

The Regional Municipality of York

Committee of the Whole
Environmental Services
May 13, 2021

Report of the Commissioner of Environmental Services

Renewal of Area Specific Water and Sewer Service Agreement in City of Vaughan

1. Recommendations

1. Council authorize entering into a renewed service agreement with Canadian Pacific Railway Company, Tamworth Properties Inc., Consolidated Fastfrate (Ontario) Holdings Inc., Suncor Energy Inc. and City of Vaughan for the continuation of water and sewer services provided by Peel Region.
2. The Commissioner of Environmental Services be authorized to execute the renewed York-Landowners Water and Sewer Service Agreement.

2. Summary

This report seeks Council approval for the Region to enter into a new Water and Sewer Service Agreement with the four landowners and the City of Vaughan located in the area of Highway 50 and Rutherford Road, in the City of Vaughan, to ensure continued water and sewer servicing provided by Peel Region.

Key Points:

- The Region of Peel (“Peel”) has been providing water and wastewater services to four City of Vaughan (“Vaughan”) landowners over the past 20 years due to lack of York Region (“York”) and Vaughan services at the boundaries of the regions
- Terms and conditions of water and wastewater services were executed by two separate agreements, specifically through a York-Peel Water and Sewer Service Agreement (York-Peel Agreement) and York-Landowners Water and Sewer Service Agreement (York-Landowners Agreement)
- To ensure continued services, Peel has agreed to continue to provide water and wastewater service to the lands under updated and refreshed terms and conditions, and will require updating of both the York-Peel and York-Landowners Agreement

- Terms of the renewed York-Peel Agreement have been negotiated between York and Peel with staff working towards executing the agreement through delegated authority pursuant to Bylaw 2018-50

3. Background

Peel has been servicing four Vaughan landowners located at the periphery of York for approximately 20 Years

In April 1999, Council authorized Regional staff to enter into an agreement with Peel for the purchase of water and sewer services to service lands east of Highway 50 and south of Major Mackenzie Drive and approximately 500 meters south of Rutherford Road in Vaughan (see Attachment 1 for location map). York and Vaughan were unable to provide municipal water and sanitary sewage service to the lands and Peel agreed to provide water and sewer servicing to the lands.

Lands serviced as part of this agreement are owned by four landowners, Canadian Pacific Railway Company, Tamworth Properties Inc., Consolidated Fastfrate (Ontario) Holdings Inc. and Suncor Energy Inc. The Canadian Pacific Railway Company land includes the Canadian Pacific intermodal terminal which transfers cargo containers between trucks to trains. The Tamworth Properties Inc. property was previously owned by Sears Canada Inc. and was a warehouse distribution facility for Sears. Remaining lands are occupied by Consolidated Fastfrate (Ontario) Holdings Inc., a truck transport company, and a Petro Canada service station owned by Suncor Energy Inc.

Water and sewer service agreements were executed allowing Peel to provide direct water and wastewater services to the lands

The Municipal Act, 2001 enables municipalities to provide water and wastewater services directly to landowners outside of their geographical boundaries through servicing agreements, on certain conditions. Two agreements were executed to establish payment and provisions for water and sewer services provided by Peel:

- York-Peel Water and Sewer Service Agreement
- York-Landowners Water and Sewer Service Agreement

York-Peel Agreement was executed in December 1999, and the York-Landowners Agreement was executed on June 9, 2000 between York, Canadian Pacific Railway Company, Sears Canada Inc. and Consolidated Fastfrate (Ontario) Holdings Inc.

Peel provided notice to York of the need for new terms in the agreement

In August 2019, Peel provided York with formal notice of intent not to renew the York-Peel Agreement on its current terms and identified a need to refresh the terms and conditions to reflect current regulatory framework and land ownership given the 20-year tenure of the agreement. Peel remains committed to providing direct water and wastewater services to the landowners until York services are available.

In November 2019, Peel obtained Region of Peel Council authorization to negotiate and execute an amending agreement to extend the York-Peel Agreement beyond its expiration date of December 13, 2019 and authorization to negotiate and execute a new York-Peel Agreement.

4. Analysis

Peel remains committed to providing water and sewer servicing until York and Vaughan servicing is available

Since 1999, Vaughan water and wastewater services have been expanding within its urban area however, there remain blocks of land at the York-Peel boundary that have yet to be municipally serviced. Until development is realized, it is cost-prohibitive to advance local Vaughan services near Highway 50 and Rutherford Road. In 2005, Vaughan water services became available in the area through a Vaughan watermain connected to the York-Peel Feedermain. As growth continues, Vaughan anticipates local wastewater services to reach this area within the next 10-15 years.

In October 2019, a meeting was held with all parties involved, including the landowners who confirmed interest in continuing water and sewer servicing through the current servicing configuration provided by Peel. Peel has agreed to continue to service the landowners, with the objective of transitioning these lands to York and Vaughan services once they are available. York staff are committed to working with landowners and Vaughan to support the servicing transition from Peel.

Peel and York are working towards a renewed York-Peel Agreement

Peel and York have negotiated new terms of the new York-Peel Agreement over this past year. Although COVID-19 redeployments have caused delays to the negotiation process, plans are underway to execute the new York-Peel Agreement this year.

Terms of the new York-Peel Agreement include continuation of similar water and wastewater servicing and billing predominantly in the same manner as the 1999 agreement. Changes to the agreement include a shorter term of 10 years, updated landowner information, updates to securities and the potential for transferring servicing from Peel to York when services

become available in the area. The Region's Delegation Bylaw (2018-50) provides authority to execute this agreement.

York-Landowners Agreement requires updating to be consistent with the renewed York-Peel Agreement

The existing York-Landowners Agreement needs to be updated to incorporate new terms of the York-Peel Agreement, updated schedules and reflect new owners of the associated lands. Staff are seeking Council's approval to execute the York-Landowners Agreement.

5. Financial

Although provisions in the York-Peel Agreement allow Peel to bill the landowners directly, York is responsible if there is a default in water or sanitary sewage service rate payments by any of the landowners. The York-Landowners Agreement includes the requirement for a financial security to be provided to York to protect against any obligations to Peel in the event of a default. Active securities have remained in trust with York since the original agreement was executed in 1999. A review of the required securities will be completed as part of the agreement updates. The four landowners have confirmed acceptance of key agreement updates.

6. Local Impact

Water and wastewater servicing provided by Peel will continue to meet the needs of four landowners in Vaughan

Lands serviced through the agreements are Vaughan businesses. Execution of a new agreement ensures water and sewer servicing will continue to be provided by Peel in this area until York and Vaughan servicing is available. Vaughan will be party to the Agreement, subject to City of Vaughan Council approval and Vaughan staff will continue to be actively involved in monitoring the new agreement for backflow prevention and transferring of servicing. Vaughan is working with Canadian Pacific Railway Company on a servicing application to establish a local water service connection through an existing watermain. Vaughan will also be involved in the transfer of water and sewer servicing from Peel to York and Vaughan once services are available for the entire area. As development continues the status of Vaughan services will be reported annually to Peel and York.

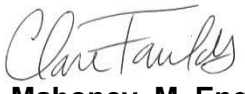
7. Conclusion

Council authorization will allow staff to enter into a renewed York-Landowners Agreement with the four Landowners located at the boundary of York and Peel. An updated agreement will allow for the continuation of water and sewer servicing through Peel for an additional 10

years or until such time as York and Vaughan can provide water and sewer servicing to the lands.

For more information on this report, please contact Wendy Kemp, Acting Director Infrastructure Asset Management at 1-877-464-9675 ext. 78164. Accessible formats or communication supports are available upon request.

Recommended by:

Per: 
Erin Mahoney, M. Eng.
Commissioner of Environmental Services

Approved for Submission:


Bruce Macgregor
Chief Administrative Officer

April 23, 2021
Attachments (1)
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