



TOWNSHIP OF KING

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June 21, 2006

Denis Kelly, Regional Clerk
Regional Municipality of York
17250 Yonge Street
NEWMARKET ON L3Y 6Z1

Dear Mr. Kelly,

**RE: Resolution re: King City Sanitary Sewer System
Amendments to the Settlement Agreement - Transfer of Ownership**

At its Special Meeting of June 21, 2006, Council of the Corporation of the Township of King passed the following resolution, as amended, to approve proposed amendments to the Settlement Agreement between the Regional Municipality of York and the Township of King regarding construction of King City Sanitary Sewer System:

"Whereas the Agreement between the Township of King and the Region of York dated December 11, 2003, requires transfer of each phase of the local collection system to the Township at the end of the maintenance period for each phase;

And whereas the Township is responsible for enacting the necessary by-laws requiring connection to the local collection system and recovering the capital costs thereof from properties which connect to the system;

And whereas such recovery and connection will occur generally upon substantial completion of a phase and not at the expiry of the maintenance period, as contemplated by the Agreement;

Therefore, be it resolved that Council of the Corporation of the Township of King :

1. endorses amendments to the Agreement between the Township of King and the Region of York dated December 11, 2003 substantially in the form attached to this resolution and authorizes the CAO and Township solicitor to make minor modifications thereto;
2. (a) requests that Regional Council adopt the recommendations in Report No. 6 from the Commissioner of Transportation and Works and the Regional Solicitor;

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- (b) requests that Regional Council amend the Regional By-law to transfer the local collection system or any phase of it to the Township in the event the Township makes application for Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF) on substantially the same terms as contained in Regional By-law Number S-0063-2004-103, enacted December 16th, 2004;
- 3. directs the CAO and Township Solicitor to bring forward a by-law to authorize execution of the amending agreement supported by Regional Council."

The draft amendments referenced in Clause 1 of the above resolution are attached to this letter.

Yours truly



Chris Somerville
Township Clerk

Encl.

c.c. Don Sinclair, Director of Development Law
Jose Matera, Township Solicitor

DRAFT REVISIONS TO SETTLEMENT AGREEMENT

DEFINITIONS

- Change the term and definition of Existing Area to the following:

Existing Service Areas means the area shown as "Existing Service Areas" on Schedule "A" to this Agreement [NTD: this is the term used in the legend on Schedule "A"]

- Change the term and definition of Future Development Area to the following:

Future Service Areas means the area shown as "Future Service Areas" on Schedule "A" to this Agreement [NTD: this is the term used in the legend on Schedule "A"]

- Change definition of Maintenance Period to the following:

Maintenance Period means the period of time stipulated as the maintenance period within each contract awarded by the Region for each Phase of Phases of the Collection System;

- Add new definition for Substantial Completion

Substantial Completion means the point at which a Phase is connected to the Regional Works and is commissioned and operational, such that the property owners within that Phase can connect to the Collection System and have immediate access to the Sewer Servicing System;

- Delete definition of Repealing By-law and add definition of Transfer By-law

Transfer By-law means a by-law enacted by the Region to transfer or convey the Collection System in Phases to the Township such that the Township acquires exclusive jurisdiction over each Phase upon such transfer or conveyance;

REPEALING BY-LAW, PROPONENCY AND OWNERSHIP

- Change Section 8 to the following:

8. The Region will use its best efforts to expeditiously pass a Transfer By-law prior to Substantial Completion of the first Phase of the Collection System. The Transfer By-law shall be structured such that the Region conveys ownership of each Phase of the Collection System at Substantial Completion of each such Phase. For development in the Future Service

Areas, the Transfer By-law shall provide that the portion of the Collection System within each new plan of subdivision shall be conveyed directly to the Township by the developer at the point in time when the Township would, in accordance with its normal practice and as set out in a subdivision agreement, accept conveyance of and/or assume services constructed by the developer.

DESIGN AND CONSTRUCTION

- Revise Section 17 as follows:

17. Both Parties acknowledge that the Region is exercising its responsibility in entering into and implementing this Agreement, first as owner of the Collection System and then second, as agent for the Township:

(a) upon the transfer of any Phase of the Collection System in accordance with Section 8 herein and associated Maintenance Period, but it being the intent of the Township and the Region that notwithstanding any such transfer, the Region shall remain the contracting party under all contracts entered into pursuant Section 11 herein, with all attendant rights and obligations thereunder until such contracts are fully completed; and/or

(b) in the event that the Township has responsibility for completion of construction of remaining Phases of the Collection system and associated Maintenance Periods.

- Revise Section 21 as follows:

21. The Township and the Region will work together with the development industry with the goal of achieving the financial involvement of the development industry, including permitting a developer or developers to construct one or more Phases of the Collection System subject to such developer or developers executing all necessary agreement and documentation required by the Region and/or the Township in respect thereof.

MISCELLANEOUS CHANGES

- In Section 9 change the term "Repealing By-law" to "Transfer By-law"
- In Sections 3, 4, 10, 11 and 20 change the term "Existing Area" to "Existing Service Areas" and "Future Development Area" to "Future Service Areas"