



The Town of Richmond Hill

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April 23, 1997

Ms. Kathy Cooper
Canadian Environmental Law Assoc.
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Toronto, Ontario
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BY FAX: 416-960-9392

RE: YORK REGION'S WATER SUPPLY: PUBLIC/PRIVATE PARTNERSHIPS

Dear Ms. Cooper:


Sorry for the delay in transmitting this information. While this is only a press release from the Regional Municipality of York, the debate was at least two years long and covered a broad range of ideas and so, I am not able to gather or share all the documentation on this matter.

You may be interested to see that I have included a copy of a conference on this subject which was mailed to me last week.

I have also been in contact with Mr. John Scott, Information Officer for the Regional Municipality of York. He likely will contact you to improve communications between the Region and your association.

Thank you for your patience and your interest.

Sincerely,



Ms. Brenda Hogg, Councillor
Ward 2, Town of Richmond Hill





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For Immediate Release

March 13, 1997

York Region Approves the Structural Organization for Long Term Water Supply Strategy

NEWMARKET - York Regional Council today approved arrangements for its ongoing relationship with Consumers Utilities. This arrangement will allow the Region and Consumers Utilities to proceed with the pursuit of the preferred solution to York Region's long-term water supply as adopted by Regional Council on December 19, 1996.

"Our analysis has determined that the best way to implement the Region's long term water strategy is through project specific agreements," said Newmarket Mayor John Cole, chair of the Region's Water Strategy Task Force. "This arrangement will involve the Region entering into separate contracts with Consumers Utilities for the four steps of the strategy."

The first initiative, which will be the continued negotiations with Metro Toronto for a new water supply agreement, will see Consumers Utilities taking an advisory role. Secondly, the initiation of the water efficiency program will be carried out with Consumers serving in a project management role. The other components of the Region's preferred solution include a new water supply from Lake Ontario and the construction of new Lake Simcoe water treatment facilities.

The Region will enter into a contract with Consumers Utilities as project managers. Alternatively, Consumers Utilities may take responsibility for design and construction of the new facilities, transferring ownership to the Region upon commissioning. Subsequently, the Region may enter into an arrangement whereby Consumers Utilities will maintain and operate the new facility, subject to reaching contractual agreement and in particular, the arrangements being competitively priced.

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The key factors leading to the nature of the future partnership between the Region of York and Consumers are:

- **the Region's preference to retain ownership of and maintain the wholesale water system**
- **the widely different abilities of each party to manage specific risks**
- **the Region's ability to finance up to 100% debt with a high credit rating**
- **only the Region being able to collect Development Charges under current legislation**
- **the Region's exempt status respecting certain taxes, which compares favourably to the tax advantages afforded a private corporation through Capital Cost Allowances, etc.**
- **the greater ability of the Region to limit the cost to the ratepayer of demand risk given the monopoly nature of the wholesale water business**
- **existing legislative restrictions on the kinds of structural arrangements in which the Region may participate**
- **the flexibility it will provide to evolve to more complex structures should legislation be amended in the future**

"Should legislative changes occur which would change the present arrangements, there is sufficient flexibility within these proposals to adjust accordingly," said Regional Chair Eldred King. "Staff and legal and financial advisors will continue to complete the detailed terms for each phase, including the financial arrangements."

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For more information, please contact:

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