
REPORT TITLE: **Toronto and Region Conservation Authority (TRCA) and Credit Valley Conservation (CVC) Environmental Assessment and Permit Review Service Agreements**

FROM: Kealy Dedman, Commissioner of Public Works

RECOMMENDATION

That an agreement (Document 2021-542N) for the Environmental Assessment and Permit Review Services be awarded to Toronto and Region Conservation Authority (TRCA) for a period of five years, commencing on January 1, 2022, in the estimated annual amount of \$448,150 for the first year (excluding applicable taxes), in accordance with Procurement By-law 30-2018, as amended;

And further, that an agreement (Document 2021-543N) for the Environmental Assessment and Permit Review Services be awarded to Credit Valley Conservation Authority (CVC) for a period of five years, commencing on January 1, 2022, in the estimated annual amount of \$369,000 for the first year (excluding applicable taxes), in accordance with Procurement By-law 30-2018, as amended;

And further, that the Director of Procurement and the Commissioner of Public Works be granted authority to approve increases for this and subsequent terms, including costs and amendments resulting from inflation, capital program changes, and additional services on an as required basis and in accordance with the service level agreements;

And further, that the Commissioner of Public Works be authorized to sign the service level agreements, on business terms satisfactory to the Commissioner of Public Works and on legal terms satisfactory to the Regional Solicitor.

REPORT HIGHLIGHTS

- The Region's water, wastewater, and transportation ten-year capital budget plan represents over \$8 billion in new infrastructure.
- All Region infrastructure projects must comply with the *Environmental Assessment Act* and require permits and approvals from external agencies, including conservation authorities (TRCA and CVC).
- Historically, routine services related to permit review and approval were provided on a first-come-first-served basis at an advanced stage of design and charged through permit fees project-by-project; however, this approach led to uncertain timelines for approval and frequent requirements for re-design.
- New service level agreements between the Region and the conservation authorities have been developed to provide expedited review and enhanced support services related to the issuance of required environmental licenses, approvals, permits and/or other permissions as required.

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- Moving forward, in lieu of permit fees on a project-by-project basis, the Region shall compensate TRCA and CVC for their actual staff time, at full cost recovery rates, to provide enhanced services as outlined in the service level agreements at an annual cost of approximately \$448,150 and \$369,000 respectively, excluding applicable taxes.
 - Costs shall not exceed the upset limit, which will be re-evaluated and established annually by the Region based on anticipated project volumes and the fee structure outlined in the service level agreements.
 - The terms of the service level agreements outlined in the report below will support the Region in delivering critical Region infrastructure projects effectively and efficiently avoiding project delays and associated costs.
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DISCUSSION

1. Background

The Region's water, wastewater and transportation ten-year capital budget plan represents over \$8 billion in new infrastructure. All Region infrastructure projects must comply with the *Environmental Assessment Act* and require permits and approvals from external regulatory agencies, including conservation authorities.

Historically, routine services related to permit review and approval for individual projects were provided on a first-come-first-served basis by conservation authorities, which could result in long wait times for permit review. In addition, permit applications were generally submitted at an advanced stage of design, necessitating re-design of various project elements to meet requirements. Overall, this process resulted in uncertain timelines for approval and additional costs.

In an effort to ensure Regional infrastructure projects are delivered efficiently and in a timely manner, staff have collaborated with Toronto and Region Conservation Authority (TRCA) and the Credit Valley Conservation Authority (CVC) to draft service level agreements for enhanced environmental assessment and permit review services (the "Agreements").

The purpose of the Agreements is to build on the existing positive working relationships between the Region, TRCA and CVC and formally establish a process for expedited review and enhanced support services related to the issuance of conservation authority approvals. Furthermore, this formal commitment will provide both parties with certainty related to anticipated work effort and corresponding funding, thereby allowing both the Region and the conservation authorities to plan for the necessary capacity and resourcing to deliver critical Region infrastructure projects effectively, efficiently and on schedule.

a) Scope of Work for Enhanced Services

Dedicated staff from TRCA and CVC will provide expertise, guidance, and technical assistance to the Region. Review of Regional project permit applications will be expedited, and ongoing consultation support will be provided throughout the design and permit process. Conservation authority staff are committed to working collaboratively with the Region to ensure expeditious review and issuance of required environmental licenses, approvals, permits and/or other permissions as required under all applicable acts and regulations. Reviews will be completed in accordance with the conservation authority mandate, program and policies, and regulatory objectives. The reviews will

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include, but will not be limited to, concerns related to flooding, erosion, natural heritage management (including natural heritage compensation coordination), stormwater management and natural hazards in accordance with conservation authority reporting requirements.

Key requirements within the Agreements outlining the enhanced level of service include:

- Retaining dedicated staff resources within the conservation authorities with the required expertise to review Region submissions in a consistent and expedited manner to align with the Region's capital program needs over the next ten years
- Regular meetings, including pre-consultations and site visits, with the Region and the Region's consultants to clarify requirements and avoid surprises, duplication, and resubmission, the intent of which is to expedite approvals for capital projects
- Prioritizing, in consultation with the Region, projects which require immediate attention due to complexity, timing and/or funding constraints
- Providing presentations, training and/or workshops to strengthen the collaborative partnership between the conservation authorities and Region staff on mutually beneficial topics
- Regularly sharing information on legislative policy changes or updates on Region and conservation authority programs and services to enhance situational awareness
- Regular meetings to review the Agreements and adjust/update the level of service and budget as required

2. Proposed Direction

Staff recommend that the two agreements (Document 2021-542N and Document 2021-543N) for the Environmental Assessment and Permit Review Services be awarded to TRCA and CVC for a period of five years commencing January 1, 2022. Staff also recommends that the Director of Procurement along with the Commissioner of Public Works be delegated the authority to jointly authorize adjustments for increases in costs and amendments resulting from inflation, changes to the water, wastewater, and transportation capital programs and additional services on an as required basis in accordance with the Agreements.

RISK CONSIDERATIONS

TRCA and CVC review and issue permits allowing the Region's projects to proceed in compliance with regulatory requirements. In addition, TRCA and CVC review and provide comments throughout the development of the Transportation Master Plan, and Water and Wastewater Master Plan, including ongoing updates and Municipal Class Environmental Assessments. If the Region were to follow the standard conservation authority permitting process and pay standard review and permit fees on a project-by-project basis there would be a significant risk of project delays and associated costs given the size and complexity of the Region's growth-related water, wastewater, and transportation capital programs.

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FINANCIAL IMPLICATIONS

The Region will compensate TRCA and CVC for their actual staff time, at full cost recovery rates, to meet the requirements outlined in the Agreements at an annual cost of approximately \$448,150 and \$369,000 respectively, excluding applicable taxes. Annual costs shall not exceed the upset limit which will be re-evaluated and established annually by the Region based on anticipated project volumes and the fee structure outlined in the Agreements. The total estimated cost over the five-year period of the Agreements is \$2.4 million for TRCA and \$2 million for CVC.

Conservation authority project reviews and issuance of permits are required to support the growth-related water, wastewater, and transportation capital programs. TRCA and CVC will regularly track and report their level of support for each capital project and provide this information to the Region. The Region will allocate TRCA and CVC support costs to the appropriate capital projects which are primarily funded by development charges.

The cost of the services provided under these Agreements is in lieu of the Region paying standard review and permit fees on a project-by-project basis. The services outlined in the Agreements are non-mandatory for conservation authorities as they relate to expedited permit review and enhanced consultation and support services throughout the design and permitting process. As such, these enhanced services are not funded through the annual mandatory municipal Levy or Special Levy the Region provides to TRCA and CVC. All services rendered in accordance with the agreements will be recovered from capital projects which are supported either by rate-based funding and/or development charges.

CONCLUSION

The Agreements between the Region and the conservation authorities will avoid infrastructure project delays and associated risks and costs. Dedicated conservation authority staff will provide timely technical review and enhanced support services related to permits for Region water, wastewater, and transportation projects that support Term of Council Priorities including managing sustainable growth, environmental resilience, and expanding community mobility.

For further information regarding this report, please contact Elvis Oliveira, Director, Water and Wastewater Infrastructure Planning, Partnerships and Compliance, Ext. 4376, elvis.oliveira@peelregion.ca.

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Reviewed and/or approved in workflow by:

Department Commissioner, Division Director, Financial Support Unit, Legal Services and Procurement.