



# TOWNSHIP OF NORTH HURON

# REPORT

Item No.

**REPORT TO:** Reeve Vincent and Members of Council  
**PREPARED BY:** Sharon Chambers  
**DATE:** 17/03/2016  
**SUBJECT:** Utilities Department Structure/Contracted Service Investigation  
**ATTACHMENTS:** n/a

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## **RECOMMENDATION:**

THAT the Council of the Township of North Huron hereby accepts the report of the CAO concerning the Utilities Department Structure for information purposes.

## **EXECUTIVE SUMMARY**

Under the Safe Drinking Water Act, 2002, Council is defined as the Owner of the water and wastewater systems. Section 11 of the Act sets out the duties of the owner and operating authorities.

### **Duties of owners and operating authorities**

**11.** (1) Every owner of a municipal drinking water system or a regulated non-municipal drinking water system and, if an operating authority is responsible for the operation of the system, the operating authority for the system shall ensure the following:

1. That all water provided by the system to the point where the system is connected to a user's plumbing system meets the requirements of the prescribed drinking water quality standards.
2. That, at all times in which it is in service, the drinking water system,
  - i. is operated in accordance with the requirements under this Act,
  - ii. is maintained in a fit state of repair, and
  - iii. satisfies the requirements of the standards prescribed for the system or the class of systems to which the system belongs.
3. That the drinking water system is operated by persons having the training or expertise for their operating functions that is required by the regulations and the licence or approval issued or granted for the system under this Act.
4. That all sampling, testing and monitoring requirements under this Act that relate to the drinking water system are complied with.
5. That personnel at the drinking water system are under the supervision of persons having the prescribed qualifications.
6. That the persons who carry out functions in relation to the drinking water system comply with such reporting requirements as may be prescribed or that are required by the conditions in the licence or approval issued or granted for the system under this Act. 2002, c. 32, s. 11 (1).

## **DISCUSSION**

In January of 2016, Council authorized the CAO to investigate a contract with Veolia Water Canada (VWC) for the operation and maintenance of the Township's water and wastewater operations.

The rationale for investigating a single source contract by negotiated method is;

- VWC has experience with the systems as the O&M services partner from 2004 to 2007
- VWC is currently contracted to provide an Overall Responsible Operator for North Huron water and wastewater systems
- VWC is willing to transition all existing North Huron Utilities staff to their employment and retain them in their current capacity operating North Huron systems
- VWC is currently contracted by the Municipality of Morris Turnberry to operate the Belgrave Water System and is willing to blend the contract with North Huron for potential savings.
- Negotiated purchase method would save the cost of preparing Terms of Reference to issue an RFP and transition could be done in a more timely manner due to the current management gap resulting from the vacancy of the Chief Operator position.
- It is unknown when the Director of Public Works hire will be finalized, and VWC has been providing departmental management support via the ORO and former North Huron Chief Operator who is now employed by VWC.

A draft contract document has been prepared and has been reviewed by the Township's insurers, solicitor and BM Ross and Associates, the Township's primary engineering consultant on water and wastewater related matters. The draft document will be reviewed in the closed session.

Ultimately, council will have to decide if they wish to proceed with the single source contract, issue a Request for Proposals or continue operating in-house with a revised organizational structure.

A full report summarizing the advantages and disadvantages of the various operating models will be released following the review of the Veolia Contract proposal.

## **FINANCIAL IMPACT**

Financial impact will be discussed in a future report outlining the options that were investigated

## **FUTURE CONSIDERATIONS**

Future considerations will be discussed in a future report outlining the options that were investigated

## **RELATIONSHIP TO STRATEGIC PLAN**

Goal #4 – Our administration is fiscally responsible and strives for operational excellence