



Report to: General Committee

Meeting Date: July 6, 2020

SUBJECT: Water and Wastewater Asset Ownership Agreement
PREPARED BY: Eddy Wu, ext. 2445

RECOMMENDATION:

- 1) That the report “Water and Wastewater Asset Ownership Agreement” be received; and,
- 2) That the Mayor and Clerk be authorized to execute an agreement between the City and The Regional Municipality of York (the “Region”) to govern the ownership of water and wastewater assets as described in this report, provided that the form of such agreement is satisfactory to the Commissioner of Community & Fire Services and the City Solicitor; and,
- 3) That the Director of Environmental Services be authorized to accept the conveyance and to convey ownership of minor water and wastewater assets to and from the Region to the satisfaction of the Director of Environmental Services; and further,
- 4) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Not applicable

PURPOSE:

The purpose of this report is to request authority from Council:

- (a) for the Mayor and Clerk to execute an agreement between the City and the Region to govern the ownership of Regional and City water and wastewater infrastructure (the “**Water and Wastewater Asset Agreement**”); and
- (b) to delegate to the Director of Environmental Services the authority to accept the conveyance and to convey ownership of minor water and wastewater assets to and from the Region pursuant to the terms of the Water and Wastewater Asset Agreement.

The Water and Wastewater Asset Agreement will establish the following:

- (a) The process for delineating the ownership boundary between Regional and City water and wastewater infrastructure;
- (b) the requirements for the transfer of asset ownership; and
- (c) access rights over Regional Water and Wastewater Infrastructure and local water and wastewater infrastructure.

BACKGROUND:

Water / Wastewater linear infrastructure within the Regional Municipality of York are separated into two (2) tiers. The Region is responsible for the supply, treatment, transmission, and storage of water within its respective municipal boundaries, while the Local Area Municipality (LAM) is responsible for the distribution of this treated water to its municipal drinking water system users. The City's water and wastewater systems are interconnected to the Region's water and wastewater systems at different locations within the City's boundaries. Ownership of these water and wastewater systems between the City and the Region is uncertain in some locations. Due to number of uncertainties, staff at the Region and the City have reached an agreement on the terms of a Water and Wastewater Asset Agreement to govern the following:

- (a) the process for delineating the ownership boundary between Regional and City water and wastewater infrastructure;
- (b) the requirements for the transfer of asset ownership; and
- (c) access rights over Regional Water and Wastewater Infrastructure and local water and wastewater infrastructure.

OPTIONS/ DISCUSSION:

1. Process to delineate ownership

Regional and the City's Environmental Services staff have established criteria for determining where and how the ownership of assets should be demarcated.

For the water system, the delineation point is on the watermain coming out from the Regional water chamber, about one meter outside of the chamber wall. For the wastewater system, the delineation point is at the outside wall of the Regional manhole where the City's sewer connects to.

Staff is in the process of evaluating each location where Region and City assets are connected. At the writing of the report staff has reviewed 36 of the 113 identified water connections, and 62 of the 143 identified wastewater connections.

Once the demarcation of ownership is agreed upon for each location, staff at the City and the Region will both sign the connection location drawings. All the signed drawings will be maintained by the Region and accessible through the Region and the City's GIS system. This will allow staff to have the information available immediately in order to manage issues as they arise.

2. Requirements for transfer of asset ownership

Proposed Minor Transfers for locations completed from the Demarcation Exercise:

From the delineate ownership exercise completed to date, there are number of assets currently owned by the Region that should be owned by the City and vice versa. Staff recommend that the ownership of these assets be transferred at this time.

The assets proposed to be transferred are minor in nature and include for example small sections of pipe or a sanitary manhole. They do not comprise the entire water chamber or a length of watermain. The proposed transfer of assets would have little impact on the overall number of City's assets.

For the confirmed locations that require transfer, staff has conducted the field inspection at each of the demarcation point to ensure the asset are in acceptable condition. As a result, there will not be any net financial impact associated with the proposed exchange of assets.

Staff recommends that the Director of Environmental Services be authorized to accept the conveyance and to convey ownership of minor water and wastewater assets to and from the Region based on the outcomes of the demarcation exercise which is a technical process.

Future Transfers Outside of Demarcation Exercise:

A list of future asset transfers outside of this immediate demarcation exercise has been proposed that comprise mostly of Regional assets. They comprise of assets that the Region no longer wants to maintain due to changes in their water and/or wastewater systems but would be beneficial to the City if the City assumed ownership. These assets are larger in scale than the minor assets proposed to be transferred as part of the demarcation exercise. An example of such larger scale asset transfer is the Peter Street watermain ownership transfer that took place in 2019.

For future transfers of Regional asset to City, staff will assess whether there is a benefit to the City of assuming ownership of assets from the Region on a case-by-case basis. Staff will assess:

- If the asset is needed
- If there are value added
- Financial analysis (operations and maintenance, life cycle impact)

If the transfer is deemed warranted and beneficial, City/Region staff will be seek approval from respective Councils to complete the asset transfer.

3. Access Rights

The Region and the City will both need to enter on to each other's property to conduct work on their water and wastewater assets. Such work includes capital rehabilitation or emergency responses and repairs.

The proposed Water and Wastewater Asset Agreement include terms and conditions governing access to City-owned and Region-owned property to conduct work.

FINANCIAL CONSIDERATIONS

There is no financial implication for the minor asset transfers proposed to be conducted as part of the demarcation exercise. The future larger scale asset transfers proposed to be conducted outside of the demarcation exercise will be evaluated on an individual basis. A full financial analysis will be conducted to assess the financial impact to the City prior to such transfer.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

A clearer demarcation of ownership of Regional and City assets will improve the level of municipal service being provided by staff. It will eliminate the confusion between the two parties so that the responsible party can promptly respond to issues that arise.

BUSINESS UNITS CONSULTED AND AFFECTED:

The Legal Services Department has reviewed this report and their comments have been incorporated.

RECOMMENDED BY:

Phoebe Fu, P.Eng.
Director, Environmental Services

Brenda Librecz
Commissioner, Community and Fire
Services

ATTACHMENTS:

Not applicable