



**STAFF REPORT
ACTION REQUIRED**

**Cross Boundary Wastewater Agreement between the
City of Toronto and the Regional Municipality of Peel**

Date:	April 13, 2015
To:	Public Works and Infrastructure Committee
From:	General Manager, Toronto Water
Wards:	Wards 2, 3 and 6
Reference Number:	P:\2015\Cluster B\TW\PW115007

SUMMARY

This report seeks authority from City Council for the General Manager of Toronto Water to negotiate, enter into, and execute as required such agreement or agreements as the General Manager considers necessary or appropriate with the Region of Peel regarding the cross boundary flow and treatment of wastewater.

There are three locations where wastewater flows across the municipal boundary line between the City of Toronto and the Regional Municipality of Peel (Region of Peel).

Although there have been formal agreements in the past establishing the terms and conditions of the cross boundary flows, they have long since expired and there are currently no formal agreements in place.

RECOMMENDATIONS

The General Manager, Toronto Water recommends that:

1. Council authorizes the General Manager of Toronto Water on behalf of the City to negotiate, enter into and execute, such agreement or agreements, including any amendment, renewal, extension or termination thereof, as the General Manager may consider necessary or appropriate from time to time to address the cross boundary flow and treatment of wastewater between the City of Toronto and the Regional Municipality of Peel, including any other agreements as may be necessary in furtherance of this purpose, all in a form satisfactory to the City Solicitor.

Financial Impact

There is no financial impact arising from this report. Toronto Water budgets the associated expenditure and cost recovery (revenue) as part of the annual Operating Budget each year under cost centre TW1025 - Region of Peel Wastewater Agreement.

For 2015, the approved estimate for wastewater originating in the City of Toronto to be treated by the Region of Peel (outgoing) is \$3.030 million; and the recovery for wastewater to be treated at City wastewater treatment facilities from the Region of Peel (incoming) is estimated to be \$2.250 million. The net cost to the City is estimated to be \$0.780 million.

The 2015 approved budget also includes \$0.056 million (gross) and \$0.028 million (net) for an independent engineering firm to monitor and measure both incoming and outgoing flows. The expenditure is shared 50/50 with the Region of Peel.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on September 28, 1999, City Council adopted Clause 9, Report No.3 of the Works Committee authorizing the acceptance from the Region of Peel of the wastewater treatment rate of \$0.2462 per cubic metre for the period from January 1, 1999 to December 31, 1999. The following is the link to the City Council approval:
<http://www.toronto.ca/legdocs/1999/agendas/council/cc/cc990928/wks3rpt/cl009.htm>

ISSUE BACKGROUND

In the 1960s and 1970s, reciprocal wastewater management (acceptance, treatment and disposal of wastewater at a wastewater treatment plant) and wastewater flow conveyance via sewers across the City of Toronto-Region of Peel municipal boundary line was agreed to at three locations and sewers were constructed for this purpose by the respective municipalities. The three locations include:

- (i) North Mimico Sanitary Trunk Sewer, which receives approximately 8,200,000 cubic metres of wastewater each year from the Region of Peel at Disco Road and Highway 427 and is ultimately conveyed to the City of Toronto's Humber Waste Water Treatment Plant for treatment;
- (ii) Long Branch Sanitary Trunk Sewer, which conveys approximately 11,000,000 cubic metres of wastewater each year from the City of Toronto at Lakeshore Boulevard West and Forty-First Street and is ultimately conveyed to the Region of

Peel's G. E. Booth (Lakeview) Wastewater Treatment Facility in Mississauga for treatment; and,

- (iii) A local sanitary sewer, which conveys approximately 400,000 cubic metres of wastewater each year from the City of Toronto near Rakely Court and Eglinton Avenue East and is ultimately conveyed to the Region of Peel's G. E. Booth (Lakeview) Wastewater Treatment Facility for treatment.

Each existing cross-boundary sewer allows wastewater to flow by gravity in the natural drainage area (which follows topography), and thus, minimizes the original and on-going capital and operating costs for pumping and related activities for both municipal systems that would have been required to contain City of Toronto wastewater within the City of Toronto and Region of Peel wastewater within the Region of Peel.

Although there have been formal agreements in the past establishing the terms and conditions of the cross boundary flow, these agreements have expired and there is currently no formal agreement in force and effect. The City of Toronto and Region of Peel are transferring wastewater, but are operating without a formal agreement on the basis of cooperation and a general understanding between the two municipalities.

Section 20 of the *Municipal Act, 2001*, as amended, authorizes the Region of Peel to enter into an agreement with one or more municipalities to jointly provide for their joint benefit any matters which they have power to provide within their own boundaries.

Section 11 of the *Municipal Act, 2001*, as amended, authorizes the Region of Peel to operate a sewage system in the Region of Peel.

Section 8 and section 16 of the *City of Toronto Act, 2006*, as amended, respectively authorize the City of Toronto to operate a sewage system and enter into an agreement with another municipality to jointly provide, for their joint benefit, any matter which all of them have the power to provide within their own boundaries.

This report seeks authority from Council for the General Manager of Toronto Water to negotiate, enter into, execute, such agreement or agreements, including any amendment, renewal, extension or termination thereof, as the General Manager may consider necessary or appropriate from time to time to address the cross boundary flow and treatment of wastewater between the City of Toronto and the Regional Municipality of Peel, in a form satisfactory to the City Solicitor.

COMMENTS

City of Toronto and Region of Peel staff have developed a draft agreement with the administrative, financial and legal obligations of each party, and ensures that consistent levels of service are provided.

Some of the key points of the draft agreement are:

- (i) The term of the agreement will be a period of five years commencing on the date it is signed by the parties, and will be automatically renewed for successive terms of five years each unless either party gives written notice to the other of its intention not to renew at least three months prior to the expiration of the current term.
- (ii) An independent third party contractor will be retained using a competitive bid process as per current City of Toronto procurement policies to install, service and maintain flow meters at each of the three interconnecting points.
- (iii) The independent third party contractor will prepare monthly summary of total flows at each interconnecting point and a calculation of net flow difference between the Region of Peel and the City of Toronto.
- (iv) With the approval of the Region of Peel, the City of Toronto will arrange and contract the services of the independent third party contractor and equally share all costs related to the services provided by the independent third party contractor. The City of Toronto will invoice the Region of Peel annually for the services of the independent third party contractor.
- (v) The Region of Peel and the City of Toronto will each charge \$0.24637 per cubic meter for the receipt and treatment of the other municipality's wastewater flow. The rate will be reviewed annually by both parties. The wastewater treatment rate for cross boundary flows is based on the principle of cost recovery and revenue neutrality.
- (vi) Invoices for the receipt and treatment of these wastewater flows will be prepared quarterly, and the party owing the greater amount will pay over the difference to the other party. Historically, the City of Toronto discharges more wastewater to the Region of Peel than the City of Toronto receives from the Region of Peel.
- (vii) During the term of the agreement, the City of Toronto and the Region of Peel will maintain in full force and effect at its own expense any necessary insurance coverage.
- (viii) The Region of Peel and the City of Toronto will each appoint at least three staff representatives to a Coordinating Committee for consultation on any matter arising under the agreement.

CONTACT

Richard Noehammer, P.Eng.
Director, Operational Support
Toronto Water
Tel: 416-397-7296
RNoeham@toronto.ca

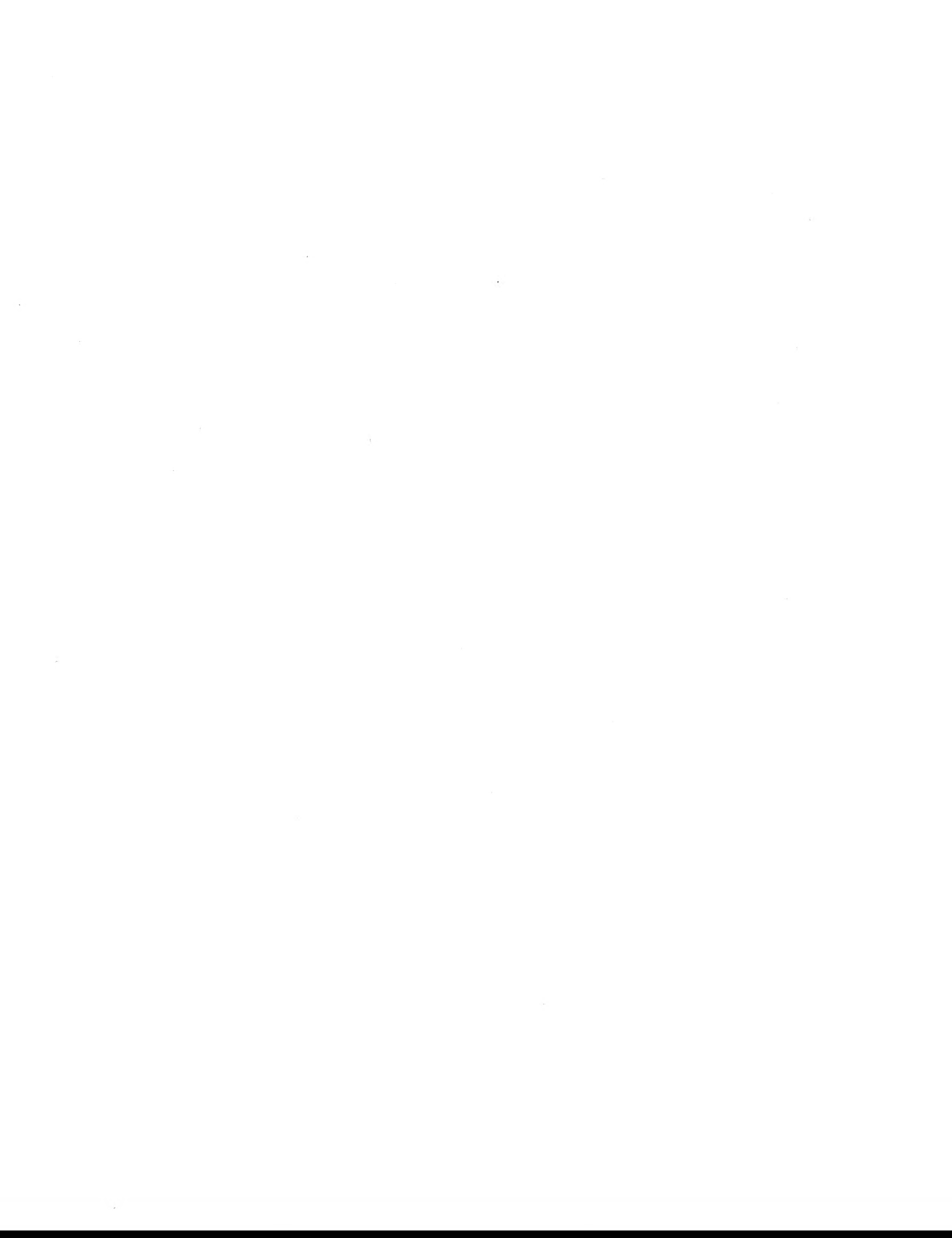
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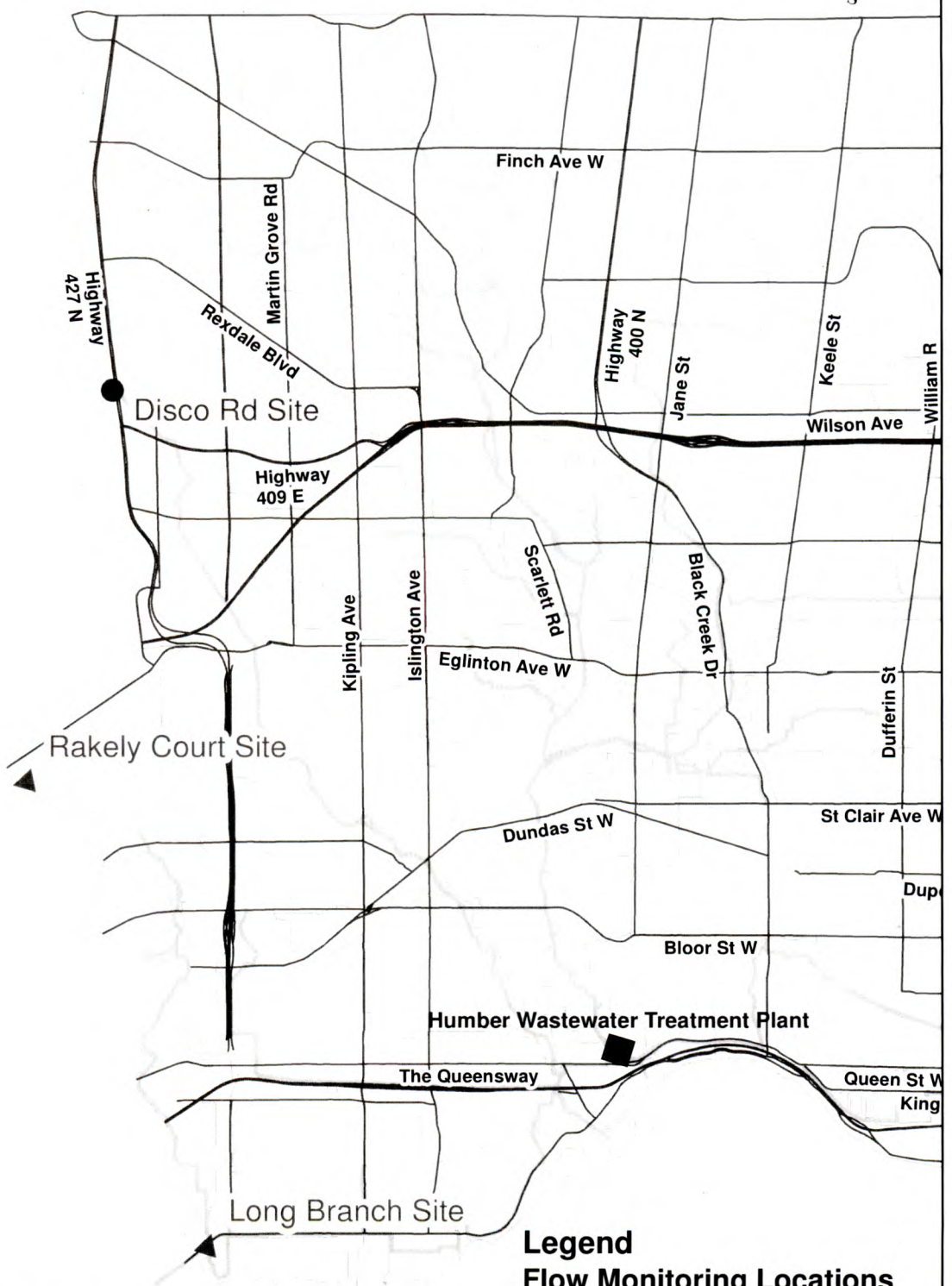
Lou Di Gironimo
General Manager
Toronto Water

ATTACHMENTS

Appendix A: Cross Boundary Wastewater Flows - Region of Peel and City of Toronto



Appendix A: Cross Boundary Wastewater Flows - Region to Peel and City of Toronto



Region of Peel's G.E. Booth (Lakeview) Wastewater Treatment Plant

Legend
Flow Monitoring Locations

- Wastewater from Peel to Toronto
- ▲ Wastewater from Toronto to Peel



**Cross Boundary Wastewater Flows
 Region of Peel and City of Toronto**

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City of Toronto	
Drawn By:	BY
Checked by:	BY
Date:	April 09, 2015

