

Meeting Date: May 6, 2024
Department: Chief Administrative Officer
Report No.: CAO-2024-11
Submitted by: Trisha McKibbin, Chief Administrative Officer
Approved by: Trisha McKibbin, Chief Administrative Officer
SUBJECT: **Lake Huron Water Supply System Status Update**

RECOMMENDATION: THAT: Council receive for information Report CAO 2024-111 titled “Lake Huron Water Supply System Status Update”, and further;

THAT: Council appoint the Mayor and Chief Administrative Officer to the Steering Committee reviewing the Lake Huron Water Supply System.

BACKGROUND:

Information on the Lake Huron Water Supply System last came before Council in April 2022. The contents of this report is based on that report.

The Lake Huron Water Supply System and Elgin Area Water Supply System were constructed and owned by the Province of Ontario until 2000. At that time, the Minister of the Environment created a Board of Management and transferred ownership to the benefiting municipalities as an undivided share and tenant-in-common. While the Transfer Order implied that the Regional Water Systems were each a “body corporate”, the Transfer Order and the enabling Act did not explicitly state that, nor under what legislation the “body corporate” status is being granted. This leaves the legal standing of the Regional Water Systems in question.

As the legal status of the Regional Water Systems remains unclear, it is understood that all legal liabilities of the Regional Water Systems extend directly to the benefiting municipalities and their respective Councils.

As an option, the *Municipal Act*, 2001 establishes the authority of a municipality to create a Municipal Service Board or a Municipal Services Corporation for undertaking activities or services authorized by the municipality. This will also limit the financial implications and liabilities to the benefiting municipalities. The benefiting municipalities must also unanimously determine if they wish to create a Joint Municipal Services Board and/or Municipal Services Corporation for each of the regional water system, or one Board/Corporation for both systems.

COMMENTS:

During the last term of Council, the Mayor and CAO were part of the Steering Committee for this initiative. It is recommended that the Mayor and CAO continue to represent the municipality as information and discussions continue on how to move forward.

The CAOs of the lower tiers have recently been in contact to discuss next steps. In 2022, Council provided direction to move forward with a fulsome independent legal and financial review of the options. Staff recommend moving forward with obtaining a legal review in coordination with the other affected municipalities. Once this additional information is received, an information report will return to Council with next steps and recommendation(s) on the best path forward.

CONSULTATION:

N/A

FINANCIAL IMPLICATIONS:

The costs for an independent legal and financial review are not known at this time. There is an effort to collaborate with other municipalities to complete this review to minimize costs. These costs would be funded from the Water Operational Budget.

STRATEGIC PLAN ALIGNMENT:

This matter is in accord with the following strategic priorities:

- Local Infrastructure – Households and businesses in Strathroy-Caradoc are supported by reliable, financially responsible and well-maintained infrastructure networks

ATTACHMENTS:

- None