

Committee of the Whole (1) Report

DATE: Tuesday, June 09, 2020

WARD(S): ALL

**TITLE: AUTHORITY TO EXECUTE A WATER AND WASTEWATER
ASSET OWNERSHIP AGREEMENT WITH YORK REGION**

FROM:

Zoran Postic, Deputy City Manager, Public Works

Nick Spensieri, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

To request Council approval to execute the Water and Wastewater Infrastructure Asset Ownership Agreement with York Region. The Agreement will formalize asset ownership boundaries, establish requirements for asset transfers and provide both parties with access to land associated with water and wastewater infrastructure.

Report Highlights

- The City and York Region share responsibility for operation and maintenance of infrastructure providing water and wastewater services to the City's citizens and businesses.
- Execution of a Water and Wastewater Asset Ownership Agreement will define jurisdictional boundaries to guide future asset management, operation, maintenance and regulatory responsibilities

Recommendations

1. That the Director of Environmental Services, be authorized to execute the attached Water and Wastewater infrastructure Asset Ownership Agreement with York Region on behalf of the City.

Background

York Region and the City share responsibility to provide safe drinking water and the collection of wastewater

The City provides direct water and wastewater services to the City's citizens and businesses through more than 95,000 connections and their associated retail accounts. Conversely, the Region acts as a service wholesaler, providing water to the City and collecting wastewater from the City's network of sanitary sewers and pumping stations.

Regional water treatment facilities produce and trunk watermains deliver water to the City's extensive watermain network, similarly, collecting and conveying wastewater to the Region's treatment facilities, safely treating wastewater generated within the City before being discharged to the environment.

City and Regional staff work closely to provide seamless water and wastewater services

Given the inter-dependencies, staff from both the Region and the City work closely to ensure continuous delivery of water (from lake to tap) and safe disposal of wastewater (from drain to lake). Providing these critical services, close coordination between City staff and Regional staff regarding the assets delivering these services is required. These close linkages take the form of formal quarterly meetings, troubleshooting water or wastewater issues and ongoing communication of operational information, demands and challenges, providing citizens and businesses seamless water and wastewater services.

Legislation defines jurisdiction over water and wastewater infrastructure

The Region has exclusive jurisdiction over water production, treatment and storage and shared jurisdiction over the collection of sanitary sewage, sewage treatment and water distribution. This is defined in the *Municipal Act, 2001*.

Regional water infrastructure provides treatment, supply, bulk transmission and metering of drinking water to local municipalities and its wastewater infrastructure collects and transmits wastewater from local municipalities (forcemains, pumping stations) to a treatment facility, treating it before being discharged to the natural environment.

Under the Act, and for further clarity, the Region may only distribute drinking water to local municipalities who in turn distribute to citizens and businesses.

Well-defined infrastructure boundaries can make field operations more efficient

For services which, the City and the Region share jurisdiction, it is beneficial to define inter-jurisdictional boundaries, for clarity of operation, maintenance and regulatory responsibility. The All-pipes model, a water/wastewater utility dataset leveraging GIS information developed by York region and its nine local municipalities, will continue to be leveraged for easier identification of asset ownership.

Previous Reports/Authority

[Regional Water and Wastewater Regional Infrastructure Policy Update, Nov 7, 2019](#)

Analysis and Options

Assigning clear ownership of water and wastewater infrastructure assets is beneficial to both parties

The City and the Region own and operate physical assets to deliver water and wastewater services to the City's citizens and businesses.

The City's asset management plan is founded on a full inventory of its assets and guides infrastructure investment over their respective life cycles. The asset management plan identifies required investment in infrastructure and contribution to reserves ensure that the assets continue to provide the critical services that the City's citizens and businesses need.

By clearly identifying asset ownership and delineation between jurisdictions, both the City and Region can ensure that their respective asset management strategies have incorporated all of their respective assets and obligations. Enabling both parties to efficiently manage, operate, maintain, monitor, plan and construct water and wastewater infrastructure to ensure continued compliance with legislative and regulatory requirements.

The agreement includes a protocol for transferring assets, should they fall outside the defined jurisdiction for either party

The agreement acknowledges the City has title and ownership to City assets and the Region has title and ownership for its assets.

On the rare occasion where the Region owns an asset that provides a Local function or vice versa, the agreement includes a protocol to consider transferring assets to the most appropriate party. For example, a City watermain that provides water service to another local municipality may be considered for asset transfer, since water supply and distribution to local municipalities is the exclusive jurisdiction of the Region.

Investigation, including a review of all records for the asset being considered for transfer will be completed and will include condition assessments, prior to consideration of transfer.

Since each situation is different, the protocol requires that both parties agree to the terms and conditions of a transfer and neither party shall unilaterally cause the transfer. Any water or wastewater assets transferred in or out of the City will be updated within the asset inventory. An update on transferred assets will be noted within the Drinking Water Quality Management System (DWQMS) Operational Top Management Review which is provided to Council annually.

Financial Impact

Assets are transferred on an as-is, where-is, basis at costs agreed to by both parties

Amounts to be paid for the transfer of assets, if any, must be agreed to by both parties. Although asset transfers are not likely to result in additional up-front cost to the party receiving the asset, it is expected that maintenance costs associated with on-going ownership of assets will need to be considered in future budgets of the new asset owner.

In the case of the City, where required, funding to support any incremental maintenance and operational costs will be considered with the annual water and wastewater budget.

Broader Regional Impacts/Considerations

All nine local municipalities within York Region are at various stages of executing Water and Wastewater Infrastructure Asset Agreements and it is anticipated that all local municipalities are likely to have their respective agreements executed in 2020.

Conclusion

Executing the Water and Wastewater Infrastructure asset ownership agreement with the Region will allow the City to efficiently manage, operate, maintain, monitor, plan and construct water and wastewater infrastructure to meet legislative and regulatory requirements.

The agreement will provide clarity for asset management planning for these essential assets now and into the future.

For more information, please contact James Steele, Director of Environmental Services, x6116 or Vince Musacchio, Director of Infrastructure Planning and Corporate Asset Management, x8311

Attachments

1. Water and Wastewater Asset Ownership Agreement

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