thank you very much for allowing me to come and speak to you today.

The Council of Canadians is Canada's largest citizen advocacy organization. We work to protect the public interest by promoting progressive policies on fair trade, clean water, energy, public health care and other issues of social and economic concern to Canadians.

Maintaining public ownership and control of water resources is an important priority for us. A key component of our national water campaign is to advocate for a national water policy that preserves water as a public resource and enshrines water as a human right.

The Council of Canadians understands that the quality and availability of a community's water supply is linked to its future prosperity and health. We have 24,802 members in Ontario and 14 local chapters.

Through our Ontario-Quebec regional office in Toronto, where I work, we have recently been involved in campaigns to protect water resources with communities at site 41, in Millbrook and on the Oak Ridges moraine as well.

Last Thursday, we organized a rally here in front of Queen's Park calling for greater protection of our water. People came from across Ontario from communities that feel under threat from their water because they think this government is not doing enough and they don't see anything in Bill 72 to give them confidence that the government understands the multiple threats to water resources in Ontario.

The little protection provided by our current laws and regulations has already been eclipsed by urban sprawl and industrial growth, and now climate change threatens to drastically reduce the quality and quantity of water available for future generations. We've passed the point where the size of our water resources can protect us from our own irresponsible behaviour.

1700

Bill 72 is being promoted as a solution to water issues in Ontario and as a means for Ontario to profit from the global water crisis. At the same time, however, the government has tabled Bill 68, which will dramatically reduce the ability that communities currently have to discover and to challenge the approvals of activities that will threaten their water supply. The so-called modernization of Bill 68 may well create the need for the new treatment technologies that Bill 72 aims to promote. These bills are a sort of one-two punch that will allow business to profit from abusing our water and to profit again by selling us the technology to clean whatever polluted water remains.

We understand that the Ontario government has not consulted First Nations in the province about Bill 72, which is a situation that must be remedied immediately.

Our specific questions around Bill 72: There's a lack of clarity on technologies being promoted. We would

normally applaud initiatives to improve water conservation but are skeptical when conservation goals are combined within an act that is aimed largely at promoting industry. There seems to be a blurring of the responsibilities between the Ministry of the Environment and the idea that the Ontario government is there to promote industry. The Council of Canadians encourages promoting local industry, but we do not have sufficient information about the technologies being promoted and whether or not they meet the needs of communities in Ontario. The question would be: What are the specific technologies and industries that the bill is going to be promoting, and how will they be selected?

Funding for municipalities: We support conservation goals for municipalities but are generally concerned about standards being imposed on municipalities without clear commitment of additional funding.

We also believe in appropriate and sustainable technologies for municipalities to ensure that the mandate of promoting Ontario green industry does not lead to the promotion of expensive technologies for cash-strapped local governments where cheaper and simpler solutions may exist. Does the government plan to offer any new funding for municipalities to meet new conservation and sanitation standards and to upgrade existing infrastructure?

The competition from foreign corporations: It is not clear how this act will be used to promote local green jobs in the face of competition in the area of clean water technologies from foreign corporations. The Council of Canadians is concerned that the North American free trade agreement and future trade agreements, including CETA, will prevent the Ontario government from limiting funding to local industry. How will the act foster a local water and green tech industry in Ontario? And will funding be directed to local green jobs in Ontario?

Lastly, the industrial water aspect: There seems to be a real emphasis in the bill, so far, on consumers, on getting the best technology into the homes of consumers, which is great. That's going to save water usage but, really, consumers are only about 5% to 10% of the total usage of water in the province. So how does the act propose to deal with industrial water use and contamination, which is a much greater aspect of water use?

That concludes my presentation.

The Acting Chair (Mr. Bill Mauro): Thank you very much. We have about 10 minutes for questions, so about three minutes a side. We'll start with the government side. Ms. Jaczek.

Ms. Helena Jaczek: Thank you, Mr. Calzavara, for attending today. We didn't receive any handout. If there is something available, I'm sure all sides would appreciate that. I was wondering: Did you make any comments on the EBR, actually?

Mr. Mark Calzavara: No, we did not.

Ms. Helena Jaczek: Okay. So having something in front of us would perhaps be very useful.

I'm not sure if you were here, but I certainly did have the opportunity, when some of the previous deputants made their presentations, to assure them that it's our

government's intention to maintain public ownership of our water systems. There's nothing in this act that would in any way change that direction.

Given the fact that the Council of Canadians is a well-known advocacy organization, perhaps I'll pose you a question I asked another deputant: Are you aware of any what we might call excellent or best practices in the shape of some sort of public education program that promotes water conservation, something that has shown some measurable results? Would you have some examples of those for us?

Mr. Mark Calzavara: Not off the top of my head, no. I think that's fairly easy to acquire information about. There are a number of different jurisdictions that have tried similar programs. Generally it's very cost-effective to convince people to use less water, but it's not necessarily the first step; it's not necessarily the low-hanging fruit.

Ms. Helena Jaczek: So what would you see as the low-hanging fruit?

Mr. Mark Calzavara: It's infrastructure, the leaks: You have to plug the leaks first. If you can plug the leaks first, as far as water consumption and the wastage of water, that's where you get the most bang for your buck. Instead of spending millions of dollars potentially on advertising campaigns over the next year to convince consumers to replace their toilets or to buy into a new program of rating the water use and conservation potential of various different household items, that money will go a lot farther if you put it in the hands of municipalities and let them fix their leaks.

Ms. Helena Jaczek: I think that is precisely what our municipal sustainability plans are all about. Thank you very much.

The Acting Chair (Mr. Bill Mauro): To the official opposition: Mr. Barrett.

Mr. Toby Barrett: The council is certainly well known for your work with respect to the bulk export of water. Where do we stand on that, nationally and with respect to Ontario?

Mr. Mark Calzavara: In Ontario, currently the government is assuring us that there will be no bulk export of water. Opinions change over time, and as the world water crisis gets worse and worse and worse, the challenge to maintain that policy of no bulk water exports is going to be more and more difficult. The value of water will continue to go up and the desire of people to buy it off of us will continue to go up. We have to take a longer-range look at the entire situation, look what our own needs are and get it into our personal ethics now that bulk water export, shipping water out of its natural basin, is a bad idea. The federal government has recently introduced rules that were not as clear as they could have been, so we're moving on the federal level to try and reduce the amount of water that's allowed to be exported as bulk water exports.

Mr. Toby Barrett: But there are no bulk exports of water occurring.

Mr. Mark Calzavara: I think the limit is 15-litre containers. If it's in a container smaller than 15 litres,

then it's not required to be reported, from what I understand.

Mr. Toby Barrett: So even these directives—I guess in Ontario it's still under the permit-to-take-water system. I know that the previous government, for example, prevented the export of water from Lake Superior by not issuing a permit to take water, but there is still no ironclad guarantee. I suppose this could be subject to a trade challenge. Is that a real concern?

Mr. Mark Calzavara: Water was not excluded from NAFTA, unfortunately. It's one of the things that many groups, including the council, fought very hard to have excluded from NAFTA, and it wasn't. Now with the comprehensive economic trade agreement with Europe, anything that we give to the Europeans also, because of most-favoured-nation status with the United States and Mexico through NAFTA, we have to give the same deal to them. The secret deals that they're negotiating now around all of our trade and procurement with Europe will be rolled back into NAFTA as well. There's no restriction under NAFTA for water exports.

Mr. Toby Barrett: Thank you.

The Acting Chair (Mr. Bill Mauro): Mr. Tabuns.

Mr. Peter Tabuns: Mark, thanks for the presentation. Are there two or three changes to this bill that you think are really important to see happen?

Mr. Mark Calzavara: I think, first and foremost, the clarity: There needs to be more clarity in the bill. It's very, very vague on details, so: putting some clarity as to where the money is really going to be spent and who is going to be getting the money to achieve these goals.

I think that putting the emphasis on the consumer is actually a mistake in the short term. You have to have a consumer component of it, but making that the strongest public side of the bill is a mistake. Having this come out of the Ministry of the Environment as a Ministry of the Environment affair does confuse things. The ministry should be, first and foremost, worried about protecting our source water.

1710

If an amendment to the bill could be made to make the protection of source water stronger, that would be a wonderful thing. I don't think this bill is the right vehicle for that at this point, but that's what the people in Ontario want. The people who came here on Thursday from all over southern Ontario to protest about the fact that their water wasn't being protected: That's what they want. They want strong source water protection, not source water protection that relies on the whim of certain elements as to whether or not they're going to actually enforce the rules.

The Acting Chair (Mr. Bill Mauro): Thank you very much for your presentation.

DON WATERSHED
REGENERATION COUNCIL

The Acting Chair (Mr. Bill Mauro): Next up is the Don Watershed Regeneration Council. I'd just ask you to

state your name for the purposes of Hansard. You have 10 minutes for your presentation, and that will leave us five for questions.

Ms. Celeste Longhurst: My name is Celeste Longhurst, and I'm here today to address you all on behalf of the Don Watershed Regeneration Council.

The Don Watershed Regeneration Council is a formal, community-based committee established by the Toronto and Region Conservation Authority in 1994 to help restore the Don River watershed to a healthy, sustainable natural environment. The DWRC reports to the authority on a regular basis and is composed of community members, elected officials and representatives from businesses, agencies, environmental groups and academic institutions located within or concerned about the future of the Don River watershed.

A new, updated regeneration plan, Beyond Forty Steps, was endorsed by the DWRC and approved by the TRCA in 2009. It guides the DWRC in commenting to other government agencies—federal, provincial and municipal—on matters pertaining to the future of the watershed. The new plan addresses the broad watershed issues of sustainability, including water and energy efficiency, and emerging challenges such as climate change.

I'm here today in order to provide the DWRC's feedback on the proposed Water Opportunities and Water Conservation Act.

The DWRC supports the proposed Water Opportunities and Water Conservation Act. We are encouraged to see the provincial government take a leadership role in creating proposed legislation that will protect Ontario's water resources and foster sustainable technologies and innovation. However, the DWRC believes that there are certain components of the act that need to be better defined and strengthened. Specifically, we would like to see the act strengthened to recognize:

- the need for comprehensive and coordinated watershed management as a framework for understanding water supply, use and conservation;

- the importance of assessing surface and ground-water quality and quantity and creating a remediation strategy to address contamination and unsustainable use;

- the invaluable functions of natural systems and other green infrastructure, such as open spaces, green roofs and an urban tree canopy, in sustaining water resources by reducing runoff and associated erosion, flooding and water quality impacts;

- a shift in the water management paradigm to encourage emphasis on management at source and in conveyance before end-of-pipe solutions are developed;

- the contribution of low-impact development to sustainable water cycles;

- the importance of water management as an integrated science which treats water primarily as a resource and not a waste and recognizes the benefits to taking a whole-system management approach that includes stormwater, potable water and waste water;

- the need for a stormwater fee as one of the financial tools to achieve conservation objectives;

—the need for recognizing water as a fundamental human right and public resource, and therefore the importance of establishing limits to privatization of water resources, and that if privatization is to be considered for any water resource, the extent of privatization should be a public-private partnership;

—the need for the Water Technology Acceleration Project to include public stakeholders and have full transparency and accountability in their guiding principles and actions; and finally,

—that any municipal water strategies that are developed should be done so in collaboration with watershed management plans that are put out by Conservation Ontario and its chapters.

Furthermore, the Don Watershed Regeneration Council notes that the act has not yet addressed certain aspects of water management that we feel are vital to creating a sustainable water framework for the province of Ontario. Specifically, we would like to see the act recognize:

—partnerships with neighbouring provinces and territories to address transboundary watershed concerns;

—increased collaboration between the province of Ontario and the federal government to strengthen a national strategy for sustainable water resource management;

—the need for a public education and engagement strategy that will allow the public to become actively involved in water issues and sustainable management;

—the intrinsic value of Ontario's water resources and the need to protect and conserve not only watersheds for their intrinsic value, but the land ecosystems that support these watersheds;

—the issue of unsustainable water usage within industries and the need to address embedded water within goods and services that are produced in Ontario and consumed here or exported; and

—the impacts of climate change on Ontario's water resources and the establishment of a strategy that will help mitigate these impacts.

Finally, while this act may not be the appropriate instrument, the Don Watershed Regeneration Council believes that water issues affecting the health and vitality of First Nations must be a priority for all, and requests continued and sustaining efforts to address these issues with First Nations peoples.

We conclude that the proposed Water Opportunities and Water Conservation Act could be further strengthened by considering the inclusion of the above recommendations from the DWRC into the Water Opportunities and Water Conservation Act. We believe that the proposed act has the potential to help the Don Watershed Regeneration Council with its goals by providing stronger tools for communities to achieve healthier, more sustainable watersheds.

Thank you for taking the time to listen to me today. I hope that the Don Watershed Regeneration Council's feedback on the Water Opportunities and Water Conservation Act will prove useful in the revision and enactment of the act.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. Mr. Barrett, do you have any questions or comments?

Mr. Toby Barrett: With respect to the Don River and the Don watershed, what would be the human population of the watershed?

Ms. Celeste Longhurst: Huge. I would say the majority of the city of Toronto.

Mr. Toby Barrett: You stress the importance of assessing surface and groundwater quality. What is the state of the Don River as far as water quality, fish populations, things like that?

Ms. Celeste Longhurst: It's come a long way, but it still has a long way to go. There has been a huge effort to remediate the Don, and we've seen a lot of remediation successfully completed, but there's still a lot of work that needs to be done.

One of the biggest issues in terms of water quality is stormwater management and combined sewer overflow. Until we fix that problem, no matter what we do to remediate the quality of the water, every time there's a large amount of rainfall, the combined sewer overflow will destroy any attempts to remediate water quality.

Mr. Toby Barrett: So even the city of Toronto doesn't really have adequate stormwater containment structures?

Ms. Celeste Longhurst: It's an aging infrastructure, and with growing population and growing demands on the city and the infrastructure, there's a huge need for it to be replaced.

Mr. Toby Barrett: Thank you.

Mrs. Joyce Savoline: You mentioned the need for a stormwater fee. Who pays that fee?

Ms. Celeste Longhurst: The users of the stormwater system.

Mrs. Joyce Savoline: Which is who? Homeowners?

Ms. Celeste Longhurst: Yes, homeowners, businesses.

The Chair (Mr. David Oraziotti): Mr. Tabuns, do you have any questions or comments?

Mr. Peter Tabuns: Thanks very much for the presentation. Could you speak briefly to the ability of a complete tree canopy to deal with the stormwater problem?

Ms. Celeste Longhurst: I think that a tree canopy does contribute toward remediation of stormwater issues. However, there are a lot of different things that feed into that. Until we reduce the amount of asphalt in the city—an urban canopy will help in terms of absorbing some of the stormwater. However, when we have a completely impermeable surface paving the entire city, or the majority of it, we need to try and change that, and that will also have a large impact in terms of the amount of stormwater that reaches the drains.

Mr. Peter Tabuns: Okay. Thank you.

The Chair (Mr. David Oraziotti): Thank you. Ms. Jaczek.

Ms. Helena Jaczek: Thank you very much, Ms. Longhurst, and to the Don Watershed Regeneration Council. I was particularly impressed that your sub-

mission is dated July 16, so obviously we're right on top of this.

I think it's worth pointing out that the proposed act is an enabling piece of legislation. I think many of your concerns are things that will be addressed as we go forward, as we look to the regulations. Hopefully, you and your organization will continue to play this enthusiastic part in the consultations over the regulations.

Actually my question was somewhat along the lines of Mr. Tabuns's in that we heard earlier about green infrastructure, and clearly that's something which your organization would have considerable expertise in. Could you maybe, in your experience, tell us a little bit about what some of the best approaches are for the increased use of green infrastructure, especially in an urbanized setting?

Ms. Celeste Longhurst: Absolutely. I think there are quite a few opportunities to take advantage of that. People have been starting to do green roofs and urban

agriculture and increasing urban forest canopy, so I think there are many different ways that we can take advantage of green infrastructure. It goes beyond having green roofs and urban trees and urban agriculture; it goes into green buildings and sustainable building design. I think that an integrated approach needs to be used when taking things like this into consideration and looking at how things work together as systems. I don't think that it's one particular aspect; I think we need to take a sustainable approach to the way our cities are designed, built and run.

Ms. Helena Jaczek: Thank you very much.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. That concludes our time.

Thank you, folks. That's all of the presentations that we have today. As you know, the amendment deadline is this Friday at noon at the clerk's office. We'll meet next Monday for clause-by-clause.

The committee is adjourned.

The committee adjourned at 1720.

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