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To: Committee of the Whole

Meeting Date: December 4, 2025

From: Laura McDowell  
Commissioner of Public Works

Laura Mirabella  
Commissioner of Finance and Regional Treasurer

Re: **Bill 60 responses related to water and wastewater transition, harmonization of roads standards, lane restrictions, and changes to *Development Charges Act, 1997***

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This memorandum provides York Region Council with an update on the Province's plan to implement significant changes in municipal authorities related to roads projects and water and wastewater services provided by the Region of Peel. Region staff submitted two responses as part of Provincial consultations, which are appended to this memo. The memo also provides staff's summary and preliminary analysis in relation to changes to the *Development Charges Act, 1997*.

### **Region staff submitted responses to Bill 60 consultations related to water, wastewater, and roads to meet Provincial deadlines**

Ontario Bill 60, *Fighting Delays, Building Faster Act, 2025* is omnibus legislation implementing an array of changes and will result in significant impacts on York Region Public Works. Bill 60 is expected to receive Royal Assent in the near term; however, implementation of many changes will be set out in future regulations. The attached staff responses (Attachments 1 and 2), submitted to meet the Province's November 22, 2025 deadline, request the Province consider any supplementary comments provided by Regional Council as part of York Region's response.

### **York Region requests formal role in the transition of Peel Region water and wastewater services to a Public Corporation**

Bill 60 will amend the *Municipal Act, 2001* to transfer jurisdiction for water and wastewater from Peel Region to the Cities of Mississauga, Brampton, and the Town of Caledon as of Royal Assent. It establishes a new *Water and Wastewater Public Corporations Act, 2025* and requires the Peel Region system, now under the jurisdiction of these local municipalities, to transition to a Public Corporation model. This model enables shares of the water and wastewater systems to be majority owned by the public sector and allows for private investment in these system. This model shifts

governance toward a skills-based Board of Directors with reduced Council representation. The *Act* requires transition be complete by January 1, 2029; however, this date can be accelerated by the Minister of Municipal Affairs and Housing through regulation.

### **With \$1 billion invested in cost-shared capital assets in Peel Region and \$190 million in debt obligations, York Region requested to be involved in asset and services decisions**

A significant proportion of York Region's water and wastewater servicing is enabled by agreements with Peel Region. These agreements are a crucial aspect of York Region's servicing strategy to support growth across the Region. It will be critical that this supply relationship continue by ensuring current agreements and permits transfer to the future Public Corporation.

York Region has invested nearly \$1 billion into cost-shared water and wastewater infrastructure located in Peel Region to ensure ongoing access to the Lake Ontario water supplies required to support growth and housing in York Region. As a result of these investments, York Region carries \$190 million outstanding debt that will remain its responsibility even after operational control is transferred to the new Public Corporation. Both Peel and York Regions hold AAA credit ratings; the Regions' existing debt has benefited from this strong financial standing.

Currently, York Region's existing debt is supported primarily through development charges (DCs); Bill 60 does not impact the Region's continued ability to collect these charges under future bylaws to meet repayment obligations. However, for future capital spending and new borrowing, there will be significant changes as a Water and Wastewater Public Corporation, subject to regulations, contemplates that a 'rate plan' for fees and charges be submitted to the Minister (i.e., DCs would not be used). This means user rates will be required to fund growth-related capital. Shifting growth-related cost recovery from DCs to utility rates creates significant uncertainty on the overall cost impacts on home prices and existing ratepayers in York Region. It remains unclear whether the new corporation will be able to secure borrowing rates as favorable as those available to Peel and York under their AAA ratings.

Given these risks and substantial investments already made, it will be imperative that Province directly engage with York Region to ensure accountability, fairness, and protection of the Region's interests. York Region currently holds a net balance of over \$160 million in a Peel-held asset management reserve designated for future York Region asset management requirements. Attachment 1 outlines York Region staff concerns and recommendations to the Province, including a request for formal status in the transition to a Public Corporation.

### **Roads-related changes under Bill 60 could impact the Region's ability to build roads effectively**

Bill 60 amends the *Highway Traffic Act* to enable the Minister of Transportation to prevent removal of vehicle traffic lanes and limit ability for municipalities to close lanes. While these restrictions already existed under the *Act* for bicycle lanes, amendments extend these powers to closure of vehicle lanes for any reason. There is a risk this could be applied to construction and other infrastructure-related activities.

The Minister has also indicated their intent to regulate province-wide municipal road construction standards. Bill 60 amendments to the *Public Transportation and Highway Improvement Act* help enable this by providing the Minister with greater powers to regulate municipalities to report on use of province-wide road construction standards, along with an ability to dictate contractual language for municipal roads projects. While there will be a process to request an exemption from roads standards, it is anticipated this will add time and cost to projects. In addition, exemptions will likely be required for certain road elements that may be requested by local municipalities in key development areas like Regional centers. Region staff submitted the response in Attachment 2 outlining how these proposed changes could impact the Region's ability to deliver road construction projects effectively and efficiently.

### **Amendments to the *Development Charges Act, 1997 (DCA)* largely align with previous staff submission to Province**

Bill 60 amendments to the *DCA* are premised upon increased transparency and fairness. Amendments are intended to ensure that land acquisition remains an eligible capital cost for DC recovery, but having it form a new 'class of services'. This treatment of land acquisition, similar to Growth Studies, aligns with [staff's submission to the Province in June 2025](#). These amendments, as well as those related to DC Background Study and Bylaw requirements, the Treasurer's statement, and Local Services Policies are summarized in Appendix A to this memorandum. All Bill 60's changes to the *DCA* take effect at Royal Assent.

### **Two regulatory framework proposals were launched to support changes to the *DCA*, which staff broadly support and did not submit comments on**

To support the changes to the *DCA* through both Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* (Bill 17) and Bill 60, the Province released two regulatory framework proposals. Staff support the proposed frameworks, particularly those requiring additional Benefit to Existing (BTE) transparency, and that a 'blanket BTE deduction approach' (i.e., a set percentage reduction for a specific service, agnostic of different municipal circumstances) was not proposed. As such, staff did not submit comments on these proposals. Appendix A provides additional detail on these proposals, as they relate to the Region.

### **Staff will continue to assess impacts and engage York Region Council when more information is released**

Recent changes brought forward by the Province under Bill 60 are substantive and have significant governance, operational and financial impacts. Staff will continue to monitor policy proposals and decisions and will engage Regional Council, as required.

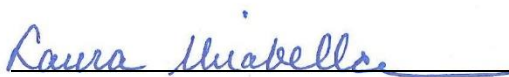
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For more information on this memo, please contact Laura McDowell at 1-877-464-9675 ext. 75125 or Laura Mirabella at 1-877-464-9675 ext. 71600. Accessible formats or communication supports are available upon request.




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Laura McDowell, P.Eng  
Commissioner of Public Works



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Laura Mirabella  
Commissioner of Finance and Regional Treasurer



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Erin Mahoney  
Chief Administrative Officer

November 25, 2025  
# 17010410  
Attachments (2)

Appendix A – Staff analysis of DCA changes  
Attachment 1 – Peel Region transition to a WWPC response  
Attachment 2 – Harmonized roads standards and restrictions response

## Proposed changes to *DCA* and Regulatory Framework and Staff Analysis

Current Treatment	Proposed Change/Regulatory Proposal	Staff Analysis
<b>Land as an eligible capital cost</b>		
<p>Land is an eligible capital cost for all services</p> <p>Planning horizon for land costs aligns with applicable service</p> <p>Costs do not need to be broken out of broader project costs</p> <p>Land included in service level calculation</p>	<p>Land remains an eligible capital cost, as a class of services, which is not subject to a historic service standard cap</p> <p>Land acquisition would have a 10-year planning horizon unless land costs related to water, wastewater, roads, transit, fire, stormwater, electrical power, or police (and then align with applicable horizon)</p> <p>Yonge North Subway Extension and Toronto York-Spadina Subway Extension can still include land acquisition costs in their service</p> <p>Land not included in service level calculation</p> <p>Consequential amendments to use of reserves for land costs</p> <p>Government proposing regulatory changes to specify information required in respect of land acquisition costs in background studies (e.g., accounting for Benefit to Existing shares, in period and post period costs)</p>	<p>Given land could have been made ineligible, staff support this change</p> <p>Staff support informational requirements for land in background studies as this aligns with current practice for other services for which development charges are collected</p>
<b>DC Background Studies and Bylaw requirements</b>		
<p>Currently no requirement to provide to Minister upon request</p>	<p>DC background study and Bylaw can be requested by Minister</p>	<p>Staff supportive of additional transparency</p> <p>Additional administrative requirement not anticipated to be problematic</p>
<p>Benefit to Existing assumptions included in DC Background Study not prescribed</p>	<p>DC background studies to set out, by service, the method used to determine the allocation of total costs that would benefit new development and existing development, including any assumptions</p>	<p>Region already provides descriptions of the benefit to existing and post period benefit assumptions in its DC background study, and will continue to work with departments to provide further transparency, where possible</p>

<b>Current Treatment</b>	<b>Proposed Change/Regulatory Proposal</b>	<b>Staff Analysis</b>
<b>Statement of Treasurer</b>		
<p>Currently provides municipal Council with discretion as to the date of the treasurer's statement</p> <p>Statement to Minister "on request"</p>	<p>Date of Treasurer Statement to Council, prescribed as "on or before June 30"</p> <p>Statement now required to be sent to Minister "no later than July 15 of the year in which the statement was provided to the Council"</p> <p>New project level reporting* requirements for each DC financed project:</p> <ul style="list-style-type: none"> <li>• Identify unspent reserve fund commitments</li> <li>• Report debt issued for the project</li> <li>• Identify where in the DC background study the capital costs were estimated</li> </ul>	<p>Staff support the additional transparency</p> <p>Current practice is to bring statement to Council in April/May; no anticipated issues</p> <p>Project level reporting may take additional time and staff evaluating when, and to what extent, proposed exception will apply</p>
<b>Local Service Policy</b>		
<p>Covered under section 59 of the <i>DCA</i></p>	<p>A series of amendments related to local services policies</p>	<p>Does not apply to Region</p> <p>Changes premised upon increased transparency and fairness</p>

\*Note: These requirements would not apply if a municipality used a unique identifier consistently in both background studies and treasurer's statements