

The Regional Municipality of York

Committee of the Whole
Environmental Services
November 7, 2019

Report of the Commissioner of Environmental Services

Transfer of Peter Street Watermain to City of Markham

1. Recommendations

It is recommended that:

1. Council authorize the transfer of ownership of Peter Street watermain (620 metres of watermain and three valve chambers) to the City of Markham.
2. Council authorize payment of \$1,364,000.00, excluding HST, to the City of Markham for transfer of Peter Street watermain related to the cost of replacement.
3. The Commissioner of Environmental Services be authorized to execute any necessary documents to effect this transaction.
4. The Regional Solicitor prepare the necessary bylaw.
5. A copy of this report be forwarded by the Regional Clerk to the City of Markham.

2. Summary

This report seeks Council authorization to transfer ownership of a functioning local distribution main on Peter Street from 16th Avenue to Springdale Street, in the City of Markham (see Attachment 1), to the City of Markham to form part of the local municipality's water distribution system.

Key Points:

- Transfer of the Peter Street watermain is consistent with criteria for local infrastructure detailed in the Water and Wastewater Infrastructure Regional Jurisdiction Policy (also on this agenda)
- The City of Markham is prepared to accept the Peter Street watermain along with a lump sum payment in lieu of replacement by the Region
- The Peter Street watermain ownership transfer will positively impact the City of Markham as ownership delineation will become clear and facilitate system operation and control

3. Background

Peter Street watermain is a local watermain that conveys water to the local distribution system

The Peter Street 400 millimetre ductile iron watermain was installed in 1978 between 16th Avenue and Springdale Street, a distance of approximately 620 metres. The watermain conveys water north to south from the Markham Pumping Station 600 millimetre trunk watermain on 16th Avenue to the local water distribution system.

Most of the 620 metre watermain is located under the northbound lane of Peter Street at a depth of approximately two to three metres. There are no railroads, creeks, or lighted intersections along this length. The watermain services approximately 60 residential properties along Peter Street.

Peter Street watermain does not meet the Water and Wastewater Infrastructure Regional Jurisdiction Policy criteria

The Water and Wastewater Infrastructure Regional Jurisdiction Policy establishes criteria to define Regional jurisdiction by service function. The policy defines York Region's jurisdiction for water distribution infrastructure to specifically include:

- Watermains and pumping stations that transmit bulk water supply to local municipalities
- Metering to determine flow from York Region to local municipalities

Staff recommend that the watermain be transferred to the City of Markham and delineation between Regional and local jurisdiction be established at the pressure reducing valve chamber at the corner of 16th Avenue and Peter Street.

4. Analysis

Peter Street watermain has failed twice in six years and requires replacement

The Peter Street watermain experienced its first recorded break in December 2013 and, upon investigation, a 50 millimetre hole caused by external corrosion was discovered. A second recorded break was experienced in March 2018 near the first break and also the result of external corrosion. Given that the short length of pipe has experienced two recorded breaks within six years, it was agreed that the watermain requires replacement to ensure reliable water servicing.

City of Markham is prepared to accept the Peter Street watermain along with a lump sum payment for future replacement

Considering the age and condition of the watermain, and through discussions with City of Markham staff, it has been proposed that the watermain be transferred in its current condition and that the Region supply a lump sum payment sufficient for replacement. The Region would have incurred these costs regardless of the transfer.

Transfer of Peter Street watermain aligns with the Region's Strategic Plan and Water and Wastewater Master Plan

Transfer of the Watermain supports and aligns with the *Region's 2019 to 2023 Strategic Plan: Vision to Results* priority of delivering trusted and efficient services by managing the Region's assets for current and future generations.

The transfer also aligns with the Region's *2016 Water and Wastewater Master Plan Update*, which promotes maximizing useful capacity and life of built infrastructure with the benefit of minimizing and/or deferring capital investment.

5. Financial

It is recommended that \$1,364,000.00, excluding HST, be provided with the transfer to be used by the City of Markham for future replacement of the asset, in lieu of the Region undertaking replacement prior to ownership transfer.

Through consultation with City of Markham staff, the recommended replacement cost was based on previous similar replacement work completed within the Region and the City of Markham, as well as the purchase cost obtained from pipe suppliers and accepted industry references. Regional and local staff agree this is fair compensation and represents fair market value for replacement.

6. Local Impact

The Peter Street watermain ownership transfer will positively impact the City of Markham as ownership delineation will become clear and will facilitate system operation and control. The City of Markham supports ownership transfer of the watermain before replacement occurs.

By clearly delineating ownership at the chamber at the corner of 16th Avenue and Peter Street, the City of Markham can quickly address any service impacts to its local distribution system and appropriately plan and maintain its infrastructure.

Having certainty of the extent and description of ownership is vital for the efficient operation and maintenance of the water distribution system. Through the Region's Asset Management Program, the Region continually evaluates, in consultation with local municipalities, where legacy ownership may exist that is not in accordance with the Water and Wastewater

Infrastructure Regional Jurisdiction Policy. Future recommendations will be brought forward to Council, as required to transfer asset ownership from the Region to a local municipality or vice versa.

7. Conclusion

It is recommended that the Region transfer ownership of the Peter Street watermain from 16th Avenue to Springdale Street in the City of Markham and a lump sum payment of \$1,364,000.00, excluding HST, be made to the City of Markham. Upon completion of the transfer, the Peter Street watermain will become part of the City of Markham's water distribution system.

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

Recommended by: **Erin Mahoney, M. Eng.**
Commissioner of Environmental Services

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

October 24, 2019
Attachment (1)
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