



Toronto Industry Network C/O Paul Scrivener and Associates
28 Bannatyne Drive, Toronto, ON – M2L 2N9
Phone & Fax: (416) 444-8060
Email: ph_scrivener_associates@allstream.net

Toronto Industry Network

December 5, 2017

VIA EMAIL

The Mayor and Council,
City of Toronto,
City Hall,
100 Queen Street West,
Toronto, Ontario,
M5H 2N2.

Attention: Marilyn Toft

Dear Mayor Tory and Councillors,

Re: EX29.18 - 2018 Rate Based Budgets - Toronto Water

There may be a motion introduced to direct Toronto Water to charge for all four parameters (TSS, BOD, TP and TKN) covered under the Industrial Waste Surcharge Agreement (IWSA) program. This program recognizes that some manufacturers can discharge over strength substances that are easily treated by City sewage treatment plants. Accordingly, Toronto Water charges for this service.

Unlike some other jurisdictions, Toronto Water charges for only the highest over strength parameter of the four listed. This provides a modest competitive advantage for the City. If the City were to charge for all four parameters, some companies would pay double the fees they are paying under the current arrangement. Council approved this policy in 2013 varying the staff recommendation to charge for all four parameters.

Under the IWSA program in 2016 there were a total of 295 companies with an IWSA at one time and 289 companies that had more than one surcharge parameter on their IWSA (note: having more than one parameter on an agreement doesn't necessarily mean all the parameters found are discharging constantly). By the end of 2016, there were 277 IWSA holders and 271 had more than one parameter on their IWSA.

The new and current gap figure on full cost recovery is \$1.9M as of 2017- Q3 based on the current year's 302 IWSA holders. This would translate to an additional cost of less than \$1.50 to residential ratepayers.

....2

Page 2

This charge is in addition to other important cost factors such as electricity and water, the increased minimum wage, the halt in the tax ratio reduction, congestion, etc. Additionally, large water users have been paying disproportionately for the cost of stormwater which is based on the amount of water consumed by a facility, not its run-off. Toronto Water's staff recommendation to implement a stormwater charge to address the unfairness of this was postponed by Council earlier this year. A policy change to allow charging for all four parameters would send a negative message to the business community.

It is worth noting commercial and industrial properties account for about 20% of the current value assessment but contribute over 40% of the municipal tax revenue which lowers residential taxes. Toronto needs to be able to offer its manufacturers modest incentives to re-invest in the City to provide good jobs and create wealth.

I thank you for your attention and urge you to support the current surcharge arrangement.

Sincerely,

A handwritten signature in black ink that reads "Paul Scrivener". The signature is written in a cursive, flowing style.

Paul Scrivener
Director of External Affairs