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PROPOSED REGIONAL POLICIES JURISDICTION OF WATER AND WASTEWATER INFRASTRUCTURE

The Transportation and Works Committee recommends:

- 1. The following report, March 23, 2006, from the Commissioner of Transportation and Works be received;**
- 2. The report be circulated to Clerks of the local municipalities requesting comments before May 31, 2006 prior to adoption; and**
- 3. Staff be requested to provide a report to Committee in June, 2006.**

1. RECOMMENDATION

It is recommended that:

1. Regional Council approve the proposed policies in Attachments 1 and 2 entitled “Regional Jurisdiction – Water Infrastructure” and “Regional Jurisdiction – Wastewater Infrastructure”.

2. PURPOSE

The purpose of this report is to update Council on the outcome of the Regional Water and Wastewater Infrastructure Jurisdiction Policy discussions held with the local municipalities and seek Council’s approval of the proposed policies (*see Attachments 1 and 2*) defining Regional jurisdiction of water and wastewater infrastructure.

3. BACKGROUND

York Region and its local municipalities share the responsibility of water and wastewater servicing. Jurisdictional responsibility was established at the time of the formation of the Region (1970) and continues to form the foundation for defining infrastructure ownership.

A September 1, 1999 report on sanitary sewer systems and a November 2, 2002 report on water systems were adopted by Regional Council to clarify jurisdictional issues. These policies have been applied and tested for the past several years and, although effective at addressing concerns identified at the time, have been found to be too prescriptive to be readily applicable across the Region in an equitable manner.

Staff proposed to revisit these policies and at its meeting of February 17, 2005, Council adopted Clause 1 of Report No. 2 of the Transportation and Works Committee which authorized staff to send revised draft policies on the Regional jurisdiction of water and wastewater infrastructure to the nine local municipalities for their comments / suggestions and report back to Council once this was done.

In the spring of 2005, staff coordinated meetings with each of the local municipalities to discuss the policies and consider comments and feedback.

In reviewing the comments, it became evident that municipal opinions on the policies varied significantly. In the summer of 2005, staff reviewed the objectives of the policy and took an alternate approach to defining Regional jurisdiction that would be suitable to addressing the differing priorities of the local municipalities. Final draft policies were then prepared and sent back to the local municipalities for review and comments.

From November 2005 to January 2006, meetings were coordinated with the local municipalities during which the policy update process was reviewed. In addition, comments and feedback on the final draft policies were discussed.

This report presents final policies for approval by Council.

4. ANALYSIS AND OPTIONS

The spheres of jurisdiction set out under Section 11 of the *Municipal Act, 2001*, indicate that York Region is given exclusive jurisdiction over water production, treatment and storage. However, York Region and the lower-tier municipalities must mutually agree before any transfer of water distribution, sewage treatment or sewage collection infrastructure occurs. The *Municipal Act* does not give guidance on what constitutes Regional water distribution or wastewater infrastructure.

Section 89 of the *Municipal Act, 2001* also clearly restricts the Region's ability to sell water directly to the end consumer. The Region is only permitted to wholesale service to the local municipality who then have the responsibility to retail services to the end consumer. It is therefore important for the Region to have policies in place defining the jurisdiction of water distribution and wastewater infrastructure.

Although infrastructure jurisdiction definitions have not changed significantly in the proposed policies, there has been a significant shift in how these criteria are to be applied and interpreted. The shift is moving away from a prescriptive, detailed criteria-based decision-making approach, to a more Regional, "system based" perspective where the same fundamental criteria are applied along with an added consideration for the Regional functionality and how it relates to each unique local municipality.

An example of this shift in approach can be considered when determining ownership of a watermain; for instance, in this case, we move away from the idea that a certain predetermined diameter watermain should be Regional, and focus on the question of how a particular watermain fits in the system, and if it serves a Regional function. Although diameter is an important criterion, if a watermain does not serve a Regional function, then ownership should remain with the municipality responsible for the local servicing. The following sections provide some detail on how this approach will be implemented.

4.1 Use of Regional Master Plan as Basis for Defining Ownership

The key document that sets out Regional requirements for water and wastewater infrastructure is the Master Plan. This document is intended to consider current and future servicing needs, and identify a reasonable long-term servicing approach which minimizes impacts on various aspects such as environmental, social and economic factors.

This document also recommends a capital program which would allow the Region to meet the identified future servicing needs. Part of this process also involves recommendations on local systems where the Regional modelling may identify weaknesses in these systems, as well as identification of infrastructure that would be more appropriately owned by Regional or local authorities. These recommendations are based on the idea that the “system” must operate to support a Regional function. Therefore the Master Plan strives to define a Regional system in the context of an integrated two-tier system.

It is the intent of the proposed policy to use the water and wastewater Master Plan as the guiding document to define Regional infrastructure through consideration of the specific criteria and how they support the Regional context of the “system”. The primary principles that will be considered when defining Regional infrastructure through the Master Planning Process are:

- Application of the spheres of jurisdiction set out under Section 11 of the *Municipal Act, 2001*.
- Reduce fragmentation of the Regional system while not adversely affecting the local systems.
- Application of defined criteria while considering the Regional context of the system and the overall servicing scheme as defined by the Master Plan.

4.2 Regional Infrastructure Criteria

The Regional infrastructure criteria have also been reviewed with the local municipalities and although not changed significantly, have been refined to address concerns raised during the consultation process. The criteria are summarized as follows:

Regional Water Jurisdiction Criteria

Regional water infrastructure that is identified in the Master Plan shall meet the following functions necessary to provide:

- Water treatment.
- Pumping to a storage tank or other Regional system.
- Storage of water.
- Metering for the purpose of municipal billing.
- Conveyance systems that meet a series of specific criteria intended to define and support Regional functions listed above.
- Field information collection systems (SCADA) where appropriate.
- Interconnectivity where required through the Master Plan.

Regional Wastewater Jurisdictional Criteria

Regional wastewater infrastructure that is identified in the Master Plan shall meet the following functions necessary to provide:

- Wastewater treatment.
- Pumping to a treatment facility or other Regional system.
- Flow equalization tanks.
- Metering for the purpose of tracking inter-municipal flows.
- Conveyance systems that meet a series of specific criteria intended to define and support Regional functions listed above.
- Interconnectivity where required through the Master Plan.

4.3 Condition Assessment Requirements

A new requirement being proposed in these policies is suggested for assets being considered for transfer. This shall apply to assets being transferred either to the Region or to the local municipality. The intent of this assessment is to ascertain the condition of the infrastructure so that appropriate asset management practices can be continued to ensure the maximization of the useful life of these assets.

Although intended to maximize asset usefulness, the policies have also allowed opportunities for mutual agreement in determining the extent and cost of remedial works. These decisions will require approval of both the Regional and the affected local Municipal Council(s).

4.4 Input from Local Municipalities and Stakeholders

Regional staff have engaged all nine local municipalities in the development of these policies. A number of meetings were held with local staff to discuss, in detail, suggestions and comments. Most of the suggestions have been incorporated in the proposed policies and any outstanding comments will be considered during the Master Planning process to ensure local municipal support in the jurisdictional decisions being made on infrastructure ownership.

4.5 Relationship to Vision 2026

The benefits of the approach in these proposed policies reflect the customer service initiatives as outlined in the Region's Vision 2026. These modifications will ensure continued effective infrastructure and fiscal planning, will provide clarity and accountability, and will ensure that Regional design standards are consistently applied to Regionally-owned water and wastewater infrastructure.

5. FINANCIAL IMPLICATIONS

There are no immediate financial implications to either the Regional or local governments. Infrastructure that is identified for transfer will be assessed and reported to the respective Councils as required by the transfer of assets policies and procedures currently in place.

6. LOCAL MUNICIPAL IMPACT

These policies will assist in clarifying Regional jurisdiction and provide an equitable infrastructure framework for defining the jurisdiction regardless of the population base of the nine local municipalities.

7. CONCLUSION

The responsibility for constructing and maintaining water and wastewater infrastructure is shared between the Region and the local municipalities. These policies are intended to further support and clarify how Regional infrastructure is defined so that the Regional system can continue to operate appropriately while providing equitable criteria for defining the local systems of the local municipalities.

It is proposed that Regional Council endorse these policies.

The Senior Management Group has reviewed this report.

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