

TORONTO STAFF REPORT

December 19, 2005

To: Works Committee

From: Lou Di Gironimo, General Manager, Toronto Water

Subject: Considerations for additional funding in the 2007 Capital Budget for source water protection, tree planting and downspout disconnection.

Purpose:

To report as requested on including additional funding in the 2007 Toronto Water Capital Budget for source water protection, tree planting and downspout disconnection programs.

Financial Implications and Impact Statement:

There are no financial implications from the adoption of this report.

Recommendations:

It is recommended that:

- (1) the General Manager, Toronto Water report to the Works Committee at its meeting on June 7, 2006, on the implementation of a mandatory downspout disconnection program, with a phase-in period of 10 years, and the by-law amendments and funding options required to implement the program; and
- (2) the General Manager, Toronto Water in preparing Toronto Water's 2007-2011 Capital Budget consider the following allocations:
 - a) \$3 million for tree planting for stormwater reduction;
 - b) \$2 million per year contribution to the Land Acquisition for Source Water Protection of Toronto's Rivers Reserve Account;

- c) an amount of \$2 million for Multi-Year Business Plan to protect the source of Toronto's rivers; and
- d) an amount of \$1 million for Mandatory Downspout Disconnection Program.

Background:

City Council, at its meeting of Sept 28, 29, and 30, 2005, adopted in principle, the comprehensive Multi-Year Business Plan of the Toronto and Region Conservation Authority (TRCA) to protect the source of Toronto's river systems, as outlined in the August 29, 2005, report from the Chief Administrative Officer of the TRCA.

The Works Committee, at its meeting on September 14, 2005, also requested the Deputy City Manager, Fareed Amin to submit to the Works Committee and the Budget Advisory Committee options to achieve the goals of the Multi-Year Business Plan of the TRCA as part of the Toronto Water 2006 Capital Budget process. The Deputy City Manager in his report of November 4, 2005 to the Works and Budget Advisory Committee on this subject, concluded that the City of Toronto's prime responsibility in this area was to continue with the implementation of the Wet Weather Flow Management Master Plan. While the Wet Weather Flow Management Master Plan acknowledges the need for source water protection activities upstream of the City's boundaries, these had not been contemplated as City expenditures, given the current financial constraints, pressing infrastructure renewal needs, and significant investment required for the implementation of the Plan within the City boundaries. Therefore, Toronto Water's 2006 Budget did not include a further contribution for the TRCA to implement its Plan.

City Council, at its meeting on December 8, 2005 adopted the recommendation that:

- (1) the Province of Ontario be requested to invite the City of Toronto and the Toronto and Region Conservation Authority to actively participate in the development of a Drinking Water Source Protection Plan for Lake Ontario; and
- (2) the Province of Ontario be requested to commit to provide financial support for the implementation of the City's Wet Weather Flow Management Master Plan, recognized as a foundation for source water protection in the Toronto area."

The Works Committee, at its meeting of November 8, 2005, requested the General Manager of Toronto Water to report to the January 11, 2006, meeting of the Works Committee on including in the 2007 Toronto Water budget:

- (a) \$3 million for tree planting for stormwater reduction;
- (b) \$2 million per year contribution to the Land Acquisition for Source Water Protection of Toronto's Rivers Reserve Account;

- (c) an amount of \$2 million for the Multi-Year Business Plan to protect the source of Toronto's rivers; and
- (d) an amount of \$1 million for a Mandatory Downspout Disconnection Program;

At its meeting of December 8, 2005, City Council approved Toronto Water's 2006 – 2010 Capital and Operating Budgets and amended them to include a contribution of \$0.5 million to the Land Acquisition for Source Water Protection Reserve Account and \$1 million for tree planting.

Comments:

Contribution to the TRCA Multi-year Business Plan

On December 5, 2005, the Ontario Minister of the Environment introduced Bill 43, known as "The Clean Water Act". At the same time, the government announced an investment of \$67.5 million to help with implementation of the Act. It is not clear at this time how much provincial funding will be available to the TRCA to carry out source water protection initiatives identified in their Multi-Year Business Plan. The earlier noted financial constraints and pressing infrastructure renewal needs may preclude additional financial contributions by Toronto Water towards initiatives identified in TRCA's Multi Year Business Plan.

Contribution to the Land Acquisition for Source Water Protection Reserve

Policies and approval criteria for funding requests for the use of the Land Acquisition for Source Water Protection reserve were established by City Council at its meeting of July 19, 20, 21 and 26, 2005 (Policy and Finance Report No 7, Clause 37), and can be found in Schedule 11 of Article II of Chapter 227 of the City of Toronto Municipal Code. The contribution policy states that:

- (a) no additional contribution is permitted until the fund is exhausted;
- (b) no additional contribution while the Toronto Water Stabilization Reserve is below its target level; and
- (c) contributions to be approved by City Council during the annual budget review process.

At the moment, the fund has a balance of \$0.5 million and there are no outstanding requests or plans for withdrawals from the fund. The Toronto Water Stabilization Reserve is well below its target level of \$33 million.

Should the fund be depleted through 2006 and the Toronto Water Stabilization Reserve be topped up to its target level of \$33 million, then a contribution to the Land Acquisition for Source Water Protection reserve account will be considered through the 2007 Toronto Water Capital Budget submission.

Contributions for Tree Planting

Toronto Water, through the implementation of the City's Wet Weather Flow Management Master Plan (WWFMMP), remains committed to advancing source control measures such as increased tree cover across the City. This is being accomplished through increased stream restoration projects which are being undertaken within the first 15 years of the Plan implementation, in the design of stormwater management facilities and by promoting the benefits of increased vegetative plantings including trees through Toronto Water's public education campaign.

Toronto Water has also established the Community Program for Stormwater Management which provides funding for community groups, supporting the goals and objectives of the WWFMMP. The program has allocated \$250,000 per year for the implementation of projects such as tree planting by community groups.

Toronto Water staff will continue to work with the Tree Advocate, staff from the Parks, Forestry and Recreation Division, and other City divisions to identify tree planting opportunities to reduce stormwater runoff, and consider these activities in the preparation of Toronto Water's 2007 Capital Budget.

Mandatory Downspout Disconnection

City Council has not yet approved a mandatory downspout disconnection program. If it does, the costs to the City could range from zero to approximately \$150 million, depending on the kind of financial subsidy provided. Under the current program the average cost to physically disconnect the downspouts at a residential property is about \$400. Under a mandatory program average costs to the City, should the City continue to fully fund the disconnection, could be greater. This is because more difficult costly disconnections would also have to be undertaken; properties which are not usually addressed through the present program.

If a new by-law were passed prohibiting direct connections of downspouts to the sewer system, such as the one adopted by the City of St. Catharines in 1991, there would no longer be a need for a financial incentive to homeowners and the \$1 million suggested would not be necessary. If, on the other hand, the City were to provide grants to homeowners to cover 100% of their costs, a \$1 million program would cover the costs of only approximately 2,500 properties. An additional \$100 to \$150 million is estimated to be necessary to fund the remaining disconnections.

There is a tremendous amount of work to be done to properly and safely disconnect all downspouts in Toronto. There will be impacts on the roofing trades and financial impacts on homeowners if there is no subsidy and indirectly through a water rate increase if there is a subsidy. There will also be additional staff resource implications for enforcement and administration of the by-law, which would be dependent on the phase-in period and whether the phase-in is by geographic area or some other criteria.

Conclusions:

Toronto Water is committed to source water protection through the implementation of the Wet Weather Flow Management Master Plan. The Plan was developed on a watershed basis and is recognized for its importance in improving water quality conditions across the six watersheds and the waterfront and provides a foundation for the development of a source water protection plan for Lake Ontario. Implementing this plan should be the top priority for protecting Toronto's drinking water source. It is recognized that protection of Toronto's source of drinking water, Lake Ontario, will require the cooperation and involvement of all jurisdictions: neighbouring municipalities, TRCA, provincial and federal governments. With the introduction of the Clean Water Act, it is expected that all affected jurisdictions will participate in the development and implementation of a source water protection plan for Lake Ontario.

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