REPORT OF THE

STANDING POLICY COMMITTEE ON PUBLIC WORKS

DATED FEBRUARY 1, 1999

On motion of Councillor De Smedt, Clause 3 of the Report of the Standing Policy Committee on Public Works, dated February 1, 1999, was considered.

Winnipeg Water Treatment Plant - Public Consultation File WS-7 (Vol. 3)

585 - 3. The Policy Guidelines for Citizen Participation in Public Works Projects adopted by Council July 8, 1992, mandates citizen participation in public works projects to ensure informed public consent is obtained. The Policy states:

> *While the public may or may not be agreeable to a particular project, achieving informed public consent will mean that the public will normally accept implementation of the project. Public involvement in public works projects also accomplishes the following:*
>
> *(i) enables the public to have a better understanding of the project;*
> *(ii) helps determine and define the public's needs;*
> *(iii) provides a forum for groups and individuals who have an interest in the project;*
> *(iv) broadens the perspective for all of the stakeholders (e.g. Councillors, Administration, the public, etc.) regarding all of the many implications of a project.*

Criteria warranting the public involvement in the water treatment plant project as stated in the Policy Guideline are:

> *(ii) Projects that have key strategic importance in the City's long term plans.*
> *(iii) Where the City is seeking public input, awareness and support for a project.*
> *(v) Requirement for an Environment Act Licence to be issued by the Province.*

On December 17, 1993, Council adopted a motion to create a water treatment reserve charge in its water rate structure such that the ability to finance the water treatment plant (WTP) on a "pay-as-you-go" basis would be possible. In each subsequent year, Council has approved a water rate plan based on 50% financing and 50% debt balance for the funding of a water treatment plant to be in operation in 2006.

In 1994, the City of Winnipeg Water and Waste Department completed a comprehensive planning study of the regional water supply system in order to define long-term water quantity and quality needs. This Regional Water Supply Study (RWSS) recommended that the City plan to implement water treatment to improve the control of waterborne pathogens, disinfection by-products (DBPs), and taste and odour. The need for water treatment was recommended primarily on the basis of the benefits for protecting public health through reduced exposure to microbiological and/or chemical risk.

On May 24, 1994, Council adopted the recommended pilot testing of potential water treatment technologies and subsequent implementation program of design, construction and commissioning of a regional water treatment plant, as proposed in the Regional Water Supply Study.

Between 1994 and 1998, Council has approved funding totalling $2,542,000.00 for pilot studies, concept design, and public consultation as part of the capital budget. Details of the history and status of the Drinking Water Treatment Project are shown on Appendix "A".

The technical information on the water treatment plant is now essentially complete, and the Water and Waste Department is proceeding to summarize the technical reports for the public communication and consultation process. The technical reports provide information on the assessment of waterborne health risk, the identification of appropriate water treatment technologies, the estimated capital and operating costs, site evaluation, potential environmental issues and regulatory approval process, alternative project delivery methods, and planning and policy issues.

Since this project could have key strategic importance in the City's long-term plans, citizen participation is consistent with City Policy. Public consultation is critical to Council's decision to expend approximately $200

Report of the Standing Policy Committee on Public Works dated February 1, 1999

million to construct a water treatment plant. The decision has potential to impact public health and the future economic well-being of the City. There is also a history of public participation in the project with respect to the previous Regional Water Supply Study.

To-date, the Province of Manitoba, Minister of Health has not issued any order or specific instruction that would force the City to provide treatment of its water supply. As a result of new research, waterborne disease outbreaks and other public health issues, the trend among regulatory agencies is to make potable water quality requirements more stringent. Any public consultation that would result in public support for the project would assist the City in obtaining any future regulatory approvals.

As part of the public consultation process, information would be provided to the public and special interest groups on the nature of the project, alternatives, benefits, costs, implementation and financial effects. This would provide the public with the opportunity to assess the need for the project and their willingness to pay to construct and operate a water treatment plant.

Information included in a communication program would include:

- trends for drinking water quality guidelines and regulatory issues;
- waterborne health risk;
- water quality at the consumer's tap including disinfection by-products, microbiology, taste and odour;
- impact on rates due to treatment;
- location of the water treatment plant;
- alternative delivery methods/concepts.

Several options to raise public awareness of the water treatment plant technical issues, to obtain customer input and to provide advice to Council on the need for treatment are:

Option 1. Report by Administration to Council

- A report and recommendations would be submitted by the Administration to the Standing Policy Committee on Public Works.
- At the Standing Policy Committee on Public Works, the Administration along with consultants and specialist advisors would present the report.
- There would be opportunity for public delegations to address the Standing Policy Committee on Public Works.
- The report with recommendations would be forwarded by the Standing Policy Committee on Public Works to the Executive Policy Committee and then to Council.
- Formal distribution of information on the project to the public would not occur during the decision-making process. Citizens will learn about the project through the media.

Option 2. Citizen Advisory Committee

- A Citizen Advisory Committee would be established by Council with 9 to 15 volunteer representatives of various customer classes and special interest groups. This Committee would operate in a manner similar to the Sewer Rate Advisory Committee.
- The Administration would submit a report(s) and make representations to the Committee summarizing all background information pertaining to the water treatment plant project.
- In the course of carrying out their mandate, the Committee would have access to technical and administrative resources of the Administration for the conduct of their business.
- Committee meetings would be open to the public.
- The Administration would provide assistance in communication and report-writing.
- The Citizen Advisory Committee would submit a consensus report to Council with the opportunity for minor recommendations.

Option 3. Subcommittee of Council

- Council would appoint a Committee of two or more Councillors.
- The Administration would submit a report(s) and make representations to the Subcommittee summarizing all background information pertaining to the water treatment plant project.
- The public will only receive background information at the public meeting.

Report of the Standing Policy Committee on Public Works dated February 1, 1999

- The Subcommittee would determine methods and implementation to receive public input, but this would likely be limited to public representations at public meetings.
- The Subcommittee would have access to technical and administrative resources of the Administration for the conduct of their business.
- The Administration would provide assistance in communication and report-writing.
- The Subcommittee would submit a report to Council.

Option 4. Review Panel (Recommended)

- A Review Panel would be established consisting of three respected leaders of the community, similar to the panels established to review the school district boundaries and the capital region. The proposed terms of reference for the Review Panel are as outlined in Appendix "B".
- The members of the Review Panel would be compensated on a part-time basis and at rates outlined in Appendix "C". This compensation recommendation is based on the model used by the Province of Manitoba for the Capital Region Review Panel.
- The Administration would present a report to the Review Panel summarizing all background information pertaining to the water treatment plant.
- The Review Panel would distribute information to the public using some combination of the following methods: newsletters and brochures, newspaper inserts, news releases, public meetings, web page and technical seminars.
- The Review Panel would determine methods and implementation to receive public input.
- The Review Panel would have access to technical and administrative resources of the Administration for the conduct of their business.
- The Review Panel has a budget set aside for engagement of specific services for communication activities.
- The Administration would provide assistance in report writing.
- The Review Panel would submit a consensus report to Council.

Each option has been evaluated against the following criteria:

1) Public Education: Opportunity to develop public understanding of the issues surrounding the construction of a water treatment plant, create support for the decision of Council, an understanding of the costs to construct and operate a water treatment plant and the impact of water treatment on rates.

2) Independence: Ability to assess public need and perspectives of stakeholders, and to comment on technical issues and make an independent recommendation to Council.

3) Openness: Opportunities for individuals and groups to comment on the issues publicly.

4) Timing: Will report be completed before Council sets rates for 2000 water and sewer services.

5) Cost: Cost to implement each option. However, in view of the $200 million project capital cost, the public consultation costs are minimal and should be considered a secondary issue.

A summary of the evaluation can be found in Appendix "D" (Table 1).

Conclusions:

Option 1: Report by Administration to Council

- Least consistent with Council policy on public consultation;
- Council would be making a major service and financial decision with a limited public information and consultation process, with potential for extensive criticism and public controversy;
- Least proactive regarding public input on a major public health project;
- Is the least costly, and can be accommodated within the project budget over the shortest time period.

Option 2: Citizen Advisory Committee

- Provides increased opportunity for public input compared to Options 1 and 3;
- Public participation will be mainly limited to Committee members that represent a diverse range of customers;

Report of the Standing Policy Committee on Public Works dated February 1, 1999

- Can be accommodated within the project budget. Longer time frame required to establish Committee, conduct of meetings and prepare report.

Option 3: Subcommittee of Council

- Greater opportunity for public involvement compared to Option 1, however, public education not as proactive as Option 4;
- Accommodated within the project budget.

Option 4: Review Panel (Recommended)

- Most consistent with declared City Policy for "Policy Guideline for Citizen Participation in Public Works Projects";
- Provides most objective, transparent and credible decision-making;
- Greatest opportunity for engaging public interest and involvement;
- Most expensive option. Total cost would be 0.15% of estimated water treatment plant cost.

It is recommended that a Review Panel (Option 4) be established because it provides the greatest opportunity for public participation. Option 4 would provide Council with an independent opinion on this important decision. Although the time required and costs are greatest, these are considered to be warranted due to the significance and implications of this major public health project impacting customer service and rates.

It is recommended that the Administration be authorized to take the necessary actions to seek members to participate in the Review Panel for recommendation to the Chairperson of the Standing Policy Committee on Public Works for approval.

It is recommended that authorization be provided to transfer $230,000.00 from the Water Treatment Plant Reserve to the Water Treatment Plant Capital Project Account No. 43 118154 5197080701 to fund the additional costs associated with Option 4.

The financial status of the Water Treatment Pilot Testing project is as follows:

Authorized Capital	$2,542,000.00
Funds Committed	$2,321,184.00
Additional Services	$ 150,000.00
Review Panel	$ 300,000.00
Total	$2,771,184.00
Surplus/(Deficit)	**(**$ 229,184.00)
Funds to be transferred	$ 230,000.00
Total Capital	$2,772,000.00

The Standing Policy Committee on Public Works therefore recommends:

I. That Council establish an independent three member Winnipeg Water Treatment Review Panel to recommend to Council whether or not to proceed with design and construction of a water treatment plant as provided in the Terms of Reference, outlined in Appendix "B".

II. That the Proper Officers of the City be authorized to do all things necessary to seek three members for the Review Panel and that Council delegate authority to the Chairperson of the Standing Policy Committee on Public Works to appoint the panel members.

III. That the Proper Officers of the City be authorized to remunerate the members of the Review Panel in accordance with the directives outlined in Appendix "C".

IV. That the Administration provide resources, including consulting services to support the Review Panel.

Report of the Standing Policy Committee on Public Works dated February 1, 1999

V. That authorization be provided to transfer $230,000.00 from the Water Treatment Plant Reserve to the Water Treatment Plant Capital Project Account No. 43 118154 5197080701 to support activities of the Review Panel.

VI. That the Proper Officers be authorized to do all things necessary to effect the intent of the foregoing.

On February 17, 1999, the Executive Policy Committee laid the matter over for 30 days and referred same to the Chief Administrative Officer for report back indicating the financial impact on the treatment plant proposal resulting from the increased water rates.

On March 24 and April 28, 1999, Council approved a 30 day extension of time for consideration of the matter.

On May 19, 1999, the Executive Policy Committee further considered the matter and did not concur in Recommendations I. to VI. of the Standing Policy Committee on Public Works.

The Executive Policy Committee recommends as follows:

I. That Council appoint the Executive Policy Committee to conduct the public consultation process, to recommend to Council whether or not to proceed with design and construction of a water treatment plant as provided in the Terms of Reference outlined in Appendix "E".

II. That the Administration submit a report and make representations to the Executive Policy Committee summarizing all background information pertaining to the water treatment plant project.

III. That authorization be provided to transfer $70,000.00 from the Water Treatment Plant Reserve to the Water Treatment Plant Capital Project Account No. 43 118154 5197080701 to support activities of the Review Panel.

IV. That the administration provide resources including consulting services to support the Executive Policy Committee.

V. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Appendices "A", to "D" referred to in the clause are on file in the Office of the City Clerk.

Moved by Councillor De Smedt,
That the clause be considered.

Carried.

In amendment,

Moved by Councillor Timm-Rudolph,
Seconded by Councillor Angus,

That the clause be amended by deleting any reference to "remuneration for members of the review panel" .

With the concurrence of the seconder, Councillor Angus, and with the permission of Council, Councillor Timm-Rudolph withdrew her amendment.

Moved by Councillor Eadie,
That the recommendation of the Executive Policy Committee be adopted.

The recommendation of the Executive Policy Committee was put.

Councillor Angus called for the yeas and nays, which were as follows:-

Report of the Standing Policy Committee on Public Works dated February 1, 1999

Yea: Councillors Clement, De Smedt, Gerbasi, Lubosch, Steek, Deputy Mayor Thomas, Vandal, Eadie and Lazarenko. 9

Nay: Councillors Angus, Smith and Timm-Rudolph. 3

and the recommendation of the Executive Policy Committee was declared carried.

(See Minute No. 621 for Appendix “E”)

REPORT "A" OF THE

STANDING POLICY COMMITTEE ON PUBLIC WORKS

DATED MAY 3, 1999

On motion of Councillor De Smedt, Report "A" of the Standing Policy Committee on Public Works, dated May 3, 1999, was considered clause by clause.

Moved by Councillor De Smedt,
That the Consent Agenda, Clauses 1,2 and 3, be adopted.

Carried.

Award of Contract for Office Cleaning Services at 421 Osborne Street - Tender No. 94-99
File GL-9 (Vol. 12) [c/r FB-1 (Vol. 6)]

586 - 1. The Standing Policy Committee on Public Works has been advised that Tender No. 94-99 was issued for the provision of office cleaning services at 421 Osborne Street for a period of two years. The Tender closed on Thursday, April 1, 1999, with five bids being received as follows:

1.	Venture Cleaning Services Ltd. *Excluding all taxes*	$25,542.00
2.	A Leader Building Cleaning Services of Canada Ltd. *Excluding all taxes*	$52,200.00
3.	Sonia Building Maintenance Service *Excluding all taxes*	$73,000.00
4.	Lucy Klos	*Non-Responsive*
5.	Libson Cleaning	*Non-Responsive*

As noted, two bids, Lucy Klos and Lisbon Cleaning, were immediately deemed non-responsive by the Materials Management Division for insufficient bid securities. The remaining three bids were forwarded to the Transit Department for further review and recommendation. The lowest of the three bids, Venture Cleaning Services Ltd. was disqualified inasmuch as it did not comply with Clause SP:13.02 of the specifications that requires a minimum of ten person hours per day of cleaning.

The Manager of the Materials Management Division has advised that each of the responsive tender submissions was accompanied by a bid security which have been certified by the Legal Services Division.

The bid evaluation criteria identified in the tender are as follows:

- Conformance of the bidders tender submission with the requirements of the tender document.
- Qualification of the bidder pursuant to BI:9.
- Total bid price.

Bids are open for acceptance until May 30, 1999.

Based on these criteria, it is recommended that the contract be awarded to the lowest evaluated responsive bidder meeting the specifications, namely, A Leader Building Cleaning Services of Canada Ltd.

The Transit Department has reviewed the work with the recommended bidder and is of the opinion that it has the necessary resources and experience to perform all of the work in accordance with the requirements of the specifications.

The recommended bidder's tender submission has indicated that there will be no subcontractors.

Report "A" of the Standing Policy Committee on Public Works dated May 3, 1999

The recommended bidder has submitted a bid of $52,200.00 for a two-year cleaning contract or $26,100.00 per year. This will result in a total expenditure from the 1999 Current Budget in the 52-552103-120105 group of accounts. The expenditure for the following year of the contract will be paid from the 2000 Current Budget.

The Standing Policy Committee on Public Works recommends:

I. That a two-year contract for the period of June 1, 1999 to May 30, 2001 for the provision of office cleaning services at 421 Osborne Street be awarded to A Leader Building Cleaning Services of Canada Ltd., the lowest evaluated responsive bidder complying with the specifications, in the amount of $52,200.00, excluding all taxes.

II. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Adopted by consent.

Award of Contract for the Transporting of Sewage Sludge - Tender No. 0357-99 File GL-9 (Vol. 12) [c/r WS-5 (Vol. 18)]

587 - 2. The Standing Policy Committee on Public Works has been advised that Tender No. 0357-99 was issued for the transportation of sewage sludge for a three-year period ending July 15, 2002. Funds for the transporting of sewage sludge are included in the 1999 Annual Current Estimates, identified as Sewage Disposal System - Interception and Treatment Regional - Account Nos. 44-552608-010313 and 44-552608-010314.

The tender closed on April 9, 1999, with the following bids being received as outlined in the Tender Tabulation, namely:

1.	Mulder Construction & Materials Ltd.	$1,065,700.00
2.	Paragon Industries Ltd.	$1,465,500.00
3.	Ace Disposal - Division of National Containers & Recycling	$1,800,900.00

The Manager of the Materials Management Division has advised that each of the tender submissions was accompanied by a bid bond and an agreement to bond, which have been certified by the Legal Services Division.

The tender recommended for acceptance is the low bid meeting all requirements of the specifications. This offer is open for acceptance until July 8, 1999.

Engineering staff of the Water and Waste Department are satisfied that the low bidder has the necessary resources to perform all of the work in accordance with the requirements of the specifications. The Contractor has satisfactorily carried out previous construction works of a similar nature.

A financial impact statement for this project has been prepared in accordance with the recommendation contained in a report dated November 18, 1999 submitted to and approved by the Standing Committee on Fiscal Issues on November 24, 1997.

The Standing Policy Committee on Public Works recommends:

I. That a three-year contract be awarded to Mulder Construction & Materials Ltd., the lowest bidder meeting the specifications in the amount of $1,065,700.00 plus GST.

II. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Copies of documents referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.

Report "A" of the Standing Policy Committee on Public Works dated May 3, 1999

Provincial Upgrading of Gunn Road
File ST-5.2 (Vol. 25)

588 - 3. The Standing Policy Committee on Public Works has been advised that the northeast Perimeter Highway, which includes an at-grade intersection at Gunn Road, was open to traffic on October 31, 1996. Prior to this date, the section of Gunn Road east of Day Street carried a low volume of vehicles and minimal truck traffic. However, with the connection of Gunn Road to the Perimeter Highway, traffic volumes on this roadway have increased significantly, particularly the truck traffic generated by businesses located within the Rural Municipality of Springfield industrial area.

Reconstruction of this roadway is necessary to accommodate this additional traffic. It is expected that without reconstruction and with the continuing increases in traffic volumes, including truck traffic, the roadway condition will deteriorate to an unacceptable standard and may become hazardous to the travelling public.

During a meeting held on December 13, 1996, with the Minister of Highways and Transportation, the Reeve of the R.M. of Springfield, and Councillor Timm-Rudolph, Transcona Ward, the current condition of Gunn Road and the impact of providing a connection to the newly opened northeast Perimeter Highway was discussed. While it was agreed that increased traffic, particularly truck traffic, would accelerate its deterioration, no party indicated a willingness to finance the necessary reconstruction. However, it was noted that Gunn Road might qualify for inclusion in a further infrastructure program which was anticipated in the near future.

A further meeting involving the same parties was held on December 3, 1998, to discuss access road improvement alternatives connecting the North Transcona industrial area to the northeast Perimeter Highway. The consensus at that meeting was that the Department of Highways and Transportation should proceed with improving Gunn Road from Redonda Street to the Perimeter Highway. Since this meeting the R.M. of Springfield has formally endorsed this proposal.

Gunn Road is a boundary roadway separating the City of Winnipeg and the R.M. of Springfield. The City, as the senior municipality, is responsible for maintaining the road in an acceptable condition. As previously stated, the volume of traffic, including trucks, has increased substantially with the connection to the northeast Perimeter Highway and the roadway should be upgraded. The Department of Highways and Transportation has proposed to upgrade Gunn Road from Redonda Street to the Perimeter Highway at their cost and have requested that the City of Winnipeg confirm whether they endorse this option.

Ordinarily, the Provincial offer would be very much appreciated. However, the Public Works Department recommends against acceptance of the proposal by the Department of Highways and Transportation to reconstruct a portion of Gunn Road for the following reasons:

- The Province proposes to upgrade only the most easterly section of Gunn Road. Following their reconstruction, the City would be left with a quality asphalt roadway from the Perimeter Highway to Redonda Street and a significantly longer section of Gunn Road from Redonda Street to Day Street and through to Plessis Road that would remain as a substandard gravel roadway.

  As a result, there would be significant pressure placed upon the City to upgrade the remainder of Gunn Road to the same standard as the work done by the Department of Highways and Transportation. Preliminary estimates indicate that it would cost $1.5 to $2 million to reconstruct the remaining gravel road sections, which is approximately three to four times the cost of the initiative proposed by the Department of Highways and Transportation. Previous discussions regarding this additional work included the possibility of the City and the R.M. of Springfield prioritizing this remaining reconstruction as part of any future Federal infrastructure program. However, given the extent of the City's current infrastructure deficit, the Department has other reconstruction/rehabilitation needs that should be undertaken first.

- The R.M. of Springfield will be the primary benefactor of this proposed upgrading. A large industrial park has recently been developed at the northeast corner of Redonda Street and Gunn Road and the Gunn Road improvements would certainly prove attractive to any businesses interested in locating there. In addition, there are already a significant number of businesses located within the R.M. boundary limits and fronting onto the other sections of Gunn Road. In comparison, the City has very few business owners located along Gunn Road.

Report "A" of the Standing Policy Committee on Public Works dated May 3, 1999

- From a transportation viewpoint, the Public Works Department recognizes that the upgrading of Gunn Road may eventually be required to service the northeast sector of the City. However, it is felt that the immediate traffic concerns of the citizens of Winnipeg are being met by the existing roadway.

It is therefore the opinion of the Public Works Department that the City of Winnipeg should not endorse the Gunn Road reconstruction that has been proposed by the Minister of Highways and Transportation.

The Standing Policy Committee on Public Works did not concur in the recommendation of the Public Works Department and recommends:

I. That the City of Winnipeg endorse the reconstruction of Gunn Road from Redonda Street to the Perimeter Highway, as proposed by the Minister of Highways and Transportation, conditional upon the remaining portion of Gunn Road, from Redonda Street to Plessis Road, being prioritized as part of a future Federal Infrastructure Program, to be cost-shared together with the R.M. of Springfield.

II. That the Proper Officers be authorized to do all things necessary to effect the intent of the foregoing, including the execution of any documents related thereto.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Adopted by consent.

STANDING POLICY COMMITTEE ON PUBLIC WORKS

QUESTION PERIOD

589 - Councillor Angus questioned when a Council seminar will be held on the water rate review study that has been ongoing for a number of years.

Councillor De Smedt agreed to take the question under advisement, noting that there have been some serious issues related to economic development and the water rate structure.