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## **2007 BUDGET BRIEFING NOTE**

### **Policy Related Budget Requests**

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#### **Issue/Background:**

- Toronto Water 2007 Operating and Capital Budget requests are consistent with existing policy and specific direction from City Council.
- Requests for enhancements or changes to existing programs or adoption of new programs require a level of analysis that is not available at budget review time.
- The following are examples of new or enhanced programs suggested at the Budget review meeting of January 8, 2007:
  - Implementation of Wet Weather Flow Management Related Initiatives
    - Mandatory Downspout Disconnection Program
    - Tree Planting
    - Green Roof Incentives
    - Rainwater Harvesting Incentives
    - Pavement/Hard surfaces Disincentives
    - Land Acquisition for Source Water Protection
  - Beach Management Program
  - Climate Change and Energy Efficiency Initiatives within Toronto Water
  - Basement Flooding Grants

#### **Key Points:**

*Wet Weather Flow Master Plan* – adopted by City Council in 2003

- The above noted list of programs relate to one of the objectives of the Wet Weather Flow Master Plan, which is to reduce rainwater runoff at source to the greatest extent practical.
- In developing the 25-year implementation plan for the Wet Weather Flow Master Plan, downspout disconnection provided the greatest reduction in stormwater runoff volumes (within the suite of source control measures considered) and funding for a Downspout Disconnection Program was considered a priority in the Plan.

### *Downspout Disconnection Program*

- A Voluntary Downspout Disconnection Program has been in place since 1998.
- The Voluntary Downspout Disconnection Program has averaged about 2,300 disconnections per year for the past 7 years and overall disconnections to date of approximately 26,000.
- Funding provided to support the Voluntary Downspout Disconnection Program is \$1.5 million annually.
- In September 2006, Council adopted, in principle, the concept of making it mandatory to disconnect all existing downspouts in the City, where feasible, over a ten-year phase-in period. However, Council requested staff to report back on the policy implications of the proposed financial assistance (i.e. up to \$300 per property) and on a detailed implementation plan along with any by-law amendments and costs for program administration.
- A staff report is pending for the spring of 2007.
- Accordingly, funding for this program in Toronto Water's Capital Budget has not been increased, as Council has not made a final determination on the matter.

### *Tree Planting funded by Toronto Water*

- Mature trees intercept and retain some rainwater and thereby reduce surface runoff.
- While the benefits of additional tree planting and increasing vegetative cover across the City are recognized, funding to support these initiatives was not included in the Wet Weather Flow Master Plan, as approved by Council, and there is no policy directing expenditures to support these types of initiatives through the Toronto Water Capital Budget process.
- Toronto Water was directed by Council to provide \$1 million to the Parks, Forestry and Recreation Division for tree planting during the 2006 Toronto Water Capital Budget deliberations.
- Respecting Council's 2006 decision, Toronto Water has incorporated the same level of funding in the 2007 Capital Budget submission.
- A comprehensive review of tree planting programs should be developed which identifies the City's long term tree planting strategy, roles and responsibilities of the affected Divisions, and the City's ABCs prior to increasing any funding levels for this program.

### *Green Roof Incentives*

- In November 2005, the Environmental Roundtable concluded a year long study on the benefits of Green Roofs and recommended to City Council the creation of a Green Roof Incentive Program.
- A total of \$200,000 was provided in Toronto Water's 2006 Capital Budget to fund a pilot program.

- While the benefit to Toronto Water, in terms of avoided costs for stormwater management were determined to be approximately \$1 - \$2 per square metre of roof area, in April 2006, Council approved the Green Roof Incentive Pilot Program, where financial incentives of \$10 per square metre of green roof were provided to eligible applicants.
- By 2006 year end, only 16 eligible applications (largely residential) were received and approved for a total of approximately \$30,000.
- A staff report on the program is pending later this spring, with an analysis of the pilot program and recommendations for the future.
- In anticipation of continuing the Pilot Program for another year, Toronto Water has again requested funding of \$200,000 for 2007.

#### *Rainwater Harvesting and Rain Barrel Incentives*

- Rainwater Harvesting refers to the collection and storage of rainwater onsite for later reuse for irrigation, toilet flushing or other non-potable uses.
- It reduces stormwater runoff and also conserves potable water and therefore contributes to achieving the objectives of both the Wet Weather Flow Plan and the Water Efficiency Plan.
- Unfortunately, the Ontario Building Code restricted the use of non-potable water (or dual water source) systems and an amendment was required that took effect late in 2006.
- In advance of the Ontario Building Code amendment, Council in April 2006, approved undertaking the design of a pilot rainwater harvesting system for the Better Living Centre at Exhibition Place.
- The design for this system is expected to be completed later this year, and as directed by Council, a staff report detailing the cost estimates and potential funding contributions from other agencies is pending.
- Funding is provided in the 2007 Toronto Water Capital Budget to undertake the design and in the absence of a Council approved policy for future funding of such systems; no additional funding has been budgeted.
- Further, the City continues to provide rain barrels through the Downspout Disconnection Program to interested homeowners. In 2006, 350 were provided through the Downspout Disconnection program and an additional 150 rain barrels were sold at cost during Councillor's Environment Day events.

#### *Pavement / Hard Surfaces Disincentives*

- Increasing areas of pavement and hard surfaces associated with urbanization is the main contributor to excess surface water runoff and associated problems with stream erosion and water quality impairment.

- While the benefits of reducing hard surface area across the City are recognized, funding to support these initiatives was not included in the Wet Weather Flow Master Plan, as approved by Council, and there is no policy directing expenditures to support these types of initiatives through the Toronto Water Capital Budget process.
- In support of the City's Wet Weather Flow Master Plan, Stormwater Management Guidelines for new developments have been prepared, setting targets for the control of stormwater runoff for new developments and are expected to be applied across the City in 2007.
- Toronto Water and Finance staff are also reviewing the option of funding stormwater management project costs through a stormwater utility charge where a property owner would be charged a fee based on the amount of hard surface on the property. This will be further explored in preparation for the Toronto Water's 2008 Budget and Water Rate setting process.

#### *Beach Management Program*

- Toronto Water works collaboratively with the Parks, Forestry & Recreation Division and Toronto Public Health on beach management issues.
- Toronto Water has assumed lead responsibility and funding for beach water quality monitoring and investigations related to pollution sources and activities related to mitigating the impact of storm sewer and combined sewer overflow discharges to beach areas through the implementation of the City's Wet Weather Flow Master Plan.
- The Parks, Forestry & Recreation Division has assumed responsibility for beach grooming and land based cleanup efforts (e.g. litter pickup).
- In 2006, Council directed the development of an Integrated Beach Management Strategy for completion by the end of 2007.
- The objectives of the strategy are to:
  - review the appropriateness of existing beach designations and recommend, where appropriate, siting of new beaches;
  - identify long term recreational end-use objectives;
  - identify other management objectives such as improving aquatic habitat, repair or replacement of breakwall structures, and mitigation of beach erosion;
  - assess current approaches to and levels of beach maintenance;
  - identify the necessary measures, their associated capital and operating cost implications and prepare a proposed implementation schedule, to support the implementation of an Integrated Beach Management Strategy (IBMS); and
  - prepare draft directions and recommendations and obtain feedback from public in fall 2007 and report to City Council by end of 2007

*Climate Change and Energy Efficiency Initiatives by Toronto Water*

- Toronto Water's 2005 Multi-Year Business Plan, as approved by Council, identifies one of Toronto Water's strategic goals as "Deliver excellence in environmental stewardship" which coincides with a number of issues in the Mayor's Mandate, including the development of a climate change plan to cut greenhouse gas emissions.
- Recognizing that power-generating facilities are a key contributor to greenhouse gases, and in advance of the development of a formal City-wide Climate Change Plan, Toronto Water has already initiated several projects to reduce its energy demand.
- The 2007 Toronto Water 5-Year Capital Plan includes a number of projects that are aimed at reducing energy demand, to control cost increases, while contributing to the goals of a Climate Change Plan.
- Total projected cashflow requirements for the above projects over the next five years are \$82 million.

*Basement Flooding Grants*

- Basement Flooding Grants are made to eligible recipients to cover uninsured losses from property damages caused by basement flooding or watermain breaks, up to a specified maximum.
- In May 2001, Council directed that a City-wide Basement Flood Grant Program not be established and that the former North York City Council resolution that created the no-fault program in North York be repealed.
- During the 2006 Budget deliberations, Toronto Water was directed by Council to provide \$4 million for a one-time Drain Grant Program for basement flooding caused by the August 19, 2005 storm.
- A 2005 Flood Damages Grant Program was approved by City Council in July 2006.
- Application forms were sent to 4,283 households. A total of 1,085 applications were submitted, of which 1,058 were eligible for a grant. All eligible applicants received a grant payment equal to their uninsured losses up to a maximum of \$3,000.
- As of year-end, \$1,657,488 has been paid in grants and \$135,520 has been paid in processing fees.
- There are several potential applicants still remaining and staff are completing a review of the files to determine whether they are eligible for reimbursement under the program.
- There is no Flood Damages Grant program in place or budgeted for in 2007.

- To help protect residents who have experienced basement flooding from future flooding, the City provides the following programs:
  - Downspout Disconnection Program - where downspouts are disconnected at no cost to the homeowner. Homeowners who experienced basement flooding have been given priority in the program.
  - Blocked Drain Program - where the City will inspect house laterals at no cost to the resident and repair the lateral if roots cause damage from a City owned tree.
  - Basement Flooding Protection Subsidy Program – where total subsidies available to a homeowner can be up to \$3,200 if they install a backflow valve, a sump pump, disconnect and cap their foundation drain and disconnect their downspouts.
- A permanent Basement Flooding Protection Subsidy Program is being developed, which is to become effective after budget approval early in 2007, which will make subsidies available to all interested homeowners regardless of whether they have had basement flooding in the past.

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