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**TRANSFER OF OPERATION AUTHORITY OF PROCTOR ROAD PUMPING
STATION AND ASSOCIATED DISCHARGE FORCEMAIN TO
THE TOWNSHIP OF KING**

The Environmental Services Committee recommends:

- 1. Receipt of the communication from Kathryn Smyth, Clerk, Township of King, dated July 6, 2012; and**
- 2. Adoption of the recommendations contained in the following report dated August 24, 2012, from the Commissioner of Environmental Services.**

1. RECOMMENDATIONS

It is recommended that:

1. Council endorse transfer of the operation authority of the Proctor Road Pumping Station and associated discharge forcemain to the Township of King.
2. Council approve the request from Township of King for York Region to pay all utility costs associated with operation of the Proctor Road Pumping Station up to December 31, 2013, and inclusion of these utility costs in the 2013 operating budget.
3. Council endorse the release of all regional interest in the operation of Proctor Road Pumping Station and associated discharge forcemain including all conditions of Plan of Subdivision Approval for Plan of Subdivision 19T-98K01 pertaining to upgrades to Proctor Road Pumping Station as requested by the Township of King.
4. The Regional Clerk forward a copy of this report to the Clerk of Township of King.

2. PURPOSE

This report informs Council that the Township of King has agreed to assume full operation of the Proctor Road Pumping Station and associated discharge forcemain in Schomberg and recommend Council endorse the proposed transfer of operation authority to the Township.

3. BACKGROUND

Since construction, the Region has operated Proctor Road Pumping Station on behalf of the Township of King

The Schomberg community is serviced by two sewage pumping stations which convey flows to the Schomberg Water Pollution Control Plant.

The Dr. Kay Drive Pumping Station, located on the west side of Highway 27 (*see Attachment 1*) is the larger of the two. It is owned and operated by York Region and services the community core including residential and commercial areas in Schomberg.

The Proctor Road Pumping Station constructed and owned by the Township of King is located on the east side of Highway 27 and services the industrial land east of Highway 27. Since its commissioning in 1998, the facility has been operated by the Region, but the ownership remains with the Township of King.

In recent months, Region staff had been in discussion with Township of King staff on the jurisdictional issues of the Proctor Road Pumping Station. On July 9, 2012, Township of King Council adopted their June 25, 2012 Committee of the Whole report's recommendation to assume operation of the Proctor Road Pumping Station and associated discharge forcemain (*see Attachment 2*).

4. ANALYSIS AND OPTIONS

Proctor Road Pumping Station does not qualify as a Regional facility

Discussion with Township of King and Regional staff in the past few months have been focused on the eligibility of the Proctor Road Pumping Station as a Regional facility and the implication of jurisdictional issues on development approvals. Based on the Region's wastewater jurisdiction policy adopted in 2006 and the jurisdictional criteria guideline developed as part of the Region's 2009 Water and Wastewater Master Plan, Region staff advised Township of King that Proctor Road Pumping Station does not qualify as a Regional facility.

Under the 2006 policy, a pumping station must be "*of sufficient capacity to be considered Regional in the context of the community profile and the master plan*". Accordingly, Dr. Kay Drive Pumping Station, being the largest pumping station in the community and servicing the community core, meets the policy requirements and will remain as a Regional facility. Proctor Road Pumping Station, however, is a smaller station and its function is not considered to be "Regional" in the context of the community servicing. This approach to determine Regional jurisdiction is in line with the new Nobleton sanitary sewer system where the main pumping station is owned by the Region and other smaller pumping stations are owned by the Township of King.

Conditions in Township of King's subdivision agreement pertaining to Proctor Road Pumping Station are no longer required by the Region

As the current operating authority of the Proctor Road Pumping Station, the Region has a role in approving new development in Schomberg contingent on this facility. To this end, the Region's draft plan approval condition on DiPoce Industrial Subdivision (19T-98K01) required the owner to provide security to the Township of King to ensure that an engineering report be prepared to determine if upgrades are required to the Proctor Road Pumping Station and if so, implement the upgrades to the satisfaction of the Township and the Region. Township of King has in turn included a condition in their subdivision agreement requiring the owner to secure the full amount for both the study and the required upgrades to the pumping station.

Following the Township's assumption of the operation responsibility, the above condition and associated security would no longer be relevant to the Region. It is therefore recommended that Council endorse the request from the Township of King in their June 25, 2012 Committee of the Whole Report to release all regional conditions of plan of subdivision approval on DiPoce Industrial Subdivision (19T-98K01) with respect to Proctor Road Pumping Station Upgrades.

Region to continue to pay utility costs of Proctor Road Pumping Station up to end of 2013

In the June 25, 2012 Committee of the Whole Report, the Township of King requested the Region to continue paying utility costs associated with operation of the Proctor Road Pumping Station up to the end of 2013. This will enable the Township to recover the added cost with minimal impact on the Township's wastewater rate. The annual utility cost of the facility is approximately \$20,000.

The Region has been assisting the Township in operation of the facility and in the payment of utility costs since the facility was commissioned in 1998. This transitional financial arrangement will permit a smooth transfer of responsibility to the Township, and in turn allow the Region to divert resources to other Regional facilities in the long-term. It is therefore recommended that the Township's request be accepted and the Region continue to pay utility costs for Proctor Road Pumping Station up to the end of 2013.

Staff to assist Township in the assumption of operation

Following endorsement of this Report by Council, staff will work in collaboration with Township of King staff to carry out the transfer and provide the following as requested by the Township of King:

- Operations and Maintenance Manual and "as-built" drawings of Proctor Pumping Station and associated discharge forcemain

- Training to Township water works staff on facility operation
- Amended Environmental Compliance Approvals to reflect the ownership and operation by Township

Link to Key Council-approved Plans

The proposed transfer of operating and maintenance authority of Proctor Road Pumping Station and associated discharge forcemain to the Township of King is consistent with the 2011 to 2015 Regional Strategic Objective to continue to partner with all levels of government to facilitate delivery of environmentally – sustainable infrastructure.

5. FINANCIAL IMPLICATIONS

Operation cost of the pumping station will be included in the proposed 2013 operating budget

The estimated annual utility cost for the Proctor Road Pumping Station is approximately \$20,000 per year, and will be included in the proposed 2013 budget. No further cost will be budgeted beyond 2013.

6. LOCAL MUNICIPAL IMPACT

The utility cost of the Proctor Road Pumping Station up to the end of 2013 will be borne by the Region, which allows the Township of King to avoid fluctuation of wastewater rates. Regional staff is also committed to train and assist Township staff to operate the transferred facility. The sharing of experience between Regional and local municipal staff will ensure that the wastewater system is operated in the most efficient way.

7. CONCLUSION

It is recommended that Council endorse the proposed transfer of operation authority of the Proctor Road Pumping Station and associated discharge forcemain to Township of King. Following the transfer, the Region will continue to pay for utility costs of approximately \$20,000 per year up to the end of 2013.

For more information on this report, please contact Daniel Kostopoulos, Director, Capital Planning and Delivery, Environmental Services at 905-830-4444 Ext. 5070.

The Senior Management Group has reviewed this report.

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



TOWNSHIP OF KING

Municipal Offices
2075 King Road
King City, Ontario
L7B 1A1

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Fax: (905) 833-2300
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July 6, 2012

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



REGION OF YORK
CLERK'S OFFICE

FILE No. - P42

Dear Mr. Kelly,

**Re: Township of King
Engineering & Public Works Department Report No: EPW 2012-11
Re: Ownership and Transfer of Operations of the Proctor Road Pumping Station**

Please find enclosed for your information and file, an extract of the Committee of the Whole Meeting of June 25th, 2012 and Engineering & Public Works Department Report No: EPW 2012-11 regarding the ownership and transfer of operations of the Proctor Road Pumping Station to the Township of King.

Yours truly,

Kathryn Smyth
Clerk
Encls.

c.c. Rob Flindall, Director of Engineering and Operations
Jeff Schmidt, Director of Finance

TOWNSHIP OF KING

COMMITTEE OF THE WHOLE REPORT

The following item from the Committee of the Whole Report of June 25th, 2012 was adopted by Council at its meeting of June 25th 2012.

COPIES TO: FILE
ROB FLINDALL, JEFF SCHMIDT

C.O.W. #2012-140

Engineering and Public Works Department Report Number EPW 2012-11
Re: Ownership and Transfer of Operations of the Proctor Road Pumping Station

Committee considered Engineering and Public Works Department Report Number EPW 2012-11 to advise that the Township has received a request from the Regional Municipality of York Environmental Services Department for the Township to assume full operation of the Proctor Road Pumping Station in Schomberg.

Committee recommends that Engineering and Public Works Department Report Number EPW 2012-14 be received and the recommendations therein be approved, as follows:

- a) That Report EPW 2012-11 be received as information;
- b) That the Regional Municipality of York Environmental Services Department be advised that the Township of King will assume full operation of the Proctor Road Pumping Station and associated discharge forcemain, as requested, subject to the Region providing adequate training for Township Waterworks staff and a written Operations and Maintenance Manual prepared to the satisfaction of the Director of Engineering and Public Works, and a complete set of "as-built" drawings for the station and forcemain;
- c) That Regional Municipality of York take all necessary actions to amend all Certificate(s) of Approval issued by the Ministry of the Environment for operation of the pumping station and associated equipment to reflect the ownership and operation by Township;
- d) That the Regional Municipality of York be requested to pay for all utility costs associated with the operation of the Proctor Road pumping station up to December 31, 2013;

- e) That the Regional Municipality of York provide a written release of all interest in the ownership and operation of the pumping station and forcemain including the property, the structures, any equipment upgrades that may have been provided by the Region, and a written release of all conditions of Draft Plan of Subdivision Approval for Plan of Subdivision 19T-98K01 with respect to any upgrades, to the satisfaction of the Township solicitor;
- f) That a copy of this report be sent to the Clerk of the Regional Municipality of York.

KATHRYN SMYTH
CLERK

TOWNSHIP OF KING

DATE: June 25, 2012
TO: Committee of the Whole
FROM: Engineering & Public Works Department and Planning Department
SUBJECT: Engineering and Public Works Report Number EPW 2012-11
Ownership and Transfer of Operations of the Proctor Road Pumping Station,

1. RECOMMENDATIONS

The Engineering & Public Works Department and Planning Department respectfully submit the following recommendations:

- a) That Report EPW 2012-11 be received as information;
- b) That the Regional Municipality of York Environmental Services Department be advised that the Township of King will assume full operation of the Proctor Road Pumping Station and associated discharge forcemain, as requested, subject to the Region providing adequate training for Township Waterworks staff and a written Operations and Maintenance Manual prepared to the satisfaction of the Director of Engineering and Public Works, and a complete set of "as-built" drawings for the station and forcemain;
- c) That Regional Municipality of York take all necessary actions to amend all Certificate(s) of Approval issued by the Ministry of the Environment for operation of the pumping station and associated equipment to reflect the ownership and operation by Township;
- d) That the Regional Municipality of York be requested to pay for all utility costs associated with the operation of the Proctor Road pumping station up to December 31, 2013;
- e) That the Regional Municipality of York provide a written release of all interest in the ownership and operation of the pumping station and forcemain including the property, the structures, any equipment upgrades that may have been provided by the Region, and a written release of all conditions of Draft Plan of Subdivision Approval for Plan of Subdivision 19T-98K01 with respect to any upgrades, to the satisfaction of the Township solicitor;
- f) That a copy of this report be sent to the Clerk of the Regional Municipality of York.

2. PURPOSE

The purpose of this report is to advise Council that the Township has received a request from the Regional Municipality of York Environmental Services Department for the Township to assume full operation of the Proctor Road Pumping Station in Schomberg.

3. BACKGROUND & ANALYSIS

Existing Servicing Design and Approval

The Township of King constructed the municipal sewage collection system for the Schomberg industrial lands in 1998. Prior to that time the existing industrial lands east of Highway 27 were serviced by on-site septic systems. The municipal sewage collection system was designed to accommodate the Phase 2 expansion of the Proctor Industrial subdivision in order to permit the Showa Canada development. The collection system would also permit the servicing of other industrial development lands to the south of the Proctor Subdivision at a future date.

During the Environmental Assessment for the project it was determined that the preferred alternative (Option 2) for servicing the development was a gravity sewer system with a local pumping station east of Highway 27 discharging directly to the sewage treatment facility.

Two other alternatives were considered and determined to be less cost effective from the Township's perspective.

The first alternative was for the construction of a gravity sanitary sewer system which would discharge to the existing Region of York pumping station on Dr. Kay Drive. The Dr. Kay pumping station and forcemain were not sized for the additional flows from the industrial area and upgrades and reconstruction would have been required. This option was not considered further during the EA process.

The third alternative was for the construction of a low pressure sewer system requiring individual grinder pumps on each property. The operating cost of this system would largely be borne by the individual property owners. The net present value (NPV) over 60 years, including capital and operating costs of the two systems was generally equal between Option 2 and Option 3. This option was not considered further due to the additional burden to maintain the grinder pumps that would be placed on the private owners, the uncertainty over long term operational costs assumed in the NPV analysis, and the reduced flexibility for future servicing.

Following construction of the Proctor Road pumping station, the Regional Municipality of York assumed operation of the station as per the Regional Policy at that time.

Regional Wastewater Infrastructure Policy - 1999

On September 9, 1999, Regional Council passed a resolution in regard to the establishment of a Regional policy for determining the jurisdiction of trunk sewers, pumping stations and forcemains. The policy stated that:

1. Any proposed trunk sanitary sewer within the York Durham Sewer System (YDSS) service area that meets the following criteria be considered Regional:

- *Has a minimum diameter of 450 mm and a minimum length of 1 kilometre and is planned to provide servicing to a minimum population of 10,000 and, preferably, has no service connections (to private property) along its length; or*
- *Provides service to more than one local municipality.*

2. Regional sewage works outside of the YDSS service area continue to be defined as:

- *All sewage treatment works; _ The portion of a trunk sewer terminating at a sewage treatment facility that is free of any further local municipal or private connections; and*
- *A pumping station and forcemain that discharges directly to the sewage treatment works.*

The Proctor Road sewage pumping station is outside of the York Durham Sewer System (YDSS), and according to the policy in place at that time, it was considered a facility because discharges directly to a sewage treatment facility. The Township did not however, transfer ownership of the property to the Region.

Regional jurisdiction as set out under Section 11 of The Municipal Act, 2001 indicates that York Region and the lower-tier municipalities must mutually agree before any transfer of sewage treatment or sewage collection infrastructure occurs. The Municipal Act does not give guidance on what constitutes Regional wastewater infrastructure. It is therefore important for the Region and local municipalities to have criteria in place defining the jurisdiction of wastewater infrastructure.

Regional Wastewater Infrastructure Policy - 2006

The Regional Municipality of York updated the Policy to Define Regional Wastewater Infrastructure at the Regional Council Meeting of September 21, 2006. The new policy introduced the requirement to resolve Regional servicing and jurisdictional issues through the Master Planning process and discourages decision making outside of the Master Plan process. The following are the key aspects of the Policy as they relate to pumping stations and forcemains.

General Infrastructure Jurisdictional Criteria

Jurisdictional criteria as outlined in this policy are intended to provide guidance in identifying Regional infrastructure. Application of these criteria shall be governed by the following:

- 1. The spheres of jurisdiction set out under Section 11 of the Municipal Act, 2001.*
- 2. Occur primarily through the master planning process which is updated on a five year cycle.*
- 3. Results in reducing fragmentation of the Regional system while not adversely affecting the local municipal wastewater system.*
- 4. Applied with due consideration to the Regional context of the serviced area and overall servicing scheme as defined by the master plan. They are not to be applied independently of 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:

- 2. Pumping of wastewater either;*
 - a. directly to a treatment facility; or*
 - b. to a Regional system and which is of sufficient capacity to be considered regional in the context of the community profile and the master plan.*

Infrastructure that meets this criteria but that is not currently identified in the master plan will be reviewed during the periodic master plan updates to ensure appropriate Regional context is considered in the decision making process.

Decision Making Process

The criteria established for this policy have considered these perspectives and the decision making process is based on the following guidelines:

- a. Regional servicing and jurisdictional issues shall be resolved through the master planning process.*
- b. Criteria shall be applied to each municipality on a consistent basis considering their local conditions and how these conditions are addressed in the master plan.*
- c. The criteria are to form the basis of the decision making process during the master planning process with specific conditions being addressed through sound master planning principles and within the appropriate Regional servicing context.*
- d. Application of the criteria shall only occur in the context of the master plan and cannot be applied independently.*
- e. Considerations for jurisdictional changes may occur outside the master planning process if necessary, but must consider the master plan approach. Decisions made outside the master plan process must be reviewed during the next update and may be adjusted if warranted.*

In practicing the application of this policy, deviations to the criteria may be considered provided it is warranted and it is in alignment with the overriding servicing objectives of the master plan.

From the Regional perspective, it is important to consider jurisdictional issues as to how they relate to the overall system and its operations. Some of the considerations include:

- a. Level of fragmentation and compliance with the master plan
- b. Inter-municipal services
- c. Community size
- d. Relative size of local system versus the regional system

From the local municipal perspective, considerations can be much more varied depending on community size, and geographic location relative to other communities and regional service.

Regional Wastewater Infrastructure Policy - 2009

Region's Water and Wastewater Master Plan revised the 2006 criteria for determining jurisdictional responsibilities specifically as they relate to wastewater pumping facilities. The Region removed the criteria of pumping stations that pump "a directly to the treatment facility" since they determined that there are situations where pumping facilities are too small to be considered Regional in the context of the community profile and the Master Plan.

Current Ownership Status

The Township of King is the registered owner of the lands on which the pumping station sits. These lands were transferred to Township from Showa Canada Inc.

The original Ministry of the Environment Certificate of Approval for the pumping station was issued to the Township as the Owner of facility. In 2004 the Region applied to the MOE for an amendment to the CofA to permit various upgrades to the station, including installation of a Supervisory, Control and Data Acquisition (SCADA) system. The amended CofA was issued by the MOE and identifies the Regional Municipality of York as the Owner of the facility.

Township Staff have Reviewed Regional Policy

Region staff have indicated that the 2006 Regional Wastewater Infrastructure Policy Criteria specifically related to direct discharge of pumping stations to treatment facilities no longer applies following adoption of the 2009 Master Plan by Regional Council. Instead, the capacity of the pumping station in question must be assessed in terms of being "*of sufficient capacity to be considered regional the context of the community profile and the master plan.*"

Township Staff have reviewed the Region's policy in detail with senior Regional staff. There is general agreement between staff that the Proctor Road Pumping Station is small relative to most other Regional facilities and infrastructure within the Township, and would not be considered a Region of York facility.

While it would be more appropriate to formalize the transfer through the next Master Plan update, as per the Region's policy, the issue of ownership of the station has implications for development approvals within the DiPoce Industrial Subdivision.

Implications for the Servicing – DiPoce Industrial Subdivision 19T-98K01

The DiPoce Subdivision Agreement contains the following condition:

3.6 Prior to final approval, the Owner shall submit a Letter of Credit to the Township of King in the amount of \$250,000 to secure the preparation of an engineering report by the Owner identifying the required upgrades to the Proctor Pumping Station to the satisfaction of the Regional Infrastructure Planning Branch and the Township of King Director of Engineering and Public Works. The report shall also include a sanitary drainage area plan and will demonstrate how the sanitary flow from this development will be accommodated, all to the satisfaction of the Regional Infrastructure Planning Branch and the Township of King Director of Engineering and Public Works. If the Letter of Credit is not sufficient to secure the report and the undertaking and implementation of the Proctor Pumping Station upgrades, as identified in the approved report, the Owner shall forthwith provide a further Letter of Credit to secure 100% of the identified and approved cost estimates for the upgrades, including the cost of any required Environmental Assessment.

The Township of King and the Regional Municipality of York have received and commented on the first submission draft of the required Sanitary Pumping Station Design Brief. Several outstanding issues remain to be resolved including the cost of the necessary facility improvements, and as such the Condition has not been cleared by the Region or the Township.

Until such time as the design report is finalized and appropriate securities are provided for the pumping station upgrades by DiPoce Management, Site Plan Approval and Building Permits cannot be released within the subdivision. This process can be facilitated if the Township assumes ownership and operation of the pumping station, and the Region releases their conditions in the Subdivision Agreement related to the pumping station design.

4. FINANCIAL IMPLICATIONS

The Regional Municipality of York Environmental Services Department has estimated that their annual operating costs for the Proctor Road Pumping Station are \$40,000/year, including staff wages and benefits, but excluding one-time repair cost and non-staff related overhead costs (vehicle usage, tools and equipment). Required staff time related to the operations and maintenance of the station is approximately 442 hours per year or 0.25 Full-Time Equivalent (FTEs).

In 2012 the estimate revenue from wastewater (sewer) rates across the entire Township is \$1,003,756 based on the anticipated metered usage of 665,193 cubic metres and the current rate of \$0.98/cubic metre, along with the base charge of \$44.16 per quarter for each account.

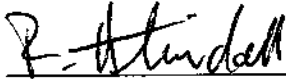
In order to accommodate the additional costs of \$40,000/year the current wastewater (sewer) rate would have to increase by \$0.061/cubic metre. If staff time is excluded (assuming existing staff resources can be re-deployed at no added cost), the base operating costs for utilities and contracted services is approximately \$18,000/year resulting in a rate increase requirement of \$0.0276/cubic metre. However, since the wastewater revenue also includes the quarterly base charge, the Township will only require 102 additional new accounts to be added in the next year to recover the added operating cost (exclusive of staff time) with no impact on the consumption rate.

Township staff recommend that the Region be requested to continue to pay the utility costs for the Proctor Road pumping station until December 31, 2013 which will permit the Township one additional year to absorb the additional costs into the operating budget for Water and Wastewater.

ATTACHMENTS

Attachment 1 – Letter From Daniel Kostopolous

Prepared and Submitted by:



Robert Flindall, P.Eng.

Director, Engineering and Public Works



Environmental Services

April 11, 2012

Mr. Robert Flindall, P. Eng.
Director Engineering and Public Works
Township of King
2075 King Road
King City, ON L7B 1A1

Dear Mr. Flindall:

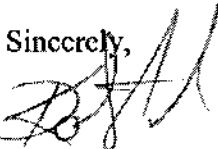
**Re: Operating and Maintenance Authority Transfer
Proctor Sewage Pumping Station, Schomberg
Township of King
Our File No.: W01, AJ007**

Further to the meeting dated March 21, 2012, this is to confirm our verbal agreement to transfer the operating and maintenance responsibilities of Proctor Sewage Pumping Station and associated Forcemain from York Region to the Township of King. To process the transfer, we require reciprocal confirmation in writing of your intent to take over the facility.

Please advise us when you will report to the Township of King Council on this matter, once a date has been set.

We look forward to working with you to ensure that this transfer occurs in a coordinated and timely manner.

Sincerely,

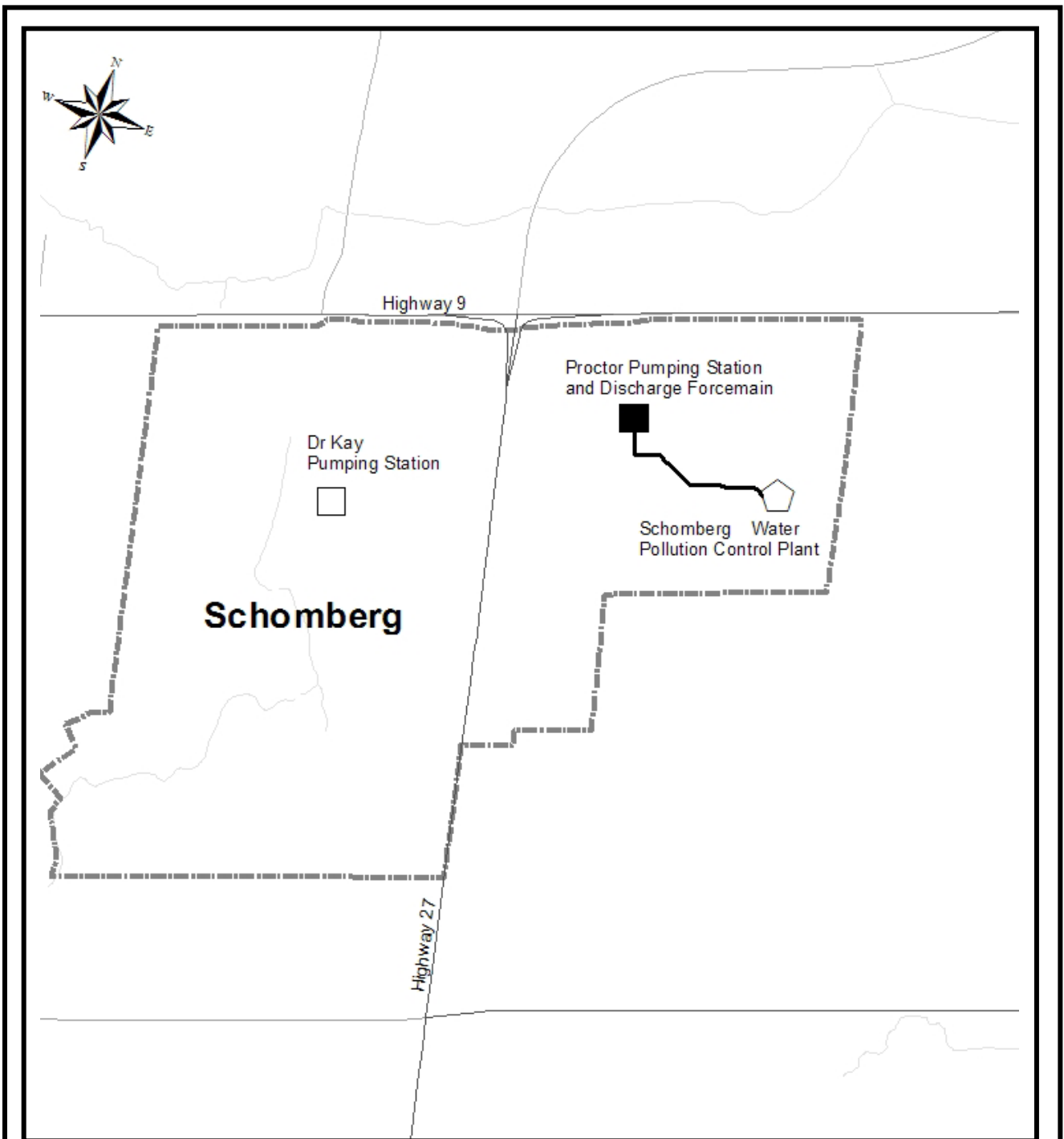


Daniel Kostopoulos, P. Eng.
Director, Capital Planning and Delivery

SF/LA/se

Copy to: Erin Mahoney, Commissioner of Environmental Services, York Region
Brett Bloxam, Director, Operations, Maintenance and Monitoring, Environmental Services, York Region
Heather Konefat, Director, Community Planning, Transportation and Community Planning, York Region
Dave Rupke, Manager Operations, Maintenance, Environmental Services, York Region
Stephen Fung, Manager, Capital Planning and Engineering, Environmental Services, York Region
Joshua Scholten, Manager Infrastructure and Business Management, Environmental Services, York Region
Jonathan P'ng, Senior Project Manager, Environmental Services, York Region
Jody Laplante, Director of Operations, Township of King
Stephen Kitchen, Director of Planning, Township of King

YORK-# 4131355



Transfer of Operation Authority of Proctor Road Pumping Station
and Associated Discharge Forcemain to the Township of King



ENVIRONMENTAL SERVICES

York-# 4345935

TOWNSHIP OF KING

DATE: June 25, 2012

TO: Committee of the Whole

FROM: Engineering & Public Works Department and Planning Department

SUBJECT: Engineering and Public Works Report Number EPW 2012-11
Ownership and Transfer of Operations of the Proctor Road Pumping Station,

1. RECOMMENDATIONS

The Engineering & Public Works Department and Planning Department respectfully submit the following recommendations:

- a) That Report EPW 2012-11 be received as information;
- b) That the Regional Municipality of York Environmental Services Department be advised that the Township of King will assume full operation of the Proctor Road Pumping Station and associated discharge forcemain, as requested, subject to the Region providing adequate training for Township Waterworks staff and a written Operations and Maintenance Manual prepared to the satisfaction of the Director of Engineering and Public Works, and a complete set of "as-built" drawings for the station and forcemain;
- c) That Regional Municipality of York take all necessary actions to amend all Certificate(s) of Approval issued by the Ministry of the Environment for operation of the pumping station and associated equipment to reflect the ownership and operation by Township;
- d) That the Regional Municipality of York be requested to pay for all utility costs associated with the operation of the Proctor Road pumping station up to December 31, 2013;
- e) That the Regional Municipality of York provide a written release of all interest in the ownership and operation of the pumping station and forcemain including the property, the structures, any equipment upgrades that may have been provided by the Region, and a written release of all conditions of Draft Plan of Subdivision Approval for Plan of Subdivision 19T-98K01 with respect to any upgrades, to the satisfaction of the Township solicitor;
- f) That a copy of this report be sent to the Clerk of the Regional Municipality of York.

2. PURPOSE

The purpose of this report is to advise Council that the Township has received a request from the Regional Municipality of York Environmental Services Department for the Township to assume full operation of the Proctor Road Pumping Station in Schomberg.

3. BACKGROUND & ANALYSIS

Existing Servicing Design and Approval

The Township of King constructed the municipal sewage collection system for the Schomberg industrial lands in 1998. Prior to that time the existing industrial lands east of Highway 27 were serviced by on-site septic systems. The municipal sewage collection system was designed to accommodate the Phase 2 expansion of the Proctor Industrial subdivision in order to permit the Showa Canada development. The collection system would also permit the servicing of other industrial development lands to the south of the Proctor Subdivision at a future date.

During the Environmental Assessment for the project it was determined that the preferred alternative (Option 2) for servicing the development was a gravity sewer system with a local pumping station east of Highway 27 discharging directly to the sewage treatment facility.

Two other alternatives were considered and determined to be less cost effective from the Township's perspective.

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Following construction of the Proctor Road pumping station, the Regional Municipality of York assumed operation of the station as per the Regional Policy at that time.

Regional Wastewater Infrastructure Policy - 1999

On September 9, 1999, Regional Council passed a resolution in regard to the establishment of a Regional policy for determining the jurisdiction of trunk sewers, pumping stations and forcemains. The policy stated that:

- 1. Any proposed trunk sanitary sewer within the York Durham Sewer System (YDSS) service area that meets the following criteria be considered Regional:*
 - *Has a minimum diameter of 450 mm and a minimum length of 1 kilometre and is planned to provide servicing to a minimum population of 10,000 and, preferably, has no service connections (to private property) along its length; or*
 - *Provides service to more than one local municipality.*
- 2. Regional sewage works outside of the YDSS service area continue to be defined as:*
 - *All sewage treatment works; _ The portion of a trunk sewer terminating at a sewage treatment facility that is free of any further local municipal or private connections; and*
 - *A pumping station and forcemain that discharges directly to the sewage treatment works.*

The Proctor Road sewage pumping station is outside of the York Durham Sewer System (YDSS), and according to the policy in place at that time, it was considered a facility because discharges directly to a sewage treatment facility. The Township did not however, transfer ownership of the property to the Region.

Regional jurisdiction as set out under Section 11 of The Municipal Act, 2001 indicates that York Region and the lower-tier municipalities must mutually agree before any transfer of sewage treatment or sewage collection infrastructure occurs. The Municipal Act does not give guidance on what constitutes Regional wastewater infrastructure. It is therefore important for the Region and local municipalities to have criteria in place defining the jurisdiction of wastewater infrastructure.

Regional Wastewater Infrastructure Policy - 2006

The Regional Municipality of York updated the Policy to Define Regional Wastewater Infrastructure at the Regional Council Meeting of September 21, 2006. The new policy introduced the requirement to resolve Regional servicing and jurisdictional issues through the Master Planning process and discourages decision making outside of the Master Plan process. The following are the key aspects of the Policy as they relate to pumping stations and forcemains.

General Infrastructure Jurisdictional Criteria

Jurisdictional criteria as outlined in this policy are intended to provide guidance in identifying Regional infrastructure. Application of these criteria shall be governed by the following:

- 1. The spheres of jurisdiction set out under Section 11 of the Municipal Act, 2001.*
- 2. Occur primarily through the master planning process which is updated on a five year cycle.*
- 3. Results in reducing fragmentation of the Regional system while not adversely affecting the local municipal wastewater system.*
- 4. Applied with due consideration to the Regional context of the serviced area and overall servicing scheme as defined by the master plan. They are not to be applied independently of 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:

- 2. Pumping of wastewater either;*
 - a. directly to a treatment facility; or*
 - b. to a Regional system and which is of sufficient capacity to be considered regional in the context of the community profile and the master plan.*

Infrastructure that meets this criteria but that is not currently identified in the master plan will be reviewed during the periodic master plan updates to ensure appropriate Regional context is considered in the decision making process.

Decision Making Process

The criteria established for this policy have considered these perspectives and the decision making process is based on the following guidelines:

- a. Regional servicing and jurisdictional issues shall be resolved through the master planning process.*
- b. Criteria shall be applied to each municipality on a consistent basis considering their local conditions and how these conditions are addressed in the master plan.*
- c. The criteria are to form the basis of the decision making process during the master planning process with specific conditions being addressed through sound master planning principles and within the appropriate Regional servicing context.*
- d. Application of the criteria shall only occur in the context of the master plan and cannot be applied independently.*
- e. Considerations for jurisdictional changes may occur outside the master planning process if necessary, but must consider the master plan approach. Decisions made outside the master plan process must be reviewed during the next update and may be adjusted if warranted.*

In practicing the application of this policy, deviations to the criteria may be considered provided it is warranted and it is in alignment with the overriding servicing objectives of the master plan.

From the Regional perspective, it is important to consider jurisdictional issues as to how they relate to the overall system and its operations. Some of the considerations include:

- a. Level of fragmentation and compliance with the master plan
- b. Inter-municipal services
- c. Community size
- d. Relative size of local system versus the regional system

From the local municipal perspective, considerations can be much more varied depending on community size, and geographic location relative to other communities and regional service.

Regional Wastewater Infrastructure Policy - 2009

Region's Water and Wastewater Master Plan revised the 2006 criteria for determining jurisdictional responsibilities specifically as they relate to wastewater pumping facilities. The Region removed the criteria of pumping stations that pump "a directly to the treatment facility" since they determined that there are situations where pumping facilities are too small to be considered Regional in the context of the community profile and the Master Plan.

Current Ownership Status

The Township of King is the registered owner of the lands on which the pumping station sits. These lands were transferred to Township from Showa Canada Inc.

The original Ministry of the Environment Certificate of Approval for the pumping station was issued to the Township as the Owner of facility. In 2004 the Region applied to the MOE for an amendment to the CofA to permit various upgrades to the station, including installation of a Supervisory, Control and Data Acquisition (SCADA) system. The amended CofA was issued by the MOE and identifies the Regional Municipality of York as the Owner of the facility.

Township Staff have Reviewed Regional Policy

Region staff have indicated that the 2006 Regional Wastewater Infrastructure Policy Criteria specifically related to direct discharge of pumping stations to treatment facilities no longer applies following adoption of the 2009 Master Plan by Regional Council. Instead, the capacity of the pumping station in question must be assessed in terms of being "*of sufficient capacity to be considered regional the context of the community profile and the master plan.*"

Township Staff have reviewed the Region's policy in detail with senior Regional staff. There is general agreement between staff that the Proctor Road Pumping Station is small relative to most other Regional facilities and infrastructure within the Township, and would not be considered a Region of York facility.

While it would be more appropriate to formalize the transfer through the next Master Plan update, as per the Region's policy, the issue of ownership of the station has implications for development approvals within the DiPoce Industrial Subdivision.

Implications for the Servicing – DiPoce Industrial Subdivision 19T-98K01

The DiPoce Subdivision Agreement contains the following condition:

3.6 Prior to final approval, the Owner shall submit a Letter of Credit to the Township of King in the amount of \$250,000 to secure the preparation of an engineering report by the Owner identifying the required upgrades to the Proctor Pumping Station to the satisfaction of the Regional Infrastructure Planning Branch and the Township of King Director of Engineering and Public Works. The report shall also include a sanitary drainage area plan and will demonstrate how the sanitary flow from this development will be accommodated, all to the satisfaction of the Regional Infrastructure Planning Branch and the Township of King Director of Engineering and Public Works. If the Letter of Credit is not sufficient to secure the report and the undertaking and implementation of the Proctor Pumping Station upgrades, as identified in the approved report, the Owner shall forthwith provide a further Letter of Credit to secure 100% of the identified and approved cost estimates for the upgrades, including the cost of any required Environmental Assessment.

The Township of King and the Regional Municipality of York have received and commented on the first submission draft of the required Sanitary Pumping Station Design Brief. Several outstanding issues remain to be resolved including the cost of the necessary facility improvements, and as such the Condition has not been cleared by the Region or the Township.

Until such time as the design report is finalized and appropriate securities are provided for the pumping station upgrades by DiPoce Management, Site Plan Approval and Building Permits cannot be released within the subdivision. This process can be facilitated if the Township assumes ownership and operation of the pumping station, and the Region releases their conditions in the Subdivision Agreement related to the pumping station design.

4. FINANCIAL IMPLICATIONS

The Regional Municipality of York Environmental Services Department has estimated that their annual operating costs for the Proctor Road Pumping Station are \$40,000/year, including staff wages and benefits, but excluding one-time repair cost and non-staff related overhead costs (vehicle usage, tools and equipment). Required staff time related to the operations and maintenance of the station is approximately 442 hours per year or 0.25 Full-Time Equivalent (FTEs).

In 2012 the estimate revenue from wastewater (sewer) rates across the entire Township is \$1,003,756 based on the anticipated metered usage of 665,193 cubic metres and the current rate of \$0.98/cubic metre, along with the base charge of \$44.16 per quarter for each account.

In order to accommodate the additional costs of \$40,000/year the current wastewater (sewer) rate would have to increase by \$0.061/cubic metre. If staff time is excluded (assuming existing staff resources can be re-deployed at no added cost), the base operating costs for utilities and contracted services is approximately \$18,000/year resulting in a rate increase requirement of \$0.0276/cubic metre. However, since the wastewater revenue also includes the quarterly base charge, the Township will only require 102 additional new accounts to be added in the next year to recover the added operating cost (exclusive of staff time) with no impact on the consumption rate.

Township staff recommend that the Region be requested to continue to pay the utility costs for the Proctor Road pumping station until December 31, 2013 which will permit the Township one additional year to absorb the additional costs into the operating budget for Water and Wastewater.

ATTACHMENTS

Attachment 1 – Letter From Daniel Kostopolous

Prepared and Submitted by:



Robert Flindall, P.Eng.

Director, Engineering and Public Works



Environmental Services

April 11, 2012

Mr. Robert Flindall, P. Eng.
Director Engineering and Public Works
Township of King
2075 King Road
King City, ON L7B 1A1

Dear Mr. Flindall:

**Re: Operating and Maintenance Authority Transfer
Proctor Sewage Pumping Station, Schomberg
Township of King
Our File No.: W01, AJ007**

Further to the meeting dated March 21, 2012, this is to confirm our verbal agreement to transfer the operating and maintenance responsibilities of Proctor Sewage Pumping Station and associated Forccmain from York Region to the Township of King. To process the transfer, we require reciprocal confirmation in writing of your intent to take over the facility.

Please advise us when you will report to the Township of King Council on this matter, once a date has been set.

We look forward to working with you to ensure that this transfer occurs in a coordinated and timely manner.

Sincerely,

Daniel Kostopoulos, P. Eng.
Director, Capital Planning and Delivery

SF/LA/sc

Copy to: Erin Mahoney, Commissioner of Environmental Services, York Region
Brett Bloxam, Director, Operations, Maintenance and Monitoring, Environmental Services, York Region
Heather Konefat, Director, Community Planning, Transportation and Community Planning, York Region
Dave Rupke, Manager Operations, Maintenance, Environmental Services, York Region
Stephen Fung, Manager, Capital Planning and Engineering, Environmental Services, York Region
Joshua Scholten, Manager Infrastructure and Business Management, Environmental Services, York Region
Jonathan P'ng, Senior Project Manager, Environmental Services, York Region
Jody Laplante, Director of Operations, Township of King
Stephen Kitchen, Director of Planning, Township of King

YORK-# 4131355

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