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**Official Report
of Debates
(Hansard)**

Monday 2 December 2002

**Journal
des débats
(Hansard)**

Lundi 2 décembre 2002

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES**

Monday 2 December 2002

Lundi 2 décembre 2002

*The committee met at 1002 in Victoria Jubilee Hall,
Walkerton, Ontario.*

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

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

SAFE DRINKING WATER ACT, 2002

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

Consideration of the following bills:

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

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

**GRAND RIVER
CONSERVATION AUTHORITY**

The Chair (Mr Steve Gilchrist): Good morning. I call the standing committee to order for the purpose of considering Bills 175 and 195. The first presentation this morning will be from the Grand River Conservation Authority. Good morning, and welcome to the committee.

Mr Paul Emerson: Good morning. My name is Paul Emerson. I'm the chief administrative officer of the Grand River Conservation Authority. I've handed out the package in front of you, with the fancy picture. It's a fairly brief presentation.

First of all, thank you for the opportunity to be here today. We'd like to comment on two aspects of Bill 175 that we believe are of critical importance in the provision of water and waste water services.

The first may be somewhat unique to the Grand River watershed and a few others throughout the province, but it deals with infrastructure. In the Grand River watershed, there is a series of multipurpose reservoirs that are an integral component of the water and waste water infrastructure. There is a map in here that shows where

those reservoirs are located. It's appendix 1. There are several of them.

A number of municipalities in the Grand River watershed take all or a portion of their water supply from the river system. All of these municipalities dispose of their treated waste water from 27 waste water treatment plants into this river system. Again, I've added another map, appendix 2, that shows the location of those sewage treatment plants.

The reservoir system we operate is operated to ensure there are minimum base flows in the river for use as water supply and waste water assimilation. One other chart—and this is the last one—shows what happens to the river in the summer through Kitchener and Brantford, and the Speed River in Guelph. If you were to study appendix 3, you would see that in various locations the majority of the water in the river from June, July through into the fall comes from this reservoir system, the point being if the reservoirs did not exist, there would not be water in the river for water supply for these municipalities and the sewage treatment plants would not be able to operate. It's critically important, and I can't over-emphasize that point.

Therefore, we'd recommend that the full costs of water and waste water services include costs associated with this multipurpose reservoir system and associated monitoring network that is required to enable us to operate it.

I don't know whether you'd like to entertain questions at this point, or should I continue on to the second point?

The Vice-Chair (Mr Norm Miller): If you want to do your whole presentation, then we'll have questions after.

Mr Emerson: Fine. Thank you.

The second area I'd like to deal with today is source water protection. As you know, Justice O'Connor noted that source water protection is the first barrier in a multi-barrier approach to protecting water supplies. Our conservation authority, which is one of the largest in the province, receives a significant portion of its municipal levy from the municipal water/waste water rates for services that help to protect the sources of this water. Some of these services, as I'm sure you're aware, include groundwater and surface water mapping, monitoring, water budget analysis, water quality analysis, subwatershed planning, and the list goes on.

We would recommend that costs associated with source water protection be an eligible component of full cost accounting for water and waste water services. There is absolutely no question in our minds that they are essential services and should be considered in this point.

Those are the only things I had to say today. I'd be happy to entertain any questions. Thank you very much for the opportunity to speak with you.

The Vice-Chair: Thank you very much. That allows about five minutes for each caucus, starting with the official opposition.

Mr James J. Bradley (St Catharines): My first question deals with cost. Depending on the size of the municipality, and this is true mostly for the smaller municipalities that have a very small property tax base or a small number of water users, obviously the imposition on people in that situation will be substantially different from that, say, in Metropolitan Toronto, the whole city of Toronto, as it's called now, where there would be a much greater tax base and a lot more users to contribute to the system. In this case it's the senior level of government which is most operative, but sometimes we have as well federal-provincial programs where there's a contribution from all three levels of government. Do you think that at least in the initial stages it would be appropriate to have a funding partner from the province to help out those municipalities?

Mr Emerson: Yes, we certainly believe the province has a role to play in helping to fund some of these services. I know Justice O'Connor indicated there has to be sufficient funding made available to provide this. He went on to say that obviously the sources are the provincial income tax base level of funding, the property tax base or user fees. To answer your question, to make a practical solution for the province, you're going to need a combination of all those sources of funding.

Mr Bradley: Conservation authorities took a huge cut post-1995 because the Ministry of Natural Resources took a huge cut; authorities being involved with the Ministry of Natural Resources, those cuts affected you and were very significant. Would you anticipate that if you were to assume the responsibilities—it only makes reference to it in this bill as opposed to being specific—that Justice O'Connor talks about in terms of protection of the source of water, you would need a substantial increase in your funding from the province, perhaps at funding levels you had before the cuts came or even larger? Would you require that to be able to do your job appropriately?

Mr Emerson: We'd certainly require additional funding to do our job appropriately. As I mentioned before, Mr Bradley, I would suspect and hope that the funding would come from all three potential sources, the provincial government as well as the municipal and user fees. But to answer your question directly, there would have to be additional provincial funds provided to the conservation authorities to protect the sources of our water.

Mr Bradley: When we're looking for the appropriate, properly trained and expert staff, we find in some cases

that there's a glut on the market, if you will, a lot of people around available to do it. In other cases, it's difficult to find those with the particular expertise. Do you believe that in the next few years you would find it difficult, or do we have a sufficient number of people out there whom you'd be able to hire to carry out the responsibilities of a conservation authority?

1010

Mr Emerson: It's already a challenge. Post-Walkerton, maybe even before that, it was becoming a challenge. Our conservation authority, for example, as I mentioned, is fairly large; we have a fairly wide range of expertise. We just hired a hydrogeologist; it was a very difficult recruitment process, but we just obtained another hydrogeologist. We recruited a water quality supply expert; we had to recruit right across Canada and they came from the west. We had to recruit some IT-type people from California. That's the kind of range you have to look at when you're recruiting this kind of expertise today.

The Chair: Thank you, Mr Bradley.

Mr Bradley: The boss tells me when I have to stop.

Mr Norm Miller (Parry Sound-Muskoka): Thank you for making your presentation today. I'm interested in full cost pricing and your suggestion that conservation authorities and their capital costs should be taken into account. In my riding, for example, Parry Sound Power manages one complete watershed; they have 14 dams on the watershed that they look after. It's really strictly to do with power generation. I was talking to them and they're looking at financing some more generation. On that side of the riding it's different from on the Muskoka side, where the Ministry of Natural Resources looks after pretty much all the dams and control structures.

I'm just wondering, in terms of drinking water and water and sewer, where the break-off point is and how you split off all these costs from different interests, whether it be hydroelectric generation or, in the case of MNR, maintaining water for fish levels, cottagers and boating navigation. There are a number of different interests and they probably should, in one way or another, share in the costs of maintaining the structures. Have you any ideas on that, how this works into full cost accounting?

Mr Emerson: For example, in our watershed the region of Waterloo takes about half of its municipal levy from the water-waste water rates. The city of Brantford takes it all because it takes all its water supply from the river. The city of Guelph currently doesn't take any, for example, but it's looking at taking a certain portion from that.

We just provided the region of Waterloo with some figures when we looked at all our programming and we felt that in the region of Waterloo you could take up to 65% to 75% of our costs from the water-waste water. There are services that we provide dealing with fisheries, as you said, dealing with flood control, that wouldn't likely be appropriate to put on your water-waste water services. We can break that out for you.

Mr Miller: Would you split it up based on a specific scenario? For example, around Bracebridge they draw their surface water from Lake Muskoka. I guess indirectly the control structures maintain the water level, although it's a pretty deep lake. So even if they weren't there you'd still be getting drinking water from the lake on the Parry Sound side. Parry Sound Power wouldn't affect the drinking water anyway, because Parry Sound draws from Georgian Bay, so the control structures wouldn't affect that. Would you look at each case individually?

Mr Emerson: I think you really have to, but let's not forget you're obviously looking at a province-wide scale. Anything that we're doing in the watersheds to protect the sources of water—that's the source of water for the Great Lakes. In our watershed there are about a million people who take their water supply from the rivers or the groundwater system. Most of your other large urban centres in the province take their water supply directly from the Great Lakes. But how can you protect the quality of water in the Great Lakes? There's only one way, and that's dealing with it at the source, at the watershed level. Justice O'Connor said that but he wasn't the first one. Everybody who studies the situation says this kind of thing. I think you have to remember that when you're looking at the full cost of providing this service.

1020

The Chair: I'm afraid we've run out of time, unless you can say it in about 25 seconds, Mr Johnson.

Mr Bert Johnson (Perth-Middlesex): I grew up by the headwaters of the Conestoga, near the Conestoga dam. My interest was the same, and that was that there are what I would call considerable recreation facilities. There's a lot of ownership of cottages and so on around. I was wondering how the tax base contributes toward the upkeep of a facility like that, which also accommodates recreational water levels, as well as flushing out the Grand further down.

Mr Emerson: What Mr Johnson is talking about is that along the larger reservoirs there are 750 cottage lots. The tax dollars pay for none of that service. They pay leases. In fact, if you talk to the cottagers, they feel they pay too much money. They're paying a disproportionate share, in their minds, toward the operation of the reservoir for water and waste water services. But we feel it's a pretty good split now. It's set up so that they don't pay anything toward the operation of the reservoir from the water and waste water side. On the other hand, from a recreation point of view, there are no tax dollars going into that.

Mr Johnson: Where does the tax money go, to the municipality or to the Grand?

Mr Emerson: The lease money comes to us.

The Chair: Thank you very much for your presentation. We appreciate you coming before the committee this morning.

SOIL AND WATER
CONSERVATION SOCIETY,
ONTARIO CHAPTER

The Chair: Our next presentation will be from the Soil and Water Conservation Society, Ontario Chapter. Good morning and welcome to the committee.

Mr Peter Chisholm: Good morning, ladies and gentlemen. I'm Peter Chisholm. I'm a retired professor from the school of engineering at the University of Guelph and I'm currently the treasurer for the Soil and Water Conservation Society, Ontario Chapter. I'm here in the latter context and I wish to provide to you some thoughts that Professor Whiteley and I have about Bill 195 in respect to safe drinking water.

I'm going to read pretty much through this. It tends to be fairly structured and I apologize for that, but my comments are fairly specific. It's a little bit more laborious to read, but I'll do that in any case.

We are indebted for the opportunity to take part in this proceeding and wish to express our thanks to the Honourable C. Stockwell for that privilege.

We intend that our acknowledgments embrace three recent events relevant to this proceeding. The first is the forward-looking current policy to protect freshwater source areas in the Oak Ridges moraine. The second is the recent decision in the Divisional Court of the Ontario Superior Court of Justice to uphold the appeal by the Grey Association for Better Planning over whether water-taking is a land use under provincial statutes. This decision contributes to the protection of sources of water by encouraging municipalities to be active in protection of water sources.

Just an aside at this point: although Bill 195 is not a bill about the protection of source areas, a lot of the content in the bill as we see it refers specifically to the requirement for source protection.

Municipal participation is especially important in areas included in Ontario's snow belt. A snow belt—we all know about it; we're here in the middle of it—can be thought of as a feature of climate. It can also be thought of as a landscape feature, not unlike the Oak Ridges moraine. The snow belt extends from the Dundalk highlands generally southwesterly through Mount Forest, Stratford, Saint Mary's to Strathroy. It basically is the divide between drainage into Lake Huron and Georgian Bay to the northwest and drainage to the south into Lake Erie and Lake Ontario.

That snow belt contains the sources of water of concern to the Grey Association for Better Planning. As a landscape feature, the snow belt is the source of thousands of private water supplies from groundwater and it's also the source of base flow in principal cold-water fisheries that issue from it.

1020

Mr Bill Murdoch, MPP, you will know about this because of your input to the fisheries habitat protection program in your jurisdiction. You've done a lot of good work in that regard. Basically, the second event that we're referring to is that the snow belt has come into

focus as a significant land form in relation to the broader issue of source protection.

The third event is Bill 195. It relates to a number of topics that merit expression in respect to source protection. In what follows we refer to those points and present recommendations that are intended to enhance the content of Bill 195 in respect of source protection.

We did give you six recommendations, and my plan is to proceed through each one, one at a time. I will be quite pleased if you wish to stop me at any point and ask me about what I'm saying or trying to say.

First, I want to refer to the explanatory note to the draft act. The explanatory note states that "the people of Ontario are entitled to expect their drinking water to be safe." In respect to this expectation, the draft act makes several provisions. It provides for the protection of human health and the prevention of drinking water health hazards through the control and regulation of drinking water systems and drinking water testing. Also, it provides for drinking water quality standards which define the quality of treated water suitable for potable, that is, drinking water, purposes.

A comment on the explanatory note to the draft act: the standard of care in the draft act applies to those parties responsible for drinking water systems and their testing. It is not clear that the standard of care applies to those parties responsible for forming applications to take raw water: an engineer involved in investigation and application for water; a well driller who does the actual physical exploration for water. Nor is it clear that it apply to those parties responsible for approval of approval of such applications: the person working for the ministry who processes an individual application for a permit to take water. Nor is it clear that approval of an application to take raw water for a drinking water system would carry a tacit approval of the quality of raw water to be taken, or if a stated approval of raw water quality is required for a drinking water system to be in compliance with the act. So there's a whole level of technical input to this process, and I think that some attention is useful in relation to the people and the technical infrastructure associated with drafting and processing of such applications.

The following definitions are taken from the draft act and appear below in the same order as referred to in part 5, recommendations, of this submission. Reference 1 is to drinking water system, part (b), and it says, "a well or intake that serves as the source or entry point of raw water supply for the system."

Now, I have a comment about that one on the top of page 3. The use of the word "source" in this context is different from the use of the word "source" in part II, Administration, clause 3(4)(e). That part of the act says: "a review of the quality of raw water supplies and source protection." The word "source" is used here in a much broader sense than in the case of the well being the source. It is also different from the use of the word "source" in respect of a river, lake, aquifer and other sources of raw water. We have a recommendation in relation to that ambiguity.

It is recommended that the definition "drinking water system," part (b), be changed to remove the ambiguous word "source." Revised, it would read, "a well or intake that serves as the entry point of raw water supply for the system." It eliminates the implication of source, which is misleading and inconsistent with other parts of the proposed legislation.

Reference 2, drinking water system:

"drinking water system" means a physically connected system of works, excluding plumbing to which the Building Code Act, 1992, applies that does not treat water, that is established for the purpose of providing users of the system with drinking water, and includes:

"(a) anything used for the collection, production, treatment, storage, supply or distribution of water."

Reference 2, drinking water system, part (a), does not include the source of raw water of a system as part of a drinking water system.

Recommendation 2 in respect of comment 2 on reference 2, preceding:

It is recommended that the definition "drinking water system" part (a), be changed to "anything used for the collection, production, treatment, storage, supply or distribution of system's waters." The emphasis of "system's waters" will become a little bit more clear in relation to the next couple of comments.

Reference 3, drinking water health hazard: "drinking water health hazard" means, in respect of a drinking water system,

(a) "a condition of the system or a condition associated with the system's waters."

This definition deals with the broad concept of system's waters and refers to drinking water health hazards within the system's waters, including anything found in the waters.

Comment on reference 3, preceding:

Reference 3, "drinking-water health hazard" part (a), states "a condition of the system or a condition associated with the system's waters including anything found in the waters." This refers to the waters of a drinking water system which includes raw water and raw water supply as defined in reference 4 following.

Recommendation 3 in regard to that comment:

It is recommended that the definition of "drinking water hazard," part (a), be retained as proposed. We suggest retention because it deals with the broad system's waters, "a condition of the system or a condition associated with the system's waters including anything found in the waters."

Reference 4, "waters" in the act includes drinking water, raw water and raw water supply.

Comment on reference 4, preceding: reference 4, "waters" includes raw water supply in the waters of a drinking water system. This says that raw water supply is included in the waters of a "drinking water system." From this perspective, the definitions of "drinking water system" and "waters" appear to disagree: "raw water supply" is not included as an item in the definition of "drinking water system" but it is included in "the system's waters."

Just as an aside, the source of the water is also included in every drinking water system that I've ever helped design. The Lake Huron water supply to London; the Lake Erie water supply to Talbotville; the Peak Springs water supply in Bracebridge etc. So clearly, in the language on the technology of drinking water supply, the source of raw water is characteristically part of a drinking water system.

The Chair: Excuse me, Mr. Chisholm. I should just draw your attention to the fact that we've got about two minutes left for your presentation. You might want to précis your comments.

Mr Chisholm: Thank you very much, Mr Chair.

Reference 5: "deficiency" means, in respect of a drinking-water system, a violation under this act that is prescribed as a deficiency for the purposes of this act.

A comment on reference 5, preceding: "deficiency" means, in respect of a drinking water system, a violation under this act that is prescribed as a deficiency for the purposes of this act. Reference 3, preceding, refers to "drinking water health hazard" in the "waters" of a "drinking water system" and reference 4, preceding, includes "raw water supply" in the "waters" of a "drinking water system." This means that "deficiency" in a "raw water supply" is a "deficiency" in a "drinking water system."

Recommendation 5 in respect of reference 5, preceding: it is recommended that the definition of item 2 in "1. the purposes of this act are as follows" be changed to, "To provide for the protection of human health and the prevention of drinking water health hazards through the control and regulation of drinking system's waters and their testing."

1030

The last comment, reference 6: "The purposes of this act are as follows, and I'll just read item 2, which we refer to in the recommendation: "To provide for the protection of human health and the prevention of drinking water health hazards through the control and regulation of drinking water systems and drinking water testing."

Comment? No comment on that one. We'll just skip over it.

It is recommended that part II, "Administration," 3(4)(e), be changed to "a review of the quality of raw water supplies and source protection initiatives across the province and establishing and maintaining a register of approved raw water sources and those sources not approved."

I'm sorry, Mr Chair, for taking so long.

The Chair: No, that's perfect. You've timed it bang on, and we very much appreciate your very detailed presentation before us here this morning. Thank you.

CITY OF KITCHENER

The Chair: Our next presentation will be from the city of Kitchener. Good morning and welcome to the committee.

Mr Dwayne Quinn: Good morning, Chair Gilchrist, and honourable members of the committee. My name is Dwayne Quinn, director of utilities for the city of Kitchener. On behalf of the city of Kitchener and its utilities division, I would like to thank you for opportunity to present our views on these important matters.

I am here primarily to speak in support of the principles of Bill 175, the Sustainable Water and Sewage Systems Act. The content of my presentation will provide some background on our utility, our recent history of infrastructure investment, our views on the importance of sustainable water system funding, our offer to assist in the preparation of effective regulations, and a brief comment and recommendation on Bill 195. I would also like to provide an opportunity for you to ask questions on our views.

The utilities division is an integrated gas and water utility that reports to Kitchener city council through the chief financial officer. We serve approximately 55,000 water customers and 50,000 gas customers. Our relatively unique position has been beneficial in providing balanced input to the Ontario Energy Board in the development of their decisions and rules and, most recently, the review of the board itself.

I joined the city in 1994, from the gas industry. At the time, the former general manager of public works expressed concerns regarding falling behind on infrastructure replacement. Simple assessments yielded estimates that we were investing less than 20% of the funds necessary to sustain a 100-year life cycle on the plant. Since 1994, the utilities division has increased investment in water infrastructure replacement by a factor of three.

Over the last 10 years, we have been working on an integrated infrastructure management system that can help us to make better infrastructure investment decisions. However, a portion of the remaining revenue over expenses of the water system continued to be allocated to the city's general revenue fund as a dividend or, as we refer to it, a payment in lieu of property taxes.

In the fall of 2000, we became aware that the provincial government might introduce legislation like Bill 175. The utilities division appealed for the removal of the dividend on the basis of increased infrastructure investment opportunity and proactive funding and rate making. However, that appeal did not make it through the municipal staff budget process because of concerns about the political saleability of its impact on the tax rate. Our infrastructure funding level was kept static.

I provide the above example to illustrate how well-intentioned decisions can have a negative impact on the long-term funding for municipal infrastructure. In making strategic decisions about resource allocations in a municipal context, it is very difficult to quantify quality-of-life impacts. The result is often that municipalities invest in assets that the taxpayer can see and use today, as opposed to investments in unseen infrastructure for the future.

However, in these important decisions, a very important stakeholder is often absent from the discussions, and

that stakeholder is future generations. In November 2001, we submitted a report outlining our concerns about water infrastructure replacement funding. In December 2001, the Sustainable Water and Sewer Systems Act was introduced under Bill 155. Our support of the principles of the proposed act, now Bill 175, is drawn from our view as an integrated gas and water utility. Although the delivery systems are both natural monopolies, natural gas is considered an energy choice competing with other fuels. As such, natural gas utilities are considered for profit and are regulated in the public interest to balance the interests of owners and customers. Water, however, does not have effective substitutes and, as a necessity of life, we believe it should be provided at cost in the public interest. Therefore, there should be no transfer of funds in or out of the city's general coffers.

Further, we believe that the funding should reflect a pay-as-you-go philosophy. As noted above, on behalf of future generations, water utilities should be disciplined in setting aside funds to ensure an appropriate renewal of the system. Not being disciplined would place an enormous burden on the future users of the system when replacement can no longer be deferred.

As a result of our internal report and the prospect of legislative requirements, we initiated a comprehensive study of our water and sewer systems and developed a plan to get back on track. Since the challenge was created over a number of decades, we have developed a 30-year plan of accelerated replacement to get back on track. From that plan, we created a 10-year financial model to determine rate impacts.

I had the opportunity to mention our work to the honourable Ted Arnott through discussions on another issue. I offered our assistance to work with the provincial government in developing regulations that are practical for municipal implementation. Mr Arnott put me in touch with municipal affairs and housing when the legislation was under their ministry, and I have had subsequent contact with the Ministry of the Environment more recently. Our hope is to lend our experience to assist the ministry in ensuring that the regulations provide the outcomes sought without creating unintended effects that reduce the value to general public.

On the Safe Drinking Water Act I would only comment that although we believe in the intent of Bill 195, we are concerned about the lost public value if a bureaucracy is created to ensure utility compliance for licensing and accreditation. Other alternatives such as audit, quality standards or peer reviews may provide a more cost-effective compliance strategy while affording an organizational learning and development opportunity.

In conclusion, the city of Kitchener's utilities division supports the effective implementation of the principles of Bill 175 and stands ready to assist the provincial government in ensuring sustainable water and sewer systems for the benefit of our constituents for decades to come.

Thank you, and I would appreciate the opportunity to respond to any questions you may have about our views.

The Chair: That affords us about three and a half minutes for each caucus. We'll begin with the government members.

Mr R. Gary Stewart (Peterborough): Thank you very much appearing before us today. Just a couple of questions on the operation of your utility. You comment that many customers aren't interested in pursuing something that's kind of hidden; they like to be able to say, "Well, you know, this thing's up front." You can see it, a bald item, whatever it might be and certainly it's more palatable for the taxpayer. But on your utility bills, do you show your water as a separate amount, and is it fully recoverable at the moment or under your new proposal?

Mr Quinn: The water is shown as a separate item on our bill and fully recoverable, yes, but there is not sufficient long-term funding in the rates that we have currently to provide the long-term asset needs.

Mr Stewart: With your proposal for a 30-year plan, how are you going to show that as additional dollars to put into the pot for the infrastructure upgrades?

Mr Quinn: We would embed the required additional revenue into the utility rate and ensure that there is a reasonable life cycle. We'd work with the sewer systems also and define a reasonable full-life term for the assets and balance those interests so there will be a commensurate water rate increase and sewer surcharge increase to ensure both systems maintain an adequate life cycle.

Mr Stewart: Do you feel that it can be fully recoverable?

Mr Quinn: I believe it can.

Mr Stewart: Are Kitchener people supportive of that?

Mr Quinn: I must add on this question and it goes back to—

Mr Stewart: I'm not putting you on the spot—

Mr Quinn: No, I appreciate that, and I want to be very clear in my comments. Before coming to this committee, I approached our council to request the opportunity to do this because it is not something that necessarily everybody will support right up front. We have an action strategy, a communication strategy to get the message out.

1040

Our council does support this. In fact—I was specific in my wording here—our council has not been fully aware of the state of the water system throughout the years. Therefore, when bringing the information to light and talking about the principles, they were in support of the principles. We are concerned about the regulations, and I said I would do what I can to try to make sure the regulations are effective for all municipalities, but certainly specifically to the city of Kitchener.

Mr Johnson: I just wanted to know if the cost recovery on your bills now includes the capital cost of the water system.

Mr Quinn: A portion of our revenues are allocated toward capital replacement; it's the rate of capital replacement that is not sufficient at this point.

Mr Steve Peters (Elgin-Middlesex-London): You talked about drinking water and you talked about sewage. How are you dealing with storm water? Be it through a

combined sewer system or a storm drain going straight into the Grand River, it's taking a lot of runoff into that water system. Should storm water and costs to help improve storm water management be incorporated into costs dealing with water?

Mr Quinn: We believe so. That's a very good question, because we came upon it in looking at our funding. Some of our funding strategies and rate impacts have been deferred to 2004, awaiting the impending regulations. However, this year we made a revision to our allocation of storm water costs to have allocations from water and sewer, along with the tax-based implications of storm water management, all go into funding our storm water management requirements.

Mr Bradley: You should know, first of all, that you may see some of the changes you've recommended in the regulatory framework. Unfortunately it's impossible, with the timelines of this committee—I won't blame the committee Chair for this; he simply is the person in charge right now. But all amendments to the legislation are due by noon tomorrow. So if you think anything said today is going to be easily reflected in the amendments, it won't be. I'm glad you're at least aiming at the regulatory change.

My one question is this: is there any discussion in Kitchener about the privatization of the system, as has happened in some other communities?

Mr Quinn: There has been no formal discussion of privatization. We have studied it from the mid-1990s. We don't believe these public assets should be owned privately, but I am in favour personally of considering all options, including management contracts or others, if that creates an efficiency in the delivery of those services to the public. That is our corporate view and my personal view.

Mr Bradley: We're looking at the capital costs that might be forthcoming. You have indicated your support for full cost accounting and the user paying the entire cost. In years gone by, the provincial government has been a funding partner, at least in the initial stages, where there may be some significant additional capital costs. Would you welcome financial assistance from a funding partner called the provincial government?

Mr Quinn: Recognizing my position, I would not turn down any assistance, but I believe, in the public interest, it should be designed well, helping those areas that have greater need, but only in a transition. I believe that opportunities such as interest-free loans, that type of opportunity, are where a community can pay for itself but be aided in the transition, as opposed to funding which may not be as efficient if designed as a subsidy on an ongoing basis.

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

HAMILTON UTILITIES CORP

The Chair: Our next presentation will be from the Hamilton Utilities Corp. Good morning. Welcome to the committee.

Mr Art Leitch: Good morning. I would like to thank the committee for receiving our delegation. My name is Art Leitch. I'm president and CEO of Hamilton Utilities Corp. By way of my background, I have a master's in environmental engineering and a master's in business administration and over 30 years in municipal utilities: water utilities, waste water, solid waste, energy from waste and electricity. I started my career at the Ontario Water Resources Commission before it became the Ministry of the Environment and, I like to think, before it went downhill. I've worked for both the public and private sectors. Right now I'm working at a hybrid organization, a business company that is 100% owned by the public, the city of Hamilton.

I'm not here to ask this committee for anything. I'm here to offer this committee my unqualified support for Bill 175, Bill 195, full cost pricing for water and waste water systems, sustainable investment in water and waste water infrastructure and safe drinking water. It's too bad we need a provincial law in Ontario to make this happen.

We in Hamilton and the Hamilton Utilities Corp are developing a business case, as we speak, that will look to accelerate investment in water and waste water infrastructure, obviously thereby mitigating health and environmental risks, but we want to do this in a way to mitigate water and sewer rate increases. In doing this, we think we need to have off-balance-sheet financing separate from city financing.

Hamilton Utilities Corp, as I indicated, is a multi-utility holding company. In that respect it's not unlike the Kitchener utilities, which you just heard about from the previous delegation. We hold an electricity distribution utility, a fibre optics utility, a district heating utility, and with this business case we're looking at setting up a water utility corporation.

We firmly believe that the city should remain as the sole shareholder of this water corporation. Water is a public service, it's an essential service, and it's a natural monopoly. We think the city as a shareholder thereby plays an important role in balancing the public interest with the commercial interest of a water corporation.

As I have indicated, in the past I've operated water and waste water utilities, and I can tell you there's a lot of duplication in service between these utilities. We would look, with a multi-utility approach, to taking advantage of cost savings and using those for much-needed investment in water and waste water infrastructure.

We took that approach in Hamilton with the billing systems. At one time, we had separate billing for water and hydro. We combined the billing and it saved over 50% in those costs. Those savings now go back to investing in infrastructure.

The city of Hamilton and the city staff have done a very good job of analyzing the cost-efficiency for investment in water and waste water infrastructure. They have done, with their infrastructure asset management system, an analysis that shows that they should be spending around \$140 million a year just to have sustainable water and waste water infrastructure. They presently spend

around \$75 million to \$80 million a year on an aging system.

What we intend to do is develop a multi-utility asset management system. Our core competency at Hamilton Utilities is asset management. We believe that water infrastructure must be maintained at the same sustainable basis as the electricity utility in Hamilton. Again, multi-utility operation and maintenance savings could be re-invested in infrastructure.

Our business model assumes an investment strategy to support sustainability, to get the investment up to the \$140 million a year that the city of Hamilton has recognized it needs. We recognize that there would be regulated pricing to protect the public interest and a regulated return to be reinvested in the infrastructure or to mitigate rate increases. PILs, or proxy taxes, should not be paid by the utility corporation. We are in a catch-up position. We need every penny to be invested in aging water and waste water infrastructure.

The water corporation must borrow independently from the city. This debt has to be taken off the city's books so the city can concentrate its spending needs in the areas that it attends to, and the water corporation can now focus on investment and water and waste water infrastructure. Of course, economies of scale and scope could be realized through multi-utility convergence. These are the assumptions on which we're basing our business case as we develop this model.

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The corporate financing would see the term of debt much longer than is the case for municipal utilities now, more or less to match the useful life of the water assets. Debt levels would be increased to those typical of corporations, and the corporate debt would be utility-rate-supported with non-recourse financing to the municipality.

We're quite excited about the possibility of this business model being developed in Hamilton. We think it works best in a single-tier municipality like Hamilton where council is responsible for electricity, water and waste water. In Hamilton, we represent a single watershed and we think that's advantageous.

These advantages in Hamilton notwithstanding, we think this corporate model for water and waste water, 100% owned by a municipality, would apply for other Ontario municipalities. Recently our study group visited Edmonton, where a similar model exists with EPCOR, set up under the Alberta municipal act, a successful multi-utility, 100% owned by the city of Edmonton. Last year it paid \$100 million in dividends to the city of Edmonton, with 70% of its revenues generated from beyond the borders of the city of Edmonton.

Overall, our objectives for our business plan are to accelerate sustainability of water and waste water infrastructure, and to achieve financial severability from the city. The city's got spending needs in other areas and they need a separate corporation to focus on water and waste water infrastructure.

We believe our model would generate the lowest rates for municipal ratepayers. If we've learned anything about

hydro rates in this province—utility rates are a sensitive issue in this province and water rates are much more sensitive than hydro rates.

The bottom line: we believe a corporation set up with a bottom line and the commercial discipline that comes from that is needed to achieve cost-efficient service delivery. If there are any dividends after infrastructure sustainability has been achieved, it would be our recommendation that those dividends be paid to the ratepayer, not to the city, and thereby increase public accountability in the delivery of the service.

I want to thank you again for receiving this delegation. As I indicated, we have nothing to ask this committee. We merely wanted to let the committee know of a model that we're working at in Hamilton that we think will achieve some of the objectives of the legislation you're proposing and that we support.

The Chair: That gives us time for questions; three minutes per caucus. We'll start this time with the official opposition.

Mr Bradley: The first impression I catch, and you will correct me if I'm wrong, is that you seem to be indicating your desire to see a virtually independent commission, independent from council. What role would city council play in terms of the future with a multi-utility commission of this kind?

Mr Leitch: Under the model under which we are presently operating, Hamilton Utilities Corp is 100% owned by the city. Our board reports to the city council. We report on a regular basis. One of the advantages I indicated in my presentation that we see city council bringing to this model is this public accountability. Because we're 100% owned by the city, not a privatized corporation, we have that accountability and it is working very well in Hamilton.

Mr Bradley: Who in Hamilton at this time is in charge of the operation of the water utility? In other words, who actually provides the service?

Mr Leitch: It's a municipal department now.

Mr Bradley: So there's no longer a contract with a private sector firm?

Mr Leitch: No, they have a contract for an operation and maintenance contract but the utility is responsible. It's a municipal department.

Mr Bradley: Which company is it that now provides that service you talked about?

Mr Leitch: I believe it's called American Water Works.

Mr Bradley: Is it a successor to Philip Environmental?

Mr Leitch: Yes, it is. Again, this is just an operations and maintenance contract we're talking about. What we're proposing here, and the focus of what we're proposing, is a financing model for financing capital investment in water and waste water infrastructure. That's the critical point.

Mr Peters: In the model that you're proposing, we know that probably 75% of the cost of the work is underground, the stuff that nobody ever sees. With this model,

is this new utility going to pay for all the curbs, gutters, sidewalks, roads, or is that something you're going to collect back from the municipality? Who's going to pay for the overall project? You're going to look after the underground; who's paying for up above?

Mr Leitch: Under this model that we're proposing, the corporation would pay 100% for the water and waste water infrastructure capital investment. Obviously when you do work on a municipal street, there are road reconstruction works involved that are paid for by the city. In the city of Hamilton, we have increased the proportion of road works that are paid for when a water works project proceeds to over 50%.

Mr Peters: What has the success been of the service contract for the operation and maintenance with American waste water?

Mr Leitch: That's a contract with the city and—

Mr Peters: Well, you being an employee of the city, from your observations, has it worked? Has it not worked? Does it need improvement?

Mr Leitch: I think it needs improvement.

Mr Peters: In what areas would you improve it?

Mr Leitch: I think it could benefit from competition when the contract expires, I believe, at the end of 2004.

Mr Miller: I'll be very quick. You were talking about the municipal investment required in waste water and water, basically requiring doubling of that investment. I'm curious as to what sorts of rates consumers are paying currently for their water and waste water in your area.

Mr Leitch: I would suggest it's around \$450 a year for water and waste water, and to reach those sustainable levels of infrastructure would require a doubling of the water and sewer rates.

Mr Miller: So, about \$900 a year for the average household?

Mr Leitch: Yes.

Mr Miller: OK. Still less than \$100 a month anyway for waste water. Do you think there should be a cap on the upper limit of what should be charged, from the consumer's point of view, for water and waste water?

Mr Leitch: No, I don't think so. I think water and waste water systems and full cost pricing are the way to go. I think just a better financing model, though, would mitigate some of these rate increases that we would be seeing with the traditional approach to municipal financing.

Mr Miller: What about in a case where there are very small systems in rural and northern Ontario, where they're just uneconomic, any way you cut it?

Mr Leitch: Again, we indicated that this model does have some particular advantages in Hamilton, but I think the model could work in smaller municipalities to do the same things: to accelerate capital for investment and to have a mitigating effect on water and sewer rates. Obviously, the larger the utility, the more economies of scale you would have.

Mr Johnson: I wanted to know where Hamilton gets its drinking water.

Mr Leitch: From Lake Ontario.

Mr Johnson: Is that satisfactory? Are there intake problem? Has that been a long-time source or is that a fairly recent—

Mr Leitch: No. It's a long-time source from Lake Ontario and the water quality in Hamilton is very good.

Mr Johnson: Do you supply water to any bordering areas? I'm thinking of places that aren't in Hamilton—

Mr Leitch: Yes, Hamilton does that.

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

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DUCKS UNLIMITED CANADA

The Chair: Our next presentation will be from Ducks Unlimited Canada. Good morning. Welcome to the committee. Early on in your presentation perhaps you could introduce yourselves for the purpose of Hansard.

Mr Jim Anderson: Thank you, Mr Chairman. My name is Jim Anderson. I'm a policy adviser with Ducks Unlimited Canada. I work out of Ontario. This gentleman to my left is Mr Kevin Rich, who is a habitat specialist with the same company. He works in this particular part of the world, so if there is any specific piece of information you would like to know about locally, he's in a position to answer.

Thank you for the opportunity to address your committee. We will restrict our comments to Bill 175, the Sustainable Water and Sewage Systems Act.

From the outset, we would like to commend your government for the commitment made through the Premier to implement all the recommendations in Commissioner O'Connor's part two report. In addition, we would like to compliment your government on the dispatch with which it is moving forward to implement these recommendations.

One may ask why our company would be interested in making a presentation on these matters. I hope to provide at least a partial answer to that question before the end of my presentation.

We are a charitable Canadian company operating across Canada and within the province of Ontario. Our national vision is to conserve habitat for North American waterfowl populations while promoting healthy ecosystems for people and wildlife through sustainable land and resource use by agriculture, industry and urbanization. Our Ontario vision is to ensure that all existing wetland habitat remains for future generations and to have two to three times the current amount of wetland habitat on the landscape in southern Ontario.

Our interest is wetlands, and we believe that wetland habitats are an important component of the multi-barrier approach advocated by Commissioner O'Connor and important to the provision of clean drinking water in this province. It was our pleasure to submit a report to Commissioner O'Connor in which we documented the science between wetlands, riparian areas and water quality.

Simply put, wetlands clean water. Unfortunately, their precise value in that regard is complicated and unique from site to site, watershed to watershed, and therefore some form of watershed-based models will be required to predict with any degree of certainty the precise value of wetlands as scrubbers of water. While the scientific concept is understood, and understood well, and not debated, the precise relationship is not.

We were pleased to see your government address the matter of drinking water source protection through the creation of an advisory committee, a committee, by the way, of which we are a member. We consider this an exceedingly important decision—the creation of the committee, not our membership. Without a policy framework and implementing program associated with drinking water source protection, the job of protecting drinking water is only partially completed. Your government is to be congratulated.

Our review of Bill 175 indicates that the province has recognized the need to develop a business planning framework associated with the extraction, treatment and distribution of drinking water. However, it is our contention that the omission of drinking water source protection planning, management, monitoring and operations is a significant weakness in the legislation. In other words, the legislation provides a sound business planning framework for only part of the drinking water system.

We have 60 years of experience in managing renewable resources, albeit it's a different resource: ducks. We manage this resource across the North American continent, from the northern boreal region to Mexico and even into the southern hemisphere. We must obtain the agreement of two levels of senior governments in the US and Canada and other countries on policies and programs, and we must get them to agree to raise money in one country and spend it in another. We do so through two major instruments: the North American waterfowl management plan, which establishes the overall plan and objectives across North America, and the North American Wetlands Conservation Act, which importantly sets out the financial conventions of implementing the plan.

These plans and legislation have been in place since the mid-1980s. The plan has been reviewed on one occasion and remains the plan leadership vehicle for North American waterfowl habitat conservation. Public decision-makers in partner countries and NGO partners, private-public partnerships, regard it as an international resource management success.

In the formal review of the program—the legislation and the plan—reviewers from all countries had this to say: “While the international convention requires professional, administrative, and partner leadership, the heart of any plan,” particularly this plan, “is money.” In other words, our success rests on the fact that we have a good plan, but most importantly, we have a plan that is funded.

The creation of a drinking water source protection advisory committee is an important step in public policy related to drinking water protection. However, its product

will be somewhat meaningless unless there is a process to take the protection framework and translate it into effective implementation, and that will take a parallel, complementary business planning and management framework.

In urban Ontario, serviced by complex distribution systems, it will be possible to attach source protection as an additional cost and collect funds through the existing water bill if you wish. That will not be possible in rural Ontario, yet our report to Commissioner O'Connor indicates that it is the rural user who is most dependent on source protection activities because in-pipe protection is, generally speaking, not available.

The majority of our work takes place in rural Ontario. I have mentioned previously that we have an international plan and funding arrangement. We have broken that plan down, and from it we have created an Ontario component. This component calls for us to protect all existing wetland habitats and restore two times the amount that exists on the landscape today. This is a significant undertaking. In doing so, we contemplate spending \$100 million over the next decade to pursue this objective. For your information, \$52 million of that will come from outside the province.

The communications industry has coined a word, “convergence,” to describe the process of bringing various communications elements, heretofore quite independent and with a strong history of competition, under common management with the objective of working together and producing higher-quality products at less cost.

It seems to me that some of these same processes are taking place around us. We, the waterfowl habitat people, have been relatively independent, stand-alone, focused on the work of conserving our habitat, as complex as that is, given the migratory and complex life cycles of the waterfowl. But the reality is that the work we do and the products we achieve have considerable relevance to drinking water source protection.

If there is developed, as a result of your committee's deliberations and recommendations to government, a rational, funded financial framework for supporting source protection planning in Ontario, especially rural Ontario, then it may be possible to forge a private-public partnership that would see our efforts at waterfowl habitat enhancement more closely integrated with drinking water source protection. Conversely, if source protection funding remains inconsistent and unorganized, we will continue our course of implementing on our own, with a narrow range of partners, a process that we consider inefficient.

I would point out the Great Lakes region has been identified within the international context as an important area for waterfowl habitat investment. International allocation decisions are influenced, at least to some extent, by the capacity to ensure efficient delivery at the regional level, and the orientation of partners, including public sector partners, is an important indicator.

There are other initiatives taking place across this province beyond those led by your government that also

reflect this convergence of interests. The recent Green-cover Canada announcement made by the government of Canada is one such initiative. This program is aimed at enhancing permanent cover on riparian areas for environmental benefit through agricultural/environmental incentive payments to landowners and could potentially be a strong tool in source protection. There are others.

Perhaps it is time to consider capitalizing on this convergence of interest. Perhaps it is time to invite others into the source protection tent. However, to make your invitation attractive, you must organize not only the policies and the programs but also the business processes that take place.

Thank you for your time.

The Chair: Thank you for your presentation. That gives us two minutes per caucus for questions. We'll start with the NDP.

Ms Marilyn Churley (Toronto-Danforth): Good morning. Sorry I was a bit late. I got cut up in a storm in northern Ontario, where I was for the weekend.

Thank you for your presentation. It's very interesting work that you're doing, some of which I didn't know about, to be honest, and I'd like to know more later; we don't have time now. Just on source protection, I have these neat little booklets from the US, mostly to do with their Environmental Protection Act. They put out these little pocketbooks telling about the act—that's the national program—and how to protect their water. One of the things I wanted to ask you about was the kind of work you're doing with the US, specifically on source protection.

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Mr Anderson: We're a stand-alone Canadian company, but we have a partner organization called DUI in the United States. That is the vehicle that flows dollars and also flows science back and forth across—

Ms Churley: So what kind of work do you do?

Mr Anderson: Basically restore wetlands on the landscape.

Ms Churley: That's mostly what you do.

Mr Anderson: Restore in terms of area and in terms of function. Function is equally important to area of wetland, the fact that they do act as natural scrubbers of water. A highly functioning wetland is good duck habitat but it also scrubs water.

Ms Churley: OK. Thank you very much.

The Chair: For the government; Mr Murdoch had his hand up first.

Mr Bill Murdoch (Bruce-Grey-Owen Sound): I'll be quick, Bert. Thanks for coming here today. I certainly appreciate it. The source protection act is going to have to come after this one. As you know, we're doing studies right now, especially in this area, with the conservation authorities. When we get all the studies done and all that work done, there will be another act presented.

On the other thing, on the funding, I was going to mention that right now we have a committee that sat with AMO for the regulations for Bill 195. That was one of the concerns, that some of this is how we're going to

fund it. After that, we said maybe in the new year we'll go on with that committee and look at funding. I'll maybe have you in for one of the meetings and we can discuss some of your concerns on that.

Mr Anderson: It would be my pleasure.

Mr Johnson: I just wondered if you have some members who are involved in the Luther Marsh. If so, what do you do?

Mr Kevin Rich: Yes, we are, actually. Just in the last year, we've formed a partnership with the Grand River Conservation Authority in the land stewardship network, which is coordinated through the Ministry of Natural Resources, working with a number of other local partners to encourage landowners to conserve and restore wetland habitat across the Upper Grand watershed, so the target area is the Upper Grand watershed.

The Chair: Thank you. For the official opposition?

Mr Bradley: Thank you very much. I notice you make reference to the North American Wetlands Conservation Act. Is that the act whose official signing is this week? There is an act, I understand, being signed officially this week, a ceremony of some kind in the US—although I thought it existed previously as well—which allows funds from the United States to be spent in Canada, and that would be yet another way we could elicit some funds to meet the obligations we will have under the water protection act. Is that what we're talking about?

Mr Anderson: No. The North American Wetlands Conservation Act was created, I'm going to say, in the mid-1980s. I think there have been 10 amendments. There are protocols to it that talk about how funds flow and the relative magnitude of funds flowing. But there is a convention in place now for funds to flow from the United States to Canada and into Ontario.

Mr Bradley: Yes. My understanding was the same as yours, that it has been in existence for a long time. I was surprised when I saw reference to a signing ceremony of some kind or a celebration of it somewhere, and it was to be this week.

Mr Anderson: My understanding is that there's an additional annex to that bill that talks about refreshed funding formulas based on the magnitude of funds raised, that that's what is being signed.

Mr Bradley: That's encouraging news for us, because we are looking for ways to derive funding, particularly for the source protection of water.

Mr Peters: How do you hope to achieve your goal to have two to three times the current amount of wetland habitat found in southern Ontario? How is that going to happen?

Mr Anderson: Basically influencing public policy, and working and leveraging with partners—conservation authorities, local government municipalities, and we have a standing permanent agreement with the Ministry of Natural Resources right now—accelerating that in terms of restoration. The one comment I would make is that it is possible, we know now, after 25 years of working in Ontario, to restore landscapes and to restore wetlands. You can do it.

The Chair: Thank you very much, gentlemen. I appreciate you coming before us here this morning.

BLUE MOUNTAINS
FEDERATION OF AGRICULTURE

The Chair: Our next presentation will be from the Blue Mountains Federation of Agriculture. Good morning. Welcome to the committee.

Ms Edith Tyson: Good morning. We're not used to this.

The Chair: Nothing to worry about. The floor is yours.

Ms Tyson: Good morning, distinguished panel and guests. Let me introduce myself. I am Edith Tyson and this is my neighbour Jackie Hendry. We live in the town of the Blue Mountains on top of the mountain. Can you imagine living in an area so close to Georgian Bay and Collingwood and having to be concerned about our water?

The town of the Blue Mountains is a major tourist area. There is already high demand for fresh water from Interwest, Blue Mountain apple orchards, farming and light industry. With the population of part-time and full-time residents increasing, the strain on our fresh water has never been stronger. Water taking is removing water from an aquifer or stream. This water is bottled and sold. Water is a natural resource and is a necessity of life.

Gibraltar Springs is approximately one and one half miles from my home. This is a on-site water extracting and bottling plant, currently with three deep wells. The Springs has been permitted to take one million litres of water per day. An application to increase the size of their building by five times and to increase their water extracting has area residents in a need for great concern. The MOE has already issued a permit for four million cases a year.

This situation is fairly typical of most water bottling operations. There are 50 licensed water removing plants in Ontario. These industries are increasing substantially with a growth rate of 15%.

Residents depend on private drilled wells for their water. When wells are drilled through layered shale rock it is a natural aquifer. The shale is layered rock-water-rock, similar to a sandwich effect. When the aquifer is drained we cannot necessarily drill a new well and get water. The deeper the well, the more minerals are found, leaving the water potentially undrinkable.

At the present time, wells and small streams which have been functioning for years are going dry. We have had droughts before but have never suffered to this extent. To everyone's fear, this fall our area wells have now started to go dry.

In the AEMOT study report, with attached map, there is a large coloured area in Ontario relative to water table levels that are in danger. The area that is most endangered is right on the escarpment, town of the Blue Mountains. Our water situation is crucial for our survival and livelihood, not to mention our streams and wildlife.

If steps are not taken immediately, potential damage is imminent.

The question is, can the aquifer withstand water taking? There's no proof, but we're not experts.

The Chair: Thank you very much. That affords us lots of time for questions, I'll say three and a half minutes per caucus. This time we'll start with the government members.

Mr Johnson: I just wanted to ask a little about the map because I don't see Duntroon. Where is Duntroon on the map?

Ms Tyson: I got it from a guy—we had a snow storm—and I asked him where we were. He said, "Take your finger and hit the centre." So Duntroon would be east of there, on the east side of that map.

Ms Jackie Hendry: It's also much lower than the concerns that we have. You have to remember that if you could take this table and put our little hill up there, this is us, and we all know water runs downhill. Our concern is what's coming out of here, because we won't have any more left as it runs downhill. Our concern is the top of the mountain.

Mr Johnson: Are you talking to Eugenia?

Ms Hendry: Yes.

Ms Tyson: There's a large area and there are a lot of water takers. There are 50 in Ontario, but I think within about 10 miles of us, there are probably 10.

Mr Johnson: OK. How far are you from Red Wing?

Ms Tyson: Eight miles.

Mr Johnson: That's the way the crow flies, because that's—

Ms Hendry: Here we go to the centre again; here we have Red Wing, Eugenia, over the hill—

Ms Tyson: Collingwood down here.

Ms Hendry: Yes. You've got to put this into perspective. We all call it a mountain, and we know it's not BC. But you've got to remember this is a point like this, and this is this pristine water, and it's going out rapidly. The Ministry of the Environment, as we sit here, has already given them a permit for 14 million cases per year under the existing permit. While we sit here and talk—

Mr Bradley: What was that figure again?

Ms Hendry: That's 14 million per year under the existing permits. They already have that.

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Mr Johnson: And your point is, because you're representing the federation of agriculture, that the taking of water and that kind of thing has nothing to do with farming or—

Ms Tyson: Oh yes, it has a lot to do with farming.

Ms Hendry: Agriculture is farming.

Mr Johnson: But the bottling, you're not calling that farming?

Ms Hendry: They call it farming, sir. That's the point. I think Mr Murdoch would be more familiar than us, but under NAFTA, it is called farming. They are farming water.

Mr Johnson: That's a new take on it. Anyway, I just wanted to get the physical part of it. As you can tell from

some of my questions, my mom grew up on the mountain and my cousin is one of your councillors.

Ms Tyson: I'm sorry about that map. Like I said, we had a lot of snow. I went into the guy's house and he was busy.

Ms Hendry: We did the best we could.

Mr Murdoch: It's not only a concern in the mountain. A lot of our good springs are right in Grey and Bruce and the water runs out. It's something that's going to have to be in when we get this source protection. That's what it is: our source.

Ms Hendry: It is. It's the head springs, actually.

Mr Murdoch: I think there's going to have to be something done with this. We've just had a case heard, which is probably good news. I believe they're going to have to put a moratorium on it, especially in our area. I think we in Grey and Bruce have the best water in the world probably, and they really want to take that water. You're right; there are a lot of permits that are issued now and it certainly should be looked at before there are any more. Of course, with the dry season we had this year, a lot of our wells are going dry.

The Chair: For the official opposition, Mr Bradley.

Mr Bradley: It's a startling figure that you've drawn to our attention, that the Ministry of the Environment has issued a licence for 14 million cases per year.

Ms Tyson: But that's not a lot.

Ms Hendry: That's one of the few that they've issued.

Ms Tyson: They issued one on November 16 just back behind us again. They changed their name. I found that out.

Ms Hendry: A mile and a half away from Gibraltar Springs, altogether what are there—50 water-taking places in our general area?

Ms Tyson: No, no. There are 50 in Ontario.

Ms Hendry: Fifty in Ontario.

Mr Bradley: Would you recommend, then, a moratorium on the issuing of any further permits for bottling of water, at a minimum, until such time as there is an assessment of how much water is available? Even in the long term, even if we find out how much is available, it seems to me you've identified a problem that, if you have to go deeper, you're more inclined to find minerals in the water, and the water is not going to be as useful to you. Would you be in favour of a moratorium?

Ms Hendry: Yes, 100%, until such time as technology can prove beyond a shadow of a doubt that there is plenty of water, so that ensures us that our farms, or our home, for those who have homes—it's an assorted community. If I tried to sell my farm with no water on it, or tried to ask my cattle to drink from a bottle, these are impossible questions. So until such time as technology can prove beyond a shadow of a doubt, it should be stopped—not only Gibraltar Springs but each one as they go along. The Beaver River is right where Gibraltar Springs is, plus Ice River Springs plus the new one that's been there. The list goes on.

Mr Bradley: How much notification do you get when there is a new application for a licence? The people in the

area would like to know, obviously, when there is, in the general area, an application coming in. Do you get any notice of that at all?

Ms Hendry: No notice, absolutely no notice.

Ms Tyson: It's on the Ministry of the Environment Web site. The lady from the ministry, Heather Pollard, told us that the only way we can keep track of it—and it's a huge Web site, as you know. She said, "Look every two weeks and see if another application comes through." I heard about this Paradise one just because I talked to another neighbour who is watching the Web site every two weeks. Your neighbour can build a shed and you are asked, right? But in this case, it's very secretive. John Hartley has been arguing back and forth. It's a very secretive course that they take.

Ms Hendry: Not to mention that I, for one, don't have a Web site. My life is too busy for a Web site. Those are the facts.

Interjection.

Ms Hendry: If I had time, yes.

Ms Churley: I think you are experts. You're not scientists, but you're the ones who live in the area and see what's happening, and that's really important information for this committee to have.

I was very grateful to hear Mr Murdoch sound as though he would be in support of a moratorium on water taking. You would recall, Mr Bradley, that in estimates I questioned Minister Stockwell about water-taking permits and the way they are given out for a small fee. I suggested that I supported a moratorium at least until the source protection act is in place and we've done the studies. I was roundly chastised and ridiculed for coming up with that suggestion, so I'm glad to hear there is some Tory support for that.

Mr Bradley: You had better tell them who did that, who chastised you.

Ms Churley: It was Mr Stockwell, the Minister of the Environment. They made fun of me for even suggesting the thing. I did make some caveats that in some farming situations that moratorium might have to be lifted in certain circumstances, but we really need it.

I want to touch on two points beyond that. This gets us into two areas. I believe we need the moratorium. We can't wait until the source protection act comes; we don't know when it's coming and this is critical. It also takes us into the full cost recovery aspect of the bill, which you may not be aware of, but one of the things we're talking a lot about is people having to pay full cost for their water. We haven't figured out the model for that yet, but certainly I say that senior levels of government should put in capital funding for infrastructure costs, but the other piece of it is that source protection is not included in the list of things that would come from that cost recovery.

What I want to ask you is—these companies now get the water for free. They just have to get their permit. If we're going to a full cost recovery mandate, how would you feel about their at least having to pay for the water they would take?

Ms Hendry: I'll just bring one sample in here. The gravel pits, as you know, are regulated to death. You probably all know that they have to pay so much per cubic yard into restoring the gravel pit when it runs out.

Ms Churley: Yes.

Ms Hendry: Here we have the water bottlers who are taking a natural resource that's unrenovable when it's put in a bottle and taken to the US, and they're not paying anything to even quench our thirst in the fact that we may not have water—it's just too bad for us. I think that, first of all, it shouldn't happen, and if it has to happen, then they should be paying a very high price for taking something that doesn't belong to them because they're taking a natural resource that's unrenovable.

Ms Churley: Have you had any local meetings with your local council around these issues?

Ms Hendry: The issue in all our meetings—there have been many and people turn out because it's a concern—is that without water we don't exist.

Ms Churley: Exactly.

Ms Hendry: What we don't understand is, and I'd like to turn it around and ask you a question, how come the Ministry of the Environment are untouchables?

Ms Churley: I can answer that question.

Ms Hendry: I wish somebody would answer that question because—

Ms Churley: There are Tories who would give a different answer, but they've been really cut to the bone in terms of their resources in the front-line staff, which is a major problem, but I also believe that on the whole water-taking issue, it's only in the past few years, I believe, that—

Ms Hendry: In excess of 12 years.

Ms Churley: Yes, but I believe it's only in the past few years that, people have been really starting to pay attention to it. I learned from the way I got into politics as a citizen activist that now is the time to—my advice is to ratchet up that activism you clearly have happening and really start pushing the ministry through your city council and your mayor. The squeaking wheel does get heard.

Ms Hendry: But we had to learn this: the municipality has no control over the Ministry of the Environment—

Ms Churley: That's right. Maybe we should talk after, if you're going to be here. I'll give you some—

The Chair: Some would say the government has no control either, but that's another story. Thank you very much for coming before the committee here this morning. We appreciate your comments.

1130

CONESTOGA HEAVY CONSTRUCTION ASSOCIATION

The Chair: Our final presentation this morning will be the Conestoga Heavy Construction Association. Good morning. Welcome to the committee.

Mr Geoffrey Stephens: Good morning. My name is Geoffrey Stephens. I am the president of the Conestoga

Heavy Construction Association. Our organization represents over 30 sewer, water main and road building companies, and we are pleased to have this opportunity to present our views on Bill 175.

Joining me this morning to help make this presentation is Mr Arnold Van Winden, the past president of the Conestoga Heavy Construction Association. Our association felt so strongly in supporting this bill that we thought it was important to have more than one person representing our collective views.

For those members of the committee who are not familiar with the geographical area covered by the Conestoga Heavy Construction Association, we are primarily contractors working in the Kitchener, Waterloo, Guelph and Cambridge areas. It should be noted that our association also covers Brantford, Woodstock, Stratford and parts of the county of Wellington.

This association started back in 1979, when we had only a handful of members. As I indicated earlier, we have grown into a strong association with over 30 members. To illustrate the scope of work our member companies complete in a typical construction year, we carry out approximately \$300 million worth of work and collectively employ approximately 1,500 people.

I hope I have provided enough evidence to truly show our association is actively involved in the construction and rehabilitation of the region of Waterloo's network of water and sewage systems. I can say without any hesitation that our members are very supportive of Bill 175, and I believe it is long overdue.

Our association feels this legislation is necessary to ensure that Ontario's water and sewage systems are financially and environmentally sustainable. In addition, the bill is good for public health and the health of our society in general. Currently, we are faced with a significant water and sewage infrastructure deficit that we must begin to address.

I think it is important for the committee to know that I am also president of Capital Paving, located in Guelph, Ontario. Capital Paving is primarily a road building company and we employ over 125 people. We focus on asphalt paving, concrete curb and gutter, and associated road works. Our company is involved in some sewer and water main works; however, this is not a significant portion of our business.

In my capacity as president, I have had the opportunity to price work all over the Conestoga area and can see first hand some of the deteriorating infrastructure in our municipal road systems. In my opinion, full cost pricing would help ensure a continuous investment in our municipal road and sewer programs. Full cost pricing would be a method whereby municipalities could ensure they are continually investing and recovering costs from consumers and investing in our water and sewage systems across the province.

We support Bill 175 and are especially encouraged to see a section in the legislation that requires municipalities to have dedicated reserve accounts. I have seen countless times where road and sewer programs have been slashed

and, in some cases, cancelled altogether due to budget cutbacks and political redistribution of funds into other government services. For my part, I feel this is short-term thinking and, in the long run, twice as costly.

We can all relate to the importance of replacing the shingles on our home rather than waiting until you have a total roof failure. Likewise, our company, like many others, invests in preventive maintenance on all our equipment, which saves us time and resources in the long run, by avoiding costly breakdown repairs.

To summarize my point on full cost pricing, I would encourage the committee to apply this thinking to our road and sewer infrastructure by continually investing in these systems. This will allow for continual maintenance and we will not have to resort to a full and more costly collapse of the systems.

In the wake of the Walkerton tragedy, what I think is really relevant here is that full cost pricing will give us, and all of Ontario, a restored sense of confidence that our water and sewage systems are environmentally and financially sustainable, and that health and safety have been protected.

Our association has been a proponent for full cost pricing and accounting legislation for many years. We believe it is a significant part of the solution to upgrade our clean water infrastructure while protecting public health and the environment. It is also a means to stabilize business cycles and planning for all parties involved. As a result, we wish to commend the government for having the resolve to finally move towards implementing this policy.

The federal and provincial governments have been actively subsidizing water and sewer infrastructures with a variety of programs throughout the years. Unfortunately, unintended impacts of these subsidies have sometimes led to municipalities using them to reduce rates rather than maintaining and, more importantly, renewing this infrastructure. The end result is that rates do not reflect costs and, invariably, many municipalities do not know what the true costs are for providing these services.

If we take this one step further, if municipalities are not passing on the true costs to consumers, the consumers will also be misguided as to what true water costs are. In my opinion, consumers are more likely to conserve water and act more responsibly in their use of water if they are charged the true costs of providing these services. I am sure I am not the only person in this room this morning who has traveled down subdivision roads on a rainy day, only to find many sprinklers turned on. I am confident that this type of waste would be reduced with the implementation of Bill 175.

At this time, I would like to ask my co-presenter Arnold Van Winden, of Regional Sewer and Watermain, to conclude our address to the committee.

Mr Arnold Van Winden: Good morning, Mr Chairman and members of the committee. My name is Arnold Van Winden. I am the past president of the Conestoga Heavy Construction Association, and I am the treasurer and one of the owners of Regional Sewer and Watermain

Ltd. Regional Sewer and Watermain Ltd is a privately owned general contractor that employs 40 people. I am pleased to have this opportunity to present my views on Bill 175.

Regional Sewer and Watermain Ltd has been in the sewer and water main industry for 16 years and works predominately in the land development sector installing new water mains, new roads and new sewers. Our company operates out of Cambridge, and most of our projects are within the region boundaries of Waterloo and the county of Wellington.

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

This legislation is an important step toward ensuring that Ontario's water and sewage systems are financially sustainable, good for public health and environmentally friendly. Currently, we are faced with a critical need to invest in our water and sewage infrastructure.

We have been a proponent of full cost pricing and accounting legislation for many years. We believe it is the only way to secure much-needed new, upgraded infrastructure and to protect public health and the environment. It is also a means to stabilize business cycles and planning for us, as contractors, and for municipalities. With this in mind, I want to commend the government for moving to implement this policy. I believe this bill will be one of the most important legacies of the current government.

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

For example, and I know this is outside of waterworks, we are presently paying a road tax to the federal government—and this gets to me whenever I see the statistics—for gasoline and diesel fuel. This road tax was introduced to provide funds for the maintenance of our road infrastructure. These funds, however, were not entrenched as dedicated funds, ie, funds that would be spent only on improvements to roads and road infrastructure. The legislation was too loose at that time, and now our federal government puts the majority of the funds generated by the road tax into general coffers and they spend it as they wish.

Another example: in the region of Waterloo I have witnessed the funds being budgeted for roads, sewer and water main projects in their five-year capital plan and their 10-year capital plan pulled out of their capital budget and deferred to social programs. Taking funds away from the capital budget can be a short-term solution to a budget shortfall, but it is short-sighted. When water

mains, sewers and roads are not maintained, the cost of their replacement is much greater. The taxpayer, in the long run, will pay more taxes to pay for the same end product.

I cannot stress enough the importance of strong legislation that places the funds that are generated by this bill into reserve accounts. Municipal politicians must be prevented from dipping into these funds to fund their own pet projects.

The fear of private ownership of water and sewer assets is being raised in the media. I am not in favour of the infrastructure of our municipalities being sold to private interests. Municipalities do not operate for a profit, and I believe municipalities won't become insolvent as quickly as private ownership.

I am aware that the Ontario Sewer and Watermain Construction Association has made suggestions to strengthen the bill, and we support these amendments. I will not reiterate the amendments in detail, but I do want to emphasize the need to gradually phase in full cost pricing over time, probably five to eight years. The municipalities will require time to adapt to this legislation and implement their programs.

In addition, I believe the Ontario government should continue its OSTAR program and the federal government should continue its green municipal infrastructure program to help provide some transitional assistance for smaller and poorer municipalities. This will help municipalities manage the transition to full cost pricing and protect consumers from undue rate hikes.

The legislation should include the mandatory use of metering. I was actually surprised to find that metering was not mandatory. Metering is an efficient way to track the amount of water used for the purpose of billing. Each consumer will see exactly how much water they use and then calculate its cost. Metering will promote conservation by rewarding those who use less. Metering is also an effective way of finding leaks and theft. When water is unaccounted for, municipalities can investigate to find out where the water is being lost. Without metering, municipalities will not efficiently monitor and bill water use and conservation will not be rewarded.

If this legislation and the proposed amendments come into force, the government will need to ensure both environmental and financial compliance by municipalities. This may be a monumental task for one ministry alone to oversee. To address this, we agree with the suggestion that the best way to ensure that the legislation is implemented as intended is to amend the legislation to dictate which ministry is responsible for overseeing the environmental aspects of the bill and which ministry is responsible for the financial aspects of the bill. The Ministry of the Environment should be responsible for environmental oversight, while the Ministry of Finance, SuperBuild, should be given financial oversight responsibility.

I am not alone in supporting Bill 175. On page 299 of his report on Walkerton, Justice O'Connor said: "In my opinion, if passed into law, the act will address many of

the important issues ... that I discuss in this section. The requirements for a full cost report and cost recovery plan, as generally expressed in the proposed act, are in my view appropriate."

Thank you again for the opportunity to address the committee, and I look forward to your questions.

The Chair: Actually you've hit, bang on, 15 minutes allocated for your presentation. I compliment you on your timing. Thank you very much for coming before us this morning. With that, we stand recessed until 1:15.

The committee recessed from 1144 to 1317.

CONCERNED WALKERTON CITIZENS

The Chair: Good afternoon. I call the committee back to order to focus our hearings on Bills 175 and 195. Our first presentation will be from Concerned Walkerton Citizens. Welcome to the committee.

Mr Bruce Davidson: I'm Bruce Davidson. This is Ron Leavoy. I'm vice-chair and Ron is chair of Concerned Walkerton Citizens. We'd like to begin by complimenting the government on the work it has done so far on this act. There are some very worthy elements in the Safe Drinking Water Act that I think will provide some of the nuts and bolts of protection for the people of Ontario. However, if we felt that's where it would end, we wouldn't be here today, obviously.

We believe that the government has to take a much broader and more holistic view toward the protection of water in this province. We believe, as citizens who have endured this tragedy and made quite a study of water and water protection since then, and had contact with a number of other groups from across this country, and related to their experiences and their concerns, that we are in a unique position to really give some advice on regaining citizen trust in public drinking water. We feel that it's absolutely essential that the government not only will be seen to be protecting the public, but to be actually carrying out all the necessary steps to do so.

We are going to share this presentation and we are going to cover four areas very quickly: watershed protection, some concerns that we have that tie into pipeline considerations for the future, nutrient management, and emergency preparedness. Some of these areas may not seem like they fall directly under the water bill as it stands now, but we believe that they are crucial to consider as elements that are involved in the protection of water in this province because they all tie in. I'm going to turn it over to Ron to talk briefly about watershed protection and the pipeline considerations.

Mr Ron Leavoy: In the Walkerton Inquiry report Justice O'Connor premises all his recommendations beginning with a safe and secure drinking water source. After what had happened to our water and seeing the results of not having a secure watershed—that's one of the highest concerns that we have. As a lay group we can really see the importance of protecting your watershed. It's all fine and dandy to have protection from the pump-house to the tap, but it's a lot easier if you don't have to

clean up problems that are happening in the watershed. In order to do this you have to have all the funding and resources allocated to be sufficient to guarantee actual watershed protection. That includes funding for conservation authorities and other ministries that are going to be involved. When you get into rural areas, you're going to be working with the Ministry of Agriculture. If you want to keep cattle out of water streams and such, you have to include everybody in this. You have to give them the resources in order to do that, which is funding and people. You need inspectors to be out there looking after the law. Well 5 in Walkerton is a perfect example of what happens when you don't protect your source. It was put in a swamp right next to agricultural land and you were just asking for something bad to happen. In hindsight, when you look at it, it was probably one of the single worst places you could have put it.

With the experience we've had over the last two and a half years trying to find out what happened in Walkerton, we've really seen the importance of tracer testing. When you want to find out what your watershed is doing, you have to tracer-test it. Computer modelling is all fine and good, but we've shown here that it was so far away from the truth that, when you're dealing with bacteria, time is such a factor. You're depending upon your overburdened system to filter out all the bad stuff, but it's not because the time isn't there for that to happen. That was the case here. Instead of taking a month for water to travel to a well, it was travelling there in hours. Bacteria can live, and you're expecting something to happen that is not happening. We've really found the importance of tracer testing to be able to understand what's happening under the ground. One of the things we found here was the type of hydrogeology we were dealing with, which was Karst. That is a whole gamut of problems in itself, when you're dealing with that type of aquifer.

We'll try to speed right along here to leave room for some questions, so I'll get into the pipeline. I sit on the public advisory committee for the environmental assessment that is happening in Walkerton to find a new source for water. A pipeline is one of the solutions that was identified, but it's not the only solution. In recent months or weeks, there's seen to be so much emphasis put on acquiring a pipeline, looking for funding for a pipeline, and it's really disturbing to myself and to the rest of the members on the public advisory committee. We think that it's such a necessary part of public consultation to have a public advisory committee and to take it seriously, but then we read in the media where they're looking for funding for the pipeline, and the same emphasis is not being put on the other solutions we have that are going to cost so much less. We're not saying that the pipeline is not a solution, but all the data are not in. We haven't done our final work on this yet, but we keep hearing the rumour that that's the push.

Right now, there are six pipelines proposed for Lake Huron and Georgian Bay. That opens up a whole area of concern. We're worried that if people are getting their water through a pipeline, they're not going to care about

what they're doing to the aquifer in their town, their rural water supply, or whatever. That is a real concern for us. It's a concern for First Nations. They're worried about that. They're worried about what's going to be coming back to the lake. Just to bring that point up, we do have a lot of concerns over the pipeline issue.

Mr Davidson: I'm going to touch briefly on nutrient management. I realize this is covered in separate legislation, but what I think is so important is that, in consideration of nutrient management, watershed protection and the Safe Drinking Water Act, all acts must work together in a seamless fashion. We can't have a situation arise where one municipality or one official who is in a position of authority, with whatever ministry, is saying, "This is permissible," and 15 kilometres down the road they have a different view of that. We must work very carefully to make sure that protection is in place.

I've used a word in the presentation here, talking about large agricultural operations. People are phoning us still with a concern saying, "We think they're trying to sneak something in before the rules take hold." We have to be very much aware of the fact that, if an operation is allowed to go into place today, we may suffer the consequences tomorrow. I don't know how you're going to deal with that, but we have to bear in mind that we can't have anything that is potentially going to violate the sanctity of the aquifer that we're drawing our water from or the watershed.

In terms of enforcement, we are very much against enforcement happening at the local level. We don't believe the municipalities will have the expertise or the resources. That's a major concern for us.

We're also concerned that the lure of having economic activity in a given community may be very appealing if the community involved is not looking carefully at the protection of its water sources. We believe that has to be uniformly enforced across the province. If we don't do that, we're going to have a situation where one municipality may threaten the water of another unintentionally, but if it's not a priority in that community, we may fall through that crack and suffer the consequences.

Emergency preparedness may sound like a strange thing to have in a water bill, but we need to have it in there somewhere. One of difficulties we have, no matter how carefully we plan for these events, is that all the best, laid plans can go awry. We only need to look back at recent history where events have taken place that no one was prepared for and we've seen the tragic consequences. So what we need to do is not only compel each community to have a really professionally prepared emergency preparedness plan, but they need to act on it. It can't stay on the shelf and collect dust. They must be prepared to practise, rehearse and go through their plan.

We had one in Walkerton that was not put into place during our emergency. That was a tragedy. It was not utilized to its best advantage. When an emergency strikes a community, we need to have an emergency team dispensed to that community by the province that can take a look at the situation and take charge. This will

eliminate any suggestion that there are partisan considerations taking place during that emergency, which doesn't work well for the people. It's counterproductive for the citizens of the affected community and, quite frankly, it's counterproductive for the politicians as well, because you're going to be second-guessed on everything you do. The local municipality can run its daily affairs, the province can go about being supportive, but we need people to take charge and say, "Look, this is what the situation is."

In terms of declaring an emergency, that should not be at the discretion of the local politician. There are clearly outlined procedures and criteria for declaring an emergency provincially. We need to follow those, and we don't want to have ever again the suggestion whether an emergency is called or not called may have to do with the vulnerability of the politicians involved. That is not helpful and it retards the recovery. The whole purpose of emergency preparedness is to protect the community with planning and to help it recover in the event of a tragedy. So we need to look at that very carefully, as well.

I'm very concerned about the brief nature of these consultations. I'm hoping that you're going to get it right, but with such a brief period of time, there's a lot left there that may go unsaid. Justice O'Connor has laid out some clear plans. I don't think we can cherry-pick from his report; I think it has to stand as one piece of work and we have to work to implement that.

In closing, I would suggest to you that the Concerned Walkerton Citizens and other interested community groups that are stakeholders, be they community groups or environmental groups, should be invited to make presentations regarding future legislation on watershed protection. I think that you need to garner all the advice you can get from experts and from people at the end of the pipe, to hear their views and come up with the very best legislation that you can. Thank you.

The Chair: Thank you very much. That leaves us about two and half minutes, so I'll give all the time to Ms Churley.

Ms Churley: Thank you very much for your presentation. I imagine that to you and the people of Walkerton, there are pretty important bits of legislation coming forward that you want to take a good look at. I have to agree with you that there has to be the legislative linkage between all those pieces of legislation that you mentioned, plus the source protection act that should be coming at some point.

You haven't had a chance to look at the legislation, but I wanted to ask you about this. CELA representatives expressed a lot of concerns about the legislation and I've expressed some concerns about the legislation. You may not realize it, but we have to have our amendments in tomorrow, and clause-by-clause on Wednesday, while these hearings are happening. This suggests that there's not going to be a lot of time to incorporate suggestions into the legislation.

Because of the concerns, CELA suggested that even though this is a very important legislation and we need to

get it on the books as quickly as possible, in order to get it right, we should actually delay it over the winter period, work on it and bring it back for final and third reading in the spring session. I wonder how you feel about that.

Mr Davidson: I absolutely agree with that. I think it's important that you get it right the first time, because we don't want to be in a situation where there's a loophole in this legislation and it allows someone to basically violate a watershed. That doesn't mean we can't be absolutely vigilant till then and keep working toward that goal. But getting it right is much more important than getting it quick. I think the public would agree with that.

1330

Ms Churley: Have you been asked to sit on the advisory committee on source protection?

Mr Davidson: No, we have not. We feel very strongly that if groups such as chambers of commerce are invited, the actual citizens of communities—and there are a number of them who would like to be part of that—should be invited to do so.

Ms Churley: Is my time up? OK. I can discuss this with you later.

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

SAUGEEN VALLEY
CONSERVATION AUTHORITY;
GREY SAUBLE
CONSERVATION AUTHORITY

The Chair: Our next presentation will be from the Saugeen Valley Conservation Authority and the Grey Sauble Conservation Authority.

Good afternoon. Welcome to the committee. Perhaps, if you weren't planning to do so anyway in your comments, you could introduce yourselves for the purpose of Hansard.

Ms Anastasia Sparling: I'm Anastasia Sparling, Grey Sauble Conservation Authority vice-chair.

Mr Jim Manicom: I'm Jim Manicom, chief administrative officer, Grey Sauble Conservation Authority.

Mr Jim Coffey: I'm Jim Coffey, general manager and secretary-treasurer, Saugeen Valley Conservation Authority.

Thank you very much for the opportunity to address the standing committee on general government with our views on Bill 175, the Sustainable Water and Sewage Systems Act. Delton Becker, our chairman of Saugeen Valley Conservation Authority, was not able to make it this afternoon, and therefore I am speaking on his behalf.

From the outset, we would like to commend the government for the range of initiatives it has undertaken and continues to undertake in an effort to protect our water resources. These initiatives include the funding for groundwater studies, the funding and implementation of best management practices through the healthy futures program, the Nutrient Management Act, the expansion of

surface and groundwater quality monitoring programs, the development of Bills 175 and 195 and the appointment of the source protection planning advisory committee. These initiatives provide clear evidence of the government's stated commitment to implement the recommendations of the O'Connor report and, more importantly, its commitment to provide and protect clean water to the residents of Ontario.

It is very clear that through Bill 175, the province is committed to full cost pricing for the extraction, treatment and distribution of water. In our view, it is extremely important to include the cost of source protection through watershed planning and management activities as an eligible component of full cost accounting for water and waste water services. Delton Becker, our chairman, has just arrived.

As noted in the O'Connor report, source protection is the first barrier in a multi-barrier approach to protecting drinking water. The supply and treatment of drinking water should not be undertaken in isolation of the protection of the sources of that water. The protection of the source of drinking water, whether from our streams, rivers or lakes or from our groundwater aquifers, in our opinion, is an essential part of the infrastructure of the supply of water and, as such, should be included in the full cost accounting process. It just makes a great deal of sense that if the source water is clean and pure, the cost of treating it for human consumption will be much less than if the source water is contaminated.

Bill 175 clearly puts the cost of the use of water on the shoulders of the user. It is also understood that a variety of funding alternatives which would provide stable funding for the watershed-based source protection component of the safe water delivery system must be assessed. Conservation Ontario, our umbrella organization, is committed to assisting the government in exploring other user fee mechanisms to address the provision of stable funding, equity issues as they relate to urban and rural communities and their available assessment bases, as well as how all users of water pay for its use.

In urban areas, the municipal water bill as a vehicle for the collection of user fees is well documented. In fact, some conservation authorities in the province already receive funding through this process to deliver a range of water management activities that assist in the improvement of water quality and quantity. There was also the recognition of the fact that a significant part of the population of Ontario is not serviced by municipal communal supplies. Hence, the water bill may not be the most effective mechanism in those parts of the province.

For example, in the Saugeen River watershed, of a total population of approximately 81,000, 52.2% is in an urban setting and 47.8% is in a rural setting. In the Grey Sauble watershed, with a total population of approximately 63,000, the urban numbers represent 50.9% of the population and 49.1% for the rural population. Almost one half of the population of these two large watersheds are not accounted for in Bill 175, without the inclusion of

source protection planning into the full cost accounting process. Bill 175, in its present form, is geared to protect and pay for the water supply and treatment systems of the municipally serviced areas. However, the rural population is left to fend for itself.

It is suggested that there is an obligation on the part of the government to also protect the water resources used by the rural population of Ontario. It is our opinion that source protection planning and implementation will go a long way in protecting the lives of our rural and urban residents. Unlike in the urban setting, multi-barrier treatment systems typically do not exist in rural Ontario. The inclusion of source protection planning will provide one vital barrier for the protection of groundwater, the primary source of water in rural Ontario.

It is also understood that some mechanism for the equitable contribution to the provision of safe drinking water by rural Ontario has to be considered. In the big picture, this too is an integral part of the full cost accounting principles for the provision of safe drinking water in Ontario. It is generally accepted that the costs of preventing contamination are much less than the costs associated with remedial measures or end-of-pipe solutions. The recognition and inclusion of source protection into the infrastructure framework will acknowledge the principles and benefits of watershed management and, just as importantly, the critical role it will play over the long term.

One of the basic tenets of watershed management is the fact that everything is connected; what you do upstream will have a direct effect downstream. It would seem logical that this simple management principle should be included in the cost of providing safe drinking water. Including the provision of source protection planning through watershed management as an infrastructure cost will recognize it as an actual component of full cost accounting. It will acknowledge the intrinsic value of water in the environment. Mechanisms to provide stable, permanent funding to allow source protection to occur must be explored more thoroughly, possibly through the work of the source protection advisory committee. Clean, healthy water for the people of Ontario also means healthy environments for forests, fish, wildlife, recreation, industry and so on. In the long term, the benefits will be far greater than having just clean drinking water.

In conclusion, it is our recommendation that Bill 175 be amended to include the cost of source protection through watershed planning and management activities as an eligible component of full cost accounting for water and waste water services.

Thank you again for allowing us the opportunity to present our views at this session.

The Chair: Thank you very much. This time we've got just under five minutes, so I'll split the time between the government and the official opposition.

1340

Mr Murdoch: Thanks for coming to present. Both of you are doing a study right now with counties of Grey and Bruce, right? Yeah, so after that's done and after we

get more data from some of the other people who are doing the same thing, then we have to put a source protection water bill together. I think that's when your recommendation probably would be used, more than with this bill, because you are looking at sources right now with your study and what wells we have and things like that out through our watershed. I think that's what I understand is the intention of what we'll do when that bill's introduced. Then we can look at that.

I don't know how we're going to look at costs, other than maybe somewhere the conservation authorities will take a leading role in that, I think.

Mr Coffey: I think you're quite correct. Certainly, if there is separate legislation dealing with source protection planning, that's one thing. Under Bill 175 there's an opportunity here, once it's confirmed that source protection planning is actually part of the infrastructure of providing safe drinking water, to enshrine that and to come up with a mechanism for money to allow source protection to occur. It may also work as part of that other piece of legislation when that may occur, but here's a great opportunity to combine all of that.

Mr Murdoch: But we don't have all the information yet. That's the problem. We can probably make the mechanism start but we wouldn't know the cost and things like that.

I guess the other thing is, we can always amend Bill 175 at a later date, also, and add this into it. It means another bill, because when you amend the bill, that's another amendment in there.

I see what you're saying, but I just don't think we maybe have enough of the information. When the source water protection bill comes, I think in that bill we can allot for costs there. I think that's where we'll have to do that. I just don't know whether we can do it in 175 when we don't have all the information.

Mr Bradley: I'm interested in the fact that you differentiated between the larger urban municipalities, or urban municipalities and rural municipalities, and the need to find, perhaps, a different mechanism other than the water bill. At the rural area you mentioned, for instance, that it's much more difficult and onerous on rural areas to meet those obligations. In a large municipality you simply charge whatever it costs for the water and the protections of the raw water supply, and that would be it. Do you have any special mechanism that you would suggest for the rural areas?

Mr Coffey: We've looked at it—at least Jim and I, and I know our chairman and vice-chairman—we've looked at a number of alternatives, but we haven't come up with one that's not tremendously controversial even in our own minds. Quite conceivably one thought might be just a flat rate. If you look at our Conservation Ontario paper that was done as part of the O'Connor report, it was estimated at that time that it cost approximately five cents per household per day for water management outside of treatment and supply. I believe that works out to about \$18.50 a year. It was estimated at that time that it may have to go an additional four cents to meet all of

what we had estimated at that time to be our costs—quite conceivably a bill of \$36.50 a year.

One option might be to put it on the taxes and have the municipality collect it and send it off to the appropriate parties. It's one possible option. I'm sure there must be others that we haven't investigated, but I think the important thing is that under Bill 175 as it presently sits, rural Ontario is left out of the equation. There will be funds collected for the construction and maintenance and operation of existing and proposed municipal systems. Presumably, then, the residents using those systems will be protected, but as the numbers show in our watersheds, clearly 50% will not be protected, so we have to come up with a mechanism for that.

Mr Bradley: The Chair's head is wagging sideways like this, which means I'm out of time, and he's always fair.

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

GREY COUNTY FEDERATION OF AGRICULTURE

The Chair: Members of the committee, the 1:45 group indicated they will not be attending, so we'll move to the 2 o'clock group, who are already in attendance: the Grey County Federation of Agriculture. Good afternoon, gentlemen. Welcome to the committee. The floor is yours.

Mr Karl Chittka: Good afternoon, Mr Chairman and members of the committee. We're here on behalf of the Grey County Federation of Agriculture. We'd like to address this committee on Bill 195, the Safe Drinking Water Act. My name is Karl Chittka. I'm the OFA regional director for Grey county, south region. With me is Mr Paul De Jong. He's the president of the Grey County Federation of Agriculture.

The Grey County Federation of Agriculture, on behalf of our 1,700 members, is honoured and pleased to have the opportunity to appear before you to address this consultation hearing on one of the fundamentals of agriculture and the most important necessity for the health and well-being of our farm families and for all the citizens in Ontario; as a matter of fact, I would say for all of Canada.

Water is the source of all life on this planet. Safe drinking water is the foundation for a healthy population. We all know what can happen when the drinking water is not safe from the recent tragedy in this very town of Walkerton.

With the introduction of Bill 195, the Safe Drinking Water Act, and the consultation hearings on this act, our position is that the government is committed to the people of this province and concerned that they enjoy a healthy and productive life. For this we commend our ministers.

The Grey County Federation of Agriculture is and has been active for many years in promoting a number of programs and initiatives to protect our environment and

the sources of our water supply. Farmers know that without sufficient clean water, their livelihood will be jeopardized.

The farmers of Grey county have one of the highest participation rates in the environmental farm plan program in Ontario. More than 1,200 plans have been completed county-wide. The EFP program is a self-analysis of the farm practices and environmental practices on the homestead. In the program, a lot of time is devoted to identifying and protecting the clean water sources for livestock and the family.

The Grey County Federation of Agriculture is presently leading, by way of the healthy futures program, in the upgrading and decommissioning of private wells. Participation by farmers is very high, and the program is also utilized by non-farm rural residents. The program is just another step to ensure safe drinking water.

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Farmers are well aware that careless nutrient management practices can have a devastating effect on our surface and groundwater resources. In view of this, the Grey County Federation of Agriculture is very supportive of the Nutrient Management Act, Bill 81, and has participated and will continue to participate in all phases of the regulation hearings. We are presently planning workshops on nutrient management for our farmers to ensure that the act is workable and that it's understood.

We believe Bill 195 and Bill 81 go hand in hand to proactively promote safe drinking water on the farm. Bill 195 deals with municipal water supply. It is important that the bill have provisions for treatment, maintaining of the system, proper and accurate monitoring in place and an efficient response, when things go wrong, to rectify the problem to avoid what happened in Walkerton.

Our concern with Bill 195 is that in its present form it is not suitable and practical for the majority of our members who draw their water from a single private well. The bill has a section on municipal water systems and a section on non-municipal water systems. We understand that the intent of the non-municipal systems applies to schools, hospitals, restaurants, community halls and so on, or wherever the general public may draw drinking water.

We hope the intent is not to regulate private wells serving a family. Consequently, the statement in the act that says "to recognize that the people of Ontario are entitled to expect their drinking water to be safe" would have to be modified, because this statement would apply to every water tap in Ontario.

We believe a comprehensive education program for all private well owners and an incentive to test their water regularly would be a better approach to ensure safe drinking water than a heavy-handed regulatory approach. Farm well systems are much less complex than municipal systems and easier to manage to supply safe drinking water for the family.

The second concern the Grey County Federation of Agriculture has is that the cost of upgrading municipal water systems is very expensive, and municipalities may

levy these costs on all ratepayers in the municipality whether they're on the system or not. That would be grossly unfair to private water system owners. We have heard from municipal water users that they feel private well owners get their water for free. Let me assure you that nothing could be further from the truth. We would like assurance that the cost of upgrading, maintaining and operating municipal water systems is paid for by the users of the system and not through a general levy.

We support the provincial government's commitment to safe drinking water. However, we do not want to have private wells included in regulations intended to protect municipal water systems. Education and incentives always beat regulations, hands down.

This report is submitted on behalf of the Grey County Federation of Agriculture by Karl Chittka and Paul De Jong.

The Chair: Thank you very much. You've left us two minutes per caucus, and this time we'll start with Ms Churley.

Ms Churley: Thank you for your presentation. You're talking about an issue that's come up before; that is, the difference between private wells and municipal water systems. Of course we would all agree, as you said, that you've got to try to guarantee safe drinking water for everybody, but essentially you're saying one size doesn't fit all. I'm just trying to figure out how you would propose the act be changed to accommodate the concerns you are raising, so that you are still doing things to try to keep the water safe. Are you saying there would be different standards applied, or none at all?

Mr Chittka: I think the committee or the powers that be have to recognize that private well systems are a lot different from municipal systems. In the private well system the onus does lie with the owner of that system, which in most cases in our area is the farm community. If we can educate and encourage farmers and give them an incentive to have their water tested more regularly, take the necessary action rather than having that regulated, it would be helpful.

Ms Churley: I see.

The Chair: You've gone over.

Ms Churley: One real quick one?

The Chair: Extremely quick.

Ms Churley: As well, you look at bringing back programs like Clean Up Rural Beaches, the CURB program, and working with farmers in terms of source protection and things like that—I hear what you're saying.

Mr Chittka: We've been doing this for quite some time on the farm. The only thing is that we never publicize what a good job we're doing.

Mr Miller: It's my understanding that this bill does apply to six or more wells, but it doesn't apply to individual private wells as you're recommending. I think you make some good points, though. You're more or less saying that if you have your own water system and your own septic system, and you're on a farm and already paying the full cost for that, you don't want to be levied

to pay for the municipalities to upgrade their systems to get the full cost recovery on their systems. Is that correct?

Mr Chittka: That is correct. I think this is one time where we encourage user fees. Whoever uses it should be paying for it. We hear, as I mentioned in my brief, that some people feel that farmers or people who have their own wells get their water for free. If you knew the cost of putting in a well and putting in a system and maintaining that system, then water isn't free by a long shot.

Mr Miller: So you're already paying the full cost of it. You're also already doing quite a bit of source protection, and more is on the way with the environmental farm plan and with nutrient management, and as well the healthy futures program and the work you're doing on wells. So you are doing source protection as well.

Mr Chittka: In Grey County I can say, just speaking from my experience over many years in the federation, the farm community has been very proactive in protecting their water sources. Bill 81 comes along now and really is only doing what most farmers are doing already. It's unfortunate that it has to be regulated or passed into law. Bill 81, in my opinion, is for the benefit of the public rather than for the benefit of farmers, and farmers are expected to carry the brunt or the burden of it too.

We have been very proactive and will continue to do that. As a matter of fact, with my president here, we are in the planning stages of having educational programs for people who want to participate in Grey County.

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Mr Peters: I don't know whether you heard the previous presentation, where it talked about the proportion of the population living in the rural parts of the Saugeen and Grey Sauble watersheds who aren't paying into a water system, much like you're describing here. You've made a point as well in your presentation that you're concerned about paying a levy. I guess that's what the conservation authorities are talking about. Somebody's got to pay.

Who do you propose would pay for your comprehensive education program and incentives to test wells regularly? Would it be your contention that, instead of paying some sort of levy, that would be your contribution toward ensuring that the water coming out of your tap is safe? How would you propose to pay for this program you're proposing?

Mr Chittka: I would think the educational part of the program is something the OFA would take on at their expense and would encourage our farmers to participate in these workshops, because we do have farmers who expect to get some educational benefits out of their membership fees. So that part I think is easy. As far as the testing of wells is concerned, I would think that people should not have to pay for getting their wells tested. They should be able, on a regular basis, to take it to the health department to get it tested with no charge.

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

ASSOCIATION OF MUNICIPAL MANAGERS, CLERKS AND TREASURERS OF ONTARIO

The Chair: Our next presentation will be from the Association of Municipal Managers, Clerks and Treasurers of Ontario. Good afternoon, and welcome to the committee.

Mr Glen Henry: Good afternoon, Mr Chairman and members of the committee. My name is Glen Henry. I am the president of the Association of Municipal Managers, Clerks and Treasurers of Ontario. Here with me today is Andy Koopmans, the executive director of the AMCTO.

The AMCTO is a professional association dedicated to serving the needs of municipal employees across Ontario. Created in 1938, the AMCTO has grown to become the largest professional association for the municipal sector in Ontario and currently has over 2,000 active members.

Through its members and the resources they provide, the association works to foster administrative excellence in local government and to enhance the professional life of its members. The AMCTO is committed to raising the standards of professionalism in the municipal public service. It does this by offering extensive training and professional development programs. As well, through communication of information and ideas, the association represents its members and their interests as professionals to all levels of government.

On behalf of the AMCTO, I thank you and appreciate the opportunity you have allowed me to present the view of the association regarding Bill 175, The Sustainable Water and Sewage Systems Act.

Let me start by saying that the AMCTO in principle, fully supports the intent and objectives of this bill. We feel that in light of the tragedy here in Walkerton and the subsequent recommendations of Justice Dennis O'Connor's report, this bill was fully anticipated and long overdue.

We believe that clean, safe drinking water in our province is something that governments on all levels should make a high priority. Federal, provincial and municipal governments must work together to ensure that in every part of this province our residents should not have to worry about where their water is coming from and whether it is safe for drinking. Bill 175 is an important step in delivering this objective.

Bill 175 is an important step toward ensuring that Ontario's water and sewage systems are financially sustainable, while at the same time ensuring that our water is safe for public consumption, and the water and sewage systems are environmentally friendly.

While we do support this bill, the association has found it difficult to make any informed or constructive response due in large measure to the lack of detail contained in the bill. The association fully recognizes that many of the questions and concerns we have will be addressed through regulations. Until that time, muni-

icipalities cannot assess the requirements of the legislation or take any action to prepare for its implementation.

Having said that, on behalf of the AMCTO I would like to make a few general comments about the bill. In addition to my comments, I have circulated a copy of our written submission to the Minister of the Environment, which includes some additional specific comments and recommended amendments that deal with particular provisions of this bill.

I would like to limit my comments today to three key areas of concern to the membership of the AMCTO: the first being the extent that this bill relies on regulatory authority; second, the financial and human resource impacts that Bill 175 will cause; and third, I will conclude with examples in this bill that illustrate its overlap with other pieces of legislation already in existence.

Although the AMCTO recognizes the enhanced degree of flexibility that arises from regulatory direction, rather than legislative direction, we are concerned by the unprecedented degree to which this bill relies on regulatory powers.

As I have already mentioned, the reliance on such regulations makes it extremely difficult for municipalities to make any plans or to evaluate what is expected of them. For example, in subsection 9(4) of the bill, which speaks to sources of revenue to be included in the cost recovery plan, it states that “regulations may specify those sources of revenue that a regulated entity is, or is not, permitted to include in the plan...” This subsection goes on to say that the regulations may impose conditions or restrictions on a municipality’s water plan with respect to the different sources of revenue.

After reviewing this particular subsection of Bill 175, municipalities are no further ahead in understanding the province’s expectations than they were prior to the introduction of the bill. This is particularly problematic for those municipalities that already have water and waste water plans in place or are currently working on such plans, since they are unable to determine if their current plans comply with the requirements of the bill.

The AMCTO would therefore like assurances from the ministry that it will consult with municipal practitioners in the preparation of the required regulations, in order to understand and recognize the efforts that have been undertaken by municipalities that have already prepared water and waste water plans.

The second point I would like to address concerns the financial and human resource commitments Bill 175 places on municipalities. There is no question that this bill will require a significant commitment of financial and human resources by municipalities for the preparation of reports and cost recovery plans. The AMCTO fully appreciates this and does not object since the purpose of the investment is for the safety and protection of our residents.

The bill, however, does not explain, nor does it provide any detail on, the extent of what the province will require to ensure compliance. While this is of concern to all municipalities, it will place a particularly large burden

on the smaller municipalities, which will likely require the use of outside consulting expertise.

As well, the bill provides that the province may prepare reports and plans on behalf of a municipality, with the municipality reimbursing the province for the costs incurred. In subsection 6(1) of Bill 175, it provides that, “The minister may prepare a report on behalf of a ... entity” if he or she “considers it appropriate.” It goes on to say in subsection 6(2) that the municipality shall reimburse the province for the costs incurred by the minister.

Given that municipalities will be facing a large, albeit necessary, financial and human commitment, the AMCTO would like to request that Bill 175 be amended to provide further clarification with respect to circumstances wherein the minister may consider it appropriate to prepare a report or plan on behalf of a regulated entity. In this same vein, the association would also like to recommend that prior to the minister preparing any report on behalf of the municipality, it consult with the affected entity to detail the magnitude of the costs that may be incurred.

Lastly, I would like to touch on one other concern relating to Bill 175, and that concerns the potential overlap this bill has with other pieces of legislation. The AMCTO has found that in many sections of this bill, there are requirements for municipalities or other entities to comply with provisions that are also found in other legislation, in particular the new Municipal Act under the jurisdiction of the Ministry of Municipal Affairs and Housing. There are other provisions as well that likely overlap with legislation from other ministries such as the Ministry of Natural Resources and the Ministry of Finance.

To illustrate my point, again in subsections 9(4) and 9(5) of Bill 175, regarding sources of revenue and the associated restrictions, it states that, “The regulations may specify those sources of revenue that a ... entity is, or is not, permitted to include in the plan.” Also, “The regulations may specify the maximum amount by which a ... entity may increase the charges for the provision of the water services for any customer or class of customer over any period of time.”

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However, under the requirements of Ontario regulation 244/02 of the Municipal Act, municipalities must already follow a prescribed process when calculating water and waste water fees, which are limited to cost recovery. In addition, municipalities are already required to provide detailed explanations of how the fees were derived.

Because of the potential of overlap and duplication, the AMCTO would like to recommend that the Ministry of the Environment ensure that no section of this bill is in conflict with any other existing piece of legislation from other ministries. As well, we would like to recommend that any prescribed reporting requirements under this bill be synchronized with the reporting requirements imposed by other ministries to avoid unnecessary duplication.

To briefly summarize my comments today, the AMCTO would like assurances that the ministry will consult with municipalities, and particularly municipal practitioners, as it prepares the regulations to Bill 175. We would also like to recommend that the ministry clarify the grounds that would require the minister to prepare a report or plan on the municipality's behalf and fully explain the costs that would be incurred to the municipality. Finally, the AMCTO would like assurances that the Ministry of the Environment will ensure no section of Bill 175 overlaps or duplicates the provisions made in other pieces of legislation.

In closing, I thank the committee for the opportunity for the AMCTO to present its views on Bill 175. We will now be more than happy to take any questions from the committee, and I would point out that we have a copy of the presentation here today for your clerk.

The Chair: There are just under three minutes in rotation this time, generously conceded by Mr Murdoch; I'll give it to the official opposition.

Mr Bradley: I'm interested in the concern that I guess all opposition people always have, no matter what government legislation you're dealing with, and that's the amount of legislation that is vague. Quite obviously, you would be looking for an opportunity to comment on the regulations. I would hope there would be a formal opportunity for you to comment on the regulations associated with this bill, since it is quite vague in terms of its legislative provisions now. In addition to that—this is an excellent brief, by the way, with a lot of information we should have—it will be virtually impossible to reflect this in any amendments that we could present or that the government could present to the committee tomorrow, since all amendments have to be in by noon tomorrow. Will you be seeking an opportunity to have formal input into the regulatory framework?

Mr Henry: Absolutely. The association always stands ready to have input and to bring our administrative or practitioner perspective to the legislation and its regulations as they are being developed. We have had discussions in the past with Minister Hodgson about our interest in having the Ministry of Municipal Affairs and Housing perhaps act as a clearing house, if you will, for various pieces of legislation and regulations that are working through the system, because sometimes if there is overlap, we as practitioners will see that, and working with the ministry, we can perhaps alleviate that and make the processes the government decides will be taking place to be done as efficiently as possible. So we would be prepared to meet with whomever we can.

Mr Bradley: The other comment you make is about the expansion of municipalities, new development that is taking place. Are you recommending that all municipalities be compelled to have a development charge put in place, rather than trying to finance any of these additional costs entirely out of what you would call the user fee, that is, the rate applied to paying for water?

Mr Henry: I would defer to Mr Koopmans for that question.

Mr Andy Koopmans: Recognizing that there is already development charges legislation in place, our concern was more along the lines of providing the opportunity for those municipalities that perhaps choose not to use the development charges legislation to still have an opportunity to reflect the full costs of providing a water and sewer system. We were concerned with the wording in the legislation as it currently sits; it seemed to be missing a fairly substantial component related to expansion. If municipalities were truly going to be covering the full cost, then all costs should be included.

The Chair: Thank you, gentlemen, for appearing before us here this afternoon. We appreciate your comments.

SARNIA HEAVY CONSTRUCTION ASSOCIATION

The Chair: Our next presentation will be from the Sarnia Heavy Construction Association. Good afternoon, and welcome to the committee.

Mr Doug Woods: Good afternoon, Mr Chairman and members of the committee. I'm Doug Woods, president of Cope Construction, a sewer, water main and road building company based in Sarnia, Ontario. I'm currently a director of both the Ontario Hot Mix Producers Association and the Ontario Road Builders Association, and I'm a past president of the Ontario Sewer and Watermain Construction Association. I am also an active member of the Sarnia Heavy Construction Association and have been for the last 20 years.

Travelling with me today, or maybe I should say travelling with other people today, several other members of the Sarnia Heavy Construction Association have come to Walkerton. In the audience is Mr Henry Heyink, president of Henry Heyink Construction and the current Sarnia representative on the Ontario Sewer and Watermain Construction Association; and Mr Ted Cooper, who will speak to you later today and who is president of Ontario Water Products, a supplier of pipe materials, and the immediate past president of the Ontario Sewer and Watermain Construction Association. Joining me at the table is Mr Mark VanBree, who is president of Birnam Excavating and the current president of the Sarnia Heavy Construction Association.

We are enthused to be able to make our views about Bill 175, the Sustainable Water and Sewage Systems Act, known to this committee. Collectively, the four of us represent over 110 years of experience—and Mark is the youngest one here—supplying, installing and repairing sewer collection and water main distribution systems. So we've had a good opportunity to witness the aging and deterioration of our regional water mains as we expand, replace and tie into these systems.

When I moved to Sarnia from the London area 25 years ago, reconstructing and maintaining the city's road, sewer and water main infrastructure represented 40% to 60% of Cope Construction's annual sales. Last year, less than 2% of our sales were infrastructure rehabilitation for

the city of Sarnia. It would seem to us that our local municipalities have not been diligent in ensuring that our water and sewer systems are being maintained to an acceptable standard.

We recently witnessed a project in Sarnia completed two years ago by another member of the Sarnia Heavy Construction Association, where an 8-inch concrete sanitary sewer that was not scheduled for replacement was discovered to be in complete failure mode while the water main adjacent to it was being replaced. It was discovered that as a collector sewer, it had deteriorated at the obvert, and completely disintegrated when it was disturbed during the water main replacement. We can't help but think that this scenario exists throughout the city and throughout any municipality with a system over 50 years old. If this sanitary sewer had ever been surcharged coincidentally with a water main break, cross-contamination would have been inevitable.

I've told my son and daughter, both students at the University of Guelph, about my concerns with respect to maintaining Sarnia's underground investment, something most kids of today don't even know exists. I guess my kids were fortunate, or unfortunate, in that I would drag them to job sites every weekend and point out what we were doing. So I think they actually have a working knowledge of how sewers and water mains work. They're probably among the few university kids who do.

They can relate to the fact that without a long-term plan, it would be difficult for construction companies to provide a stabilized level of skill and wherewithal to complete the upgrades in an efficient and economical method when asked to tender on such projects. Both of my kids know most of our employees on a by-name basis, and they realize there's a skill set and a knowledge base there that has taken years to achieve. If construction companies are expected to train their employees, we'd have a hard time having a sense of security that we can proceed to do that if the purchasers of construction don't have a plan for yearly maintenance.

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My daughter, who has always loved to challenge her father, asked me what my solution to this problem would be. Of course, the answer is simple: it's full cost pricing. Full cost pricing would ensure that the operator of a water and sewage system had an adequate revenue stream to repair, replace and maintain a system at peak operating efficiency. In basic terms, let the consumer of the product pay the true cost of installation, operation and future replacement.

Jessica's reaction as a student in the social sciences was that the underprivileged and those on limited incomes would be hindered by full cost pricing. Aha, I got her on that one. It would be just the opposite, because full cost pricing legislation should be tied in with metering. That way, owners of swimming pools, like our neighbours to the north, and people like your mothers with green front lawns will pay for that privilege by virtue of their consumption. The cost of water for daily drinking, washing and sanitary needs in Ontario will continue to be the cheapest anywhere in the world.

Bill 175 needs to make the priority for all municipalities to carry out assessments of the condition of their water system and sanitary sewers, the expected lifetime of those assets and the anticipated maintenance and replacement costs over the long term. The local municipality can then decide how to pay for these costs and how best to manage and operate their system. I found chapter 10 of part two of the Walkerton Inquiry report quite comprehensive with respect to the responsibility municipalities have to provide clean water and safe sewage disposal.

The Chatham-Kent Public Utilities Commission is an excellent example of how 23 municipalities and 13 public utilities were integrated into a single utility. This utility now has the strength and revenue to have in place a very knowledgeable and experienced management team. They have completed a master plan, standardized service levels and adopted a rate structure that includes a life cycle reserve that includes complete replacement cost of the existing system.

As a result of being given the opportunity to come here, I recently spent some time surfing the Web searching "clean water." Ontario and its municipalities are not alone in coming to terms with how best to demand that the operators of public water systems be accountable. Several other provinces, Australia, England and Germany are also working on legislation that will require full cost pricing, metering and quality monitoring.

As I continued research on the Web, it became apparent that all citizens want to make sure that whatever operating option a local municipality selects, it needs to make sure that all agreements, budgets and spending are transparent and understood by the elected board or council. This board or council needs to have a blend of business, financial and entrepreneurial skills.

The Ministry of the Environment or OCWA could duplicate some ideas I noticed in the US. The National Environmental Services Centre for Small Communities provides a course called Managing Drinking Water Systems: A Short Course for Local Officials.

Bill 175 should not only legislate minimum standards for the operation of the system but should require that the board or council that the operators report to has a working understanding of how the system works. It's not unlike what I mentioned about my kids; there are not that many children or even university students who know how a water and sewage system works or operates. And I'm afraid to say that I think there are probably some elected officials who don't know either.

The New York Rural Water Association provides circuit riders, who provide hands-on assistance in regard to leak detection, water quality and system maintenance.

I'm responsible to Cope's shareholders to protect their investment, and Bill 175 can provide that protection to all the citizens of Ontario for the assets they have under the ground.

My friends occasionally accuse my interest in improvement to our sewer and water main systems as being

self-serving. If they only realized how their health and happiness could be impacted if it wasn't of interest to me.

Bill 175 needs to set dates to implement full cost pricing. From a consumer's perspective, it's not going to be a great burden. Most municipalities will only have to increase their monthly bills by \$2 to \$6.

Several years ago I had occasion to meet an elected official from a small central Ontario municipality. He was so excited describing how they had just completed a \$7-million improvement to a system that served less than 2,000 households. Well, you can use some basic math to understand that it may be impossible for those 2,000 households to pay the full cost.

In the past, various municipal assistance programs provided by both senior levels of government gave smaller municipalities up to 90% of their capital costs. In these communities, full cost pricing may have to be phased in over a five-year to 10-year period and transition financing will have to be provided by senior levels of government.

I feel my time is slipping by. I haven't even mentioned the improved technology with respect to the water mains that we, as construction companies, can put in the roads now. Technology has advanced so much that the reconstructed water mains will last two to three times longer than the original installations. So I find that this is a great opportunity you have to make sure our families always have safe water.

The Chair: There is slightly under five minutes, so I'll split the time this time between the NDP and the government.

Ms Churley: Thank you very much for your presentation. This gives me the opportunity to say that I have in fact suited up and gone down in the sewer system. I think perhaps I'm the only member of the committee who has done that. I've invited my colleagues on many occasions to let me take them down into the sewers of the city. They haven't let me do that yet. However, I understand what you mean when you say that most people can't even imagine what exists underground. Politicians have a tendency, as has been pointed out on other occasions, of wanting to be above ground, cutting ribbons—something very visible. We've created quite an infrastructure deficit for ourselves.

I want to touch on the full cost recovery aspect because I too have my Justice O'Connor books. I carry them everywhere with me. I note a couple of things he said. He talked, for instance, in part two about the government having, as he called it, restructured—I call it downloading—a lot of social services costs to the municipalities, which is making it even harder for them to meet those kinds of requirements. The government needs to review all that kind of restructuring, downloading to the municipalities. I just wanted to know how you would see the full cost recovery working vis-à-vis the difficulties municipalities are having now in meeting their requirements.

Mr Woods: My understanding is that for municipalities of a certain size it is not going to be an issue. They probably already are at a level of full cost.

Ms Churley: That's true.

Mr Woods: I think maybe one of the problems we've experienced in Sarnia is that it is one of the largest small communities, if that makes sense

Ms Churley: Yes.

Mr Woods: They probably were receiving for their capital infrastructure 30- to 40-cent dollars from some other government. They may even have been subsidized somewhere in the 40% to 60% range. Once the government stopped doing that, instead of the city of Sarnia trying to find that 40 to 60 cents, they just stopped spending the other 30 to 40 and actually reduced the tax bill accordingly. I think they need a wake-up call. I think they've got the capacity to generate the income. They just haven't been told by anybody that they have to.

Mr Miller: First of all you mentioned in here, and I've seen this figure in other submissions, that the cost to bring full cost pricing for consumers would not be a great burden. You're suggesting it would be \$2 to \$6 a month. Is that each year that it's increasing that amount or is that a one-time shot?

Mr Woods: That's the nice thing about when it's being metered. It will be entirely up to the consumer to make that choice and decision. I think, based in Sarnia, it probably is going to have to be more to get back up to where we are. Currently, I think we spend less than \$400 in my own household for water and sewage, which I think is one of the cheapest in the province.

Mr Miller: Another presenter suggested that in their municipality it would be around \$900; I think that was the figure they were looking at as being full cost. This \$2 to \$6 a month must be over the five to eight years that full cost recovery will be—

Mr Woods: That's based on what a household would need for the basic services, for drinking water, cleaning and sanitary needs, not for filling their swimming pools or watering their front lawns. It would be what a normal family's consumption would be for their basic needs.

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Mr Miller: OK. I gather from your presentation that you don't necessarily feel that senior levels of government should be jumping in and coming up with all kinds of programs for all municipalities, as I think I'm hearing the opposition parties suggesting we should be doing, basically. You're saying that where there are small municipalities, where they can't afford it, there's a role for senior levels of government.

Mr Woods: It's very difficult, because here's Chatham-Kent, which is probably approximately the same size as Sarnia, that already has its act together, so it's not very fair to be jumping in there to provide funding to Sarnia when Chatham-Kent doesn't need it or already has its plan in place. What the governments maybe need to do is jump in and say, "This is what you need as a minimum standard for your systems, for which you need to be putting aside a certain amount of money. If you do that, we will give you some help, but if you don't do it, you're not getting any help."

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

ONTARIO WATER PRODUCTS

The Chair: Our next presentation will be from Ontario Water Products. Welcome to the committee. You have 15 minutes for your presentation, for you to divide as you see fit between your comments or leaving time for questions and answers.

Mr Ted Cooper: Good afternoon, Mr Chairman and members of the committee. My name is Ted Cooper. I'm the president of Ontario Water Products. Our company represents over 100 dedicated men and women. We are pleased to have this opportunity to present our views on Bill 175, the Sustainable Water and Sewage Systems Act. Ontario Water Products is a distributor. We supply materials used in the water and waste water industry. Our sister companies, Canadian Water Services and A1 Hydrant Services, provide a variety of services for the operation and maintenance of waterworks utilities. We have 10 locations throughout Ontario, and each is staffed by men and women with many years of experience in the industry. I have been in the industry for 30 years. Ontario has always been my home base, but I have worked throughout Canada and the United States.

With me is Mr Henry Heyink, of Henry Heyink Construction. Henry's offices are in Chatham-Kent, and they have worked in the water and sewer construction industry for 25 years. Henry's firm employs 50 men and women.

We are very supportive of Bill 175. This industry has suffered from inadequate funding and an "out of sight, out of mind" attitude for far too long. Bill 175 will do a lot to correct this neglect. This legislation is necessary to ensure that our water and sewer systems are financially and environmentally sustainable. We are faced with a water and sewer infrastructure deficit, and we must address it.

I have with me a sample of what some of the pipe in Ontario looks like. This is a piece of four-inch cast iron pipe. It was taken out of a system about a year and a half ago from a small southwestern Ontario community. We have miles of this pipe in Ontario. In fact, any community that has a system probably not much more than 25 years old would most likely have this type of pipe in their system and it would most likely look quite a lot like this. This pipe today would be deemed to be undersized; by today's standards, we require at least a six-inch pipe to supply water to fire hydrants for fire protection etc. And once this tuberculation, this buildup, inside the pipe takes place, you can see that the diameter is further reduced. I'm not sure how much good this line would be in an emergency situation or firefighting situation.

Mr Bradley: Sorry to interject, but what causes that to happen?

Mr Cooper: I'm not sure I know all the chemical reasons, but this buildup of material is called tuberculation. It is made up, I think, of calcium, iron and ferrous

metals found in the water. In the old days, not that many days ago, these pipes were made of cast iron, as I say, and they weren't lined in any way, so the material would affix itself. Actually, I was told by a gentleman recently that this material has a life of its own. It grows; it's not inert and just builds on itself. He said it actually has a life in it when they find it in the early pipes. It didn't take, years ago, very long for this to occur, from what I've been told. Again, I'm not a chemist so I don't know all the ins and outs of it. I'll pass it around.

It's pipe like this that must be replaced now. This will take funding, and with Bill 175 and some transitional funding help from the provincial and federal governments, we will get the job done.

What I find most encouraging is that what we do now will last a long, long time, much longer than it did in the past. This industry, like many others, has gone through great technological change in the past 20 years. We now have new materials like PVC and polyethylene plastic pipes. We have corrosion-resistant coatings like epoxies and nylons. We use rubber to seal joints instead of lead, as was once the case. Iron pipes are lined with cement today, unlike the pipe that I brought as a sample, and cathodic protection is used on most iron parts in the system, which significantly reduces the amount of corrosion due to electrolysis. We now have industry standards, like CSA, which will help to ensure that the products installed are manufactured to our requirements. All this and many other improvements will ensure that the work we do today on our infrastructure will be here for many, many generations to come.

We support Bill 175. We are particularly pleased that there is a section that requires municipalities to maintain dedicated reserve accounts. We believe that this is a very critical part of this legislation. In the past, revenues from water and sewer were not always dedicated; often, they would end up in general revenues. With the "out of sight, out of mind" attitude that I spoke of, very little would flow back into the underground infrastructure, if you'll pardon the pun. There is no doubt that this is a significant contributor to our current situation. Dedicated reserve accounts will ensure that these revenues remain in the utility, as it should be.

We believe that the universal use of water meters should be a part of this legislation. We believe in a user-pay system and believe meters are an integral part of user-pay. Our experience is that by going to metering, utilities will enjoy a significant reduction in the consumption of water, thus reducing costs and adding many years to existing treatment facilities. The reduction does not occur because consumers significantly change their personal use of water, but rather it is from an appreciation of their use and a change in the amount wasted. Have you ever noticed how communities without meters seem to have the greenest lawns?

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The greatest savings, however, will come from lost water. With a metered system, the utility knows how much water was treated at the source and how much

actually got to the consumer. The difference is lost water. Leaks through breaks in old pipes, gaskets that are leaking etc are the types of causes of lost water. We have seen as much as 20% lost water in systems in Ontario. Once determined, the leaks can almost always be located and repaired.

Recently, we've read articles in the press claiming that this bill will somehow lead to privatizing the water industry in Ontario. I fail to see how this connection can be made. What we do believe is that the utility and all its assets should continue to be publicly owned. Ownership should not be negotiated. There is, however, a great deal of evidence that partnering with the private sector for the installation, operation and maintenance of our water and sewer systems makes great sense. Without the private sector, I would hate to think of where our industry would be today.

When the first water lines were installed in this province, the pipes were probably made by the utility employees out of wood, most likely. Not that many years ago, the utility staff would definitely have installed the pipe. Today private industry produces the products that we use. They invest great sums of money to develop new and better products for our use. Today privately owned contractors like Henry Heyink Construction install the systems' pipes and appurtenances with expensive, specialized equipment designed to do what water main contractors do. They employ very well educated and specialized people to manage the installation of these systems. Private industry performs many annual maintenance duties for utilities such as hydrant maintenance, swabbing, cleaning, chlorination etc. Today the private sector installs the water meters, reads the meters, even sends the utility bills to the customer. The private sector is involved in virtually every aspect of the water and sewer industry except one: ownership. As previously stated, this should be avoided.

We believe that Bill 175 will help provide the funding necessary for both the public and the private sector to face the issues and together find the best, most cost-effective solutions. Henry and I and our respective companies are proud members of the Ontario Sewer and Watermain Construction Association. We are aware that OSWCA has made suggestions for strengthening the bill. We support these amendments.

First, full cost pricing should be legislated as mandatory for all municipalities. While we agree with the concept that there should be some flexibility in how they achieve this goal, we do not think there should be any flexibility about full implementation of full cost pricing. Second, there should be a specific date set for compliance. A phase-in period of five to eight years will help municipalities through the transition to full cost pricing and protect the consumer from undue rate hikes. Third, we think the legislation should entrench a user-pay principle and water meters should be mandated. Fourth, we believe the legislation should include a precise definition of "full cost pricing." This will ensure a level playing field for all consumers and municipalities.

Thank you again for the opportunity to address the committee and we welcome your questions.

The Chair: Actually, you have timed it almost to the second, to take the whole 15 minutes, but we appreciate the perspective that you brought to the committee here today. Thank you for your comments.

ONTARIO WATER WORKS ASSOCIATION,
WATER EFFICIENCY COMMITTEE

The Chair: Our next presentation will be from Ontario Water Works Association Water Efficiency Committee. Good afternoon. Welcome to the committee.

Mr Ken Sharratt: Good afternoon. My name is Ken Sharratt. I am chair of governmental relations for the Water Efficiency Committee of the Ontario Water Works Association. Our committee is a multidisciplinary group of volunteers drawn from municipalities, government agencies, manufacturers of water efficiency equipment and consultants. We are dedicated to advancing water use reduction by influencing government policy and by promoting water-efficient technologies and practices.

Several of the members of our committee are also tied in with the American waterworks water efficiency committee and present papers and attend conferences in the US, so they have generally a pretty good idea of what's going on.

Our committee actively promotes water-efficient approaches by publishing articles in the Ontario Water Works journal entitled Pipeline, and organizing a panel on water efficiency at the annual Ontario Waterworks conference. It also organizes one-day workshops from time to time, including one that's being organized today with the Canadian Water and Wastewater Association, entitled Developing Effective Standards for Water Use and Efficiency.

Today, I propose to limit my remarks to the conservation aspects of water management. We support the presentation made by the Ontario Water Works Association and the Ontario Municipal Water Association last week. However, I don't intend to take questions on those submissions.

I would like to say that we strongly support the intent of Bill 175 to require full cost pricing in the water and sewer bill. However, we have some concerns about the meaning of "full cost pricing." We would like it made clear in the bill that it includes water efficiency.

I would like to use the terms "water efficiency" and "water conservation" interchangeably in this presentation, because essentially they are the same thing, at least the way we think about them. Bill 175 is entitled the Sustainable Water and Sewage Systems Act, 2002. In looking at the bill, we could find no reference to water conservation or to water efficiency. We feel this is an unfortunate oversight. It is our view that water efficiency should be part of any definition of full cost pricing. Otherwise, we may have full cost pricing for water-inefficient and potentially non-affordable services.

We feel that water efficiency will become a much

more important issue in the near future. Water bills are expected to increase in response to various water safety legislative initiatives that have been taken or are being taken by the province. Consumers will want to be assured that if they are paying more, then the services that they are paying for should be efficient and equitable. This has been the experience in the UK since the current regulated industry was established. The UK has a very active water efficiency program that has emerged over the last few years.

Water efficiency has the potential to pay important dividends. First, demands on sensitive aquifers can be reduced from what would otherwise have occurred. More water may be left in streams to sustain wildlife or could be freed up to sustain additional numbers of people in the future.

The second dividend is the cost saving that arises when future capacity expansions can be delayed for a number of years and the existing facilities can be used more efficiently. This results in large savings in capital expenditure, and these savings will be reflected in less costly water bills.

We would like to make some specific suggestions for the inclusion of water efficiency in Bill 175. Prior to that, I would like to set the stage for our proposals by reviewing the current state of Ontario's water use efficiency.

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Water use in Ontario, like that in much of Canada, is among the highest in the world. In a recent UK report, Canada's per capita water use ranked highest of 25 countries from Europe, Asia and Australia. Its water use was higher than that of the US, was triple that of Germany and nearly 2.5 times that of France. Within Ontario, there is a wide range in the water efficiency of the systems. These range from a low of 116 to a high of 987 litres per capita for residential use in southern Ontario, with an average of 266. These usage figures suggest that there is much scope for improving water efficiency, and that's set out in a little more detail in appendix 1.

There are some specific factors in Ontario that contribute to high and variable water use. One, as the previous set of speakers alluded to, is the absence of universal metering. According to a survey done by Environment Canada in 1996, a third of all water systems in southern Ontario were not metered. This is set out in more detail in appendix 2. Most interestingly, this figure rises to 70% for systems with a population of 1,000 to 2,000 and 45% for communities of 2,000 to 5,000. The same survey reveals that, on a per capita basis, residential users in metered systems use 27% less water than residents in unmetered communities. Again, that's drawn from a wide survey across the province. Users in the small metered systems use about a third less than residents in unmetered systems. In northern Ontario, 67% of the systems are not metered. The residents in northern Ontario, in those systems that were metered, used 36% less water than those in a non-metered system.

No doubt one of the main reasons for the difference is that in all unmetered systems, a flat rate is used: all users pay the same amount regardless of water use. This encourages high usage, and in addition, there's an inequitable aspect to the flat rate. The rate is based on the assumption that everyone uses the average. Those who use less than the average, such as singles, couples, seniors or frugal water users, pay more than they should and in effect subsidize those who use a lot of water. To properly implement full cost pricing and a fair system of user-pay, metering should be undertaken by all systems.

A second issue is unaccounted-for water, including leakage. This was referred to by the previous speakers as well. The most recent survey done in Ontario shows that leakage ranges from 2% to 42%, with an average in the 15% range. Again, this suggests a good deal of scope for improvement.

A third reason why water efficiency hasn't been as apparent as it should be, in our view, is that there has been limited financial support for water efficiency measures. Past government grant programs have generally not provided for water efficiency studies, metering or other such initiatives, whereas these programs have provided funding for new capacity. As a result, it did not make economic sense for utility managers who needed additional capacity to consider water efficiency investments. The 1994 program was the exception, and that has led to the creation of two or three large water efficiency projects and it's developed a group of knowledgeable people in the province that can be built on.

The fourth consideration we have is that not all the costs of building and operating water and sewer systems are included in the water bill. It's estimated that about 65% of the cost in fact is recovered that way. This means that water and sewer bills are lower than the cost of providing the service, and these lower costs discourage actions and investments that would result in more efficient use. For this reason we support the position that, as a general rule, grants are not a good way to financially assist the water industry.

No doubt implementing full cost recovery, including water efficiency and infrastructure renewal, will raise water rates in the next few years. I've recently been involved in some studies that show an increase of about 40% to 70% over the next four years. It seems to vary from system to system, without any particular pattern. If we look at the higher number, we have a municipality here where the water bill will increase from \$250 in 2001 to about \$424 in 2005. That's for a somewhat less-than-average household, using 218 metres per year. The bill would work out to about 60 cents per person per day, or about \$1.20 a day for a couple. These increases do not seem that onerous on an overall basis and certainly not in an international context. The higher rate should spur the adoption of more efficient use and investment in water-efficient technology. This will help reduce use and generally make the system more efficient.

However, there will be groups of people that find the increases a hardship. Water efficiency can help people

cope with higher rates, because metering allows customers to pay only for what they use and it provides them with an opportunity to take action to reduce their water use. So singles, couples, and frugal users, as I mentioned before, would benefit from metering and be better able to manage their water bill.

In summary, we contend that water efficiency can make Ontario's water systems more efficient, less costly and sustain the resource while helping to mitigate the burden on those who have the least ability to pay. In order to ensure that water efficiency is a part of Ontario's full cost strategy, as is proposed in Bill 175, we make the following recommendations:

(1) That water efficiency and conservation be mentioned in the preamble to the bill. We feel that it should be clear that efficiency is a key component of sustainable water and sewer service delivery in Ontario.

(2) That water efficiency should be mentioned as one report requirement for the regulated utility, as set out in subsections 3(2) and 4(2). This would set the stage for including in the regulations the incidence of such things as leakage, the incidence of metering, inequitable pricing structures and other such measures.

(3) That water efficiency improvement costs be made a legitimate item for inclusion in the description of full cost pricing in subsections 3(4) and 4(4).

(4) We would recommend that the reports, at least the water efficiency components, be made public, with a view to providing benchmarks that will reassure users that their systems are efficient and encourage the managers of less efficient systems to improve their water efficiency.

(5) While we do not favour grants, if regulated utilities are required to provide assistance to low- or fixed-income groups, we feel that water efficiency should be included as one of the assistance measures.

(6) We have concerns about subsection 9(5), which could result in a restriction on the maximum charges for water and sewage. This may impede the ability of a regulated utility to make the necessary investments, such as meters, leak reduction or fixture replacement, that would make the system more efficient.

Thanks again, Mr Chairman. I'd be happy to answer any questions your committee may have.

The Chair: Thank you very much. That gives us about two and half minutes; this time I'll give all the time to the official opposition.

Mr Bradley: I saw a cynic write a letter to one of the newspapers the other day regarding efficiency; it wasn't specifically about water. I've heard this from people before, and I want you to deal with that and persuade them it's not the case. The thinking is that if you reduce your consumption, your bill is going to be reduced. The cynics make the point that it still costs money to operate the system, so the per-unit cost will in fact increase. We see this happening, for instance, with sewer systems, where the people within let's say a regional municipality will reduce the amount of sewage going into the system, yet the per-unit cost, whether it's a per-gallon or per-litre

cost, goes up. You would contend that that wouldn't be the case. Is that correct?

Mr Sharratt: I think what that suggests is that there's a confusion between the rate and the water bill. Rates go up and water bills go down with water efficiency. If it's a normal situation, if you come into a community and do some water efficiency measures, costs will not go down very much; they might drop by 15% or 20%. But the real savings from water efficiency are in the situations where you can postpone a large capital facility. In those situations, the savings are very large.

Mr Bradley: This is, by the way, an excellent presentation. It's the first one that's dealt exclusively with water efficiency; others have made reference to water efficiency as being important. This is excellent indeed, with some suggestions on how the legislation might be improved.

When I look at the metering, you would recommend then that except perhaps in situations where it's impossible to do so, and there are a few of those, you would like to see metering everywhere in the province.

Mr Sharratt: That's right. We strongly recommend that.

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Mr Bradley: There is a problem, a dilemma. As an environmentalist, as a person concerned about water efficiency and so on, I also believe that the full cost should be reflected in the price we pay. Nevertheless, there are people out there being hit with all kinds of new costs and who are on fixed or low incomes and will have difficulty. Perhaps they're a family of five or six people and they'll be hit with these costs. You made reference to the fact that there's a way, through efficiency, to provide some assistance to them. How would that work?

Mr Sharratt: What I was saying there was that if the people are metered and they discover that their water bill is a problem, at least they can take some actions to reduce their water use.

Mr Bradley: I think the government, when talking about putting a cap on the cost, was looking at circumstances that where you have very small municipalities or water systems, it would be absolutely prohibitive to charge that. What will we do with those?

Mr Sharratt: I think those fall into another class of problem. It would be very hard for water efficiency to deal with that. One of the studies I referred to did have that situation, where water bills were over \$1,000; that was a problem. I don't think water efficiency can deal with that. Water efficiency can deal with a lot of the situations where you have people who are not paying incredibly onerous bills but are having problems. They can then deal with those problems by cutting back and making their water use more efficient.

Mr Bradley: You have suggested as well, as some others have, that leakage is a much more significant problem within a water system than perhaps the general public would anticipate and that metering itself would pinpoint that. Is that correct?

Mr Sharratt: That's right. It helps, because with metering you can tell how much water you've sold, you know how much water you've pumped, and it's a very simple matter then to do the calculation. The gap between the two is unaccounted-for water, some of which would be leakage, some of which would be fire departments either putting out fires or practising, street cleaning, and sometimes municipal buildings get free water, so all of that's in there. But it allows you to start determining what's really going on in your system. That's another big plus for metering.

Mr Bradley: What about the situation where people are drawing raw water and are getting it free to use for commercial or business purposes? Do you have any recommendation in that regard?

Mr Sharratt: We didn't put that in this submission because that opens up another issue of charge for water. We've never really thought very much about it. I would think that's something that's worth looking at, but that's my personal view.

The Chair: Thank you very much. We appreciate your taking the time in coming before us here today.

ONTARIO PORK

ONTARIO CATTLEMEN'S ASSOCIATION

ONTARIO SHEEP MARKETING AGENCY

The Chair: Our next presentation will be from Ontario Pork. Good afternoon. Welcome to the committee.

Mr Chris Attema: Thank you. I believe Tonia has circulated the speaking notes. My name is Chris Attema. I'm the water quality specialist representing Ontario Pork, the Ontario Cattlemen's Association and the Ontario Sheep Marketing Agency.

First of all, I would like to thank the members of the committee for giving us this opportunity to share our views on Bill 195 today. I want to acknowledge right from the start that the perspective I bring representing the various commodity groups or commodity organizations is different from many of the other presentations you've heard today.

First of all, we recognize Bill 195 deals primarily, it's our understanding, with issues from pumphouse to tap. In that area of things, we certainly readily acknowledge that the pumphouse-to-tap issues are beyond our area of expertise. The perspective we've taken in looking at Bill 195 is that of owners, managers and stewards of the land base. Our primary interest is looking at the bill and its interrelation with other pieces of legislation that exist or are proposed and, from another perspective, how this particular bill interacts as part of an overall holistic approach to looking at water and resource management. We're taking that perspective.

From the outset, I emphasize that we support the purpose and objectives of this bill. We support the concept that the people of Ontario, both urban and rural—and the issue of the unique challenges for people in rural areas has been brought up by other organizations today—

are entitled to expect their drinking water to be safe. Clear standards, clear monitoring and reporting responsibilities and protocols and inspection authority for municipal drinking water systems and regulated non-municipal drinking water systems are positive steps in implementing the recommendations of the Walkerton report.

I want to focus my presentation on the action that can be taken to improve and clarify Bill 195, from our perspective, from the landowners' perspective. Specifically, I'd like to comment on the relationship of section 20, the general prohibition section, and section 77, which talks about inspections, to existing and proposed legislation and the linkage between Bill 195 and source protection plans.

First, I'd like to tell you a bit about Ontario Pork, who we are and what we do. Ontario Pork represents the province's 4,200 pork producers in many areas, including marketing, environmental issues, research, animal care, and quality assurance programs. In 2001, Ontario's pork producers marketed 4.75 million hogs, valued at \$813 million. The total pork industry is estimated to be worth \$5.6 billion and 35,000 jobs to Ontario's economy.

Ontario Pork is one of the founding members of the Ontario Farm Environmental Coalition. In this capacity, we have been working together with other agricultural organizations for over a decade to promote safe farming practices related to soil erosion, nutrient management, water quality and environmental farm plans. To date, over 20,000 farms across Ontario have voluntarily put environmental farm plans into place.

Our commitment to the environment extends far beyond the work with the coalition. Ontario Pork has committed over \$2 million to research on environmental issues facing our industry. Some research projects we've been involved with include compiling one of the largest on-line research databases on environmental and agricultural practices in North America, which is accessible to anybody: farmers, governments, public. We've funded a University of Guelph study of community perceptions on livestock and agricultural intensification. We've worked with the University of Guelph in developing the Enviropig, a biotech breakthrough which will reduce the environmental impact of manure produced by hogs. And we've worked with the University of Waterloo in taking a close look at issues like potential leakage from the concrete liquid manure storage systems that we have in place across the province.

On the specific affairs related to Bill 195, from our perspective, first I have a few general comments. Number one: water quality and land use clearly are inter-related. In many ways—this might be an oversimplification—water quality is a scorecard for how well or how poorly land and other natural resources are managed in a watershed. This act, Bill 195, recognizes and acknowledges that water users, through multiple-barrier protection, are entitled to certain rights. Our concern relates to the rights of our producers as stewards of the land.

Ontario Pork and its partners in the Ontario Farm Environmental Coalition encourage every farmer to take all necessary precautions to protect the environment and nature. We expect our producers to comply with the requirements of the Nutrient Management Act, the Ontario Water Resources Act and the Environmental Protection Act. We support action to deal with those who violate laws set out to provide protection for the environment and water quality.

In order to avoid duplication, jurisdictional conflict and unnecessary bureaucracy, we are suggesting that there should be specific reference to these acts and that farmers adhering to these acts should not be vulnerable to double jeopardy and prosecution under the general prohibition section expressed in section 20.

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Further, section 77 of the act gives provincial inspectors the ability to conduct inspections without a warrant or court order. At the same time, farmers strive for and achieve herd health and animal health objectives on their farms, at considerable cost, through complying with rigorous biosecurity protocols. If the area to be inspected is a farm it is imperative that inspectors be required to follow these same biosecurity protocols and that they be trained in these measures. We have expressed this concern in relationship to enforcement of the Nutrient Management Act as well.

Third comment: other organizations have expressed concern that source protection is not part of the Safe Drinking Water Act and have suggested that there is a need to guarantee that drinking water safety legislation supersedes other acts and regulations when jurisdictional conflicts arise. We continue to support Justice O'Connor's position that the Environmental Protection Act be amended to require the development of watershed source protection plans. This approach is more equitable in that it provides a means for balance and balancing the rights of the land steward with the right to clean water through multiple barrier protection.

On the issue of source protection plans, we are disappointed in the recent announcement of an advisory committee to guide the development of the provincial framework for watershed source protection plans, in that only two of the 17 members have an agricultural background. Since this is an issue that may impact landowner and land steward rights and responsibilities, we believe that representation should be proportional to the area of land managed. In many areas of Ontario the majority of the land is managed for agricultural purposes.

In conclusion, successful farmers in Ontario pride themselves on being stewards of the land. We know that the fundamental building blocks of agriculture are clean water and healthy land. It is important to our business that proper safeguards are put into place to protect water quality and the health of our families and communities. I think it's important to recognize that our business is unlike many other industries in that our producers live on their farms and drink the water that's under their farms. It

is critical that the needs of private landowners be balanced with the ability to invest and operate our farms and land with confidence and pride.

I would be pleased to answer any questions you may have at this time.

The Chair: Thank you very much. That gives us about two and a half minutes. I'll give the time to Ms Churley.

Ms Churley: Thank you very much for your presentation. I just have to ask: tell us about the Enviropig that actually is reducing, as you put it very politely, the environmental impact of manure produced by pigs. Does it mean they're going to produce less?

Mr Attema: The Enviropig is something where the efficiency rate of digesting—nutrient manure is a by-product, and any time there is a nutrient concentration in a by-product it reflects an inefficiency somewhere in the system. So there was an effort to identify things that can be done to improve the feed conversion—in other words, taking source protection a step further. It's looking at the feed efficiency and feed conversion within the animal itself and, through isolating certain genes, enabling certain genes' enzymes which benefit the digestion of phosphorus. So phosphorus that might otherwise be unavailable to the animal and would pass through is now used efficiently to produce the food and fibre products that we produce.

Ms Churley: So does this pig already exist out there or is it still in the experimental stage?

Mr Attema: It's in the experimental stage. We continue to provide a significant amount of funding to the university to continue the development of this.

Ms Churley: Very clever.

Just quickly, you mentioned the farmers being stewards of the land and living on the land. One of the biggest issues that I and I'm sure other members here hear about from constituents all over the province is intensive pig farms, called—and I know it's not liked—factory farms. A lot of the people come to work there and don't live there. I just want to know from you how we can work better, the community working with those large farms, because there are a lot of problems out there that we can't ignore.

Mr Attema: I think you have made a very good point. The industry is trying to continue to take steps to deal with concerns that are expressed by neighbours and citizens. We believe that by complying with the various rules and regulations that are on the table, things like the minimum distance formulas, the Nutrient Management Act, that provides some basis for some level of protection to the consumers and to neighbours. At the same time, we acknowledge that there are certain perceptions related to our industry and we are continuing to try to address proactive ways in which we can deal with those concerns.

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

ONTARIO FARM ENVIRONMENTAL
COALITION

The Chair: The last presentation this afternoon will be from the Ontario Farm Environmental Coalition.

Mr John FitzGibbon: I can make this quite short because Chris did a very good job from the farmer's point of view. I have just a few points to add.

My name is John FitzGibbon. I am chair of the Ontario Farm Environmental Coalition, which represents 39 different farm groups in Ontario, both producer groups and general farm organizations.

The farm community, by and large, is very supportive of all the initiatives that are currently being taken by the government in terms of trying to protect water resources in this province. When we look at the things that are going on, we see it ranging from the source problems in terms of nutrient management right through to the industry that provides water to our urban society.

We have a number of things that are of concern to us in the bill, and in particular subsection 20(1), which refers to prohibitions. We believe that if this indeed refers to the low concentrations of dissolved solids, particulates and bacteria that emanate from land use, this then means that almost any land use out there, urban and rural, will be in violation of this act, because it is almost impossible to generate water that does not contain these contaminants. We don't produce absolutely pure water from land.

As a result, we would hope that the legislation that governs the management of land in the proper sense, that protects the quality of water emanating from land, will be well referenced in this section; that is, the Environmental Protection Act, the Nutrient Management Act, the Pesticides Act, the Water Resources Act, and there are several others.

The act doesn't provide a whole lot for rural communities since the majority of rural residents are on private well and septic, permitted under different legislation.

Residents undertake a serious look at their water supply and their waste disposal systems. Testing, provision of ultraviolet and other purification mechanisms for rural wells, the water-taking permits they have, has expanded significantly. These facilities are governed under other legislation—the Water Resources Act, regulation 903, the health act and a number of others.

It is our hope that the regulations under this act will not duplicate or complicate the existing structure, but rather reinforce it.

We have a number of other areas of concern. We hope that conservation is an element that is embedded in the systems that deal with urban communities. The reason the rural community is concerned about this is that the well fields urban communities draw their water from are located in rural areas overlaid by agricultural land use. If the demand on rural lands to supply water to ever-increasing consumption in the cities continues to expand, we can only see more and more restriction on our ability

to produce food and to undertake other activities in our rural areas.

We very much encourage conservation in the cities so that the existing well fields can carry forward into the future for our water supplies.

We also encourage another set of actions that is related to this, and that is the granting of permits for rural subdivisions where they are placed on communal systems or where they are on individual services.

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The rural subdivisions pose a particular hazard since we have concentrations of effluent and water-taking in a single area. It is our strongest support that these developments take place in the rural communities, rather than out in the landscape, where they can add to the tax base and user base for these small communities, rather than being spread across the countryside in their individual permits. This, in turn, would give greater vitality to those communities, as well as the ability to fund their services.

Thank you very much for your time. If there are any questions that I could answer, I'd be pleased to do so.

The Chair: Thank you very much. You have left us lots of time for questions, about three minutes per caucus. We'll start with the government, if anyone has any questions.

Mr Miller: If you could just expand on your point about rural subdivisions and the tax base. I didn't quite follow you.

Mr FitzGibbon: We tend to find that the rural subdivisions going out in the communities, a lot of them are on individual well and septic, which is fine if the lots are large enough. But we're finding more and more that they aren't, mainly because those systems aren't maintained as they should be. So our feeling is that these urban-type developments should indeed be in the small communities. If they are then required to meet the standards for water systems, they would have a larger user base in which to spread those costs, whereas if they were in the rural countryside, indeed, they would not be subject to those costs, not subject to user fees because they are on private well and septic. They are permitted uses.

Mr Miller: So build them to municipal standards then, these rural subdivisions?

Mr FitzGibbon: Either they go on to communal systems or they should be located in the rural centres, the small towns.

Mr Stewart: I've still got some time left. It's interesting you suggest this. I've had hang-up for a number of years over these filter beds that we allow in all of these subdivisions now. Filter beds originally were designed for cottage country, where they did not have the type of products and the amount of product going into them as well. I guess this is one of the concerns that I have. You're right about either going on a communal water system in the country or concentrated on the larger lots. Back a few years ago the lots just kept getting smaller and smaller and smaller. Filter beds were used; they had difficulty locating the house because it could be too close to the well.

I appreciate what you're saying and I think you're probably right that some type of a communal system has to go. I don't know necessarily about the sewage end of it, but certainly water systems have to be considered. I know the municipality that I represented in municipal politics had three small, and that was one of the stipulations: you must be on the communal system which the township would take over after five years. But it had to be that—

Mr FitzGibbon: I guess one of the concerns, actually, of small, rural towns is taking over these systems which add additional costs.

Mr Stewart: I gather it's user-pay or—

Mr FitzGibbon: Yes, it's user pay. These systems indeed are preferred because they can be managed and monitored in a fashion which would provide an assurance of safety.

Mr Stewart: What does your group think about metering? We're hearing that more and more every time we go out on the hearings. I actually just found out what the price was. It's a pretty economical way of saving water, in my mind.

Mr FitzGibbon: Metering in an urban environment, where you have a network of pipes, is a very excellent mechanism of managing the costs and providing for cost recovery. It has been shown to be very effective. Our concern is that if we tried to meter private wells, it's very difficult technologically because of the types of pumps and pressure variations etc. In essence, we've had a system of water-taking permits for households and for rural industry like agriculture and they don't pay for the water but they pay for all the costs of the system—the well, the servicing, the fixtures and the disposal—unlike urban community people who are then on a system that is paid for out of the general tax base or user fees.

Our feeling is that we would like to see the urban communities more efficient. Then there won't be a demand or a bigger demand for well fields in rural areas, and that will reduce a lot of conflict.

Mr Peters: We heard John from Ontario Pork, and their concern that they hadn't been involved in the source protection advisory committees that had been struck. Is OFEC a member the source protection advisory committees?

Mr FitzGibbon: In fact, I'm an alternate for one of the members. If he's away, then I would come in and act for that person. But OFEC has not been asked to sit on that committee specifically.

Mr Peters: Do you show some of the same concerns that Ontario Pork does, that source protection is in many ways going to be targeting rural and agricultural communities, that there should be a greater voice on that committee so that it truly represents agricultural and rural communities?

Mr FitzGibbon: We have very able people on the committee, I would say: Ron Bonnett and John Masskont. We have representatives on the technical committee. It would be nice to have more people on the committee. It's always a good thing. Our concerns are

around what—for instance, we have two sets of rights. One set is land use rights, which we deal with through the Planning Act and the Municipal Act. The other set of rights is water rights, which we deal with through the Ontario Water Resources Act. Those two sets of rights can very much be in conflict. It's kind of like the interaction between oil drilling and agriculture in the west: you can have people mess your land up because they own the subsurface rights. In this case, we're not going to mess up the land, but what happens is that it imposes a restriction on the surface rights. No one wants to contaminate water, but there may be levels of protection that limit a person's ability to use their land and to, indeed for agriculture, earn a living from that land. Our concern is, if that's the case, that there be some means of compensating people for their loss of livelihood.

We are also concerned that indeed those mechanisms for protecting our well fields are such that they allow reasonable use of land.

Mr Peters: You just spoke of the conflict, and here we've got the Ontario Water Resources Act, we've got Bill 81 out there right now on round two of consultations, we've got 175 and 195 that we're discussing today, a source protection advisory committee, and probably down the road we're going to see another piece of legislation. Are you concerned at all about the potential for conflict that already exists between the Ontario Water Resources Act and the Municipal Act? Are we setting ourselves up for conflict with the variety of different pieces of legislation and accompanying regulations?

Mr FitzGibbon: We indeed are going to have a complicated system of management. What we're asking is that these different acts be cross-referenced in such a way that they reinforce and mutually support each other rather than being in conflict. It's kind of like saying that where you've got an overlap between acts, make sure they are referenced. Then nothing is going to fall through the cracks. If you have things where there are gaps, you have a different kind of risk that something might not be covered.

I think, given the seriousness of the challenge around managing water and land in Ontario, where you have are more and more people, it's not unreasonable to take a very careful look at it. If you look at the American system, again, they have very similar kinds of legislation to cover the various elements of the system, as do the British. I think we're coming to that stage. What we hope is that we are able to manage this network of legislation in a way that we neither have gaps nor conflicts. And that means, such as our recommendation, that these be cross-referenced. The particular concern is that we know which piece of the legislation takes precedence.

Ms Churley: That was more or less my question as well. I'll just ask a more general question around the challenges facing farms today, both big and small, and the pressure, particularly since Walkerton. I assume there is even more. What are the biggest challenges you are finding, from an environmental point of view, for farmers

today? Is it all of the different government legislation coming into being or public perception? What are your big challenges?

Mr FitzGibbon: If I look at agriculture today and the kinds of problems we have, first of all, this generation of residents of Ontario is probably the second generation that does not have a connection to the land. The majority of people have no idea what happens on a farm and we, as the agricultural community, haven't been the best at communicating with the urban folks to tell them what we do. So they think our industry is dirty and it smells bad. Yes, it does smell occasionally and it is a bit dirty, but it's not unclean. It produces food and, in an environment that's well managed, it can produce water that is of acceptable quality, or at least safe to drink when it's treated.

I don't think you were ever able to drink water in this province and be 100% sure that it was safe at any time, pre-settlement, post-settlement of Europeans, mainly because there were diseases in our wildlife populations that did cause problems for our native people. It's never been absolutely safe. And with more and more people in the province it becomes less and less safe, because we're all in a sense dirty animals.

Ms Churley: I keep bringing this up because I hear it from a lot of people, although I'm in an urban setting. What's changed these days are the very large, intensive farms.

Mr FitzGibbon: Yes, and it's a change that has been forced by economics and supported by technology. Where we have our issues is that it's not the farm countryside that people are used to. My mother's bank barn is 60 feet from a stream. It would not be allowed to exist, if there were animals in it, under today's regulations, yet the public thinks that's quaint and acceptable, whereas the big barn that's red tin at the back of the lot is unacceptable because it represents a different concept of agriculture.

It's an economic reality that we need to have those barns if we're going to produce food in the quantities and the quality that we have. Large operations get much more management. Those people who work in the barns who are not locals—now, I would suggest that they are; they're mostly our “diploma in agriculture” graduates from the university—indeed are people working in a food production system that is far more technically advanced than anything that happened in my mother's bank barn. But at the same time it's also environmentally controllable; it's larger.

I remember the planner from Huron putting it: “Which would you rather live beside, a coal-fired power plant or a nuclear power plant? Which poses the greatest risk?” On a day-to-day basis, that coal plant is belching its effluent into the atmosphere, and while it won't kill you immediately, supposedly, it can give you some problems. However, if something goes wrong—you get some steam and a bit of flame—they can put out the fire. The nuclear plant discharges relatively little, and as long as it's safe, everybody's OK. So which is better? Is it the big barn or the small barn; the continuous flow of effluents or one that might pose a risk if there were a serious problem?

Our argument is that with the legislation we see coming, with improved management and monitoring—particularly monitoring—we will see levels of safety that give us assurance that the disasters of the nuclear plant type don't happen. That's what we see. We want to be economically viable, we want to produce high-quality food in a controlled system and we want to be sure that the environment outside is not going to be put at significantly more risk—indeed, less.

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

With that, committee members, we stand adjourned until 3:30 on Wednesday, back in Toronto.

The committee adjourned at 1533.

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