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December 19, 1996

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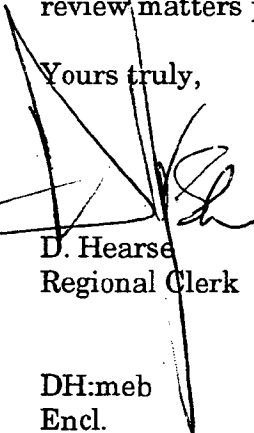
Ms. Novina Wong
Clerk
Municipality of Metropolitan Toronto
55 John Street, 7th Floor
Toronto, Ontario
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Dear Ms. Wong:

The Council of The Regional Municipality of York at a special meeting convened on December 19, 1996, considered and subsequently adopted, as amended, the enclosed Report No. 6 of the Regional Water Strategy Task Force in regard to a preferred solution for long term water supply in the Regional Municipality of York.

Regional Council amended the subject report by directing that same be forwarded to Mr. Milt Farrow who has recently been appointed by the Provincial Government to review matters pertaining to issues regarding the Greater Toronto Area.

Yours truly,



D. Hearse
Regional Clerk

DH:meh
Encl.

cc. E. King, Regional Chair
J. Cole, Chair - Water Strategy Task Force
A. Wells, Chief Administrative Officer
K. Schipper, Commissioner of Transportation and Works
N. Embree, Co-ordinator, Long Term Water Supply

Clause No. 1 embodied in Report No. 6 of the Water Strategy Task Force was adopted, as amended, by the Council of The Regional Municipality of York at its meeting on December 19, 1996.

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**PREFERRED SOLUTION
LONG TERM WATER SUPPLY STRATEGY**

The Water Strategy Task Force recommends the adoption of the following report, December 5, 1996, from the Chief Administrative Officer, subject to Recommendation No. 2 and No. 3 being revised to now read as follows:

- "2. the steering committee bring forward a report by January 31, 1997 which outlines the structural organization to proceed and financial alternatives.**
- 3. the steering committee report back by January 31, 1997 on the future partnership arrangements with Consumer's Utilities."**

1. Recommendations

It is recommended that:

1. the preferred solution as set out in the attached report entitled "Selection of the Preferred Solution", dated December 11, 1996, be approved as Council's strategy for meeting the Region's water supply needs;
2. the steering committee bring forward a report early in 1997 which outlines the structural and financial alternatives; and
3. the steering committee report back early in 1997 on the future partnership arrangements with Consumer's Utilities.

2. Background

The work plan for the Long Term Water Supply Strategy Study, as approved by Council on May 23, 1996, established December 1996 as the target date for making a decision on the preferred solution to meet the Region's long term water supply needs. In keeping with that target, the attached report outlines the recommended preferred solution and the detailed methodology used in evaluating the options. The report was prepared by the project steering committee which was comprised of J. Southworth and P. Davies from Consumers Utilities, and N. Embree and A. Wells from the Region. The steering committee was responsible for overseeing the project and maintaining the schedule.

The steering committee believes that the recommended preferred solution is the best technical solution for York Region and that the criteria and weightings used in its selection reflect the opinions of the public as determined through the public participation process. Public comment was obtained through open houses held in July and November, 1996 and through a separate public polling exercise which was conducted in August.

The criteria which were used in determining the preferred solution are as follows:

1. Secure water to continue the Region's future growth
2. Rate stability and cost minimization
3. Financibility
4. Protection of the environment
5. Independence
6. Reliability of supply
7. Source of supply
8. Economic benefits to the Region

High level screening indicated that four of the nine external supply options identified in the October 24, 1996 reports were inferior to the other five. These four were not considered further. Each of the five remaining options was subject to a detailed evaluation. The options were first assessed and scored based on the above noted criteria and then compared using a multi-criteria ranking model. The model used several different sets of weighted criteria and a sensitivity analysis. The detailed methodology and conclusions from the evaluation are set out in the attached report.

3. Preferred Solution

The preferred solution as set out in the steering committee report is a phased strategy comprising four steps. The first three are necessary to bridge the gap between now and 2004, when a new external supply can be made available, and are common to all external supply options.

Steps

1. The Region should continue to actively pursue a new water supply agreement with Metro Toronto in order to provide York with an expanded permanent water supply to service existing development plus the growth projected for the next 6 - 8 years. The revised agreement should address capital cost contributions from York to Metro for improvements to Metro's supply and distribution system and a rate setting methodology that will closely follow the one that was used in setting the 1997 water supply rate for the Region.
2. The Region should initiate a water-use efficiency program. The work done to date on leakage and unaccounted for water detection and control has indicated a potential savings in water production of 3 - 4

million gallons per day. Since this is a low cost alternative relative to other ways of providing additional water quantity, it should be aggressively and immediately pursued. The program should be well co-ordinated with the area municipalities since the major effort will be required at the local distribution level.

3. A new Lake Simcoe-based water treatment plant is needed. The Class Environmental Assessment for a new water treatment plant to replace the one in Sutton has already been carried out to the end of phase II. This plant, together with the existing Keswick water plant, would provide sufficient capacity to service the planned expansion of the Sutton community, as well as for the Willow Beach area. Development of this water treatment has not yet been pursued, pending a decision on the long term water supply strategy.
4. The Region should develop a new Great Lakes supply from Lake Ontario via the Durham (West) option. This option, in the steering committee's view, best satisfies the selection criteria according to the evaluation methodology set out in their report.

The Durham (West) option has been conceived and costed based on the assumption of being developed independently. The major components would be a new Lake Ontario intake, located in Pickering, between Frenchman's Bay and the eastern Metropolitan Toronto boundary, a shoreline or near shore pumping station (possibly underground), and a transmission main to a treatment facility in York Region.

This option, however, could be modified to accommodate Durham Region needs. To date, Durham has not identified such needs, but has indicated interest in York Region's Environmental Assessment process and the evaluation of water supply servicing options which may be of long term benefit to Durham Region.

Continued, and possibly expanded, use of Lake Simcoe is also common to all external supply options. Implementation of the recommended long term solution will therefore result in York Region's external water supply source being Lake Ontario, co-operatively through Metropolitan Toronto, and independently through Durham, while, internally, groundwater and Lake Simcoe will continue as significant sources.

4. Structural/Financial Alternatives

The work plan implied that structural and financial alternatives would be recommended at this time. As the project progressed, however, it became clear that the nature of the preferred solution would dictate the appropriateness of some of the alternatives.

Presentations have been made to the Water Strategy Task Force and to Regional Council in order to outline the scope of the alternatives. A detailed

report outlining the options for consideration will be presented to the Task Force early in 1997.

5. Consumers Utilities

The agreement between York Region and Consumers Utilities set out the respective roles and responsibilities for a period of up to one year.

Having now reached the milestone of identifying the preferred solution, it is appropriate to examine the ongoing relationship between the Region and Consumers Utilities. It is recommended that the steering committee report back early in 1997 on the future partnership arrangements both for the interim and in the long term.

6. Conclusions

- This report sets out recommendations of the Long Term Water Steering Committee resulting from an extensive analysis of five options. The steering committee believes that the recommended preferred solution is the best technical solution for York Region, based on the technical evaluation as well as public input. Based on the evaluation as set out in the steering committee's report, the solution that best satisfies the criteria is "Independent Durham-West / Expanded Metro co-operative / Lake Simcoe/ Groundwater."

In order to bridge the gap until a new external supply is implemented, three measures are recommended: negotiate a new agreement with Metro to provide York Region with a permanent expanded water supply that will accommodate existing development plus growth for the next 6-8 years, initiate a water use efficiency program in York Region and construct a new Lake Simcoe-based water plant.

In addition, the report recommends that the issues of structural/financial alternatives and the future partnership arrangements between the Region and Consumer's Utilities be the subject of reports early in 1997.

(Regional Council at its meeting on December 19, 1996, amended the foregoing Clause by directing that the report be forwarded to Mr. Milt Farrow as it relates to his recent provincial appointment regarding issues in the Greater Toronto Area.)