

2

GREAT LAKES INTRA-BASIN TRANSFER APPLICATION AND POLICY ADVOCACY

The Environmental Services Committee recommends the adoption of the recommendations contained in the following report dated December 3, 2009, from the Commissioner of Environmental Services.

1. RECOMMENDATIONS

It is recommended that:

1. Staff report back to Regional Council in Spring 2010 on the ongoing activities concerning Intra-basin Transfer, including changes to the Ontario Water Resources Act (OWRA), and implications for the Region.
2. The Regional Clerk forward copies of this report to the local municipalities and the Ministries of the Environment and Natural Resources.

2. PURPOSE

The purpose of this report is to provide an update to Regional Council on ongoing activities concerning Intra-basin Transfer and implications for the Region.

3. BACKGROUND

On December 18, 2008, Council endorsed actions of staff regarding submission of the Intra-basin transfer application to the Province under the *Great Lakes Charter: Principles for the Management of Great Lakes Water Resources* (the “1985 Great Lakes Charter”). To meet growth demands, Lake Ontario-based drinking water is needed in York Region.

Lake Ontario water supply servicing first identified in 1993 Master Plan Study

The first comprehensive Master Plan study for York Region that investigated long-term supply of drinking water was initiated in 1993 and completed in 1997. The 1997 Master Plan, “Long Term Water Project: involved feasibility studies that evaluated potential sources of drinking water drawn from Lake Ontario, Lake Simcoe (in the Lake Huron watershed), and Georgian Bay (in the Lake Huron watershed). Lake Ontario servicing was determined to be the preferred solution in addition to water conservation and water efficiency measures.

York Region has historically considered the 1985 Great Lakes Charter in its planning process. It was concluded with the support of the Ministry of Natural Resources in 2000 that Lake Ontario servicing as per the 1997 Master Plan preferred solution would not be considered a diversion subject to Prior Notice and Consultation since return flows would redirect transferred water back to Lake Ontario.

Since the 1997 Master Plan, subsequent Master Plan Updates for water and wastewater servicing have also determined the preferred solution to be Lake Ontario servicing. Furthermore, numerous Environmental Assessments have confirmed Lake Ontario servicing to be the preferred solution. In particular, specific infrastructure designed to facilitate transmission of Lake Ontario drinking water into the Lake Huron watershed, such as the Maple Reservoir and York Peel Water Feedermain, were approved and constructed.

In 2008, York Region submitted an application for Intra-basin Transfer to service growth in the Towns of Aurora, Newmarket and East Gwillimbury

The Region currently receives Lake Ontario water through supply agreements with Peel Region and the City of Toronto (*Attachment 1*). The Lake Simcoe watershed lies within the Lake Huron watershed, which encompasses the local area municipalities north of Aurora, and the northern portions of Whitchurch-Stouffville and the Township of King. Therefore, all Lake Ontario based drinking water supplies to Newmarket and Aurora (as well as future plans to use Lake Ontario based drinking water supply for growth in the communities of Holland Landing, Queensville, and Sharon in the Town of East Gwillimbury) qualify as Intra-basin Transfers.

On December 3, 2008, York Region submitted a Permit To Take Water (PTTW) application under the 1985 Great Lakes Charter for the Intra-basin Transfer of Lake Ontario-based drinking water to meet 2031 drinking water requirements for this the Region. Key components of the application include:

- Request for Intra-basin Transfer volume of 105 MLD from the Lake Ontario watershed to supply forecasted growth in the Lake Huron watershed to the year 2031; and
- Demonstration that the proposed Intra-basin Transfer accords with the principles established by the 2005 Agreement, specifically addressing how it satisfies the applicable exception criteria.

York Region's Intra-basin Transfer Application complies with Ontario's regulatory framework for growth management and municipal servicing

Figure 1 illustrates the Province's "top down" approach that seeks to properly manage, balance, and provide information and direction to all levels of government on how and where growth will occur and in what manner. The Intra-basin Transfer Application is founded in part in good planning practices consistent with working within the Places to

Grow framework to provide infrastructure and water capacity required to meet approved growth to the year 2031.

Figure 1
Provincial Framework for Growth Management and Municipal Servicing



The York-Peel Water Feedermain and key water supply infrastructure from Toronto have been designed and constructed to meet future capacity to year 2031. Therefore, the Region is now seeking to comply with applicable requirements to secure sufficient water capacity. At this time, a fair amount of uncertainty remains as to when new regulations implementing the 2005 Agreement will come into effect, and how this may impact Regional and local planning.

In addition, the Region's Water and Wastewater Servicing Master Plan has been completed and greater certainty is required regarding the Region's ability to maintain and increase Lake Ontario based drinking water as a viable servicing option (*Attachment 2*). Assessment of various alternatives showed that enhancing and expanding existing water and wastewater systems would provide the most appropriate solution to effectively service the Region's long term growth. A comparative evaluation identified Lake Ontario based servicing was the preferred alternative because it:

- Best meets the Region's sustainability principles while supporting future growth within the Region
- Protects Lake Simcoe by reducing nutrient discharges
- Protects Lake Ontario through advanced treatment afforded by Duffin Creek WPCP in Durham Region and Lakeview WPCP in Peel Region
- Supports the Great Lakes water balance by returning flow to Lake Ontario

- Supports major investment in Lake Ontario oriented infrastructure already in place
- Supports water supply system security and operational flexibility

Certainty of long-term supply of Lake Ontario based drinking water will enable York Region to provide servicing capacity to designated growth areas at the right time. Securing this capacity is also necessary to facilitate orderly release of allocation capacity for municipal services to York Region's local municipalities and avoid delays in development approval processes.

Approval for Intra-basin Transfer and Consumptive Uses will be required in addition to existing approvals already held by the Region (e.g. Certificates of Approval) under the new regulatory regime.

Staff have been supportive of the Province in implementing the new regulatory regime to satisfy requirements under the 2005 Agreement

Staff from various Regional departments continue to support York Region's position by sitting in as members on the Province's Annex/Agreement Advisory Panel and providing input into development of a regulatory regime that will implement Provincial commitments made in the 2005 Agreement.

Staff continue to highlight York Region's unique situation pertaining to Intra-basin Transfer in development of the new regime

The 2005 Agreement requires a baseline to be established to determine a New or Increased Diversion, Consumptive Use or Withdrawal. The transition provision in OWRA allowing the Province to deem a volume of water for the purposes of establishing a baseline is currently applicable to PTTW holders only. York Region currently transfers water but does not hold the associated PTTW. It remains unclear how baselines will be established for York Region's special situation. Staff continue to advocate that York Region be able to fully realize the capacity of existing infrastructure and thereby fully utilize the hundreds of millions of dollars already invested.

4. ANALYSIS AND OPTIONS

Further delay in the decision on York Region's Intra-basin Transfer Application will have significant financial impact

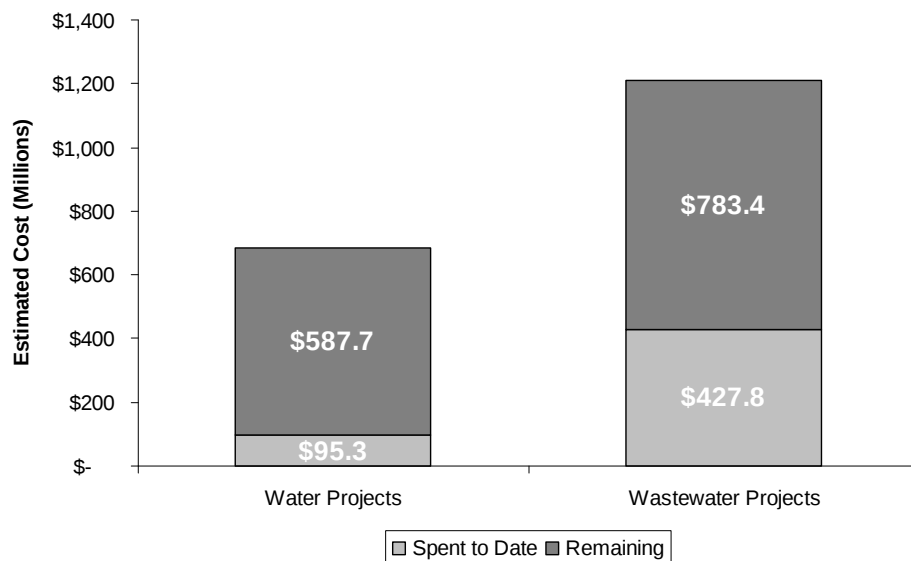
Infrastructure is planned and implemented based on Master Plans and Environmental Assessments. Master Plans have determined and Environmental Assessments have confirmed the supply of drinking water from Lake Ontario is the preferred solution. Significant funding, financing costs, time, consultation and resources have been invested

in infrastructure related to Lake Ontario based drinking water by home buyers and ratepayers of York Region.

Funds have already been invested in planned, committed and constructed infrastructure associated with Lake Ontario based drinking water

Close to \$1.9 billion in planned water and wastewater infrastructure is associated with Intra-basin Transfer (Figure 2). Of this, \$95 million has already been spent in water infrastructure for servicing Aurora, Newmarket, and East Gwillimbury and \$428 million has been spent on wastewater infrastructure. In-the-ground infrastructure includes the York-Peel Water Feedermain constructed in 2007 with capacity to the year 2031 at a cost of \$39 million.

Figure 2
Infrastructure investment associated with Intra-basin Transfer

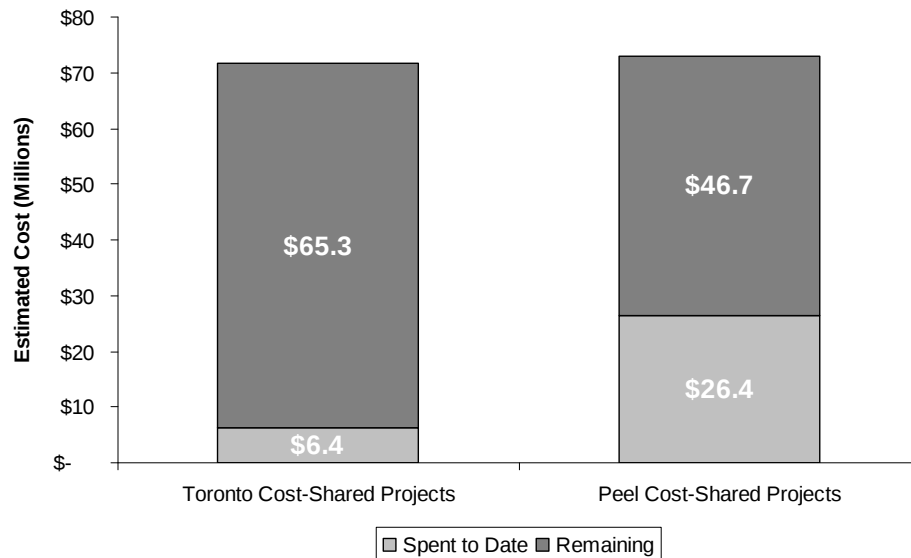


Significant investments and commitments have been made to honour inter-municipal agreements to supply York Region with Lake Ontario based drinking water

Significant capital investments in approved water and wastewater infrastructure have been made by York, Peel, and Durham Regions and the City of Toronto to provide future Lake Ontario based drinking water supply and wastewater treatment to York Region. This coordinated approach to service delivery has resulted in efficiencies in infrastructure costs and allows for additional funds to be allocated to improved treatment and program delivery.

Close to a billion dollars have been invested and committed in cost-shared water and wastewater projects with Peel Region and the City of Toronto. \$144 million of these cost-shared projects are directly attributed to servicing Aurora, Newmarket, and East Gwillimbury with Lake Ontario based drinking water (Figure 3).

Figure 3
Cost Shared Projects attributed to Intra-basin Transfer



The watershed effect of further delay puts other planning and servicing areas at risk

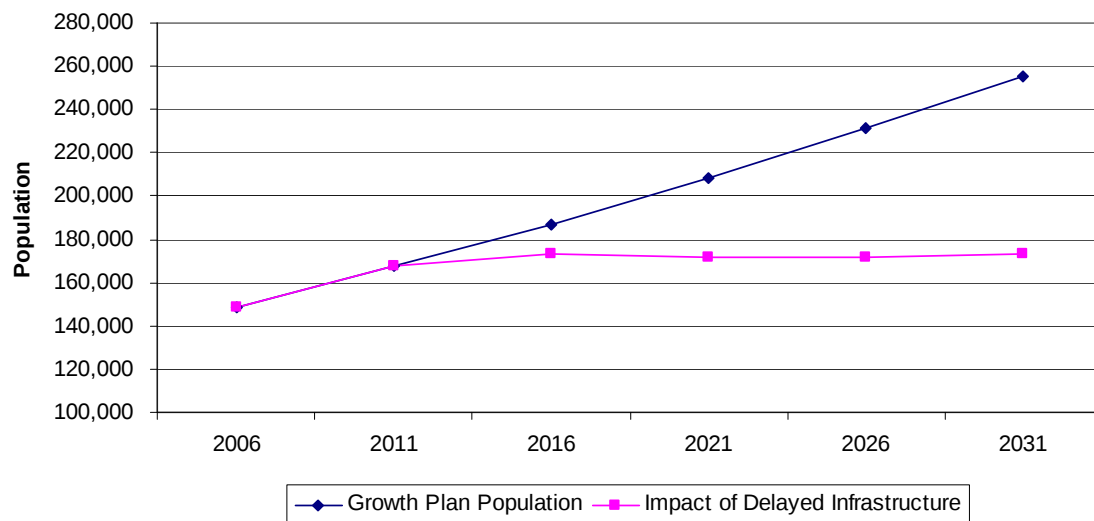
Other areas of municipal planning and service delivery rely on water and wastewater servicing such as transit, roads, and community services. Area municipalities develop Official Plans, Secondary Plans, and approve Draft Plans based on servicing expectations and local infrastructure. Developers invest resources based on municipal planning results and require allocation to register plans and begin construction. Servicing has currently been allocated out to the year 2012.

Delay of certainty in approval of Intra-basin Transfer affects the Region's ability to meet growth demands

To ensure that growth in York Region occurs in an orderly and sustainable manner, population and employment forecasts are used as the basis for planning of new development. To meet the Province's Growth Plan to the year 2031, the population forecasts require the Towns of Aurora, Newmarket and East Gwillimbury to grow at an average rate of 4,600 residents per year.

Growth in these areas will rely on Lake Ontario based drinking water and wastewater servicing. Figure 4 illustrates the shortfall in meeting forecasted growth in these communities north of the watershed divide due the impact of delayed infrastructure. If adequate services are not available, the Region will not be able to meet approved growth plans. Current forecasts indicate the total population in these communities will grow by approximately 106,000 people by the year 2031.

Figure 4
Impact of Delayed Infrastructure on Growth Plan Population Forecasts
in Aurora, Newmarket and East Gwillimbury



Province has indicated York Region's Intra-basin Transfer Application will move forward under the Great Lakes Charter

The Province has agreed to facilitate the approval process for York Region's PTTW Application under the Great Lakes Charter. It has been recognized that York Region's urgent need to secure a sustainable supply of drinking water from Lake Ontario is an opportunity for all to work towards a model for regulating Intra-basin Transfer, achieving Water Conservation and Efficiency and meeting the intent of the exception criteria under the future regulatory regime.

Staff will collaborate with Provincial representatives to provide further technical details needed to process the application, including supporting documents such as the Water and Wastewater Master Plan and Water Efficiency Master Plan. The Province will then submit the Region's application for Prior Notice and Consultation as outlined in the Charter. After completion of a two- to three-month consultation period, the application will be processed by the MOE as per the PTTW process. Assuming a positive outcome, the permit will be issued once the regulations for Intra-basin Transfer are proclaimed. At this time, the actual form of the PTTW is still uncertain. Options include a sole York

Region permit or joint permits with the City of Toronto and Peel Region. Additional conditions attached to the PTTW may be imposed which are also presently unknown. Timelines for these milestones have been estimated in Table 1.

Table 1
Milestones for York Region Intra-basin Transfer Application

Date	Milestone
January 2010	Staff to submit modified application (including the Water and Wastewater Master Plan and the Water Efficiency Master Plan) as Prior Notice and Consultation report
March 2010	Ministry of Natural Resources to initiate Prior Notice and Consultation
June 2010	Prior Notice and Consultation completed
July 2010	PTTW received (assuming a positive outcome and subject to MOE maintaining proposed timeline to implement new regulations)

A critical milestone in avoiding further delay is initiation of Prior Notice and Consultation in March 2010. In partnership with the Province, an interactive approach will be used to facilitate the consultation process. Once this consultation is complete, the application may proceed under Provincial jurisdiction and a PTTW for Intra-basin Transfer should be received. Staff will continue to work with Provincial representatives to move forward with the Region's application for Intra-basin Transfer. However, if major procedural changes develop or if the consultation has not commenced by the end of March 2010, then escalation beyond staff may be required. Significant investments have been made in water and wastewater infrastructure which may be stranded without a PTTW to permit utilization of the infrastructure's full capacity.

5. FINANCIAL IMPLICATIONS

Financing costs of capital infrastructure will increase with delay of permit for Intra-basin Transfer

Delay in a decision on York Region's Intra-basin Transfer Application will have cumulative implications on planned infrastructure projects within York Region. Delayed spending of total projects costs for water infrastructure planned for Intra-basin Transfer range from \$500 to \$600 million depending on a six- to 18-month delay timeframe.

In addition to infrastructure related directly to servicing growth in Aurora, Newmarket and East Gwillimbury, other indirectly related infrastructure has been sized to meet growth in these areas. An example is the capacity expansion at Duffin Creek WPCP. This infrastructure has been debt financed and relies on development charges to repay the debt. Delays here will result in shortfalls of cash to repay the debt and ultimately result in higher development charges throughout the Region.

Delayed certainty may have significant economic impacts to York Region

In addition to not being able to meet growth demands, delaying approximately 1,900 units (or 4,600 residents), each year has a projected annual assessed property value of over \$600 million with a projected annual property tax impact of approximately \$3.2 million to York Region beginning in the year 2013. Table 2 demonstrates the cumulative growth and economic implications of further delay in the decision timing.

Table 2
Economic Impact of Further Delays on Intra-basin Transfer Application

Timing	# Units Delayed	Gap to Provincial Growth Plan	Wages (million)	Assessed Property Value (million)	Property Tax Impact (million)
6 months	1,900	4,600	\$247	\$600	\$3.2
12 months	3,800	9,200	\$494	\$1,200	\$6.4
18 months	5,700	13,800	\$741	\$1,800	\$9.6

According to a report prepared for the Canada Mortgage and Housing Corporation by the Altus Group Economic Consulting, every 10,000 housing starts generate approximately 27,000 jobs and more than \$1.3 billion in wages paid. This equates to \$247 million in wages lost in York Region each year if the Region's ability to meet growth demands is delayed beginning in the year 2013.

6. LOCAL MUNICIPAL IMPACT

Servicing planning by the local municipalities will be delayed if certainty of the ability to supply Lake Ontario based drinking water to the Towns of Aurora and Newmarket and to the communities of Holland Landing, Queensville, and Sharon in the Town of East Gwillimbury is not obtained.

7. CONCLUSION

Although the Region has not received a final decision on the PTTW application made under the 1985 Great Lakes Charter, the Province has indicated the application will move forward. Staff continue to dialogue with representatives from the Ministries of the Environment and Natural Resources to finalize details of the application for an Intra-basin Transfer in York Region and to facilitate Prior Notice and Consultation with Great Lakes jurisdictions. The application is supported by the Water and Wastewater Master Plan, and the Water Efficiency Master Plan Update. The Province has indicated that the permit for Intra-basin Transfer could be issued as early as summer 2010, contingent upon release of new regulations.

Staff have emphasized to Provincial representatives the serious implications of a delayed decision on the Intra-basin Transfer Application. These significant direct and indirect costs include the inability to realize full capacity of constructed infrastructure, financial impact of delays in current and planned infrastructure projects, and delays in other areas of municipal planning and service delivery such as transit, roads, and community services. Delay of certainty ultimately inhibits the Region's ability to meet Provincial growth plans, which will result in a negative economic impact to York Region.

Staff remain involved with the Province to further define future regulations pertaining to Intra-basin Transfer and will update Regional Council on an as needed basis regarding any implications for York Region.

For more information on this report, please contact Laura McDowell, Director, Environmental Promotion & Protection at (905) 830-4444 Ext. 5077.

The Senior Management Group has reviewed this report.

(The two attachments referred to in this clause are attached to this report.)

4

APPLICATION UNDER THE GREAT LAKES CHARTER

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, November 17, 2008, from the Commissioner of Environmental Services, together with the following additional recommendation:

- 3. That Council endorse the actions of staff regarding the submission of the Intra-basin Transfer Application to the Province under the 1985 Great Lakes Charter.**

1. RECOMMENDATIONS

It is recommended that:

1. The Regional Clerk circulate this report to the Clerks of the local municipalities.
2. Staff report back to Regional Council on the ongoing activities concerning Intra-basin Transfer, the changes to the *Ontario Water Resources Act* (OWRA), and any implications for the Region.

2. PURPOSE

Since 1985, the movement of water out of the entire Great Lakes Basins and from and between watersheds of each of the Great Lakes has been the subject of several agreements among the Province of Ontario and nine other jurisdictions. Water transfers of particular interest include:

- Out of basin transfer – The withdrawal/loss of water out of the Great Lakes Basin.
- Intra-basin Transfer – The transfer of water between and among watersheds of the Great Lakes.
- Consumptive Use – The loss of water from the Great Lakes basin due to evaporation (e.g. Outdoor water use), or incorporation of water into manufactured products (e.g. water bottling operations) or other processes. Consumptive Uses may or may be considered in conjunction with an Intra-basin Transfer.

The purpose of this report is to outline the maturation of these agreements, and update Regional Council on the Region's application to the Province under the 1985 *Great Lakes Charter: Principles for the Management of Great Lakes Water Resources*.

3. BACKGROUND

The Great Lakes Charter: Principles for the Management of Great Lakes Water Resources Addresses threats of Bulk Diversions from the Great Lakes Watersheds

In 1985, the provinces of Ontario and Quebec and the Great Lakes States of Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania and Wisconsin responded to concerns about proposals to divert large quantities of water out of the Great Lakes Basin (collectively, the watersheds of all five Great Lakes and the upstream portion of the St. Lawrence River) and signed the *Great Lakes Charter: Principles for the Management of Great Lakes Water Resources*.

The Great Lakes Charter is a non-binding good-faith agreement that, among other things, requires the parties to consult on proposals involving intra-basin transfers and/or consumptive uses greater than 19 million litres per day (MLD). The consent and concurrence of all states and provinces that may be affected by the application is desired but is not mandatory. Comments received by the applicant's governing body are to be carefully considered before a decision on the application is rendered.

Principles concerning intra-basin transfer are strengthened with The Great Lakes-St. Lawrence River Basin Sustainable Water Resources Agreement (2005) and The Great Lakes-St. Lawrence River Basin Water Resources Compact (2005)

In December 2005 after 4 years of negotiations, the parties to the Great Lakes Charter established two new agreements: another "good faith" agreement involving Ontario and all the Great Lakes states titled *Great Lakes-St. Lawrence River Basin Sustainable Water Resources Agreement of 2005* (the "Agreement"); and a legally binding *Great Lakes-St. Lawrence River Basin Water Resources Compact of 2005* (the "Compact") signed only by the eight Great Lakes States.

The Agreement is non-binding, but provides a framework for all parties to pass or modify laws and policies to put into place new protections for the waters of the Great Lakes basin. Changes from the Great Lakes Charter include a prohibition on Intra-basin Transfers (subject to three limited exceptions), additional restrictions on Consumptive Uses and the introduction of a formal process for Regional Review of applications (including provisions to allow any affected person or organization, including any of the parties to the Agreement, to challenge decisions within the applicant's home jurisdiction).

The Province moves towards implementing the 2005 agreement with the Safeguarding and Sustaining Ontario's Water Act, 2007

At this time, the elements of the 2005 Agreement governing Intra-basin Transfers and Consumptive Uses are not in effect. However, as required under the Agreement, Ontario

Report No. 10 of the Transportation and Works Committee
Regional Council Meeting of December 18, 2008

has started the process towards implementation under the *Safeguarding and Sustaining Ontario's Water Act, 2007* which primarily amends the *Ontario Water Resources Act* ("OWRA") to incorporate the necessary requirements. These changes are not yet in effect pending further regulations. These implementing regulations are currently expected to be released in draft in the Spring of 2009.

To permit Lake Ontario drinking water to supply the Towns of Aurora, Newmarket, and the communities of Holland Landing, Queensville, and Sharon in the Town of East Gwillimbury to the year 2031, York Region must obtain approval for an Intra-basin Transfer

Figure 1 illustrates the terminologies of Intra-basin Transfer, Consumptive Use, and return flow as it applies to York Region. The Region currently receives Lake Ontario water through supply agreements with the Region of Peel and the City of Toronto. The Lake Simcoe watershed lies within the Lake Huron basin, which encompasses the local area municipalities north of Aurora, and the northern portions of Whitchurch-Stouffville and the Township of King. Currently, Aurora and Newmarket are on a blended supply of Lake Ontario surface water and local groundwater sources. Therefore, all Lake Ontario based supplies to Newmarket and Aurora (as well as future plans to use Lake Ontario based supply for growth in the communities of Holland Landing, Queensville, and Sharon in the Town of East Gwillimbury) qualify as Intra-basin Transfers. Return flow from these areas are provided via the York Durham Sewage System (YDSS) minus any water loss due to outdoor water use, evaporation, and manufacturing processes (Consumptive Uses).

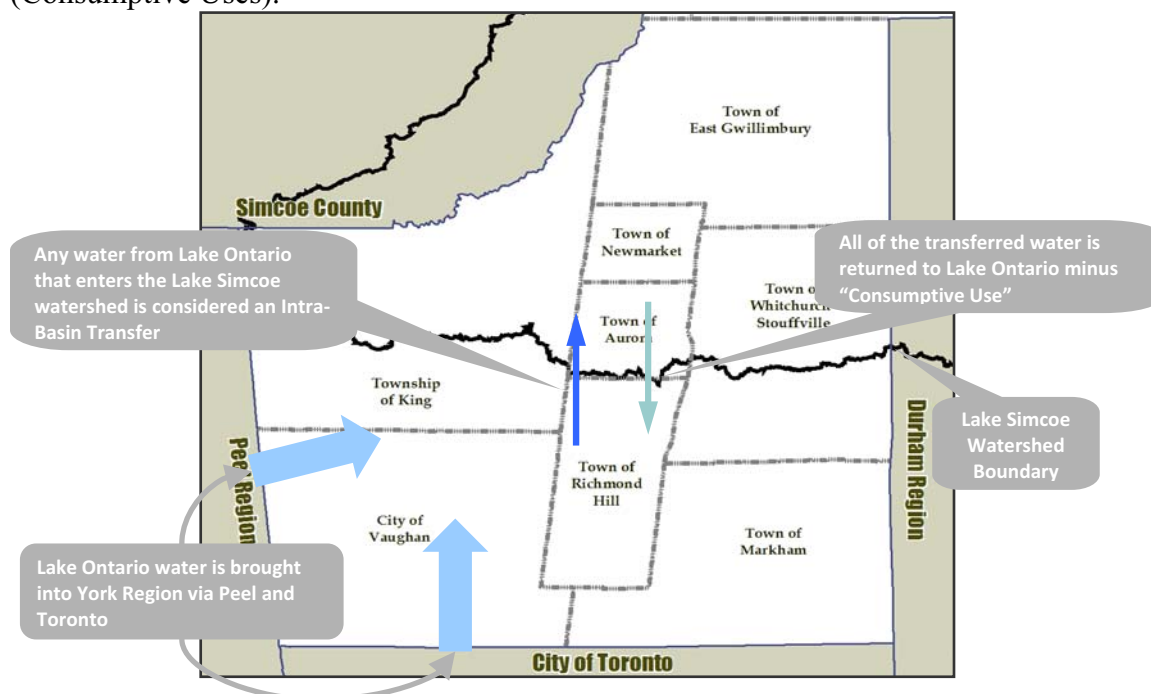


Figure 1: Moving Lake Based Water in York Region

Report No. 10 of the Transportation and Works Committee
Regional Council Meeting of December 18, 2008

This application is founded in part in good planning practices consistent with working within the Places to Grow framework to provide the infrastructure and water capacity to meet approved growth to 2031. Infrastructure is sufficient, and the Region is now seeking to comply with applicable requirements to secure sufficient water capacity. At this time, a fair amount of uncertainty remains as to when new regulations implementing the 2005 Agreement will come into effect, and how this may impact Regional and local planning. In addition, the Region's Water and Wastewater Servicing Master Plan is currently underway and greater certainty is required regarding the Region's ability to maintain and increase Intra-basin Transfer as a viable servicing option.

The approval for Intra-basin Transfer and Consumptive Uses will be required in addition to existing approvals already held by the Region (e.g. Certificates of Approval (CofA)).

Requirements of Intra-basin Transfer have been Imposed through a Statutory Process

The Holland Landing Queensville Sharon (HLQS) sewer project with its intra-basin transfer implications was approved by MOE based on the 19 MLD threshold in the 1985 Great Lakes Charter Agreement. The intra-basin transfer issue was first raised by MOE in their letter dated February 8, 2008 in response to Part II Order requests. A meeting was held on March 6, 2008 with MOE and MNR. Subsequently, their concern was addressed by demonstrating that the HLQS sewer project would not result in an intra-basin transfer of water exceeding the 19 MLD threshold, and the Part II Order requests were denied. It should be noted that in addition to growth in East Gwillimbury, growth in Aurora and Newmarket will also contribute to an increase in intra-basin transfer, and the 19 MLD threshold applies to the combined transfer for these three communities.

During the same time, Peel Region was addressing comments made by MOE and MNR with respect to their Class EA on the Lakeview Water Treatment Plant Phase 2 Expansion. This project is one of the cost shared projects identified in the York-Peel Water Supply Agreement, and as such MOE and MNR have concerns with respect to its intra-basin transfer implications. In response to an inquiry from Peel Region, York Region indicated that the amount of intra-basin transfer resulting from the proposed plant expansion would be assessed through completion of the York Region Water and Wastewater Master Plan Update. This information was communicated to MNR by Peel Region. Subsequently, in June 2008, a presentation by the York Region Master Plan team was made to MOE and MNR, providing an overview of the servicing issues in York Region. It was agreed that further consultations are required, and currently York Region is participating in the Province's consultation process in developing the new regulations.

Report No. 10 of the Transportation and Works Committee
Regional Council Meeting of December 18, 2008

4. ANALYSIS AND OPTIONS

The Intra-basin Transfer application highlights York Region's efforts to promote water conservation

The Region's Intra-basin Transfer application frames the Region's approach to servicing future growth in terms of good planning, water conservation and efficiency, sustainability, and legacy environmental benefits. Further to this, the application addresses the "exception criteria" currently contemplated under the *Safeguarding and Sustaining Ontario's Water Act, 2007* and incorporated into the *Ontario Water Resources Act* (although not in effect) to demonstrate that our current actions will support the intent of future regulations:

1. The transferred water is returned to the source watershed with the exception of losses through consumptive use (return flow)
2. No reasonable alternative exists including conservation
3. The transfer volume is reasonable
4. There is no individual or cumulative adverse impacts on the quantity or quality of the waters or natural resources
5. Water conservation programs are implemented
6. Complies with applicable legislation
7. Complies with other criteria within the 2005 Agreement

The application sought to secure the approval of an escalating intra-basin transfer of up to 140 MLD to support proposed maximum day demands to the year 2031. To support the volume request, we assumed that no groundwater supplies contributed to future water supply demands in Aurora, Newmarket, and the East Gwillimbury communities of Holland Landing, Queensville, and Sharon. (Table 1)

Table 1
Intra-basin Transfer Water Supply Demands to the year 2031

Community	2031 Max. Day (MLD)	2031 Avg. Day (MLD)
Holland Landing / Queensville/ Sharon	42.9	23.8
Newmarket	53.8	29.9
Aurora	42.6	23.9
Total Demand	139.3	77.6
Current Well Supply	69.0	69.0
Required Lake Based Supply	70.3	8.6

Report No. 10 of the Transportation and Works Committee
Regional Council Meeting of December 18, 2008

The application was submitted and signed by Commissioner Mahoney, in keeping with standard practices for regulatory applications. Under the Charter, the application will trigger Regional review and consultation among the affected jurisdictions.

Staff continues to work with the Province to shape pending regulations

The Ministries of the Environment and of Natural Resources are working to develop the regulations needed to implement the 2007 amendments to the *Ontario Water Resources Act* (OWRA). As such, the Province intends to issue a Municipal Directive and Technical Bulletin to inform municipalities of their responsibility to consider all proposed projects involving an Intra-basin Transfer as a Schedule “C” project under the Municipal Engineers Association (MEA) Municipal Class Environmental Assessment process. With input from staff, the Province further amended this bulletin to include consideration of Intra-basin Transfer during the Master Plan process as well.

Following this, the Province intends to pursue consultation with municipal and stakeholder groups regarding:

1. Implementing regulations for Intra-basin Transfers
2. Development of regional water conservation and efficiency programs
3. Implementation of Phase 2 Water Charges (i.e. tiered rates)
4. Development of information and science surrounding the Great Lakes watersheds.

Staff from the Departments of Environmental Services and Planning and Development Services have been actively engaged in communicating with the Province on the municipal perspective of the proposed regulations. Timelines for these consultations are expected to be rather aggressive, with most activities occurring between November 2008 and March 2009.

5. FINANCIAL IMPLICATIONS

Internal staff resources have been used to develop the application. Consulting services have been procured to examine consumptive use as it relates to the entire Region. Consultant costs are expected to be approximately \$7,000.

6. LOCAL MUNICIPAL IMPACT

The submission of this application under the 1985 *Great Lakes Charter* seeks to secure sufficient drinking water capacity to meet the approved growth demands of the Towns of Aurora, Newmarket, and East Gwillimbury to the year 2031, along with related Consumptive Uses for the entire Region.

In his letter giving approval to the Class Environmental Assessment for the Holland Landing, Queensville, and Sharon Wastewater Infrastructure project, Minister Gerretsen

Report No. 10 of the Transportation and Works Committee
Regional Council Meeting of December 18, 2008

stated his satisfaction of the proposed project with regards to Intra-basin Transfer in that all water transferred into the Lake Huron watershed would be returned to the source watershed, barring consumptive use. As this is also the basis of the current application, it is expected that the application should be accepted by the Province.

Future consultation with the Province will involve discussions regarding implementation of Phase 2 of the new Water Charges regulations. Since the Region does not directly bill municipal water users, and this is the responsibility of the local municipalities, local municipalities may need to be involved during these consultations. Region staff are working with the Province to determine consultation needs in this area, and will facilitate a regional consultation workshop on this matter if the need arises.

7. CONCLUSION

The Region has made an application under the 1985 *Great Lakes Charter*, for the Intra-basin Transfer of Lake Ontario water to meet the 2031 drinking water requirements for the Towns of Aurora, Newmarket and the communities of Queensville, Holland Landing and Sharon in East Gwillimbury, along with approval for related Consumptive Uses of Lake Ontario water projected for the entire Region to 2031.

The application frames the Region's approach to servicing future growth in terms of good planning, water conservation and efficiency, sustainability, and legacy environmental benefits. Further to this, the application addresses the "exception criteria" currently contemplated under the *Safeguarding and Sustaining Ontario's Water Act, 2007* to demonstrate that our current actions will support the intent of future regulations.

Staff will remain involved in consultations with the Province to further define future regulations pertaining to intra-basin transfer, and will update Regional Council on an as needed basis regarding any implications for York Region.

For more information on this report, please contact Laura McDowell, Director, Environmental Promotion and Protection at Ext. 5077.

The Senior Management Group has reviewed this report.

Alternative 1 Lake Ontario Based Servicing



York Region XCG GENIVAR
 constructing people

