**Minute No. 86**
**Report – Executive Policy Committee – November 30, 2011**

**Item No. 5 Water and Sewer Service Sharing with Neighbouring Municipalities**

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee, as amended, and adopted the following:

1. That the Basic Terms for Service Sharing Agreements for the Provision of Water and Sewer Services to Neighbouring Municipalities be approved, and the Chief Administrative Officer be authorized to negotiate service sharing agreements in accordance with the "Service Sharing Policy" and "Basic Terms for Service Sharing Agreements for the Provision of Water and Sewer Services to Neighbouring Municipalities" (as outlined in the Attachment to the Public Service report), together with such other terms and conditions deemed necessary by the Chief Administrative Officer to meet the intent of the Service Sharing Agreements and to protect the interests of the City.

2. That the Chief Administrative Officer be delegated authority to finalize the service sharing agreement with the Rural Municipality of West St. Paul per the Basic Terms for Service Sharing Agreements as contained herein.

3. That all future negotiated service sharing agreements or amended service sharing agreements be approved by City Council.

4. That the Proper Officers of the City do all things necessary to affect the intent of the foregoing.

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DECISION MAKING HISTORY:

Moved by His Worship Mayor Katz,
That the recommendation of the Executive Policy Committee be adopted.

Moved by Councillor Gerbasi,
That Rule No. 27 of the Procedure By-law 50/2007 be suspended to allow three amending motions to be considered concurrently.

Carried

In amendment,

Moved by Councillor Swandel,
Seconded by Councillor Vandal,

THAT the item be amended by deleting the words "and finalize" from Recommendation 1 as shown below and by adding new Recommendations 2 and 3 after Recommendation 1 as shown below.

1. That the Basic Terms for Service Sharing Agreements for the Provision of Water and Sewer Services to Neighbouring Municipalities be approved, and the Chief Administrative Officer be authorized to negotiate ~~and finalize~~ service sharing agreements in accordance with the "Service Sharing Policy" and "Basic Terms for Service Sharing Agreements for the Provision of Water and Sewer Services to Neighbouring Municipalities" (as outlined in the Attachment to the Public Service report), together with such other terms and conditions deemed necessary by the Chief Administrative Officer to meet the intent of the Service Sharing Agreements and to protect the interests of the City.

2. That the Chief Administrative Officer be delegated authority to finalize the service sharing agreement with the Rural Municipality of West St. Paul per the Basic Terms for Service Sharing Agreements as contained herein.

3. That all future negotiated service sharing agreements or amended service sharing agreements be approved by City Council.

4. That the Proper Officers of the City do all things necessary to affect the intent of the foregoing.

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DECISION MAKING HISTORY (continued):

In amendment,

Moved by Councillor Gerbasi,
Seconded by Councillor Orlikow,

WHEREAS entering into service sharing agreements between the City of Winnipeg and Capital Region municipalities will result in significantly expanded growth outside the city limits;

AND WHEREAS the selling of water and sewer services will lead to a loss in the City of Winnipeg's residential, commercial and industrial tax base;

AND WHEREAS expanded exurban development will put an increased demand on city infrastructure and services;

AND WHEREAS Council is democratically elected to have the final say in major decisions that impact Winnipeggers, such as the volume of water to be sold and treated, and the extent and nature of regional developments;

THEREFORE BE IT RESOLVED THAT the recommendations of the Water and Sewer Service Sharing with Neighbouring Municipalities report be amended such that the words "and finalize" be deleted from clause one and the following words be added to the clause:

> "And that in instances where a request for service sharing is within the existing policy, the Administration will prepare a report to the S.P.C. on Property and Development for Council's consideration and endorsement."

In amendment,

Moved by Councillor Pagtakhan,
Seconded by Councillor Gerbasi,

WHEREAS the Service Sharing report states under "implications of the recommendations: that "the revenue sharing would be allocated to the City of Winnipeg regional roads capital budget";

AND WHEREAS Service Sharing agreements will facilitate increased residential, commercial and other development in the exurban communities leading to a decline in the City of Winnipeg's tax base

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DECISION MAKING HISTORY (continued):

AND WHEREAS increased traffic flow into the city will cause additional wear and tear on existing infrastructure

AND WHEREAS expanding regional road capacity is a "double" benefit to those who live outside our city and do not pay taxes but will be cutting through the city to utilize city services and employment.
AND WHEREAS there is a grave need to invest in sustainable infrastructure such as public transit and fixing existing local streets and sidewalks

THEREFORE BE IT RESOLVED THAT the revenue sharing from service sharing agreements be dedicated to public transit improvements and fixing existing local streets and sidewalks.

The amendment proposed by Councillors Pagtakhan and Gerbasi was put.

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

Yea: Councillors Eadie, Gerbasi, Mayes, Orlikow, Pagtakhan and Smith. 6

Nay: His Worship Mayor Katz , Councillors Browaty, Fielding, Havixbeck, Sharma, Steen, Swandel, Vandal, Wyatt and Nordman. 10

and the amendment proposed by Councillors Pagtakhan and Gerbasi was declared lost.

The amendment proposed by Councillors Gerbasi and Orlikow was put.

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

Yea: Councillors Eadie, Gerbasi, Mayes, Orlikow, Pagtakhan and Smith. 6

Nay: His Worship Mayor Katz , Councillors Browaty, Fielding, Havixbeck, Sharma, Steen, Swandel, Vandal, Wyatt and Nordman. 10

and the amendment proposed by Councillors Gerbasi and Orlikow was declared lost.

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DECISION MAKING HISTORY (continued):

The amendment proposed by Councillors Swandel and Vandal was put.

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

Yea: His Worship Mayor Katz, Councillors Browaty, Fielding, Havixbeck, Mayes, Sharma, Steen, Swandel, Vandal, Wyatt and Nordman. 11

Nay: Councillors Eadie, Gerbasi, Orlikow, Pagtakhan and Smith. 5

and the amendment proposed by Councillors Swandel and Vandal was declared carried.

The motion for the adoption of the item, as amended, was put.

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

Yea: His Worship Mayor Katz , Councillors Browaty, Fielding, Havixbeck, Mayes, Sharma, Steen, Swandel, Vandal, Wyatt and Nordman. 11

Nay: Councillors Eadie, Gerbasi, Orlikow, Pagtakhan and Smith. 5

and the motion for adoption of the item, as amended, was declared carried.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 30, 2011, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

# ADMINISTRATIVE REPORT

**Title:** **Water and Sewer Service Sharing with Neighbouring Municipalities**

**Critical Path:** **EPC – Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| Georges Chartier<br>Manager of<br>Infrastructure Planning | J. Ferrier<br>Acting CFO | J. Ferrier<br>Acting CFO | D. Joshi<br>COO |

## RECOMMENDATIONS

1. That Council approve the 'Basic Terms for Service Sharing Agreements for the Provision of Water and Sewer Services to Neighbouring Municipalities' and authorize the CAO to negotiate and finalize service sharing agreements in accordance with the "Service Sharing Policy" and "Basic Terms for Service Sharing Agreements for the Provision of Water and Sewer Services to Neighbouring Municipalities" as outlined in Attachment, together with such other terms and conditions deemed necessary by the Chief Administrative Officer to meet the intent of the Service Sharing Agreements and to protect the interests of the City.
2. That the Proper Officers of the City do all things necessary to affect the intent of the foregoing.

## REASON FOR THE REPORT

- Recently, there have been renewed discussions with neighbouring municipalities regarding the City providing water and sewer services.
- The Public Service is requesting Council approval of the "Service Sharing Policy" and "Basic Terms for Service Sharing Agreements for the Provision of Water and Sewer Services to Neighbouring Municipalities".

## IMPLICATIONS OF THE RECOMMENDATIONS

- Providing water and sewer services to neighbouring municipalities would provide additional revenues to the City in the form of increased water and sewer revenues and revenue sharing.
- The revenue sharing would be allocated to the City of Winnipeg regional roads capital budget.
- Joint planning provisions would enhance regional land use through efficient and cooperative development.
- Recognition of the land use interaction created as a result of the sharing of services.
- Regional services support environmental and economic sustainability of the Winnipeg Capital Region.
- Extending water and sewer services to neighbouring municipalities would use up some of the City's water and sewer utilities surplus capacity.
- The Public Service is asking Council to approve a Service Sharing Policy as well as Basic Terms which would be the foundation for the CAO to enter into agreements with neighbouring municipalities for the provision of water and sewer services. **Attachment** outlines the components.
- Once the policy along with the basic terms are approved, the CAO would explore entering into service sharing agreements with neighbouring municipalities who agree to the terms of the Service Sharing Policy and Basic Terms.

## HISTORY

On December 12, 2005 Council directed the CAO to identify inter-municipal service sharing opportunities through an Expression of Interest Process and that the following five principles be utilized to guide the process to ensure that service sharing agreements:

1) Are government to government;
2) Are consistent with the City's existing and future capacity to provide the service;
3) Are founded on a strong business case to ensure the efficient delivery of the service in the region;
4) Incorporate a joint planning agreement to manage development and related environmental concerns;
5) Include a provision for tax/revenue sharing.

The City ultimately received four proposals from surrounding RMs (West St. Paul, East St. Paul, MacDonald and Rosser). On June 28, 2006, Council approved two pilot projects (MacDonald and East St. Paul) and further directed the Public Service to initiate discussions with Rosser regarding their proposal and to meet with West St. Paul to discuss the five principles.

On February 8, 2007 the R.M. of West St. Paul formally endorsed the five principles and on June 21, 2007, the Council for West St. Paul passed a subsequent resolution indicating that it wanted to proceed with service sharing negotiations for the original Whistler Hollow location. Several meetings with various RMs followed but no agreements were reached.

On March 10 2008, the Mayor met with the Mayors and Reeves of the Capital Region (MRCR) who proposed instead of bilateral negotiations with individual RMs, the City should engage in a regional negotiation. The Mayor, on the recommendation of the Public Service, agreed to this approach. Negotiating teams for the City and Region were established to conduct the negotiations. Overall, the two negotiating teams met 7 times in 2008 but were unable to reach an agreement.

The OurWinnipeg Complete Communities document includes direction relating to the Capital Region and is consistent with the principles outlined above.

Recently, there have been renewed discussions with neighbouring municipalities regarding the City providing water and sewer services.

## FINANCIAL IMPACT

**Financial Impact Statement** **Date:** November 24, 2011

**Project Name: Water and Sewer Service Sharing with Neighbouring Municipalities**

**COMMENTS:**

There is no financial impact associated with the recommendation to establish policy.

The financial impact of each arrangement will vary but in general the City anticipates the impact to be positive in respect of City operations.

original signed by R.Abeysekera
Radhika Abeysekera
Manager of Finance - Campus Departments
Corporate Finance Department

## CONSULTATION

**In preparing this report there was consultation with:**

- Water and Waste Department
- Public Works Department
- Planning Property and Development
- Corporate Finance
- Legal Services

## SUBMITTED BY

Department: Corporate Finance
Division: Infrastructure Planning
Prepared by: Georges Chartier, Manager of Infrastructure Planning

Date: November 24, 2011
File No.

Attachments: Service Sharing Policy and Basic Terms



Service Sharing Policy and Basic T