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Chair

The Honourable Judy A. Sgro

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● (1535)

[*English*]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call to order this meeting of the Standing Committee on Transport, Infrastructure and Communities. Pursuant to the order of reference of Tuesday, February 7, 2017, we're doing a study of water quality.

With us from the City of Welland, we have Sal Iannello, general manager, infrastructure and development services.

From EPCOR Utilities, we have Stephen Craik, director, water quality assurance.

We have everybody by video conference or some other kind of remote communication.

From Ville de Trois-Rivières, we have Marie-Claude Guérin, specialist in drinking water.

As an individual, we have Michèle Prévost, professor, École Polytechnique de Montréal.

Also from École Polytechnique de Montréal is Élise Deshommes.

Welcome to all of you.

We'd like to start with Mr. Iannello, please.

Mr. Sal Iannello (General Manager, Infrastructure and Development Services, City of Welland): Good afternoon.

The City of Welland, as is the case with many old communities, has lead water issues in a small portion of the city. Our own testing program showed that 10% of the samples exceeded provincial guidelines.

In addition to the city's own replacement program to replace lead services on the city side, in 2008 the city initiated a program to help fund homeowners wishing to replace their private side by budgeting $50,000 to provide fifty-fifty cost sharing to a maximum of $750.

In 2010 the City of Welland and the Niagara Region, which provides the treated water to the city's distribution system, were required to submit a corrosion control plan to the Ontario Ministry of the Environment. Submitted in November 2010, the plan highlighted that there were still 1,346 known lead service lines in the distribution system; 612 of the lead services were on the city-owned side, and 734 of the lead services were privately owned.

The use of treatment additives was considered in the plan, but the preferred solution was to replace all of the lead services in the system. Presently there remain 296 known lead services on the city-owned portion and 661 on the privately owned side of the services.

The city estimates that it would take about three to four years to replace all of the remaining known city-owned lead services as we conduct our replacement programs. While the city has removed over 51% of the known lead services on the city side, the private side has not seen similar success, as approximately only 10% of the known lead services have been replaced on the private portion. This low uptake is despite the city's efforts to increase—

Mr. Robert Aubin (Trois-Rivières, NDP): There is no translation.

The Chair: Mr. Iannello, please stop for a second. We lost translation for a moment.

Please continue from where I stopped you, Mr. Iannello.

Mr. Sal Iannello: While the city has removed over 51% of the known lead services on the city side, the private side has not seen similar success, as only approximately 10% of the known lead services have been replaced on the private portion. This low uptake is despite the city's efforts to increase the number of private replacements by 2011, joining with the Niagara Region in a joint effort whereby the Niagara Region matched the city's annual contributions so that a budget of $100,000 was established through which homeowners could get grants of up to $1,500.

The city continues to advertise the lead replacement program to all residents via “Infotap”, a brochure that is sent to residents every two years, and through advertising in the local newspaper and on the city's website as well as on a new large screen monitor located outside city hall.

The city has met with regional public health departments since the development of the corrosion control plan. The health department will, as requested by the city, visit residents where there are vulnerable populations residing and where the owner is reluctant to change the private lead service line. As well, the health department has volunteered to visit residents where high lead concentrations have been detected in plumbing samples, based on the city's testing program.

We remain hopeful that many homeowners will take up the offer, but unfortunately, we believe it will be a long time before the private side is completely converted to non-lead materials. At present, the city is looking at changing the funding to cover 100% of the private side in order to expedite the private side's removal of lead services.

Funding is an issue with the city. As is the case with many other municipalities, we face many challenges due to the age of our infrastructure and the declining industrial base, putting pressure on the affordability of the service. As you no doubt have heard from many municipal governments, sustainable, predictable funding from the federal and provincial governments would aid in clearing up many of the areas of concern not only in water and sewer, but in all the services provided by the municipal governments.

In closing, I would also like to offer aid, should you require it, from the Canadian Public Works Association, of which I am presently the Ontario board member. This association has members across Canada and is part of the American Public Works Association across the United States. We can offer expertise in all aspects of public works.

Thank you for the opportunity to present to you today.

The Chair: Thank you very much, Mr. Iannello.

Next is Mr. Craik from EPCOR Utilities, for five minutes, please.

Mr. Stephen Craik (Director, Water Quality Assurance and Environment, EPCOR Utilities Inc.): I'm Steve Craik, and I'm with EPCOR in Canada.

EPCOR owns and operates the drinking water system for the City of Edmonton. We provide drinking water to a population of about 900,000 for the City of Edmonton and approximately 65 communities in the Edmonton region, serving a population of about 1.2 million. We also operate several small and mid-sized water systems for clients in Alberta and British Columbia.

I'm going to touch on the lead issue in Edmonton, our program, the general challenges we see as a water utility, and the proposed new Health Canada guideline on lead in drinking water.

As with most large utilities, EPCOR has been proactively dealing with the lead issue. We have currently about 3,200 homes and small businesses in the city of Edmonton serviced through old lead service lines. This number refers to the section of service pipe that is owned by the water utility. We estimate that there are about 5,000 homes and small businesses in Edmonton where the service line material on the private property is also lead.

Our program consists of an annual notification of all residents in homes where we know there are lead service lines. We make an offer to test for lead levels at the tap in all of these homes and businesses. We also offer to provide a point-of-use filter that removes lead. As well, we offer to replace the utility side of the service line serving the property, and we provide customer education on the lead issue through web material and other communications. Recently, we also introduced a random testing program on lead for all homes in the city.

EPCOR's policy is that we'll replace the utility section of the lead service line provided the property owner has replaced their section. We will avoid partial service line replacements, as we understand that this can result in an increase in lead levels at the tap.

As for some of the challenges we face with our program and the issue of lead in drinking water, the first is dual ownership. The property owner owns the section of the service line on private property and they alone are responsible for maintaining that section of the service line.

Another is customer awareness and motivation. Property owners are usually surprised to learn that they own a piece of lead pipe and are generally reluctant to spend money to replace it. In Edmonton, the cost of private lead service line replacements can be as high as $8,000 to $9,000.

Another challenge is rental properties. Many lead service lines are attached to rental properties, and the resident of the home has little or no control over service line replacement.

Poor records are also a challenge. While the utility maintains electronic records of the service line material portion that's owned by the utility, there is no database on service line material on private property, so we rely on estimates.

As well, although we have a policy to avoid partial lead service line replacements, we are often compelled to replace the pipe because it has failed or is connected to a water main that is being renewed.

In terms of filters, while we do provide filters for the use of customers with lead service lines, we consider this a short-term measure.

Also, there is lead from other sources. Our random sampling program has shown that lead levels can sometimes exceed the current guideline, even in homes where there is no lead service line.

Finally, there are the sampling and testing protocols. The outcomes of any lead monitoring program are greatly dependent on how the samples are collected and tested, how many are collected, and when and where they are collected. There seems to be a lack of consensus in the industry on this issue, and this is somewhat confusing for water utilities.

Last, on the impact of the proposed Health Canada guideline revision, as a water utility we agree with the need to revise the guideline, and on matters of health risk, we trust the experts at Health Canada.

Over the long term, the guideline will drive the removal of lead and a reduction in lead in service lines and at the tap across the country. However, for many utilities, we will not be able to meet the guideline in the near term, and we may be out of compliance with our provincial regulation when it is released. That's a concern for us. The guideline should also clarify proper sampling and testing protocols for water utilities and requirements for monitoring programs.

There's a final message for the committee. We feel that lead in drinking water is a very important public health issue, probably one of our most important public health issues at this time, but it's very complex, with no easy and rapid solutions. It will take many years to completely remove the sources of lead, and any new guideline or regulation should therefore consider an adjustment period for utilities.

Finally, larger water systems are probably more prepared to manage the issues associated with lead, and most have some kind of program in place already; however, small and mid-sized water utilities I think will be much less well prepared.

Thank you for listening.

● (1540)

The Chair: Thank you very much, Mr. Craik.

Via telephone, we have with us Marie-Claude Guérin, who is of course a specialist in drinking water.

Are you there, Marie?

[*Translation*]

Ms. Marie-Claude Guérin (Specialist in drinking water, Public Works, Ville de Trois-Rivières): Yes, I can hear you.

Good afternoon, everyone.

The city of Trois-Rivières has a population of 136,000. We have 965,000 kilometres of water pipes. Since 2013, we have been working to improve method of our water sampling in order to detect the presence of lead and copper. We have taken a number of samples and we have had only a very few results that were outside the norms. Our anticorrosion system is effective and we monitor the pH level in the water quite well. We conduct interesting research and we have gained some definite expertise in water systems and in supplying houses with water according to their construction dates.

Only a few samples have revealed the presence of lead. We then retested the samples at longer intervals. Perhaps we did not do the sampling correctly, in terms of the time required to let the water run before the samples are taken.

So everything was fine when we reviewed our work. In 2017, the results of the samples analyzed did not exceed the standards in any of the six systems that supply the city of Trois-Rivières.

● (1545)

[*English*]

The Chair: Thank you very much.*Merci*.

[*Translation*]

Ms. Marie-Claude Guérin: Thank you.

[*English*]

The Chair: We'll move to Michèle Prévost from École Polytechnique.

Ms. Michèle Prévost (Professor, École Polytechnique de Montréal and Industrial Research Chair, Natural Sciences and Engineering Research Council of Canada, As an Individual): Good afternoon.

I'm a professor of civil engineering at the Polytechnique de Montréal, where I hold an industrial chair on drinking water, co-funded by NSERC and by the utilities in the greater area of Montreal that are serving about three million customers.

I've conducted research on water quality and distribution systems since about 1990 and have been involved in research on lead since 2005. I was the principal investigator of two multi-university and utility partnership initiatives to reduce lead at the tap across Canada through a suite of laboratory field studies and field studies funded by the Canadian Water Network, which was present at your last meeting, represented by Dr. Conant.

These studies were also completed by an epidemiology co-study on 302 kids in Montreal showing the impact of lead in drinking water on the blood lead levels of Canadian children. More recently, I've been advising the Hong Kong inquiry on excess lead, the Pew foundation, which I'll refer to later in my intervention, and the U.S. EPA for modelling and sampling methodologies.

Today I am accompanied by Dr. Elise Deshommes, a research fellow at my research chair. Dr. Deshommes has nine years of experience on lead in drinking water. She has published several papers on sampling, monitoring, and partial replacement, has participated in the EPI study, and has provided technical support to various committees, including at Health Canada.

I'll try to present my ideas in two ways, first as a reaction to the five micrograms per litre proposed by Health Canada, and then I'll try to summarize the main findings from the research I've conducted.

On the topic of the proposed new health guidelines, we all agree that lead is a recognized national issue, and I support the guidance proposed by Health Canada. I'd like to stress to the committee that this is a change from 10 micrograms—10 parts per million after six hours to five parts per million after a shorter stagnation—so basically, it is a tightening of the guidance, but not that much of a tightening, without going into technical details, when you look at the sampling protocols.

I base my support on two other things. First of all, there is the study of the Pew foundation in the U.S., which did a large study on the health and societal impacts of childhood exposure to lead. It is really useful. The study shows a large benefit from reducing lead at the tap from a value of 11 micrograms per litre, on average, to five micrograms on average, which is very similar to what Health Canada is doing. They scoped out the benefits in terms of the return on investment and showed $2.5 billion across the U.S. for the interventions aiming to remove the lead service lines throughout the U.S. This is an important number to remember.

My support is further justified by the result of the Montreal EPI study on the 303 kids, which showed that when the levels of lead are below 5 micrograms, the presence of a lead surface line does not impact or increase the blood lead levels of the children significantly.

Those are some remarks on the new Health Canada guidance, so now let me try to address three issues that I can take positions on, based on research results.

First of all, I heard in previous committee meetings a lot of questions about what the presence is across Canada, and I heard my colleagues from municipalities testifying. We completed a form survey with 21 utilities from six Canadian provinces to understand the presence in terms of how many LSLs, lead service lines, are present and what are the management practices across Canada.

● (1550)

What we found was quite striking. There could be from anywhere from none to 70,000 lead service lines in one given utility. Even more striking is that they can represent less than 1% to over 36% of the connections. In some utilities it's really a big problem. In others, it's much smaller.

The Chair: Ms. Prévost, could you do your closing remarks so the committee can have time to ask some questions, please.

Ms. Michèle Prévost: Yes.

On the impact of partial lead service line replacement, we have conducted two series of studies, both of which suggest that partial replacements are not the preferred solution, but they do not cause an increase in the amount of lead over the long term. This is an important piece of information, since utilities have a legacy of these partial connections and, as many have stated, it is difficult to obtain a complete replacement with the owner's participation.

Finally, to close, I would also like to add that my group has completed work to quantify the benefits of interventions for utilities to consider, whether it's removing lead service lines or changing bad faucets and connecting piping in schools, which is a very hot topic in Canada. I would like to say that with regard to the work we've done in quantifying the exposure in the lead service lines in homes and the partial lead service lines in homes and the schools, it is very clear that priority should be given to removing the lead service lines and, if possible, removing all of the service lines, even more so than—

The Chair: Thank you very much. I'm sorry to cut you off, Ms. Prévost.

Now we'll go to our questioners. For six minutes, it's Mr. Chong.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Thank you, Madam Chair, and thank you to our witnesses for their testimony today.

This is largely, if not entirely, a provincial area of jurisdiction: the standards of drinking water for communities across this country, with obviously the exception of on-reserve drinking water standards.

The one question I have is this: is there sufficient coordination among the 10 provincial governments and three territorial governments, or are there mechanisms that need to be improved to ensure better coordination of these drinking water standards as they apply to lead?

The Chair: Who would like to answer?

We'll start with you, Mr. Iannello. Would you like to try to answer Mr. Chong's question?

Mr. Sal Iannello: I really can't comment on that. I'm not familiar with the other provincial standards. In Ontario, we basically deal at our level of government. It's probably more of a question for the Ministry of the Environment as to what kind of coordination they do with other provinces. I'm very familiar with only the Ontario standards, having worked in the Ontario system for over 30 years.

I would guess that maybe the professor would have a better answer than I would, because she's done studies across.... We just follow the guidelines. The Ministry of the Environment actually puts us under an order to address the issues to their standards.

● (1555)

Hon. Michael Chong: Thank you.

Perhaps through you, Madam Chair, we could have the professor respond.

Ms. Michèle Prévost: Perhaps I could offer a partial answer to your question. I was involved in drafting the Ontario regs.

Yes, there's quite a bit of difference among the regulations in the different provinces. To give you a striking example, the Quebec regulation calls for a flush sample; you let your water run for five minutes, and the probability of finding a high level of lead is very low. On the other hand, Ontario has a 30-minute type of stagnation, which brings out a higher number.

It should be said that there's a lot of discrepancy among the ones that follow Health Canada's guidance, Ontario regulations, or Quebec regulations, and some provinces have very little enforcement of any kind. Yes, there is a lack of common regulations, or even common goals, in reducing lead across Canada.

Hon. Michael Chong: In the United States, is it a federally regulated standard or is it regulated state by state?

Ms. Michèle Prévost: It is a federally regulated standard. It's not an MCL, like it is in Canada and in most provinces that have moved ahead. It is a treatment. It's an objective, an action level. It's very different. But that standard or regulation, the lead and copper rule, is being reviewed as we speak. It should be done in 2018. Obviously, the 15 micrograms per litre at the 90th percentile action level will be changed.

Hon. Michael Chong: Do you think there needs to be better intergovernmental coordination mechanisms or—

Ms. Michèle Prévost: You're asking an academic to delve into politics. This is not in the script.

Voices: Oh, oh!

Ms. Michèle Prévost: Putting on the hat of a mother and grandmother, I would like to be sure that young children across Canada are not exposed to lead. Whatever shape and form every regulation takes, I don't really care, but I would like the local regulator and provincial regulations to address the high-risk sites certainly.

Hon. Michael Chong: Across Canada, in the 10 provincial jurisdictions, who has the highest water quality standards generally, in particular with respect to lead? Who's the model to look to?

Ms. Michèle Prévost: I would argue that Ontario should be considered as a model. They went ahead with a more recent regulation. It's very similar to the one being used in Europe. The new guidance from Health Canada is somewhere on the next step to that, and it's very similar as well. I would certainly say that the best in the class is Ontario.

Hon. Michael Chong: Okay.

I have no further questions. Thank you, Madam Chair.

The Chair: Mr. Badawey.

Mr. Vance Badawey (Niagara Centre, Lib.): Thank you, Madam Chair.

I'm going to attempt to get to the crux of the matter here. The reason that Mr. Bratina from the Hamilton riding brought this forward is all based on the challenge we have with lead, and of course the challenge it poses to our youngsters especially. I have a personal attachment to it. In my community we had a human health risk assessment done. It identified many contaminants of concern within our soils and grounds throughout the city. With that, lead was identified. Digging a bit deeper into the weeds, we recognized the impacts of lead, especially, once again, on our youngsters.

With that, I'm going to try to zero in on a resolve or a solution to this. I believe a lot of it boils down to one thing, and that's sustainable funding. We know it is a problem. Regardless of what province we're from, lead is simply not good to be contained within our drinking water. Coming from the pipes, whether it be on the public side or the private side, it has to be dealt with.

Let's zero in on the private side. This is a question for all of you, but I'll go to Mr. Iannello first, with the municipal experience he's had.

Sal, it's great to see you, by the way. It's been a while. In terms of your experience with respect to trying to come up with a sustainable funding formula, what are your thoughts on moving forward and how we can achieve that, not always by going to the taxpayer and/or the water and waste-water ratepayer, but other recommendations that you, or on behalf of the Canadian Public Works Association, can put forward in terms of what the federal government can actually participate in?

Mr. Sal Iannello: I think the bottom line with sustainable is that “predictable” is always the key word. That way we don't have to scrape together some amount of money every year to figure out what we're going to do and have a plan in place. As I believe my colleagues from Edmonton and the professor pointed out, the biggest problem is on the private side. The public side could be worked at.

Of course, as you are well aware, both Port Colborne and your home municipality in Welland, where I work, are older municipalities that have suffered huge industrial losses and therefore have problems with affordability of the water as it is. Anything we add to the cost takes it to the point where many of our households find it difficult. Any kind of sustainable and predictable funding would be fantastic, absolutely.

On this particular issue, as has been mentioned by others, the real crux of the problem is the private side. Many, many people do not understand the dangers of lead or feel they're not susceptible and use avoidance methods—i.e., that the percentage of water they actually drink is small. Those are the people we're having trouble selling it to. That's why, as I said, we've historically tried to create programs and increase the amount of money we put in. That's why I mentioned the one where we discussed with counsel the possibility of paying 100%. However, that then becomes difficult for the municipality to bear from a cost point of view. Certainly any federal or provincial support would be greatly appreciated. That's basically the bottom line.

● (1600)

Mr. Vance Badawey: Essentially this is actually a national problem. We recognize that, and there's only so much money available to tackle the problem with the biggest impact possible. We have announced a $184-billion infrastructure fund, and the provinces have announced their infrastructure funds throughout the country. Again, it's about getting the biggest bang for the buck.

From your end, from the municipal end, has there been consideration, for example, that the city could take on a debenture and pay for the private side 100%? The city could carry that debenture for 10, 20, or maybe even 30 years, and with that, look at the possibility of payback by the residents to the city over the same period of time through the water and waste-water rates or the tax rate. This would have less of an impact on the yearly case over that period of time, and there's the possibility of the municipalities applying to the infrastructure fund to cover simply the interest that would otherwise be accrued over the time of the debenture. Has that thought been entertained by the municipalities?

Mr. Sal Iannello: I can't speak for all municipalities, but I'm sure it may have occurred to one or some.

In our case, we tried to fund it ourselves. As you're well aware, we have two tiers; there are two levels of government. The region has stepped up with some funding too, because they treat the water. Despite the fact that the water leaves their plant in good shape, through our program, they've provided a fair bit of funding. We've tried to operate in that way. We think it's doable. The funds in fact have remained unspent by the private side in many years. That's why I reiterate that from our side, absolutely, unlike some other municipalities, we have gone with partial replacement. That's why you see the two different numbers. When we get money, federal or provincial, for any kind of capital projects, and we do a lot of water projects, as you're well aware, we go in and replace the main. If we're replacing a main, we replace all the lead services. Our sampling after the fact has shown that there is no increase in the lead going into the home. We are focused. That's why absolutely any federal or provincial funding that allows us to replace water mains will aid us in getting rid of the public side of the services. Again, I'm going to reiterate that the public side [*Technical difficulty—Editor*].

The Chair: Thank you very much.

We go now to Mr. Aubin.

[*Translation*]

Mr. Robert Aubin: Thank you, Madam Chair.

My thanks to all the witnesses who are with us this afternoon.

There is no doubt that the members of this committee are more and more aware of the inherent dangers of lead water pipes.

I would like to put my first question to Ms. Guérin, from Trois-Rivières.

If I understood what you said at the beginning of your presentation correctly, the results of the great majority of tests you conducted met the Canadian standard, with a few exceptions. You realized that you had not allowed enough time to let the water run before you took the sample. You redid the tests after letting the water run for longer and the results were within the standard. Do I have that right?

● (1605)

Ms. Marie-Claude Guérin: Yes, exactly.

Mr. Robert Aubin: Here is where I have a problem. I will ask you the question not knowing whether you have an answer.

The Canadian standard for a maximum concentration of lead in drinking water is 10 micrograms per litre. Ms. Prévost tells us that, according to the protocol in effect in Quebec, you have to let the water run for five minutes before taking a sample. Now, I know very few people who let the water run for five minutes before their first glass of water in the morning. In fact, we have been encouraged for years not to waste drinking water and to turn the water off when we brush our teeth.

How can that test be considered credible if the water is left to run for five minutes before a sample is taken?

Ms. Marie-Claude Guérin: All test protocols have a standard flow time of five minutes. In the past, we actually did other studies, when the sample was taken as soon as the tap was turned on in the morning. In those conditions, the results of the lead concentration tests certainly showed a higher concentration than those from the tests that required a five-minute flow time.

Mr. Robert Aubin: Do you have an idea of the difference between the concentration in the first flow and the one taken after a five-minute flow?

Ms. Marie-Claude Guérin: The difference is quite considerable. In places where the results were already outside the standard after a five-minute flow, the concentration was perhaps not twice as high, but it was not far off.

Mr. Robert Aubin: Thank you.

Ms. Prévost—

Ms. Marie-Claude Guérin: Ms. Prévost would be in a better position to answer that question.

Mr. Robert Aubin: Okay. So I will let her explain.

Go ahead, Ms. Prévost.

Ms. Michèle Prévost: Last year, Ms. Deshommes published the results after a five-minute flush and after the water stood for 30 minutes and 6 hours. The simulation took place during one night. The differences are considerable: the concentration can be almost double.

A sample taken after a five-minute flow certainly does not detect the concentration to which users are typically exposed, as you mentioned just now.

Mr. Robert Aubin: Thank you.

My next question is likely for the municipal officials.

Most major municipalities treat the water before it goes into the drinking water system. When that is so, the water contains no lead when it comes out of the filtration plant.

If owners of private systems do not change their part of their pipes and they let the water flow from the taps in the bathroom, from the shower, or from anywhere else in the house, they are returning water containing lead to the public system. But over the years, have you seen a drop in the concentration of lead in the water to be treated before it is put into the drinking water system?

Mr. Craik, can you answer that?

[*English*]

Mr. Stephen Craik: Just on the question of whether water returning to our treatment plant has lead in it, our supply is a river supply, so upstream of us there is very little development. The water that comes into our treatment plant is generally fairly low in lead and not impacted by our discharges from the waste-water plant. Our waste-water treatment plant discharges further downstream. That's often the case for utilities—not always, but often. Our waste water could become another municipality's source water; however, I think the volumes of lead from the homes that we have would probably not add substantially to the waste-water lead burden to the next municipality. Really, the source of the lead is the lead service lines and the plumbing materials within the buildings.

[*Translation*]

Mr. Robert Aubin: Thank you.

Do you see the same thing in Ontario, Mr. Iannello?

[*English*]

Mr. Sal Iannello: Yes, I would have to agree with what has been said. Basically, here in Ontario, at least in our area, we are on the Great Lakes. All our water is from the Great Lakes. The Great Lakes water does not have any initial lead in it of any measurable amount. The water leaving the plant, again, does not have any real measurable amount of lead in it. Almost all of the lead is taken up from the services and some older fixtures, which have lead components.

I was in charge of the waste-water system for quite some time in the region of Niagara, too. It's not really a number that is of any concern, what comes into the plant or what the leaves the plant. Again, once it gets back into Lake Ontario—although many other municipalities are using the water again and again—there, it's negligible. Even in our case, the Great Lakes, a lot of other municipalities put their waste water into Lake Erie and, as I said, the lead in our source water is negligible, and the effect that we have is negligible also.

● (1610)

The Chair: Thank you very much, Mr. Aubin.

We move to Mr. Fraser.

Mr. Sean Fraser (Central Nova, Lib.): Thank you, Madam Chair.

Thank you to our witnesses for being here.

I believe it was our guest Mr. Iannello from Ontario, who indicated that there was an effort at public education and some other measures taken that had relatively poor uptake, to cut to the chase. Does that communicate to you that the real issue is that people just don't want to pay for private line replacements?

Mr. Sal Iannello: It tends to be the issue. The issue here, if you can appreciate it in your own home.... Again, these tend to be in older neighbourhoods. You have two issues. They are in older homes, with older people, so there is an affordability issue. In our neck of the woods, it can easily cost $3,000 or $4,000 to do the work, and we are just talking about the work to do the actual replacement. Now, if the private side runs under your driveway, under your favourite rose bush, up your walkway, or under your deck, the numbers can get quite substantial. As you can imagine, if you have a nicely manicured front lawn or a beautiful interlocking brick driveway or a concrete driveway, you just don't want to rip it up. That's really where the problem is. On the public side, we have every authority to do that.

Mr. Sean Fraser: Let's say you're in a circumstance where the pipe is about to fail and you're going to do a partial line replacement, which I know is not typically the case. What would be the cost difference between doing a partial line replacement of the public component and just doing the whole job, public and private combined?

Mr. Sal Iannello: Again, it varies hugely, because you can get a case like mine, for my home. I'm very well set back. It's per metre, shall we say. Historically, the municipal portion is only 20 feet. It could be a little more if you're on the opposite side of the street from where the pipe is. That's where the issue is.

What we in the municipality try to do, in fact, goes back to the educational portion. If we're replacing a whole main and redoing the services, we knock on the homeowner's door and tell them that the best deal they're ever going to get is right then. We say that the contractor is there and is going to do our half. We ask if they would they like to do their half and we say, “Here's the program.” We offer the money and, unfortunately, we mainly get people saying they're not interested.

Mr. Sean Fraser: On that issue, what I'm trying to figure out in my own mind is that if you have an equal length of pipe, you guys of course would be interested in splitting the cost halfway, but I'm sure there are economies of scale to doing it at the same time. I'm curious. If it's $3,000 or $4,000 to do a replacement, it can't be another $3,000 or $4,000 to do the extra 20 feet or whatever it might be if the crew is already there and you've hired the truck to get there.

Do you have a rough sense, if we're dealing with an equal length of line, of what the actual additional cost is? Is it just the cost of the pipe itself that would be the extra cost?

Mr. Sal Iannello: No. The extra cost is the fact that you're excavating right up to the house. You need to dig down. In some cases, the pipe is three or four feet down, so it's excavation, it's restoration.... This is partly why it's very difficult when you're dealing with the private side, right? When you cut through somebody's front lawn, even if it's right in the middle of the lawn, you have to replace the grass, and then, of course, the grass doesn't take and the grass doesn't match the original grass. Then the homeowner's not happy. This is why the municipality doesn't do it themselves.

Voices: Oh, oh!

Mr. Sean Fraser: If I can shift gears a bit here, I'll open this up to our guest from EPCOR as well as you, Mr. Iannello. The solution here, essentially, is that somebody has to pay for the private pipe and nobody wants to do it, including the private homeowner. That's essentially my take-away from this.

We've heard some witnesses testify to the effect that the federal government should create some kind of program to offset the cost. Is there a reason that one level of government or another is better positioned to implement some kind of a program? My head goes to the municipality, because you actually can amortize the cost of this over a generation by charging increased water rates, but is there a reason why one level of government is better positioned than another? If it's a matter of paying for it, is it better to create a new program or would it be better to make private line replacement, say, eligible under something like the gas tax fund?

Sal.

● (1615)

Mr. Sal Iannello: We offer money. We offer up to $1,500. We do help with the money. We are probably the best ones to be offering it.

I think the bottom line is that since you're dealing with private property, it's very difficult to force anybody, I guess, for lack of a better word, unless somebody legislated that we have the authority to enter the private property, rip out the line and replace it. Municipalities really don't want to go there. No councillor is going to approve a bylaw saying that I can rip up people's front yards.

We tried to get a bylaw of that type for a number of issues, and it's now subject to council approval. It has to do with other issues. It has to do with stormwater and storm drains, but it's the same concept. It's private property, a man's castle....

Mr. Sean Fraser: Thank you.

The Chair: Mr. Hardie.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Madam Chair.

This is a question right out of left field. What is the normal dimension of the service line from the street to the house? Is there a standard across Canada?

Mr. Stephen Craik: In Edmonton, it's generally a three-quarter inch diameter.

Mr. Ken Hardie: Okay.

I saw a demonstration of a line replacement in Vancouver where they had to go through an extremely difficult piece of terrain. All they did was get a slightly smaller dimension of pipe and just slip it through the existing one. Has something like that ever been tried?

Mr. Stephen Craik: I can comment on that. In Edmonton, the preferred method of doing water service renewals is through directional drilling, which is a good technology because it doesn't involve cutting up patios and infrastructure at the surface. It's similar to what you described, in that a hole is dug in the alley or the front of the house, and a hole is dug in the basement of the home, and a directional drill is put through. A new copper line is fed through, and the old lead line is left in place but disconnected. It works well. We have nine feet of coverage in Edmonton, which is quite a lot of excavation, so the cost of doing a directional drill often makes sense in Edmonton.

Mr. Ken Hardie: I have a question for Ms. Guérin in Trois-Rivières.

Do you have water meters, and are people charged according to the amount of water they use?

[*Translation*]

Ms. Marie-Claude Guérin: At the moment, we have not installed water meters in residences, but it may not be long, by virtue of some of the results we are getting, which are actually more or less convincing. We have installed some in the system to measure water consumption. Currently, they are mostly in commercial and institutional establishments, as well as in schools and hospitals.

[*English*]

Mr. Ken Hardie: Okay, because certainly in places where there are water meters, it does open up a mechanism to perhaps front the cost of replacement and then get it back over a period of time.

Mr. Craik, I was interested to hear that you do random testing in the city. Is the random testing for lead?

Mr. Stephen Craik: Yes, it's specifically random testing for lead.

Mr. Ken Hardie: Is that even in the areas where you've replaced everything?

Mr. Stephen Craik: We do it in new areas of the city. We do it in all areas of the city—new areas and areas where mains have been replaced, where lead services have been replaced.

The idea of the random testing is to give us a measure of how much contribution to lead at the tap is coming from sources other than the lead service lines, such as the copper that is soldered with lead-tin solder, or the brass fittings.

We find the results quite random across the city. We will find homes that suddenly test above the Health Canada guideline for lead even though sometimes no lead service line is present. It depends somewhat on the age of the home. Newer homes, those built since 2000, are generally in better shape.

● (1620)

Mr. Ken Hardie: You mentioned that point-of-use filters are made available to people. Would you speculate that you then have a problem with people replacing the filters as they should? How long do the filters normally last and how costly are they to replace?

Mr. Stephen Craik: That's a great question. In our case, we've been offering our customers the filter device. It comes with a filter cartridge in place. It mounts on the faucet. It's a very small device with limited flow capacity. It lasts for, depending on the model, three months or 90 days, and then the cartridges have to be replaced. We've been offering the filter to our customers with the understanding that they will replace the cartridges, so they take the responsibility for the cartridges. We're sharing that responsibility.

We are also seeing those filters as a stopgap measure. We don't really see those as a permanent long-term solution to the lead issue in any given home.

Mr. Ken Hardie: My final question would be for Dr. Prévost.

You talked about the sampling protocol. Can you describe for us how close the sampling protocol is to the normal, if you like, use cycle of the public? The public would not normally let the water run for five, 10, or 15 minutes before drawing water for their kettle or to fill a glass.

Ms. Michèle Prévost: It's an excellent question. I have students working on this right now. There are no studies except one old European study that measured how much lead was in there every time somebody took a glass of water or used water for cooking. You would take a subsample and you'd see over a week the average lead concentration you'd have in a home. You then compared that to various protocols. We're doing that and we've done so many different protocol comparisons and we found that with the data we have now that it's somewhere in between the six hours and the 30-minute stagnation, which makes sense. Six hours was too long; 30 minutes may not be wholly protective, but with a low lead number such as five, it would be.

It is not a simple question because in a household with one person you would not use as much water and lead may be higher than if you have two households sharing one service line in a duplex, for example, and then water runs a lot. To summarize, it's in between the two sampling protocols.

The Chair: Thank you, Dr. Prévost.

We'll move to Mr. Lobb.

Mr. Ben Lobb (Huron—Bruce, CPC): Thanks very much.

EPCOR, I was curious, when you were making one of your statements, were you saying that you've done testing in homes that don't have lead pipes, and you've had tests where you found lead in their water? Did I hear that incorrectly?

Mr. Stephen Craik: You heard that correctly. When we do that random sampling program in all homes across the city, we do occasionally find homes that test above the Health Canada guideline for lead, presumably from the plumbing components. The concentration in those homes in general is much less than it would be in a set of homes that have lead service lines, but it does point out that even if you eliminated all the lead service lines in Edmonton, you'd still have a bit of a residual issue with lead.

Mr. Ben Lobb: It wouldn't be widespread or we would all know this, but have any significant health issues been reported to EPCOR, to the city, with regard to health-related incidents?

Mr. Stephen Craik: With regard to lead, no.

Mr. Ben Lobb: Okay. At the end of the day, the take-away for the committee is that the long-term goal should be to encourage homeowners to remove their lead service lines. From your years of experience, what's the take-away the committee should have?

● (1625)

Mr. Stephen Craik: I think awareness needs to be raised among our drinking water customers. Certainly in the City of Edmonton we try to raise awareness, but I think there needs to be a broader awareness of the lead service line pipe, and then probably some fairly standard ways of funding the service line replacements.

As the City of Welland is doing, in Edmonton we're currently looking at 100% funding of lead service line replacements through the rate base. We're a regulated utility, so we would do that with a deferral count over 65 years. That's one approach, and it works in our particular case where we have a fairly small number of lead service lines distributed over a larger population compared to, say, the city of Montreal. It works out to an incremental rate increase. Most customers wouldn't notice. It might be different in other locations.

Mr. Ben Lobb: How about the gentleman from the City of Welland?

Mr. Sal Iannello: I concur with what's been said for Edmonton. That's where we stand. The take-away is it's public education, and that's partly why we also involve the public health department. When you have the medical officer of health making statements or their staff going to see the person, it carries a little more weight.

We're particularly careful if we run into a young family, because that's where the problem is. For most adults, I think the amount of water and the health dangers aren't quite as bad. That's why it is a public awareness issue. Because it is a small portion of the municipality, it is really hard to target them, so we do make an effort. As I previously mentioned, we try to fund it and we try to get the notice out to everybody that it's important and that we should do it.

Mr. Ben Lobb: Certain people set in their ways would say that they've lived there for 40 years and they're just fine, so they're not doing it. I am thinking, when that person with that frame of mind sells their home, I'm just wondering.... I don't like to put this on realtors or the real estate associations, and even the building inspectors, but usually real estate transactions nowadays are subject to a building inspection. That's the only thing I wonder. They do it in rural areas for septic systems, and they do it in other areas for oil furnaces to make sure the oil tank is up to code, and they will point out if you have urea formaldehyde for insulation. I'm wondering if that isn't something building inspectors and realtors should be encouraging in purchases of old homes or homes that are 30 years plus, to maybe put that in there at that time. That's the time to have that service line replaced. That's just a thought.

Don't be quoting me that I said they're going to have to do that, but I'm just throwing out there that it seems to be one of the times where people might be very.... If it's a new couple buying a home, they want to make sure it's good, and they might be encouraged to do it at that time.

The Chair: Thank you very much, Mr. Lobb. That's a good idea.

Mr. Iacono.

Mr. Angelo Iacono (Alfred-Pellan, Lib.): Thank you very much for being here today. My colleague said that he was really left field. I'm going to go right field.

I hear that you all have extensive experience and knowledge in this matter. We know that this is a complex problem, and it is crystal clear that action is needed. The question is, what and how? I'm addressing the question to you all, and we'd like to hear your comments.

What are your two or three suggestions you have to give us? You've researched this matter intensively. Yes, we are the legislators, but we need your input on what you suggest be done. What's the most immediate action that could be done? We must also take into consideration the cost, the bottom line, because there's a figure, and the higher the figure, the slower the action. How do we capitalize on spending less and having more results than spending more and having fewer results?

That's it. Can each one of you give us some insights on that? Thank you.

● (1630)

The Chair: Who would like to start?

Mr. Stephen Craik: I'll start.

I think Health Canada is moving in the right direction with its guideline and then in revisions to the guideline that include specific changes to how samples are collected. That really helps water utilities in some sense drive the issue to their funders, decision-makers, when you have a clear guidance at the federal level. There does have to be some kind of coordination among the provinces, though, of the regulators. In Alberta, it's Alberta Environment, the Ministry of the Environment in Ontario, and so on.

Ensure we have some kind of consistency across the country. That's an important one to move in the right direction.

Ms. Michèle Prévost: I would like to add that it would be important to consider any policies to accelerate the replacement of the lead service lines both on the public side and on the private side. We had 21 utilities sharing with us the difficulties and the barriers to getting this private side funded. They are done. The funds were one of them, but there's also just the trouble and the cost. We do have costs for 21 of these utilities on the private side, and they are important, from $500 to $8,000. Those are considerable costs to the homeowner.

While this gets done, because even if we do move forward and replace these lead service lines on both sides, any action that would promote and support corrosion control while these lead service lines are being taken out is important.

The Chair: Mr. Iannello.

Mr. Sal Iannello: I totally concur with the other two speakers. That's really what needs to be done, definitely funding to get the private side and the public side done. The only thing left is, as we call it, the sledgehammer approach, where it is legislated that thou shalt replace the pipe. Most municipalities want to do that for political reasons.

The Chair: Mr. Sikand, you have two minutes.

Mr. Gagan Sikand (Mississauga—Streetsville, Lib.): Thank you, Madam Chair.

My question is for Stephen or Marie-Claude, but anyone can please correct me while I go through this.

We've had a few witnesses come through. The way I see this, the main problem, aside from obviously the lead, is the fact that homeowners can't really afford to replace their portion of the service line. In order to remove as much lead as possible, you need a full replacement. The partial replacement just doesn't cut it.

It's difficult to address this from a government standpoint because the division of powers, if you will, make it a bit complicated. I think the real solution here or the most viable solution is actually the last point of contact, because even if you do the full replacement, there are corrosive elements that still leak into the water.

Stephen, you're saying that a filter probably isn't the most effective way, but we've seen in the United States that they actually do mandate that in some places. Isn't the best solution actually just to implement filters?

Mr. Stephen Craik: As a water utility, I would say I probably have a philosophical difference with that. The problem with filters is that they have to be maintained by homeowners in the long term. Water utilities and municipalities are not really equipped to maintain filter systems within buildings. There are all sorts of different filters that do all sorts of different things at all sorts of different costs and prices to maintain. Doing that would become fairly complex. I'm not sure in the long term that would be successful.

From a water utility point of view, we would like to be able to provide water up to the service connection and up to the tap that is safe to drink, which includes being, as Dr. Prévost noted, not too corrosive. We haven't talked a lot about corrosion control today. Another approach a utility can use is to adjust their water chemistry to make the water the least corrosive possible.

I didn't mention it yet but we are looking at the addition of phosphate in Edmonton to further reduce lead levels all around in combination with aggressive lead service line replacement. That's the strategy we would tend to use. Then hopefully you're just left with a few hot spots here and there that might be dealt within the buildings themselves.

● (1635)

The Chair: Thank you very much.

Ms. Block or Mr. Chong, do you have any questions?

Hon. Michael Chong: I have a question. My question is for Sal Iannello, the general manager of Welland's infrastructure and development services.

At the city level, you'll have an asset management plan, and the regional government will also have one. The regional government's asset management plan would be in the range of, I assume, hundreds of millions dollars for water and waste-water treatments, capital renewals, over the next decade or so. We've been hearing complaints about federal programs for infrastructure as they relate to water and waste-water services in that the federal programming requirements for these large federal infrastructure funds don't align with the priorities set by the asset management plans that the Province of Ontario has mandated for upper- and lower-tier municipalities throughout the province. Is that what you're finding as well?

Mr. Sal Iannello: I don't know if I'd say they don't align completely. I guess the thing is that every municipality is a little different as a result of maybe what they were or were not paying attention to at one time. Something we historically had issues with is that some of the points often appeared to, shall we say, reward bad behaviour in the past. If you had a lot of exceedances or boil water orders, all of a sudden you got a pile of money, whereas the municipalities that had looked after their systems quite well couldn't show a real need.

I think that's the biggest complaint we as a municipality have had. We've never had a boil water order in our municipality, yet for many years, that was one of the first questions asked on the forms when we would apply for money.

I can appreciate that you want to start with the worst first, but, as you say, it seems in the end to have rewarded the people who had not done proper asset management.

Hon. Michael Chong: Do you work for the City of Welland or for the regional municipality of Niagara?

Mr. Sal Iannello: I used to be in charge of all the water and waste-water plants for the region. Years ago, I went to work for then Mayor Badawey in the City of Port Colborne as the city engineer. I switched from one tier to the other, so I know both sides of the coin in this area.

Hon. Michael Chong: You currently work for the lower-tier government.

Mr. Sal Iannello: That's correct.

Hon. Michael Chong: Is that Port Colborne?

Mr. Sal Iannello: No, now I'm in Welland.

Hon. Michael Chong: Okay.

The regional government takes care of water and waste-water treatment, does it not?

Mr. Sal Iannello: That's correct.

Hon. Michael Chong: Does the City of Welland have anything to do with the water and waste-water systems, or is that entirely the regional government's responsibility?

● (1640)

Mr. Sal Iannello: The way our two tiers work is one of the unusual ones—I think there are only a couple left in Ontario—where the region owns all the water treatment plants, pumping stations, storage, and major trunk mains that transport water across municipal lines. From the first valve off those larger lines, it becomes a municipal responsibility, so we have our own water mains and we bill. The meters are ours, so we bill the citizen, and the region bills us through its larger systems.

That's the reason the region contributed to our corrosion control plan and to the decision to help fund private-side replacements. For the Welland plant alone, if I recall the numbers correctly, it was almost $2 million to upgrade the plant to provide corrosion control, and then a $200,000 annual expense for the chemicals and the maintenance of those systems.

Hon. Michael Chong: I assume you have a 10-year asset management plan for the City of Welland as well. How big is that plan, and what component of that is water and waste-water capital investments?

Mr. Sal Iannello: The water and waste-water component is substantial. We are talking tens of millions of dollars.

One of our two major focuses is replacement of very old mains. We have 80-year-old cast iron mains in many parts of the older city. That's where the replacement of lead services on the private side would also occur. The other major thing is that the City of Port Colborne had a very large problem with combined sewer overflows because of the combined system on the sewage side, so a large amount of money, almost all of the infrastructure money we received from the federal and provincial levels, has gone toward separating the sewer system to avoid dumping into the Welland River, which is our receiver, and which is—

The Chair: Thank you very much, Mr. Iannello.

Now we move to Mr. Aubin, for three minutes.

[*Translation*]

Mr. Robert Aubin: Thank you, Madam Chair.

My next question goes to Ms. Guérin.

You mentioned the samples that were taken in Trois-Rivières in 2013, and you mentioned others that were done on the lead and copper pipes. Can you tell us whether copper poses a particular problem, apart from the fact that the joints are likely made from lead?

Ms. Marie-Claude Guérin: We have noticed that the retention time of copper in the pipes of residences that are a long way from the street is much longer. So we have to increase the pH of the solutions. Adding an anti-corrosion treatment and increasing the pH makes the water less aggressive. So we can solve some of the problems that way.

The places where we found copper were in water pipes serving houses further away. So the copper level was higher on the private side. The pipes belonging to the city of Trois-Rivières do not have that problem. Only the residents really noticed it. We came to an agreement whereby they would agree to change a part of their water line. Not a lot of people lived in the residences in question and the copper stayed in the lines for a long time before the water got to them. It is also a problem for people who live a long way from the street or from the municipal system.

Mr. Robert Aubin: Is it more a corrosion problem? Do copper pipes cause as serious a health problem?

Ms. Marie-Claude Guérin: The situation is not the same in terms of health. Copper pipes do not pose as serious a problem.

But we still became involved as soon as we saw copper content that was outside the standard because it is also a little unpleasant. It produces water with a very blue colour, which is a concern to people. When you are not used to that shade—copper is blue-green—taking a bath or drinking water that looks like the sea in warm countries can cause alarm. However, the health standards are different.

Mr. Robert Aubin: I am just going to throw out a suggestion that came to me a few minutes ago. It is much the same as the one my colleague Ben Lobb came up with.

As all the witnesses have said, and as we all agree, lead is first and foremost a public health problem. The public does not object to a certain number of reportable diseases being identified. That goes without saying; they affect everyone's health.

Given that the greatest difficulty seems to be coming from the private sector, I wonder whether we should at least require that a mention of the type of pipes installed be mentioned in the contracts for house sales.

Ms. Marie-Claude Guérin: A part of that information is already in registries and municipal plans. The type of pipe used in a house and the date when it was built are mentioned.

Mr. Robert Aubin: Can a buyer go to the municipality to get that information if the seller does not tell the buyer himself?

Ms. Marie-Claude Guérin: I do not know if that is the case. But I can tell you that, internally, we can check the overall condition of the water pipes installed in the street. However, we cannot determine the condition of the pipes on any given property.

● (1645)

Mr. Robert Aubin: Okay.

Does anyone else want to deal with the same subject, public health?

Ms. Michèle Prévost: My experience is a little different from the previous witness. In the six municipalities, we worked very hard on one major challenge, that of locating the service entrances. We do not know where the lead is. In some cases, we do not know either in the private areas or the public ones. That is because the documentation is very old. In my opinion, the idea of getting the information when you buy a house is very positive. However, both owners and renters would have to have access to the information.

[*English*]

The Chair: Thank you very much.

Sorry, Mr. Aubin, we're over your time.

Thank you very much to all of our witnesses. We appreciate very much your taking the time to provide us with sufficient information as we do this study.

We will suspend for a moment and then resume shortly.

Pursuant to the order of reference of Wednesday, October 25, 2017, we are examining Bill C-344, an act to amend the Department of Public Works and Government Services Act (community benefit). For those of you who were on the committee before, we dealt with this issue before under our current Minister of Immigration. He was hosting it. It subsequently was approved with two amendments from this committee. Then Mr. Hussen ended up being the minister and couldn't carry the bill any longer. Mr. Sangha picked it up. At that time it was Bill C-227. It is now Bill C-344.

Mr. Sangha would you like to speak to the bill, please?

Mr. Ramesh Sangha (Brampton Centre, Lib.): Madam Chair, it's my pleasure to come before the Standing Committee on Transport, Infrastructure and Communities. Thank you very much for giving me this opportunity.

My private member's bill, Bill C-344, is an act to amend section 20 of the Department of Public Works and Government Services Act to introduce community benefits. This committee has already done an extensive study on a similar bill, Bill C-227, which could not go through due to administrative reasons, as the chair has already mentioned. You conducted your study on Bill C-227 and suggested a few amendments. Now I am here with my private member's bill, Bill C-344, with your suggested amendments.

Let me congratulate you all for the great work done on the previous bill, Bill C-227.

Community benefit agreements, CBAs, are tangible socio-economic opportunities for neighbourhoods, local communities, and the environmental benefits that result from federal government projects across Canada. This includes local job creation, apprenticeships, education, and affordable housing. By giving more power to the minister of public services and procurement, Bill C-344 would make sure that the minister plays a leadership role towards the betterment of communities. This bill would empower the minister to ultimately create a platform to minimize delays and produce flexibility for communities' infrastructure development.

CBAs would require bidders on the proposal to provide information on the community benefits that the project would provide. CBAs would enable the minister to formulate agreements between developers and local community groups. CBAs would create a foundation to encourage local communities to form partnerships with developers and address local challenges.

My private member's bill, Bill C-344, would require the minister to report back to Parliament every year on what community benefits have been enacted.

We notice that the federal investment funds are making significant improvements in all the ridings across Canada, even in Brampton. We have federal funds of approximately $95 million for Züm bus rapid transit and $69 million for stormwater management infrastructure for the Peel region. Similarly, every riding across Canada is getting funding for federal projects. It is obvious that if CBAs were tied to these federal investments, communities would thrive.

Bill C-344 would allow for comprehensive consultation with communities across Canada, consequently strengthening the local community infrastructure for the residents. Moreover, various business groups and organizations support the idea of community benefit agreements. The Toronto board of trade, the Vancouver board of trade, and the Montreal board of trade have already recognized community benefit agreements as a strong economic policy and an optimal way to confront youth unemployment.

Furthermore, a joint report from Mowat Centre and the Atkinson Foundation found that community benefit agreements have the ability to adopt a better environment for impoverished areas.

Ontario has already enacted CBAs, and other provinces such as Nova Scotia, Quebec, and Manitoba are also following suit. Moreover, other countries, including the United States and the United Kingdom, have already implemented CBAs in their respective infrastructure funds. Ultimately, CBAs would create the foundation for communities to achieve their fair share of federal infrastructure investments. Furthermore, it's about ensuring that future federal projects involving construction, maintenance, or repair would result in community benefits for millions of Canadians from coast to coast to coast.

● (1650)

I also put it to the committee that besides the tangible benefits of CBAs, they are a vehicle that would create an opportunity for the pursuit of dignity, and build the inner-being infrastructure of Canadians.

That is my submission. Thank you very much, and I'm prepared to answer any questions.

The Chair: Thank you very much, Mr. Sangha. We appreciate that.

Are there any questions?

Mr. Hardie.

Mr. Ken Hardie: Mr. Sangha, I understand the intention is that when the federal government spends infrastructure money on projects there should be some additional considerations that add benefits to the community. In your view, are these federal projects or federally funded projects? In other words, if we were working on a federal installation, that would be one thing, but, for instance, if we have money to give to a municipality through a province to build a rapid transit line or something else, would you see this requirement applying to that project as well?

● (1655)

Mr. Ramesh Sangha: I can tell you two things.

First, our government has decided to spend on green infrastructure and social infrastructure. The money will be flowing to different cities from the federal government. Plans are going to benefit the community, creating infrastructure in the community, but Bill C-344 looks to the further benefits we can get out of the federal investments as proposed to be given to the communities.

Whole local communities can get benefits out of those federal infrastructure projects, or we can enrol them.

Mr. Ken Hardie: So it's federally funded projects, not simply federal projects.

Mr. Ramesh Sangha: It's federally funded projects.

Mr. Ken Hardie: Okay.

Give us examples of what you would see as primary benefits, things we should require versus things that are nice to have.

Mr. Ramesh Sangha: That is a good question.

If we see a project that is going to be built in the community and that area is going to get the benefit of the project's federal investment, the minister would be given the power to ask the bidders on the contract what benefits they propose to provide to the local community, maybe in employment, apprenticeship, education, training, affordable housing, or some other thing the local community decides on. Those are the further benefits the CBAs are planned to get.

Mr. Ken Hardie: I've heard you talk about employment possibilities that could extend to indigenous people. You could also look at opportunities for people to upgrade their capabilities through apprenticeships or you could be looking at additional amenities that could go along with the project such as the creation of a park or a bike path. Could it cover that whole range?

Mr. Ramesh Sangha: Yes, it covers everything the local communities would decide on with government and the contractors. Communities would now be partners in the project. They would be given opportunities to explain their positions as to what they are looking for to have further improvements in their local community.

Mr. Ken Hardie: That would need to be disclosed to potential bidders before they make their bid, clearly.

Mr. Ramesh Sangha: They will disclose because.... For example, there may be an over-rail bridge that is required to be built in the community and some $2 million is going to be spent federally. In that area where the bridge is going to be built, the community would have the opportunity, or the community groups would have the opportunity, to get involved and see what else they are looking for, what other improvements for their community they are looking for, which a contractor would have to negotiate with the local community.

Mr. Ken Hardie: So—

The Chair: I'm sorry, your time is up. Thank you very much.

We will move to Mr. Aubin.

[*Translation*]

Mr. Robert Aubin: Thank you, Madam Chair.

Welcome, Mr. Sangha.

Thank you for being here with us and for introducing Bill C-344, which, for the most part, is the old C-227. You do not need me to tell you that this is largely inspired by a similar bill in the Ontario legislature. I have to confess that I have a soft spot for bills that have only a few clauses and one main idea, bills that try to go right to the point.

In that spirit, may I ask you for some clarification about proposed paragraph 20.1(2)? It reads: “The Minister may, before awarding a contract for the construction, maintenance or repair of public works…”

Why do you not feel the need to say “the Minister shall…”? If the Minister “may”, he also may not, in which case, the entire spirit of the bill and all the results you are hoping for will never come to pass.

● (1700)

[*English*]

Mr. Ramesh Sangha: Yes, actually this bill provides an amendment to section 20 by giving authority to the minister to intervene, and really it is rarely used. The minister would ask the local communities and the contractors to build a new agreement, which we call a CBA, a community benefit agreement. That would be for the benefit of the community, so communities would surely look into what they are going to gain out of it.

I don't think, as you are saying, that the minister may not ask, but that is there so communities would be educated and they would come forward to ask what they are going to get out of it.

[*Translation*]

Mr. Robert Aubin: Okay. Thank you.

I confess that I would prefer to read "shall require" more than "may require".

In the same spirit, proposed paragraph 20.1(3) reads: "A contracting party shall, upon request by the Minister, provide the Minister with an assessment as to whether community benefits have derived from the project."

In your opinion, are there situations where the federal government could invest major amounts of money and not derive community benefits?

[*English*]

Mr. Ramesh Sangha: The money that is going to be spent on the local infrastructure, once it is agreed by the contractor and the community, then the minister shall, after that, see how the contractor has provided to the community benefit fund. That assessment is done by the minister, which is then required to be reported to Parliament every year.

[*Translation*]

Mr. Robert Aubin: I understand that completely, but it does say "whether community benefits have derived from the project." So the word "whether" will disappear when it is next rewritten.

That leads me to talk to you about the report you have just mentioned. Bill C-344 provides no guidance on the matter. Perhaps we cannot talk about all the rules, but, in your opinion, should the bill specify the factors that the reports should contain so that they all have some semblance of a standard format?

[*English*]

Mr. Ramesh Sangha: I think the CBA is very exhaustive. It's not right to limit a CBA's terms and conditions. The terms and conditions will be agreed to by the community and the contractors. If we limit it at this stage with terms and conditions, that every.... The situation would be different from one project to another project, from one community to another community. I don't think it's the best solution to limit the CBA.

[*Translation*]

Mr. Robert Aubin: So, at the beginning of the project, if the developer and the government are in agreement that each of the projects is different and may require a different report, the conditions that were proposed or hoped for at the beginning of the contact are those that should find their way into the report, together with an assessment of the results that may be positive or may be negative, depending on the results.

Is that what I am to understand?

● (1705)

[*English*]

Mr. Ramesh Sangha: It's correct that there's no rule, that for every community it would be different, but the results would also be different because it would be the need of the community that they're looking for. In some communities they may be looking for the contractor to employ all the employees from the local community, so there would be a condition in that CBA. There may be something saying that you have to build a wall by the side of the community, between the railway line and the.... It would be different. It would depend upon the situation, where it is, and what type of CBA would be required to be agreed to between the contractor and the local community.

The Chair: Thank you very much, Monsieur Aubin.

Mr. Fraser, and then Mr. Chong.

Mr. Sean Fraser: Thanks very much, Mr. Sangha, for being here.

As a preliminary point, I think you mentioned at the outset of your remarks that this bill is in the identical form it was at the stage we passed it at this committee, with amendments. Is that accurate?

Mr. Ramesh Sangha: Yes, it is.

Mr. Sean Fraser: Why is this an important one for you to pick up? You obviously would have supported it when it was under now Minister Hussen's initiative. Why was this important to you and for your community?

Mr. Ramesh Sangha: My feeling is this bill is a good bill. It's good for communities. It's good for everyone. It's a bill that gives power to the community to get involved. It's a bill that makes communities feel proud and dignified that they are taking part in projects. Projects are being built with the consent of the communities.

My feeling was that when I first read this bill and saw what type of bill it was, I was really convinced by that, so I took that bill.

Mr. Sean Fraser: One of the main concerns that I recall from the witness testimony when we dealt with the previous iteration of this bill was protecting the integrity of the public procurement process, specifically on the issue of ensuring that you're comparing apples to apples. There was some real nervousness among some of the witnesses we heard that suggested it would be unfair if you said, "I want you to build a building with *x*, *y*, *z* dimensions, and tell me what else you're going to give me", which would potentially create an unfair playing field for somebody who might have a personal relationship with a decision-maker under one government or another, or potentially might come up with an idea that would change the financial dynamics of their bid. Are you comfortable that the mechanism that's in place in this bill specifically ensuring that the requirement of a community benefit is identified before the awarding of a contract will mitigate the risk that the integrity of the process could be jeopardized?

Mr. Ramesh Sangha: When we talk about the procurement policy, we as a government have always had an idea to improve the procurement system through modernization. Restricting the bidders of the contract by putting a restriction into the contract won't work, but at the same time, we cannot move away from the procurement system that we already have. We have to follow that. Every government, maybe this government or a future government, has to follow the procurement procedure and system.

Mr. Sean Fraser: On the reporting mechanism, I think it's a 90-day period within the end of the fiscal year. There's a mandatory requirement. The minister tables a report before Parliament outlining the community benefits.

Do you think this provision in the legislation is going to ensure public accountability as to whether this bill is doing its job and whether we are in fact seeing enhanced community benefits as a result of this private member's bill?

Mr. Ramesh Sangha: My personal feeling is that, yes, once the minister assesses the benefits and the agreement, assesses what work is done on the project and what are the benefits related to the community, and makes a report on that, it will work out.

Mr. Sean Fraser: Finally, Chair, if I have a minute remaining, there was a point, Mr. Sangha, where I'm not sure that I'm on quite the same page that you are. It was in response to Mr. Hardie's initial question that dealt with the application of this bill.

My understanding was that it really is meant to deal with public works and government services rather than any project that the federal government is connected to. I was a bit unclear as to whether you said it was on anything that there are federal dollars in, or whether it's under public works and procurement projects that the federal government owns, for example, and where it manages the procurement process from start to finish. Am I correct in my understanding that the application is actually limited to federal projects rather than anything that we put money towards?

● (1710)

Mr. Ramesh Sangha: No. It's limited to the federal projects where we are federally investing money in projects.

The Chair: Thank you very much, Mr. Sangha.

We'll move to Mr. Chong.

Hon. Michael Chong: Thank you, Madam Chair.

I want to build on what Mr. Fraser just pointed out, because I had the same questions.

The bill would give the minister "the authority to require an assessment" of community benefits, but these communities do not include—correct me if I'm wrong, Mr. Sangha—the thousands of communities across Canada that we would normally be targeting for federal infrastructure dollars, because it doesn't apply to some 3,700 municipalities across this country, whether it's the city of Brampton or the region of Peel or, in my riding, the town of Halton Hills or the region of Halton. The bill clearly states:

> The Minister may, before awarding a contract for the construction, maintenance, or repair of public works, federal real property or federal immovables, require bidders on the proposal to provide information on the community benefits to be derived from the project.

It clearly excludes the vast majority of infrastructure projects across this country, the vast majority of which are under the control of either the provincial governments or local municipalities. I think we have to be clear here, as we're studying this bill, that it does not apply to municipally owned or provincially owned infrastructure. It applies only to federally owned infrastructure, such as federal government buildings across the country or federal ports that may be under the direct control of the federal government. It doesn't apply to bike paths, local roads, or other local municipal infrastructure.

I think that's a pretty important point to make. I assume that's the intent of the bill, because I think we'd get into all these problems with federal and provincial jurisdictional issues if we were to mandate that provinces or municipalities start assessing community benefits for their municipally owned or provincially owned projects.

That's the only point I wanted to make, building on what Mr. Fraser said.

The Chair: Thank you very much.

Mr. Sangha, thank you very much for coming today.

Mr. Ramesh Sangha: Thank you very much.

The Chair: We appreciate it very much.

We are going to go in camera for the next 10 minutes or so to take care of some committee business, so I'll suspend to give those who are not supposed to be here a chance to leave. If you're all supposed to be here, stay here.

[*Proceedings continue in camera*]