

October 24, 2008

To: Executive Committee

From: Budget Committee

Subject: Toronto Water 2009-2018 Capital Program

Recommendations:

The Budget Committee recommended to the Executive Committee that:

- 1. City Council approve the 2009 Recommended Capital Budget for Toronto Water with a total project cost of \$1.567 billion, and 2009 cash flow of \$488.438 million and future year commitments of \$2.224 billion comprised of the following:**
 - a. New Cash Flow Funding for:**
 - i. 242 new sub-projects with a 2009 total project cost of \$1.567 billion that requires cash flow of \$98.996 million in 2009 and a future year commitment of \$213.091 million in 2010; \$264.294 million in 2011; \$265.069 million in 2012; \$397.681 million in 2013; \$139.629 million in 2014; \$126.292 million in 2015; \$48.297 million in 2016; and, \$14.120 million in 2017;**
 - ii. 169 previously approved sub-projects with a 2009 cash flow of \$330.842 million and a future year commitment of \$281.541 million in 2010; \$252.605 million in 2011; \$220.187 million in 2012; \$0.420 million in 2013; \$0.220 million in 2014; \$0.242 million in 2015; and, \$0.255 million in 2016;**
 - b. 2008 approved cash flow for 49 previously approved sub-projects with carry forward funding from 2008 into 2009 totalling \$58.600 million.**
- 2. City Council approve that no new debt be issued to finance the 2009 cash flow requirement for the capital program and that the 2009 Recommended Toronto Water Capital Budget be fully funded from service charges; available reserve funds; including development charges; and, other revenues.**

3. **City Council approve the 2010-2013 Capital Plan for Toronto Water totalling \$963.492 million in project estimates, comprised of \$140.449 million in 2010; \$205.051 million in 2011; \$258.630 million in 2012; and, \$359.362 million in 2013.**
4. **City Council approve operating impacts of (\$31.966) million from 2009 to 2014 emanating from the approval of the 2009 Recommended Capital Budget, be approved for inclusion in the 2009 and future year operating budgets.**
5. **City Council approve in principle the 2014-2018 Capital Forecast for Toronto Water totalling \$4.067 billion in project estimates, comprised of \$654.352 million in 2014; \$737.100 million in 2015; \$849.269 million in 2016; \$894.671 million in 2017; and \$931.574 million in 2018; and that this forecast be used as a foundation for preparing a firm 2010 to 2019 Capital Plan and Forecast as part of the 2010 budget process.**
6. **This report be considered concurrently with the 2009 Water and Wastewater Service Rate Report (October 2008), from the Acting Deputy City Manager and Chief Financial Officer and General Manager for Toronto Water.**

Decision Advice and Other Information:

The Budget Committee received the report (October 8, 2008) from the General Manager, Toronto Water, entitled "Toronto Water's Infrastructure Renewal Backlog", for information.

Background:

The Budget Committee on October 24, 2008, considered the following reports:

- a. (October 17, 2008) from the Financial Planning Division, entitled "Toronto Water 2009-2018 Capital Program"; and
- b. (October 8, 2008) from the General Manager, Toronto Water, entitled "Toronto Water's Infrastructure Renewal Backlog".

The following person addressed the Budget Committee on October 23, 2008:

- Tim Macguire, First Vice President CUPE, Local 79
- Elaine LePage, Vice Chair, 3 R's Working Group
- David MacDonald, Open Shop Contractors Association
- Councillor Denzil Minnan-Wong, Ward 34 Don Valley East
- Councillor Janet Davis, Ward 31 Beaches-East York
- Councillor Karen Stintz, Ward 16 Eglinton-Lawrence

for City Clerk

