



---

Report of the Commissioner of Public Works

**Interim Developer Funded Water Pumping Station to Service Minister's Zoning Orders Developments in City of Markham and Town of Whitchurch-Stouffville**

---

**1. Recommendations**

1. Regional Council authorize Regional ownership and operations of a proposed developer-funded interim water pumping station and revenue metering chambers to service the Highway 48 development block. The block is subject to several Minister's Zoning Orders and located between McCowan Road and Highway 48, straddling the boundary between the City of Markham and Town of Whitchurch-Stouffville.
2. Regional Council authorize the Director of Infrastructure Asset Management to negotiate and execute an agreement on terms satisfactory to the Regional Solicitor and General Counsel with Landowners for ownership of the interim water pumping station that services the Highway 48 Block. This agreement may also include the City of Markham and Town of Whitchurch-Stouffville, and any other ancillary documents or agreements, as needed to give effect to the intent of this direction.
3. Regional Council approve reallocations in 2025 budgeted funding sources, including a decrease of \$280,000 in Capital Spending Authority debt, as detailed in Appendix D, for Regional costs associated with the interim facility to be fully recovered from Landowners.
4. The Regional Clerk circulate this report to the Town of Whitchurch-Stouffville and the City of Markham.

**2. Purpose**

This report is to obtain authorization for Regional ownership of a proposed developer-funded interim water pumping station and revenue metering chambers to support development of lands located between McCowan Road and Highway 48, just north and south of the intermunicipal boundary between City of Markham and Town of Whitchurch-Stouffville ("the Highway 48

Block”). The Highway 48 Block is subject to several approved Minister’s Zoning Orders (MZOs). This report also seeks authorization to negotiate and execute an agreement with landowners of the Highway 48 Block (Landowners) for Regional ownership of the pumping station.

## **Key Points:**

- MZOs have advanced development in the Highway 48 Block ahead of growth infrastructure plans before servicing is planned to be available
- Landowners in the Highway 48 Block will fund and deliver an interim water and wastewater servicing solution until regional services are built. Localized servicing solution includes a temporary water pumping station, revenue metering chambers, water and sewer pipe network and interim sewage pumping station
- Operation of the interim water pumping station is expected to be complex. Although the pumping station serves a limited area, it must be coordinated across three jurisdictions (Region, Town, and City). All three jurisdictions agree that regional ownership and operations is appropriate to manage risks to the broader water system and adjacent Regional facility until the full scale regional works are advanced.
- The provision of interim water servicing to the Highway 48 Block is a wholly development-driven project and was not part of the broader regional solution outlined in Region’s 2022 Water and Wastewater Master Plan. As such, it will be fully funded by the Landowners and not eligible for development charge credits
- Other components of the interim servicing solution fall under local municipal jurisdiction and introduce less potential risk to the servicing system, and are planned to be under local municipal and/or private ownership
- With Council authorization, staff will negotiate and execute an agreement with Landowners of the Highway 48 Block to more specifically set out the terms for Regional ownership of the interim water pumping station and revenue meters

## **3. Background**

### **Minister’s Zoning Orders have advanced development plans in the Highway 48 Block**

Highway 48 Block is not currently serviced by the municipal water and wastewater system and is primarily a rural area located in the City of Markham and Town of Whitchurch-Stouffville, bounded by Stouffville Road to the north, McCowan Road to the west, 19<sup>th</sup> Avenue to the south, and Highway 48 to the east. Four MZOs were approved in the block by the Minister of Municipal Affairs and Housing in 2020 and 2021 (shown in Appendix A), which fast-tracked development ahead of infrastructure plans.

The density of growth proposed through developer-led planning and infrastructure studies significantly exceeds what was considered in existing Regional infrastructure plans. At build out, the Highway 48 Block is envisioned to include employment uses and a range of housing options comprising over 6,000 residential units and 16,000 persons.

### **York Region's Water and Wastewater Master Plan includes infrastructure projects that support growth in the Highway 48 Block**

The 2022 York Region Water and Wastewater Master Plan includes the North Markham Water and Wastewater Servicing projects which will extend municipal servicing to new growth areas in northern Markham and adjacent lands. These projects are included in the multi-year budget for completion between 2033 and 2035 and are in the Environmental Assessment phase.

The water servicing component of this project includes a new pumping station, reservoir, and connecting watermains to expand the water service area (shown as Pressure District 7 expansion area in Appendix B). The expanded service area will include the Highway 48 Block.

The wastewater component of the North Markham Water and Wastewater Servicing project will include a Regional trunk sewer expected to run along McCowan Road. At [September 5, 2024](#) Council, staff shared that they have been working with Landowners, who would benefit from a trunk sewer, to secure an agreement to fund the Environmental Assessment for an additional four kilometres of McCowan Sewer infrastructure that was not included in the 2022 Development Charge Background Study.

### **Landowners propose to fund and deliver localized water and wastewater infrastructure for earlier servicing of the Highway 48 Block until regional services are built between 2033 and 2035**

Landowners in the Highway 48 Block target development of the MZO lands by 2028, ahead of the Region's North Markham Water and Wastewater Servicing projects. Interim water servicing is proposed by Landowners through a temporary water pumping station until the Region's North Markham water servicing infrastructure is in place. Interim wastewater servicing is proposed by Landowners through a new pumping station directing flows to the Region's Ninth Line sewer on a temporary basis until the Region's McCowan Trunk Sewer is constructed. None of these localized works were included as part of the broader regional solution in the Region's 2022 Water and Wastewater Master Plan.

Landowners propose to fully fund and deliver the interim infrastructure needed to service the Block. Development charges will continue to be payable at subdivision registration or building permit issuance in accordance with the Region's established practices and will support implementation of the long-term servicing solution.

## 4. Analysis

### **Regional ownership of an interim water pumping station is recommended to sustain quality of service and safety of the drinking water system to two local municipalities**

In accordance with the *Safe Drinking Water Act*, the interim water pumping station is required to be owned by a municipality (local or Regional). Following an internal review and consultation with local municipal staff, consensus was reached that an interim water pumping station, as shown in Appendix C, will be owned, and operated by the Region at the developer's cost. Operation of the interim water pumping station is expected to be complex, as it must be coordinated across three jurisdictions (Region, Town, and City) and must be hydraulically integrated with several other existing and planned Regional facilities located nearby. Additionally, the pumping station will be a critical piece of infrastructure as the single source of water supply serving a sizable population. To limit operational complexity and risk to the municipal water system, Regional ownership is recommended. The Region's Water and Wastewater Operations team has extensive experience operating and maintaining similar Regional facilities and is best positioned to ensure safety and reliability of the drinking water supply.

As the Highway 48 Block straddles the intermunicipal boundary between the City of Markham and Town of Whitchurch-Stouffville, flows between the two municipalities must be metered for revenue collection at two to three local watermain crossing locations. Regional ownership of the water revenue meters will enable the Region to supply and bill both municipalities for Regional water and wastewater servicing directly. Staff recommend the proposed water meters and associated chambers be owned by the Region for intermunicipal billing, per the [2019 Water and Wastewater Infrastructure Asset Jurisdiction Policy](#).

Interim wastewater infrastructure will be under private and/or local ownership and operation, as appropriate. The wastewater pumping station is subject to different regulations than the water pumping station, which permit private ownership.

### **Staff worked with Landowners to establish principles for Regional ownership of the interim pumping station and revenue meters**

As the proposed water infrastructure to service the Highway Block 48 area were not included in the 2022 Regional Master Plan and 2022 Development Charges Bylaw, Council authorization to enter into agreement with the Landowners is required.

The following key principles for Regional ownership of the interim pumping station were developed in consultation with Legal Services and Finance, and have been agreed upon by landowners. Staff will build on these principles to develop and execute a formal agreement to detail the terms and conditions.

1. Landowners will design, construct, and install the interim water servicing works, including the water pumping station and revenue meters to a Regionally-acceptable standard
2. All costs associated with the works will be 100% funded by developers, including but not limited to costs associated with the Region's review of the design, construction related inspection, commissioning, operating, maintaining, and decommissioning and all works to enable transition to ultimate servicing infrastructure, all to the satisfaction of the Region
3. Landowners will post security in an amount to be determined by the parties
4. Proposed works to complete the interim water pumping station are not eligible for development charge credits or reimbursement. If the Region, at its sole discretion, determines that any portion of the interim works are deemed to be eligible for cost reimbursement, the Landowners will be reimbursed, subject to Council approval as applicable
5. Landowners agree to pay for the Region's legal and administration costs (external and internal) associated with the agreement
6. Property and/or easement rights to land are to be transferred to Region at no cost

The need for the ownership agreement to include the City of Markham and Town of Whitchurch-Stouffville, is under review.

### **Recommendations of this report support York Region's Vision to build strong, caring, and safe communities**

This report is consistent with the York Region Vision for strong, caring, safe communities, to ensure water and wastewater servicing within communities be coordinated with land use planning approvals to achieve complete communities and to assist in the sequencing of growth within communities. Provision of safe and reliable interim drinking water supply to new growth in the Highway 48 Block supports York Region's Vision of building strong, caring, safe communities.

## **5. Financial Considerations**

This report requests funding source changes to the 2025 Capital Budget and Capital Spending Authority to support the North Markham Water Servicing project and Water Capacity Assessment programs. The requested funding source changes would reflect the small amount of regional costs for participation in the interim pumping station design review process (staff

time, consulting support) which would be paid by Landowners rather than through more general growth-related funding sources. Further details are provided in Appendix D.

The provision of interim water servicing to the Highway 48 Block is a wholly development-driven project which will be fully funded and delivered by the Landowners and are not eligible for development charge credits. Landowners will be responsible for fully funding lifecycle costs associated with the interim water pumping station and shall provide necessary funds and securities as will be defined through the contractual agreement between the Region and Landowners. All future Regional costs associated with the interim facility will be captured through future budget processes and fully recovered from the Landowner.

## **6. Local Impact**

Establishment of the interim pumping station will enable development of MZO lands in the Highway 48 Block to begin which will assist the City of Markham and Town of Whitchurch-Stouffville in building homes and achieving provincial housing targets. It is expected initial phases of the development supported by interim servicing will result in approximately 1,600 new residential units. Over 6,000 residential units are envisioned in the Highway 48 Block at build-out.

Through consultation with local municipal planning and infrastructure staff, all parties agreed that regional ownership of the proposed water infrastructure is appropriate on an interim basis until the broader Regional solution is in place given operational risks to the existing and future regional system and engagement across multiple jurisdictions. Staff will continue to work closely with Town and City staff on planning and coordinating water and wastewater servicing to support development of MZO lands.

## **7. Conclusion**

To limit operational risks to infrastructure and ensure delivery of safe drinking water to new developments in the Highway 48 Block, staff recommend Regional ownership of the proposed interim water pumping station and water metering chambers which shall be delivered and wholly funded by the Landowners. With Council authorization, the Director of Infrastructure Asset Management will negotiate and execute an agreement with the Landowners for Regional ownership of the interim water pumping station and revenue meter chambers.

---

For more information on this report, please contact Wendy Kemp, Director, Infrastructure Asset Management at 1-877-464-9675 ext. 75141. Accessible formats or communication supports are available upon request.



Recommended by:

**Mike Rabeau, P.Eng.**

General Manager, Capital Infrastructure Services



Recommended by:

**Laura McDowell, P.Eng.**

Commissioner of Public Works



Approved for Submission:

**Erin Mahoney**

Chief Administrative Officer

January 27, 2025

16299704

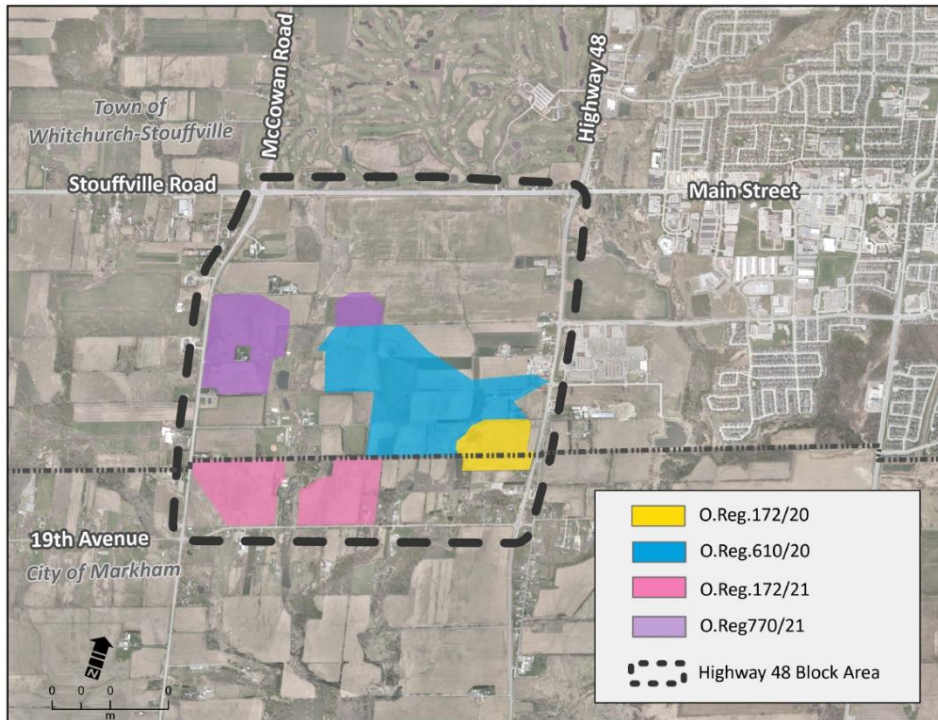
Appendix A - Markham - Whitchurch-Stouffville Minister's Zoning Orders

Appendix B - North Markham Water Servicing Project

Appendix C - Proposed Interim Water Servicing for the Highway 48 Block

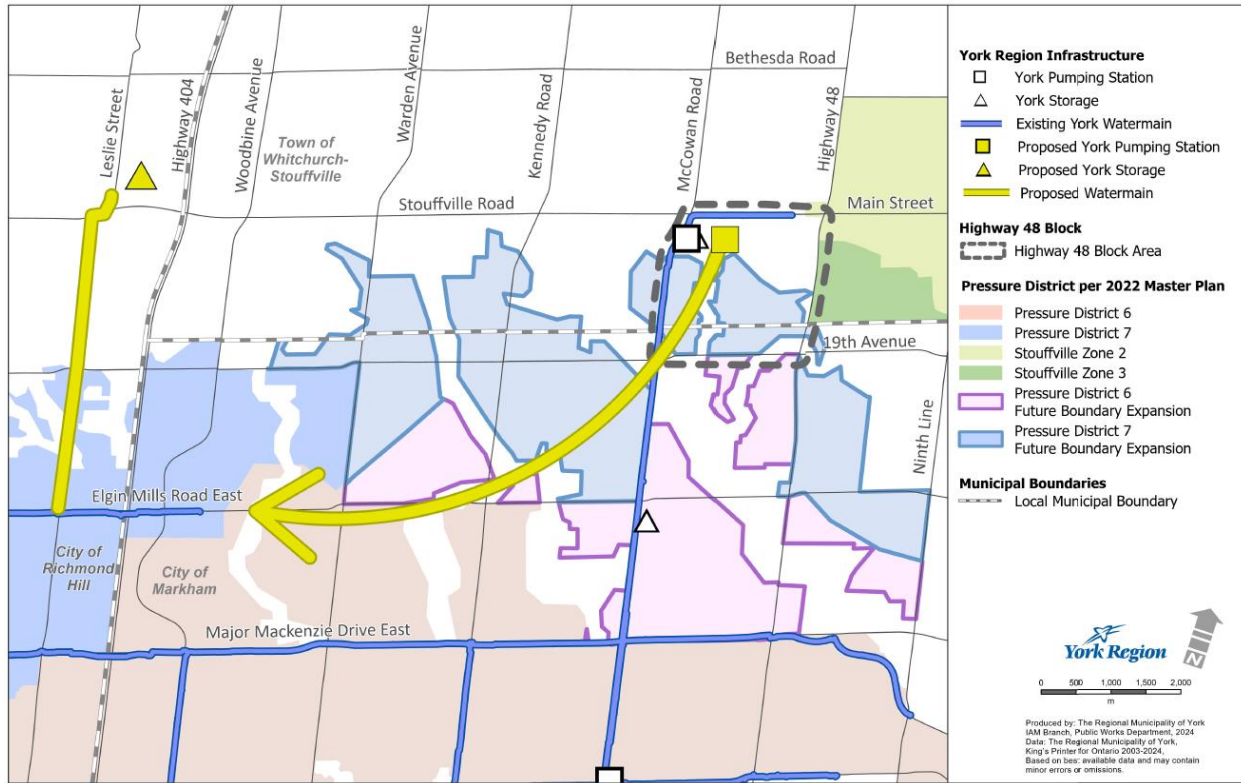
Appendix D – Detailed Budget Change Approval Table

### Markham - Whitchurch-Stouffville Minister's Zoning Orders

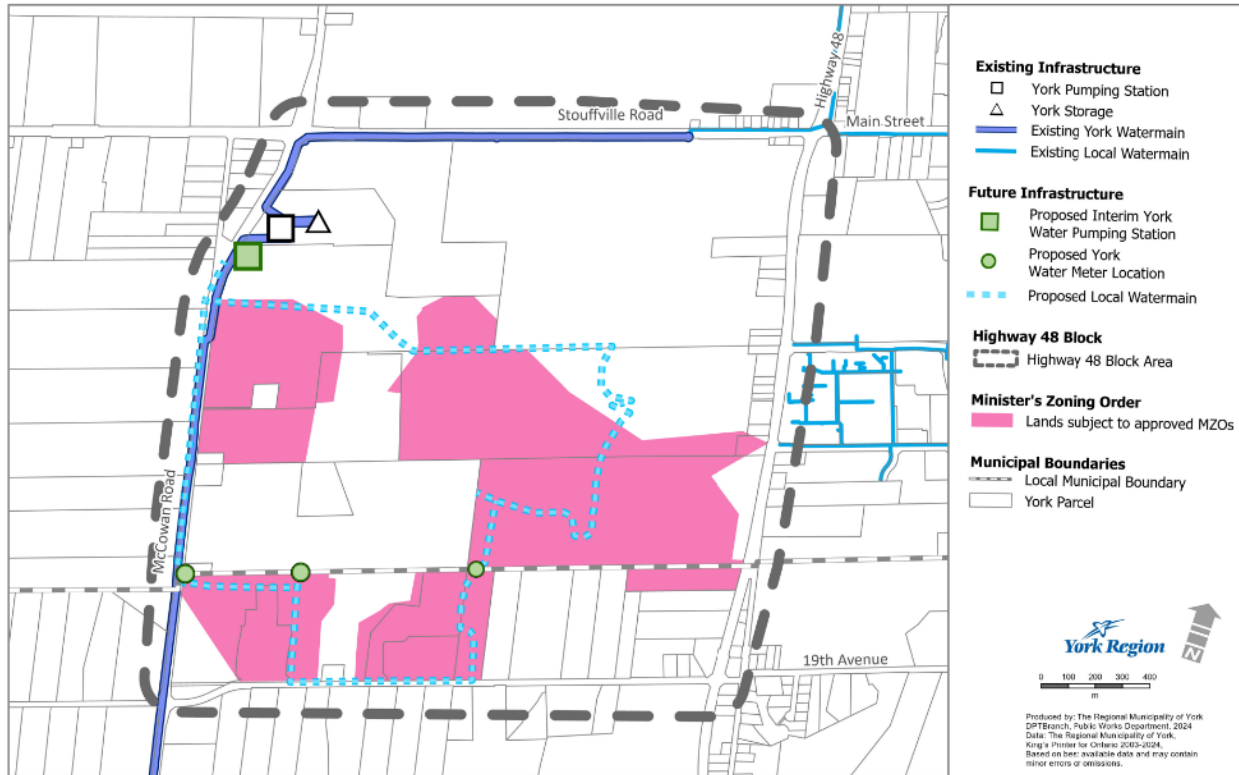




### North Markham Water Servicing Project



### Proposed Interim Water Servicing for the Highway 48 Block



### Detailed Budget Change Approval Table

(\$000's)		Gross Expenditures - 2025			Funding Sources Adjustments - Gross 2025 Expenditures			Change in CSA			Funding Sources Adjustments - CSA		
Project/ Program Number	Project/ Program Name	Approved 2025 Budget	Change	Adjusted 2025 Budget	Other Recoveries	Debenture Proceeds DC	DC Reserves	Approved CSA	Total CSA Change	Adjusted CSA	Other Recoveries	Debenture Proceeds DC	DC Reserves
75680	North Markham Water Servicing	840.0	0.0	840.0	115.0	(115.0)		2,100.0	0.0	2,100.0	280.0	(280.0)	
79670	Water System Capacity Assessment	2,255.0	0.0	2,255.0	15.0		(15.0)	7,173.0	0.0	7,173.0	20.0		(20.0)