



The Corporation of The  
**TOWN OF PELHAM**

FROM THE OFFICE OF THE TOWN CLERK

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June 6<sup>th</sup>, 2013

Ms. Betty Matthews-Malone  
Director, Water & Wastewater Services  
Niagara Region  
2201 St. Davids Road  
P. O. Box 1042  
Thorold, ON L2V 4T7

Dear Ms. Matthews-Malone:

At their regular meeting of May 21<sup>st</sup>, 2013, Council of the Town of Pelham received a report from the Director of Corporate Services, a copy of which is attached, and adopted the following resolution:

**THAT the concerns raised in this report regarding the ongoing water-wastewater (W&WW) review be received for information; and**

**THAT a copy of Town of Pelham concerns be forwarded to the W&WW Review Task Force; and**

**THAT the initiative of a one-tier water/wastewater delivery system immediately be revised and restructured creating a committee including representatives from all local area municipalities who can sit at the table and offer valuable input to the study in order to clear up, what appears to be, a gross misunderstanding of systems and conditions already in place at local levels; and**

**THAT Regional Council be requested to undertake a peer review of the study; and**

**THAT this resolution be circulated to Regional Council and other Niagara Area Municipalities.**

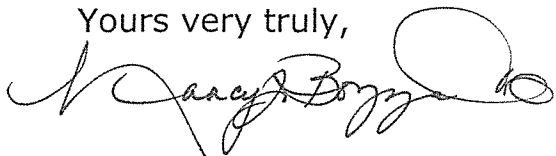
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We look forward to receiving your response to the concerns addressed in the report and that the matters outlined in the above resolution will be given due consideration.

Yours very truly,



Nancy J. Bozzato, *Dipl.M.M., AMCT*  
Town Clerk

cc: Mayor Bill Hodgson, Chair, Water-Wastewater Review Task Force  
Gary Burroughs, Niagara Regional Chair  
Brian Baty, Niagara Regional Councillor  
Mayor Dave Augustyn, Pelham  
J. Pilon, Regional Clerk  
Local Area Municipal Clerks  
C. Pupo, Director of Corporate Services, Pelham  
A. Mannell, Director of Public Works and Utilities, Pelham



# TOWN OF PELHAM

*The most vibrant, creative & caring community in Niagara*

## Issue Summary Report

### TOWNS RESPONSE TO WATER-WASTEWATER REVIEW TASK FORCE

#20130513003

**Meeting :** Regular Meeting of Council C-13-13

**Section :** Staff Reports Requiring Action

**Meeting Type :** Regular Meeting of Council

**Meeting Date :** 2013/05/21 18:30

**Presenter :** Cari Pupo

#### Background

As Council is aware the Region has proceeded with a study of the Water and Wastewater Service Delivery. A draft report outlining the results of this study has been presented to Area Treasurers, Public Works Staff and CAO's. The result of these presentations has created an overwhelming amount of concern from all local area municipalities about the quality of the report and the clear bias towards a one-tier system.

The Consultants presentation on March 28, 2013 clearly indicated that the only option moving forward was to move to a one-tier water delivery system. The following are serious concerns that need to be addressed in the the report before the report is finalized:

1. It was evident at the outset of this study that the majority of all area municipalities Council's did not support the study into the water and wastewater service delivery yet the Niagara Region proceeded with the study despite this opposition.
2. All municipalities were grouped together as one Region in doing the report. The study did not look at individual systems within the Region to determine if one or many municipalities was doing an exceptional job at water and wastewater service delivery. Pelham in fact in individual findings throughout the study proved to have the best rate per capita and a good sound infrastructure. However, the report summarizes that when grouped with other LAM's overall the system is not performing well. It was also reported by the Consultants that Pelham's customers would be the biggest losers in a one-tier service delivery system.
3. The question of legal authority to change to a one-tier system has been raised several times by local area municipalities and has yet to be answered by the Region or the consultants and should have been considered before the study even took place or continues to be pursued.
- 4 The Consultants rated the options presented in the study based on personal opinion and not facts. LAM's were not invited to be included in the evaluation and rating exercise resulting in a clear bias in the results of the final report. The report purports that there will be \$11.5 in savings which has not been supported by any back up documentation. The amount of savings are based on opinions, assumptions and estimates of the Consultants. The savings also do not include any transitional capital costing requirements such as building infrastructures, software requirements and other capital costs to move to a one-tier system. Finally it was indicated that even with these savings customers may not see a savings in the water and wastewater rates.
7. The Consultants indicated that under a one-tier system customers would receive better customer service. The Town of Pelham disagrees. Pelham offers exceptional customer service above that of other LAM's. The Town has 100% of the water billing on smart meters which provide the most accurate reading of water usage, leak detection reports, back flow reports and data logging for customers usage history. In addition as a small municipality we are able to provide above standard responses to customers when a water concern is brought forward. This is not something a large one-tier system will ever be able to provide.
8. The report indicated that LAM's have no incentive to reduce water losses or minimize sanitary sewer

infiltration. Pelham disagrees with this statement. Pelham has reduced its water loss over the last three (3) years from 22% down to 12% and continues to implement methodologies to detect water loss. It would be less likely in a one-tier system that water loss detection would be a significant part of the day to day operations.

9. The annual funding gap presented by the Consultants is not correct. The unit costs for infrastructure are overstated causing the misstatement of the funding gap for Pelham. Pelham has and continues to use reserves to fund major capital infrastructure and the reserve balances remain healthy based on realistic infrastructure costs. In addition the Consultants did not agree with LAM's PSAB policies and made their own assumptions to determine useful lives and replacement costs.

10. Public engagement was not a consideration in the study.

11. The impacts on customers with respect to a change in water and wastewater service delivery have not been considered nor has the impact on the tax levy.

12. Capital Costs to transition to a one-tier system have not been explored. The Consultants indicated that billings could remain status quo within the municipalities where agreements with each would need to be signed to implement this format.

13. Staffing implications within LAM'a have not been fully considered. Staff perform multi-discipline activities within each municipality thus how does the new structure impact current service levels and staffing levels?

This summarizes the major concerns with the draft report and Pelham requests that these concerns be addressed before a final report is presented to Regional Council.

#### **Alternatives**

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Council can alter the report as required.

#### **Recommendation**

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THAT the concerns raised in this report regarding the ongoing water-wastewater (W&WW) review be received for information and

THAT a copy of Town of Pelham concerns be forwarded to the W&WW Review Task Force.

#### **Additional Information**

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**4. d) Strategic Plan :** Exceptional Customer Service, Sustainability,

**4. g) Consultation :** Director of Public Works, CAO