

**REFERS TO BY-LAW 2006-176 ON THE REGULAR COUNCIL AGENDA
DATED AUGUST 9, 2006**

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Shelley Martel
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August 8, 2006

Dear Council Members,

I am writing to you regarding the report titled, « Skead Heritage Homes Inc. Safe Drinking Water Act Order, » which I understand you will be reviewing at the council meeting on Wednesday evening. I apologize for the rush in getting this letter to you but I only received a copy of the report today, in response to a follow-up call I made to Alan Stephen's office regarding the position the City might take as a result of the June 1 MOE order.

I have been following this matter for over 2 years now as I was first contacted by Mr. Frank Kehoc of the Corporation in April of 2004, about the potential costs facing Skead Heritage Homes, to upgrade the private well system as per Regulation 170. During this time, negotiations have gone on between City staff, the councillors representing Skead, and Mr. Kehoc, to try and arrive at a positive solution to this challenging problem. At the end of May this year, Mr. Kehoc called me to advise that a solution could not be arrived at and he would cease to maintain the water system for the Corporation as of June 1, 2006. This lead to the Order which was issued by the Ministry of the Environment on June 1, 2006, and the need for the City to formally reply to the Director, by the end of August, regarding whether or not the City would assume responsibility for the drinking water system.

My concern has been that the City might well do the right thing by assuming responsibility for the water system, but would then apply full-cost recovery of all charges related to the water system, to the 14 homeowners who had made up the Corporation. There is no way these homeowners can ever afford to pay the full costs involved with the maintenance of the system---never mind the costs of the upgrades necessary to comply with Regulation 170. Previously, the homeowners paid roughly \$720.00 annually to the Corporation to cover the costs of water supplies, testing, hydro, etc., related to maintenance of the system. Applying costs of \$40,000.00 or more to these individuals, on an annual basis, was just not realistic, and these costs would never be paid.

I called Alan Stephens, General Manager of Infrastructure and Emergency Services at the end of June to share my concerns with him in this regard. At that time, he advised that he was not interested in pursuing full-cost recovery with these residents; that the preferred option was to have these residents pay no more than other residents for water (operating and capital costs); that we should meet at the end of July (myself, the 2 councillors, a representative from the MOE,

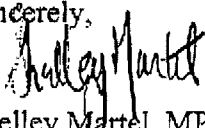
representatives from the City, and Mr. Kehoe) to hear what staff were proposing in response to the MOE Order, to ensure we were all in agreement with what staff would present to Council at its August meeting. I agreed we should do this.

Regrettably, due to my own holidays, I was only able to follow up on this matter today and was very surprised to see in the Report, a proposal to adopt a bylaw which would apply full-cost recovery of all water system charges, to the 14 homeowners. In speaking with Mr. Kehoe this afternoon, I learned this proposal was not shared with him and clearly, he is not in agreement with this approach. I did not have an opportunity to speak with either municipal councillor today, but I was under the understanding that they have, in the past, expressed concerns about full-cost recovery being applied to these residents. I suspect they might have concerns about the bylaw proposal as well.

For my part, after having dealt with Mr. Kehoe and other affected residents in the past 2 years, I know that these 14 homeowners can't afford full-cost recovery of the maintenance of the water system. A bylaw can be adopted—but it won't result in these individuals being able to pay the costs involved here. I sincerely hope that Council can take a sober second look at this important matter and come to the conclusion too, that the costs here are prohibitive and must be shared among all ratepayers in the municipality. These homeowners must pay their fair share too—and they are more than willing to do that—but applying full-cost recovery to pay for maintenance and capital costs required by the province as per Regulation 170, will bankrupt these 14 homeowners.

Thank you very much for your attention to this important matter and again, I apologize for the rush in getting this letter to you at the last moment.

Sincerely,



Shelley Martel, MPP