The Regional Municipality of York

Committee of the Whole Environmental Services March 9, 2023

Report of the Commissioner of Public Works

Supporting Growth and Housing in York and Durham Regions Act, 2022 Update

1. Recommendation

Council receive this report for information.

2. Summary

This report summarizes ongoing and future work to implement the requirements outlined in the *Supporting Growth and Housing in York and Durham Regions Act, 2022 (Act)* (formerly Bill 23, Schedule 10) which was passed on November 28, 2022. An update on interim infrastructure projects and the Holland Landing Lagoons wastewater treatment facility is also provided.

Key Points:

- The new Act requires York and Durham Regions to work together to expand the
 existing York Durham Sewage System (YDSS), including the Duffin Creek Plant to
 service growth in the Towns of Aurora, East Gwillimbury, and Newmarket
- Leading up to the Act becoming legal, the Region provided significant feedback including recommendations to optimize the legislation, and accommodate realistic routing for construction, cost and schedule management. None of these suggestions were accepted and Bill 23 remained unchanged
- An infrastructure plan will need to accommodate growth impacts as a result of the Act
- The *Act* refers to the infrastructure plan as the York Region Sewage Works Project (the Project) and requires preparation of a report for submission to the Minister of the Environment Conservation and Parks (the Minister). Staff are targeting completion of the report later in 2023 (exact date to be determined by the Minister)
- In December 2022, the Minister wrote the Public Works Commissioner, requiring submission of a report on the Yonge Street sewer twinning component by January 31, 2023, with a final report on engineering and other details pertaining to sewer implementation along the Yonge street alignment in February 2023

- In response to the Minister's correspondence regarding details of the Yonge Street
 twinning component, Regional staff and engineers provided a comprehensive
 submission recommending a more easterly modified Yonge Street corridor including
 Leslie Street which aligns with existing wastewater infrastructure. Constructing the
 infrastructure in this modified Yonge Street corridor offers several distinct advantages,
 including being a cost-effective and expedient approach to deliver this critical
 component of the York Region Sewage Works Project
- Consultation with Indigenous communities will begin in 2023, which requires preparation and submission of a consultation report to the Minister
- Staff will be working with the Province of Ontario (the Province) over the first half of 2023 to further define infrastructure needs for the Project and preliminary cost estimates for the 2024 budget
- Council approval will be required at a later date for additional resource needs and engineering consulting requirements

3. Background

November 2022, Bill 23, Schedule 10 was passed, requiring a Lake Ontario solution for wastewater services in Aurora, East Gwillimbury and Newmarket

Bill 23 was passed on November 28, 2022, making changes to nine statutes, and introducing the new *Supporting Growth and Housing in York and Durham Regions Act, 2022* (the *Act*), which mandates wastewater servicing for the Upper York area. The *Act* is omnibus legislation intended to streamline approvals and build more affordable housing across the Greater Golden Horseshoe, with the provincial goal of 1.5 million new homes. Revised housing projections are contemplated to advance housing targets for select municipalities including the Town of Newmarket, and Cities of Markham, Richmond Hill and Vaughan, as reported to Council in December 2022. In addition, the Province released lands from the Greenbelt that have no servicing plans to meet the Province's expected timelines. Combined, these changes will require new water and wastewater servicing infrastructure.

The *Act* mandates the Region to pivot from the Upper York Sewage Solution Environmental Assessment recommended Lake Simcoe watershed solution to a Lake Ontario solution. This involves conveyance and treatment of wastewater at the Duffin Creek Plant in Durham Region for wastewater services in the Towns of Aurora, East Gwillimbury and Newmarket. York and Durham Regions will work in partnership to enlarge and improve the existing YDSS to convey sewage to the Duffin Creek Plant in Durham Region for treatment and discharge to Lake Ontario. The new YDSS components will become the "York Region sewer works project".

Bill 23 does not incorporate feedback from the Region and contemplates a twinned sewer in the Yonge Street corridor

Despite a comprehensive review by the Region on Bill 23 Schedule 10 and significant feedback given to the Province to improve Bill 23 in terms of realistic construction routing, proper costing and schedule, the Province advanced Bill 23 with no changes. One example is the Yonge Street sewer through Richmond Hill from Bloomington to 19th Avenue. The Province is focussing on implementation of a twinned sewer in this section of the Yonge Street corridor. Regional staff are recommending a modified Yonge Street route including a portion of Leslie Street, which offers cost and schedule savings along with other social and environmental benefits.

York and Durham Regions are working with provincial staff to develop project components for the *Act*

The Province based the *Act* on a final report submitted by the York Region Wastewater Advisory Panel established by the Province through Bill 5, *York Region Wastewater Act*, *2021*. The Panel considered four different servicing options for the Upper York Service area (Towns of Aurora, East Gwillimbury and Newmarket) and provided advice to the Minister on a recommended solution along the Yonge Street corridor. Staff performed a review of the York Region Wastewater Advisory Panel's report and noted the servicing recommendation and cost estimates were strictly conceptual and based on initial information provided by the Region without confirmatory field studies and detailed engineering.

York and Durham Regions are now working with the Province to develop a more realistic list of infrastructure needs to form the Project. These project components will be developed over the coming months and preliminary cost estimates will be prepared for the 2024 budget. Viable infrastructure solutions require considerable work on expedited timelines prior to design and construction.

Staff have been meeting regularly since 2022 with Ministry staff to understand the project requirements outlined in the legislation. York and Durham Regions are required to submit a single project report outlining the necessary work, costing, approvals, and mitigation measures for project impacts. It also requires Indigenous community consultation be completed before construction and submission of a consultation report. The specific date of submission has not been determined but is anticipated for later this year. Approval of the project report by the Minister will permit implementation to proceed. Through discussions, staff are gaining an understanding of the level of detail and effort to complete the report and work is already underway.

4. Analysis

Preliminary infrastructure needs list has been prepared and submitted to the Province to begin defining the Project

Since Bill 23 became law, staff have been working with the Province and Durham Region to define project components. A preliminary view of the project components is provided in Appendix 1. This map indicates the extensive infrastructure components required that will comprise the overall project in York and Durham Regions. These infrastructure components will be included in the project report to the Minister. The wastewater infrastructure required will involve modifications to the Primary System within Durham Region, including the Duffin Creek Plant/Outfall. Similar to Master Plan efforts, project components identify additional pumping stations, sewers, forcemains and Duffin Creek Plant expansion. Preliminary routing will be proposed after additional hydraulic modelling and corridor assessment to permit sizing and location refinements based on revised population forecasts resulting from Bill 23.

Indigenous community consultation will begin early 2023

The *Act* explicitly details project consultation requirements with Indigenous communities. Consultation is supported by reporting requirements. Discussions with each Indigenous community, to be identified by the Minister, must include:

- a) Contents of the project report
- Any constitutionally protected aboriginal or treaty rights that may be adversely impacted by the Project
- Any potential adverse impacts of the Project on constitutionally protected aboriginal or treaty rights
- Measures that may avoid or mitigate potential adverse impacts on constitutionally protected aboriginal or treaty rights, including any measures identified by the Indigenous community

Outreach will begin shortly after the Minister provides the list of identified Indigenous communities and will occur in coordination with preparation of the project report. The Region proposed to the Province that they would lead their Duty to Consult process with support from the Region on project details given the Province's recommendations and direction on the overall project. To date the Province has not agreed to this approach.

Interim infrastructure solutions to provide servicing capacity to support growth are progressing in the Towns of Aurora, East Gwillimbury and Newmarket

On <u>June 28, 2018</u>, Council authorized two interim infrastructure solutions to provide water and wastewater servicing capacity for a population of 11,500 persons to support growth in the Towns of Aurora, East Gwillimbury and Newmarket, out of which 10,500 persons were assigned allocation, subject to completion of these trigger capital projects. An additional capacity of 1,000 persons is reserved for centres and corridors in these three municipalities

to be released once the capacity provided by the interim solutions is confirmed. Both interim infrastructure projects were awarded funding under one agreement with Infrastructure Canada through the Disaster Mitigation and Adaptation Fund:

- Upgrades to the Region's Aurora Sewage Pumping Station project were completed in 2021, unlocking 7,000 people in capacity
- Construction of the Henderson Sewage Pumping Station commenced in summer 2021 and commissioning is expected in Q3 2023. This will unlock 4,500 people in capacity

Holland Landing Lagoons wastewater treatment facility remains in service to address treatment needs within the Upper York service area

The Holland Landing Lagoons facility was connected with the Upper York Sewage Solutions Environmental Assessment. The Ministry had directed the facility remain in active service until the Upper York Water Reclamation Centre was commissioned and Environmental Compliance Approval for the facility could be transferred to the new plant. The facility could then be decommissioned. With cancellation of the Upper York Environmental Assessment and project, the Province provided no direction with respect to the Holland Landing Lagoons.

The lagoons are still in service and provide treatment for approximately 4,000 people in the York Durham Sewage System. Decommissioning this facility in advance of implementing the Southern Alternative will create a loss of servicing capacity for 4,000 people. With the current protracted gap in servicing capacity in the Upper York service area, any proposed initiatives involving decommissioning this facility would further exacerbate the capacity short falls. As part of the next capacity assignment update, staff will present scenarios to Council for consideration on the future of the Holland Landing Lagoons facility.

Future water servicing use will reflect compliance with the Great Lakes -St Lawrence River Basin Sustainable Water Resources Agreement

The Great Lakes-St. Lawrence River Basin Sustainable Water Resources Agreement among Ontario, Quebec and the Great Lakes States governs any new transfers of water between Great Lakes watersheds. York Region spans two Great Lakes basins. In designing and implementing Regional water and wastewater infrastructure involving the two watersheds, consideration must be given to adherence with this Agreement.

In 2010, York Region was granted approval under a predecessor agreement for an intrabasin transfer of up to 105 million litres of water a day from Lake Ontario watershed to Lake Simcoe/Lake Huron watershed, with return flow of wastewater to the Lake Ontario watershed. This approval remains in effect.

With the new provincial direction to direct wastewater from growth in the Towns of Aurora, East Gwillimbury and Newmarket to Lake Ontario through the YDSS via the Duffin Creek Plant, staff will develop a servicing strategy relying on Lake Ontario sourced drinking water to remain compliant with its intra-basin transfer approval.

5. Financial

With the most recent direction from the Province, a new dedicated conveyance system will be required to convey wastewater from the Upper York area to Lake Ontario through the YDSS via the Duffin Creek Plant. The new system will require trunk sewers and pumping stations presenting few opportunities to phase design and construction.

The 2023 Capital Plan budget was based on the 2022 Water and Wastewater Master Plan which phased expansions of the Water Reclamation Centre over a 30-year period to 2051. With this new direction from the Province, funding will need to be advanced into one single phase for constructing conveyance infrastructure and potentially other components of the York Region Sewage Works Project over a shorter period.

Costs for this sewage works project will be higher than the \$433 million budgeted in the 2023 10-year Capital plan for Phase 1 of the Upper York Project. Based on the new provincial approach for servicing the Upper York area, new resources, contracts and mechanisms will be required to deliver this accelerated infrastructure program. A future report will be brought to Council to expedite retention of resourcing needs to deliver this new project effectively.

6. Local Impact

Servicing growth in the Towns of Aurora, East Gwillimbury and Newmarket remains a priority for York Region. Staff continue to work with the Province and Durham Region to advance the Project and deliver the required infrastructure for wastewater and water servicing. York Region will be in communication with local Councils and municipal staff as projects are further defined and the costs and schedules for servicing are better understood.

7. Conclusion

This report provides a summary to Council on the ongoing and future work to implement the requirements outlined in the *Supporting Growth and Housing in York and Durham Regions Act*, 2022.

Staff continue to review the *Act* with the Province and Durham Region. A preliminary list of project components has been developed and will be refined for submission of the project report later this year. Indigenous community engagement will begin in 2023 and staff anticipate future reporting to review cost impacts and resourcing needs for the Project.

For more information on this report, please contact Mike Rabeau, Director, Capital Delivery at 1-877-464-9675 ext. 75157. Accessible formats or communication supports are available upon request.

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Appendix 1 - Map - York Region Sewage Works Project Infrastructure Components List

APPENDIX 1

