



Subject: County of Oxford, Town of Tillsonburg Water & Wastewater Operating Authority Service

Report Number: OPD 23-15

Department: Operations and Development Department

Submitted by: Jonathon Graham, Director of Operation and Development

Meeting Type: Council Meeting

Meeting Date: Tuesday, April 11, 2023

RECOMMENDATION

THAT report OPD 23-15 County of Oxford, Town of Tillsonburg Water & Wastewater Operating Authority Service report be received as information; and

THAT Council direct staff to notify the County of Oxford that it is opposed to the removal of the Town of Tillsonburg being the authorized Operating Authority; and

THAT Council direct Town Staff to work with County Staff to investigate this matter further to determine all of the details and impacts and report back to Council for reconsideration.

BACKGROUND

As per a June 22, 2022, County of Oxford Council the following motion was considered and voted down:

1. *That Oxford County Council direct staff to proceed to implement Centralized service delivery of water distribution and wastewater collection operations and maintenance, in order to further optimize operational levels of service, service continuity/redundancy and cost efficiencies as detailed in [Report No. PW 2022-32](#) as follows:*
 - a. *Provide the Town of Tillsonburg and City of Woodstock formal written notice (June 23, 2022) that the current water distribution and sewage collection operations and maintenance service contract agreements will be terminated by Oxford County in six (January 1, 2023) and eighteen (January 1, 2024) months respectively as part of overall phased service transitions to Oxford County Water and Wastewater Services (effective on the same respective dates);*

- b. Establish and assign a service transition team to effectively facilitate communications, change management, human resources and administrative activities associated with the implementation of the Centralized water distribution and wastewater collection operations and maintenance service delivery model;*
 - c. Apply Year 1 Operations and Maintenance savings as appropriate to offset any necessary costs that may be potentially incurred by Woodstock and/or Tillsonburg during the transition from Status Quo service delivery model (i.e. Human Resources/re-employment, stranded assets, etc.);*
- 2. And further, that County Council direct staff to finalize and execute updated engineering services contract agreements with the Town of Tillsonburg and City of Woodstock by September 23, 2022 to ensure the continued joint capital planning coordination and harmonization of County water distribution and wastewater projects with local municipal roadwork projects.*

Consideration to the above was based on a Service Delivery Report/review completed in March of 2022 as funded

through an Ontario Modernization Fund (Phase 2). Furthermore this review was complemented/rehashed by a Joint Service Delivery Review in 2020.

The 2020 Joint Service Delivery Review generally recommended the following:

- Develop Capital plans for optimization for wastewater treatment plants.
 - County to ensure that studies are regularly undertaken to ensure optimization of treatment facilities.
- Remain with the status quo for billing of water and wastewater
- The development of procedures to forecast water system changes/improvements where proper communication are shared with the County and Town alike.
- A committee of CAOs meet with County Public Works to discuss and develop improvements to forecasting, system expansion and interim financing for growth required services.

Since the motion considered on June 22, 2022 was defeated, the County and Town's water and wastewater relationship remained as "status quo" although there is no formal agreement that has been endorsed/updated. Councillors at the time made it clear that although they wanted the status quo operating system to remain, Staff at the upper and lower tiers were expected to work together to operate the water systems in a co-operative and efficient manner while moving towards an agreement update.

DISCUSSION

On Monday, March 20, 2023, County Staff informed Town Staff that County Staff was working on a report to County Council to merge the Town's Drinking Water Quality Management System (DWQMS) and would be removing the Town's Operating Authority (OA) status.

According to County Staff, merging the City of Woodstock and Town of Tillsonburg's Operating Plan into the County's Plan would result in efficiencies and cost savings. While this may be partially true, both Staff from the Town of Tillsonburg and the City of Woodstock have some concerns with this proposal.

Although the current relationship has been in place for fifteen (15) plus years, County Staff is asking the Town to endorse this change with minimal time for review. According to County Staff, they are proposing to ask County Council to pass a motion for this change at a forthcoming April County Council meeting. This change could/would have significant impact on the Town where Staff have not been afforded the appropriate time to fully investigate the implications of what such a change under the [Safe Drinking Water Act, 2002, S.O. 2002](#) would entail. For instance, although County Staff has spoken to the Ministry of the Environment, Conservation and Parks (MECP) regarding removing the Town's Operational Authority, Staff has not had the opportunity to speak to the MECP about this nor were Staff invited to be part of the discussion when the County met with the MECP.

Based on a quick review, it appears that some efficiencies may be obtained if the three plans were consolidated into one plan however these efficiencies appear to be small and it is uncertain what the cost of these efficiencies would be. Generally, by combining the Operational Plan(s) and removing Tillsonburg's Operating Authority from its distribution system, would remove the Town's role of being a partnering municipality with a vested interest in its own water distribution system and would revert us to a service contractor for hire (or to fire) similarly to relation through the Ontario Clean Water Agency (OCWA) whereby establishing the County as the single "operator" of all the water systems within the County under one umbrella.

In the framework of Provincial water systems, the current model of the County of Oxford, City Of Woodstock, and Town of Tillsonburg working together is unique and generally not seen anywhere else in the Province. Staff does not see this as a con but more of a pro. Furthermore the Town has local "buy-in", invested interest towards our systems, and are intimately familiar with the systems where the Municipal Act and DWQMS recognize this preference.

Current budgets, operations, and authorities are in line with the framework of status quo. The current model, although without a formal agreement, meets applicable laws and regulations. If combining the operational plans into one is the best course of action, the details of this change should be investigated and worked out prior to committing to a proposed change.

CONSULTATION

Oxford County’s Director of Public Works, County Water/Wastewater Staff, the City of Woodstock’s Director of Public Works, City of Woodstock’s Water and Wastewater staff, Tillsonburg’s CAO, Manager of Operations, and Water/Waste Water Supervisor.

FINANCIAL IMPACT/FUNDING SOURCE

If the “status quo” relationship is maintained, the 2023 budget will remain unchanged. However, Staff is proposing a full cost benefit analysis be undertaken, including agreement preparation should the change be endorsed/recommended.

CORPORATE GOALS

How does this report support the corporate goals identified in the Community Strategic Plan?

- Lifestyle and amenities
- Customer service, communication and engagement
- Business attraction, retention and expansion
- Community growth
- Connectivity and transportation
- Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

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Goal – The Town of Tillsonburg will strive for excellence and accountability in government, providing effective and efficient services, information, and opportunities to shape municipal initiatives.

Strategic Direction – Explore opportunities for service efficiencies in partnership with adjacent municipalities.

Priority Project – *Short Term* – Municipal service review

ATTACHMENTS

N/A