

Attachment B – Stakeholder Written Feedback

This attachment includes written feedback on the stormwater charge proposal from the following stakeholders:

- Toronto Catholic District School Board, 29-Nov-16
- Green Infrastructure Ontario Coalition, 29-Nov-16
- Toronto District School Board, 29-Nov-16
- Toronto Industry Network, 30-Nov-16
- Toronto and Region Conservation Authority, 30-Nov-16
- RiverSides, 21-Apr-17
- Smart Prosperity Institute, 21-Apr-17
- Toronto Environmental Alliance, 21-Apr-17
- Toronto Industry Network, 21-Apr-17
- Real Property Association of Canada (REALPAC), 24-Apr-17



November 29, 2016

City of Toronto
Toronto City Hall
100 Queen Street West
Toronto, Ontario M5H 2N2

Attention: Lou Di Gironimo, General Manager
City of Toronto, Toronto Water

Dear Mr. Di Gironimo:

Re: Funding Toronto Water's Capital Program – Storm Water Surcharge

As a follow up to the stakeholder consultation regarding Funding Toronto Water Capital Program that took place in October 2016, school boards were advised that City of Toronto staff intend to take a report to the Executive Committee on May 27, 2017 recommending the implementation of the storm water charge. If approved, the implementation of the program would begin in 2018 and the storm water rate increases/charges would start on January 1, 2019.

The proposed stormwater surcharge will significantly increase the costs of each of the four school boards' operations in the City of Toronto. This has severe and negative financial ramifications for school boards as Provincial government funding is fixed, and based on an established formula. School boards have no way to fund this surcharge other than to take from other areas of their operations and maintenance budgets, which are already stretched to the limit.

We have been advised that the Minister of Education has taken a position regarding Section 58 of the *Education Act*, which provides school boards with an exemption to stormwater fees imposed under the *Municipal Act, 2001*. Ministry staff provided us with a recent example of a municipality that imposed stormwater surcharge on two local school boards and how the Minister of Education directly intervened to discontinue the surcharge.

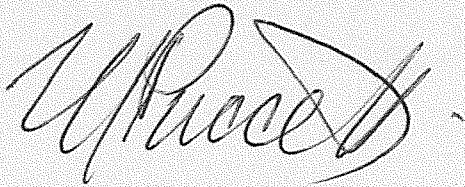
Based on this understanding of Section 58 of the Education Act and the precedent set by the Education Minister's actions in this regard, the Toronto Catholic District School Board will seek support from the Minister of Education in our request for an exemption from the City of Toronto stormwater surcharge.

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We wanted to advise you of this information prior to any approval of the surcharge at Council as a matter of courtesy, since this will affect any budget estimates tied to this revenue stream.

If you have any questions regarding this letter, please let me know.

Yours truly,

A handwritten signature in black ink, appearing to read 'Maia Puccetti', with a stylized flourish at the end.

Maia Puccetti, B.A., B.E.D.S., M.Arch., OAA
Superintendent of Facilities Services

cc Angelo Sangiorgio, Associate Director of Planning and Facilities
Carlene Jackson, Executive Superintendent of Business Services and CFO

Kurtis Elton
Metro Hall, 18th floor
55 John St
Toronto ON M5V 3C6

Re: City of Toronto Stormwater Charge

Dear Mr Elton,

Thank you for the opportunity to provide you with a written submission on the City of Toronto's Stormwater Charge.

The Green Infrastructure Ontario (GIO) Coalition is a multi-sectoral alliance that promotes green infrastructure and supports policies and programs that increase green infrastructure implementation across Ontario. A GIO Coalition steering committee member attended the stakeholder consultation meeting on Monday October 24th, 2016 and the coalition strongly supports Toronto Water's stormwater charge as presented at that meeting.

We are very pleased Toronto plans to implement a stormwater charge. The new charge will create an economic incentive for property owners to reduce stormwater runoff from their property and will help landowners, and the public more generally, understand how impervious surfaces are connected to urban stormwater challenges. As you are no doubt aware, green infrastructure measures, such as tree and shrub plantings, bioswales, rain gardens and permeable pavement, are some of the most effective measures for reducing the speed, quantity and pollutant content of stormwater runoff while also providing many other benefits such as cooling, aesthetic beautification and air quality improvement. Therefore, we are confident that the stormwater charge will encourage the uptake of green infrastructure and encourage Toronto Water to facilitate green infrastructure through this program.

In addition to our overall support, the GIO Coalition would like to provide the following specific feedback:

- We agree that a stormwater charge is a fair, transparent, and dedicated funding source for the City to use towards management of its stormwater systems. We encourage Toronto Water to use this revenue to implement green infrastructure practices on public property and to incentivize green infrastructure practices on private property.
- We support the initial focus on larger properties, but we encourage Toronto Water to consider implementing small commercial lot and residential charges now as well. Small lot level measures are important because cumulatively they represent the greatest opportunity to reduce stresses on the stormwater system and receiving waters. Applying volumetric user fees to residential and other small lots also maximizes the education and awareness impact of the fees. Other municipalities have started

with a modest, flat fee for residential properties, while at the same time offering incentives/rebates/subsidies that encourage property owners to implement lot level green infrastructure activities, for example tree planting or rain gardens.

- There is an opportunity for Toronto Water to align with Toronto Urban Forestry's tree planting strategy for private property, currently being developed by a multi-stakeholder Urban Forest Working group. We strongly encourage Toronto Water to designate a representative to join the Urban Forest Working Group in order to maximize efficiency and clarity of these two important and inter-related initiatives. A collaborative approach will produce the greatest benefits in terms of stormwater attenuation and canopy cover. It will also result in many additional benefits such as increased biodiversity and higher property values. Joint messaging in regards to stormwater fees and greening incentives for private property could also help residents better understand and accept the fees.
- We strongly support Toronto Water's plan to renew incentive credits every 5 years. This renewal requirement is critical to ensure proper operation and maintenance of onsite stormwater management measures. We recommend the City ensure adequate funding is earmarked for the administration of this requirement.
- Finally, The GIO Coalition believes that volumetric user fees will have the greatest impact in the context of a broad strategy to promote and facilitate implementation of green stormwater infrastructure. We would be pleased to discuss program and policy options in use by other municipalities, and the best fit for Toronto.

In closing, we wanted to reiterate our support for this initiative. Toronto Water is taking an important step with this charge and we would be happy to provide our support and expertise in any additional capacities that may be needed.

Sincerely,



Janet McKay, Chair

On behalf of the Green Infrastructure Ontario Coalition

416-413-9244 x17

janet@yourleaf.org

Overview green infrastructure

Green infrastructure is defined as natural vegetation and vegetative technologies that collectively provide society with a broad array of services for healthy living. Green infrastructure takes many forms including but not limited to the following:

- urban forests,
- natural areas,
- greenways, streams and riparian zones,

- meadows and agricultural lands,
- green roofs and green walls,
- parks, gardens and landscaped areas,
- urban agriculture, and other green open spaces,
- rain gardens, bioswales, and engineered wetlands.

Green infrastructure also includes soil – in volumes and qualities adequate to sustain green infrastructure and absorb water – as well as technologies like porous paving, rain barrels, cisterns and structural soils.

Low Impact Development (LID) measures are a key component of a community's urban green infrastructure system.



Angelos Bacopoulos, Associate Director, Facilities, Sustainability and Employee Services

5050 Yonge St., 5th Floor Toronto, ON M2N 5N8
Phone: (416) 393-8780 Fax: (416) 396-8561

29 November 2016

Kurtis Elton
Metro Hall, 18th floor
55 John Street
Toronto, Ontario M5V 3C6

Dear Mr. Elton,

Re: Proposed City of Toronto Stormwater Charge as of 2019

Thank you for providing the Toronto District School Board (TDSB) an opportunity to provide feedback before the commencement of the next phase of the City of Toronto's stormwater charge implementation plan. In the 2015/2016 fiscal year, the TDSB paid \$9.8M for water and wastewater usage. Based on the City's financial model of November 6, 2015, that suggests increases of 8% in 2016, 5% in 2017 and 2018 and 3% every year thereafter, we project that the TDSB water and wastewater annual expenditures would be \$11.6M by 2019. In addition, with the proposed City of Toronto stormwater charge in 2019, many of the TDSB buildings will be subject to a substantial increase. We project that the financial impact on the TDSB would be an additional \$5.5M in 2019 for a total annual expenditure of \$15.3M. This represents a 56% increase in water and waste water expenditures over a 4 year period.

The TDSB appreciates that the City requires dedicated funding to maintain current levels of services and implement projects to improve the quality and quantity of stormwater runoff. However, the TDSB and its coterminous school boards receive their funds in the form of provincial grants. The TDSB does not have the means to pay for increased fees without a negative impact on the provision of other services. Nor do we have a means to receive extra financing from the Province, due to a specific funding formula which does not recognize these types of costing pressures. Although TDSB aggressively implements and monitors energy use reduction technology and programs, we are still subject to pricing increases in natural gas and electricity. Our extensive community use and partnership with Parks, Forestry and Recreation, particularly in 30 pools across the City is responsible for a significant amount of our water consumption.

The TDSB respectfully requests that no further increases be applied to the TDSB water charges or alternatively only increases outlined in the financial model of November 6, 2016 be applied. In addition, the TDSB respectfully requests the City of Toronto to inform the Ministry of Education regarding the proposed stormwater charge and the financial implications on Toronto School Boards as of 2019.

Thank you for the opportunity to submit feedback. We look forward to an opportunity to present our views to Councillors at an appropriate meeting.

Sincerely,

A handwritten signature in black ink, which appears to read 'Bacopoulos', is positioned above the printed name.

Angelos Bacopoulos
Associate Director, Facilities, Sustainability and Employees Services



Mailing Address:
The 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

The Toronto Industry Network

November 30, 2016

Emailed.

Mr. Kurtis Elton
Metro Hall, 18th Floor
55 John St.
Toronto, Ontario
M5V 3C6

Attention: Mr. Elton

Dear Mr. Elton:

Re: Follow-up to Stakeholder Consultation of Oct 24, 2016 – Storm Water Charge

The Toronto Industry Network (TIN) is pleased to have the opportunity to comment on the proposed storm water charge.

TIN has 24 member companies representing industry sectors such as food processing, chemicals, fuels, paper, pharmaceutical, cement, laundry and general manufacturing across Toronto. It is estimated that TIN members companies purchase more than 6.6 million m³ of water per year from Toronto Water and therefore have a keen interest in changes to Toronto Water policies pertaining to manufacturing. The diversity of this group demonstrates that manufacturing in Toronto is an important part of the city's economic landscape. Therefore, we appreciate to opportunity to comment when new revenue initiatives are in the developmental and definition stage so that we may provide valuable information.

We attended the consultation meeting of Oct 24, 2016 and would like to provide the following feedback based on the survey and analysis work carried out by TIN to delineate the impact of the Storm Water Charge program to its members:

- The proposed Storm Water charge demonstrates that the city's is trying to increase both transparency and fairness in its service billing, TIN is supportive of this initiative.
- From the consultation slide deck, please provide more clarification and details of slide 13. We would appreciate to know how the city arrived at this statement of "no new revenue". From the survey of TIN members, we saw both increases and decreases in their overall water bills as a result of this implementation; therefore a net zero change

among the TIN members was not observed. Can the city provide some details (forecasted costs) of what properties will predominantly see an increase and which will see a decrease? A number of our members will see significant cost increases on their water bills due to the storm water charge because their facilities do not consume a lot of water. TIN would be interested in understanding how this could be mitigated.

- From the consultation slide deck, please provide further clarification and details of slide 26 (i.e. what is the actual rate \$/m³ for the numbers provided here?).
- From the consultation slide deck, please provide further clarification and details of slide 28 (i.e expand definitions and qualifications evaluations required for each part of the incentive application).
- How are Sanitary Discharge Agreements (SDA) factored into the storm water charge model? Since there is already a charge for a specific area and rainfall being applied in an SDA, it should not be included in the Stormwater charge, since the water is not going to a storm trunk, rather it is going into a sanitary trunk. For the purposes of the Stormwater charge calculation, the area associated with the SDA should be removed from both the Site Area and the Impermeable Area
- What happens when a site does not have any storm catch basins (i.e they are containing and managing all site water themselves and not using city trunks)? Are they exempt from the Stormwater charge since they are not contributing to the Storm trunk?
- From the consultation slide deck, please provide further clarification and details of slide 31. Specifically, can you provide more details of when the storm water charge will be in effect for the 5000 properties that will be engaged in 2017-2018.

These are our preliminary comments and we would appreciate the opportunity to provide further comments at the next consultation meeting.

Sincerely,

Fatima Correia
Atlantic Packaging Products Ltd.
and TIN Water Group Co-chair,
416-298-5431

Survey of TIN Members

Company ID	Some TIN member companies surveyed, estimated Relative Financial Impact to total water bill - \$ increase or (decrease)
A	\$ (1,514,627.86)
B	\$ 17,535.32
C	\$ 32,915.03
D	\$ 46,200.75
E	\$ (11,902.33)
F	\$ 3,527.30
G	\$ (44,180.66)
H	\$ (3,019.28)
I	\$ (69,935.31)
J	\$ (655,678.60)
K	\$ 2,798.68
L	\$ (244,712.00)
M	\$ 44,736.00
N	\$ (52,682.88)
O	\$ (213,605.85)
P	\$ 5,960.10
Q	\$ (440,418.48)
net change	\$ (3,097,090.08)

Via Email

Dear Toronto Water,

Re: Comments from Stormwater Charge Stakeholder Meeting

Thank you for inviting us to attend your ongoing stakeholder consultation meetings regarding the development of your Stormwater Charge.

Toronto and Region Conservation Authority attended the last stakeholder consultation meeting for the SWC, which was held on Monday, October 24, 2016. As the largest conservation authority in Ontario, Toronto and Region Conservation Authority (TRCA) is positioned to play an essential role in supporting provincial and municipal efforts to address pressing environmental issues - in particular, creating resilient communities capable of adapting to the impacts of climate change. Key TRCA programs include: Sustainable Technology Evaluation Program (STEP), Sustainable Neighbourhood Retrofit Action Plan (SNAP), Flood Risk Management and Forecasting and Warning, stormwater management pond maintenance for the City of Toronto, watershed management plans and other key environmental projects within the Greater Toronto region (City of Toronto, the regional municipalities of Durham, Peel, and York, the Town of Mono, and the Township of Adjala-Tosorntio), which represents a population of approximately 4.3 million people. TRCA's Watershed Report Cards, which track and report on the surface and groundwater quality, forest conditions and stormwater management in the watersheds within the Toronto region, show that as of 2013, only 35% of the developed urban areas in TRCA's jurisdiction have stormwater management controls. This ranges from 77% in the Rouge to 9% in the Highland. Thus, TRCA supports Toronto Water's continued efforts to improve stormwater management and specifically to develop and implement a stormwater charge. TRCA looks forward to continuing to work with the City of Toronto to improve stormwater management and to help build The Living City.

After the last stakeholder consultation meeting, organizations were asked to provide feedback. Please find our comments below, which were provided by TRCA staff in Engineering Services and Watershed Strategies.

- **TRCA staff supports Toronto Water's development of a stormwater charge** based on the demands a customer imposes on the stormwater system because it helps educate people about stormwater management. Additionally, we support a focus on stormwater as it is the single largest factor impacting local water quality, erosion control, water balance, quality of our water systems, and urban and riverine flooding. Further, we agree that it is fair, transparent, and ensures dedicated funding.
- **We support initially focusing incentives on larger properties, which account for 40% of total stormwater charges.** Toronto Water staff have put thought into streamlining the implementation of the stormwater charge and as such incentives are initially proposed to be offered to large properties (1 ha or larger).
 - Based on this plan, we understand that there will be 5,000 properties which may apply for a credit of up to 50% of the stormwater charge. We recognize that review and verification of these applications, which is to be completed in 2017-2018 prior to

implementation of the stormwater charge in 2019, will take considerable time and staff resources.

- The program could also benefit from incorporating the recognition of property improvements that have already been completed. These include improvements that have been made under the Low Impact Development (LID) by-law, Green Building Certifications, City of Toronto's Green Roof program and additional existing green infrastructure. Principles and qualifying criteria to easily apply would be helpful for staff and property owners.
- While we support streamlining the implementation of the stormwater incentives, **we would like the City's implementation plan to include details and a timeline for a second phase of incentives for smaller properties (<1 ha). TRCA staff are also interested in reviewing and commenting on the details of an incentive program for smaller properties**
 - The City and TRCA have both put efforts into encouraging residential homeowners (and small MFR and ICI) to implement low impact development measures including rainwater harvesting, downspout disconnection, permeable pavement, soak-away pits, bioretention measures, etc.
 - These small lot level measures are important because cumulatively they reduce the demands on the stormwater system. According to the stakeholder package, smaller properties account for 60% of the total stormwater charge. TRCA has a number of programs which help property owners learn about and implement low impacts development measures and stormwater controls including the Partners in Project Green, STEP and SNAP programs. Thus, TRCA programs could be promoted to help property owners implement stormwater management practices which should be credited through the second phase of incentives.
 - Incorporating incentives for smaller properties into the stormwater management charge will ensure that the charge is fair. Further it will help to inform and educate people about stormwater impacts and it will contribute to the City and TRCA's overall sustainability goals.
- **TRCA staff are interested in reviewing and commenting on the operation and maintenance requirements of site stormwater management measures once they are drafted.** We support that Toronto Water has planned for renewal of the incentive credit every five years to ensure proper operation and maintenance of site stormwater management measures.
- **We would like to have Toronto Water consider a more enticing incentive program.**
- The program could benefit from considering the functionality of stormwater management measures as a means of incentivizing green infrastructure.

We appreciate the incorporation of our feedback and comments. Toronto and Region Conservation Authority staff has the expertise and experience in stormwater management best practices, technologies and installations and would like to continue to work with and partner with the City of Toronto as the Stormwater Charge develops.

We hope to work together and attend follow up meetings and consultations in the future. For further information, please contact Sameer Dhalla, Associate Director, Engineering Services, extension 5350, sdhalla@trca.on.ca or Eric Meliton, Project Manager, Water Stewardship, Partners in Project Green, 647-338-5239, emeliton@trca.on.ca.

Sincerely,



Chandra Sharma, MCIP RRP
Director, Watershed Strategies
Toronto and Region Conservation Authority
5 Shoreham Drive, Toronto ON M3N 1S4
Phone: 416 661 6600 ex 5237 Email: csharma@trca.on.ca



Toronto Water
Lou Di Gironimo
General Manager
Toronto Water
City Hall, 24th Floor East Tower
100 Queen Street West
Toronto Ontario M5H 2N2

April 21, 2016

RE: Comments and Recommendations to Stormwater Charge Bylaw:

Dear Lou Di Gironimo,

We would like to thank you for providing an opportunity for RiverSides to comment on the proposed City of Toronto Stormwater Charge Bylaw. We commend your efforts and professional approach to building better water infrastructure in Toronto.

RiverSides supports the intent of the bylaw, especially the effort to make water-service charges more transparent and in line with “user pay” principles.

That said, after careful review, we believe there are two critical flaws in the design of the bylaw that will need to be addressed in order to ensure the bylaw achieves the long-term goal of reducing stormwater flow to the city’s infrastructure, by way of incentivizing lot-level preventive measures. Ultimately, the success of this bylaw will be measured by its ability to reduce the risk of flooding, water-treatment, and water-storage costs and to reduce the environmental impact of CSOs on our watersheds. We believe the best way to do this is to adapt our built urban surfaces to meet the increasing risk of climate change–driven extreme storms and to reduce impermeable surfaces. To do so all sectors will depend on the appropriate incentives and disincentives.

The first issue relates to the contradiction between balancing, on the one hand, decreased stormwater revenue streams and overall revenue generation (due to the credits, programs, and incentives that support stormwater reductions) and, on the other, the promotion of lot-level prevention across all sectors. In effect, as we achieve reductions in stormwater flow Toronto Water will see reductions in revenue from stormwater charges. We see this as a significant disincentive to the Toronto Waters’ pursuit and promotion of cost-effective preventive measures that are designed to reduce the volume of stormwater that has to be transported, stored, and treated. Thus, if significant stormwater reductions are made, the City could become a financial victim of its own success or financially incentivized to maintain or even increase stormwater volumes rather than reduce them.

The second issue arises from a lack of credits, support, or investment in residential sector lot-level stormwater reductions. We recognize that, currently, commercial sectors and other “low hanging fruit” are better targets for that support and for a stormwater credit system. However, RiverSides recommends a three-year timeline for inclusion of the almost 400,000-strong residential sector into a rebate or credit program for verifiable lot-level stormwater reduction. Technological innovations and development in this residential sector are opening new opportunities that would be stifled or undermined if this sector is expected to pay for stormwater that they do not discharge directly into the sewer system. We agree, that the design of this program would need some time and planning to address obvious challenges. However, by not committing to do so, Toronto Water would be undermining community and homeowner efforts to be a part in the solution. Those residents who do invest, or have already invested, in stormwater management would be financially punished. This contradicts the “user pay” principle the bylaw is attempting to foster.



I believe that we can agree that lot-level stormwater prevention will be the most economically and environmentally viable way for both the City and its private-property owners to manage the rising risk and cost of stormwater flooding and together build a climate-resilient city.

We would welcome an opportunity to discuss constructive amendments that would address these two issues within the existing framework of the Toronto Stormwater Charge Bylaw.

Yours sincerely,

Marcus Ginder
Managing Director
RiverSides



**Smart Prosperity
Institute**

SUBMISSION

TO THE CITY OF TORONTO ON THE PROPOSED STORMWATER CHARGE

APRIL 2017





April 21, 2017

Attn: Kurtis Elton

Toronto Water
Metro Hall, 55 John St
Toronto ON
M5V 3C6

Dear Mr. Elton,

RE: Request for Feedback on the City of Toronto's Proposed Stormwater Charge

Smart Prosperity Institute welcomes the opportunity to provide comments to the City of Toronto and Toronto Water on their proposed Stormwater Charge. Smart Prosperity Institute (formerly Sustainable Prosperity) is a national research network and policy think-tank based at the University of Ottawa. We deliver world-class research and work with public and private partners – all to advance practical policies and market solutions for a stronger, cleaner economy. Our 2016 report, [*New Solutions for Sustainable Stormwater Management in Canada*](#), provided a resource for local governments across Canada, outlining the case for, and approaches to, stormwater user fees and green infrastructure incentives, along with case studies on the experiences of communities who are on the leading edge of implementation. We hope that our knowledge about general design features of stormwater user fees and the role they can play in building a financially sustainable stormwater system can provide insight for the City of Toronto in meeting its program objectives.

Stormwater user fees are growing in popularity for Canadian municipalities as they establish a dedicated, fair and transparent source of funding based on service use. Stormwater runoff has no correlation to the amount of potable water consumed by a property (the current method of determining stormwater contributions in Toronto) and thus the proposed switch to a service-based fee would be more equitable and transparent: those who produce greater volumes of stormwater will contribute more for those services. User fees (accompanied by credit programs) can also motivate property owners to take action to manage their stormwater onsite through green infrastructure, another benefit that cannot occur if a fee is part of a water rate. The proposed policy is therefore well aligned with the City's Wet Weather Flow Master Plan (WWFMP) objective to "preserve and re-establish a natural hydrologic cycle".¹

¹ City of Toronto, Wet Weather Flow Master Plan;
<http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=237807ceb6f8e310VgnVCM10000071d60f89RCRD>

Our specific comments below focus mainly on issues that may arise during the implementation of a stormwater user fee, but we also highlight the opportunity the fee creates to further encourage green infrastructure projects throughout the city. Green infrastructure can address water quantity concerns by reducing the volume of stormwater reaching City infrastructure through greater infiltration of rainwater on site. This reduces the need for costly grey infrastructure capacity upgrades in the long-term. Secondly, green infrastructure can address stormwater runoff quality concerns by removing pollutants from runoff prior to entering the nearby streams, rivers or lake. Many American cities, such as Philadelphia and Washington D.C., have made significant investments in green infrastructure to reduce the pressure on their combined sewer overflow (CSO) system.

While Canada does have a different regulatory scheme than the United States,² Toronto is under equal pressure to find ways to be financially sustainable while also achieving environmental goals and improving stormwater infrastructure. The City of Toronto is facing many similar challenges, including limited financial capacity, changing entrenched approaches, and overcoming obstacles to engaging large private properties in green infrastructure programs. Toronto also has continuing issues with combined sewer over flows that must be dealt with as part of the Toronto & Region Remedial Action Plan (RAP). The opportunity therefore exists for Toronto, and other Canadian cities, to take advantage of the lessons learned by our American neighbours and achieve many of the same positive outcomes.

Comments for Consideration

Smart Prosperity Institute is currently researching challenges and barriers to successful implementation of stormwater user fees. While our research is still in process, there are a number of re-occurring challenges we've identified in other Canadian cities that Toronto may wish to address in a pro-active manner.

Create a Greater Role for Green Infrastructure with the User Fee Program

Given the importance of “preserving and re-establishing a natural hydrological cycle” in Toronto’s WWFMP, the City could reinforce these objectives by linking the user fee program to incentives for green infrastructure. Our report, *New Solutions for Sustainable Stormwater Management in Canada*, found that the leading North American cities with innovative stormwater management have developed locally specific approaches that combine a range of programs and incentives for encouraging green infrastructure. The user fee provides an economic incentive to manage stormwater differently; through this, the City of Toronto can further facilitate green infrastructure on private land, through Low-Impact Development guidelines, economic & non-economic incentives for residential homeowners, as well as through their proposed credit program for large run-off producers.

² Under the Clean Water Act (CWA) a point pollutant cannot be legally discharged into navigable waters without a permit.

Clarify Credit Program Details Ahead of Stormwater Charge Implementation

The City of Toronto's Staff Report proposes a credit program for large, non-residential properties to reduce their stormwater charge with the implementation of stormwater best management practices. Case studies have shown that if a city provides detailed credit guidelines and qualifications, then property owners have the assurance to invest in on-site management and a better idea of how much they will be able to reduce their initial fee. For example, the City of Victoria launched their credit program and guidelines 1-year prior to the stormwater charge implementation to allow property owners additional time to apply for credits. Clear guidelines on what green infrastructure projects will be eligible and how the approval process for credits can be streamlined will also encourage more property owners to apply for credits. As discussed in the April 13, 2017 consultation, the guidelines should include how the incentive program would complement, or interact with, other current city bylaws; for example, existing green roofs from the bylaw/rebate program and other investments from Toronto Green Standards (W.Q 2.1 and 2.2³) could be incorporated into the credit program. Furthermore, cities such as Philadelphia, have found that a rebate program, as distinct from the credit program, was necessary to overcome the high initial capital costs for on-site green infrastructure projects and actually saved the city money in the long-term. These considerations could be addressed in a further defined incentive program.

Consider Other Incentives for Residential Properties

Many cities that have chosen to implement a stormwater user fee credit program have opted to not include residential properties due to high administrative costs. However, these cities have also found that homeowners still wish to receive some benefit for managing stormwater on site. Some cities (e.g. Philadelphia⁴ and Victoria⁵) have implemented economic programs not tied to a stormwater credit for their residential properties, including free rain barrels and/or rebates for home green infrastructure improvements. There are also multiple non-economic incentive programs that could be considered. Mississauga developed a home visit program in partnership with a conservation authority to provide guidance to interested homeowners. The City of Victoria developed guidelines for personal home construction of green infrastructure components that perform well within their regional climate. Other cities offer recognition awards for best stormwater management practices. These are less administratively costly and can still encourage action and provide support in the residential sector.

Phase-In for Non-Residential Properties

Many cities, including Saskatoon, SK, designed a phase-in process for non-residential properties, where

³ City of Toronto. Toronto Green Standard: Mid to HiRise.

http://www1.toronto.ca/City%20Of%20Toronto/City%20Planning/Developing%20Toronto/Files/pdf/TGS/TGS_MidHiRise_Standard.pdf pg. 8.

⁴ Philadelphia's Rain Check Program. See: http://www.phillywatersheds.org/whats_in_it_for_you/residents/raincheck

⁵ Victoria's Rainwater Rewards Program. See: http://www.victoria.ca/EN/main/residents/water-sewer-stormwater/stormwater/rainwater_rewards_program.html

the full charge was levied incrementally over a number of years. This phase-in allows owners to properly budget for the increased charge but also allows them time to implement measures to reduce their fee by reducing the amount of impervious area on their site. Residential properties have generally not been phased in. It appears that Toronto is considering a phase-in for all properties. It is not clear that the phase-in would provide any benefit to residential property owners who cannot reduce their fee and, in general, are expecting a lower overall bill.

Provisions for Low-Income Households

A new charge can pose challenges for low-income households or institutions with a limited budget. SPI recognizes that even with the revenue-neutral proposal, some residents may be impacted; however, it is possible to include a relief program for those below a low-income threshold and this has been done in many other communities. The City of Mississauga, for example, offers a subsidy for low-income seniors and low-income persons with disabilities to offset their stormwater charge.

Prioritize Public Communication

The cities with successful stormwater user fee implementation all developed excellent communication strategies and materials. These include well-designed websites with explanatory videos and a stormwater charge estimator program along with an extensive outreach and advertising program to explain and inform the general public in advance of the first billing period. Cities that prioritize citizen communication usually see the benefits of fewer calls, questions, and complaints over the first few billing periods. Toronto is already well-positioned with a clear website and communications strategy and we encourage the continuation of that effort as the program evolves, particularly with regard to the shift of revenue from the water bill and the decrease in overall payment that will be experienced by many property owners.

We appreciate the opportunity to provide the above comments and look forward to any future opportunity to participate in City of Toronto consultation processes for the stormwater charge. Please contact us should you have any questions.

Sincerely,

Sara Jane O'Neill
Senior Research Associate
sarajane@smartprosperity.ca

Heather Semotiuk
Policy Intern
heather@smartprosperity.ca

Heather Marshall, Campaigns Director
Toronto Environmental Alliance
30 Duncan St., Suite 201
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416-596-0660 | heather@torontoenvironment.org

April 21, 2017

Kurtis Elton
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Metro Hall, 18th floor
55 John St., Toronto ON
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kurtis.elton@toronto.ca

Re: City of Toronto Stormwater Charge Stakeholder Consultation

Dear Mr. Elton,

Please accept this letter from Toronto Environmental Alliance (TEA) as our official comments on Toronto Water's proposed stormwater charge.

TEA is a non-profit and non-partisan environmental advocacy organization with nearly thirty years of experience working on Toronto's most challenging environmental issues. As a stakeholder that is often consulted on environmental policy matters, TEA was invited to attend the City of Toronto's stormwater charge stakeholder consultation on April 13, 2017.

First and foremost, TEA would like to convey our strong support for introducing a stormwater charge in Toronto, as proposed by your department.

In the sections below you will find our more detailed response outlining the key aspects of the proposal we support and some recommendations for further consideration.

1. A stormwater charge is transparent, fair and is dedicated to cost recovery

Toronto's water rate currently covers a range of services provided by Toronto Water including drinking water, sewage treatment and stormwater management. Because the water rate lumps all these costs together, the more water a property uses, the more the property pays for stormwater management. The problem with this is that the cost to manage stormwater significantly varies depending on the size and permeability of the property and it is not at all influenced by the amount of water a property consumes.

Based on how much hard surface area in our city is found on large properties like shopping malls, parking lots and industrial zones, Toronto Water has calculated that they should be paying far more in stormwater management; in total, roughly \$16 Million more per year. For example, in the current water rate model a parking lot would pay zero dollars because they don't have a water supply, yet they are costing Toronto Water significant dollars in stormwater management because the entire property is paved!

Stormwater management is very expensive. By taking the stormwater costs out of the water rate, Toronto's water rates will decrease by 20%. As a result, certain types of buildings that use a lot of water but contribute very little to stormwater because of their property size, will see a significant savings. For example, many condos, apartment buildings and hotels in our city are in high-density areas where they build up instead of out, therefore they have very small land footprints. These types of buildings stand to save the most money from introducing the stormwater charge because despite using a lot of water, they generate very little stormwater.

We agree with Toronto Water that a stormwater fee should be introduced in Toronto that is based on a "fee for service" for stormwater treatment rather than continuing to tie this cost to the water rate. It is clearly the fairer and more transparent approach for cost recovery.

Furthermore, TEA would like to highlight and show support for stormwater charge's proposed rate structure, which is based on various tiers within each of the four property types: residential, apartment and condo, industrial, commercial and institutional, and large properties. By using aerial photography across Toronto's neighbourhoods for analysis, the model to calculate stormwater charges is based on the percentage of hard surface area found in each type of property type. Residential properties were found to have a range of hard to permeable surface ratios, different from apartment and condo buildings and difference from industrial, commercial and institutional properties.

Toronto Water is also proposing the use of tiers within each property type, which are based on the total size of the property. There are 7 tiers for residential properties alone, with each tier having its own hard surface area average based on the aerial photography analysis. For instance, the hard surface area on a residential property that is around 6,000 sq ft (Tier 5) is 37% compared to 63% hard surface area on a small residential property less than 2,400 sq ft. (Tier 1). Both the size of the property and the averaged hard surface area ratio are factored into the pricing of the stormwater charge for each tier. While this is not perfect, as it does not acknowledge the additional lengths individual properties may have gone to prevent (or contribute to) stormwater concentrations, it is the fairest structure that can be expected without a significant administrative burden on Toronto Water at this time.

TEA does recommend that Toronto Water considers viable initiatives that could assess individual residential properties for stormwater rate reductions and/or incentive programs in the future, after the stormwater charge has been in place for a few years and the large properties have been looked after.

2. A stormwater charge provides a cost incentive to find on-site solutions

With the stormwater charge in place, properties with larger hard surface area will pay a larger stormwater fee because it is based on how much water will run off their property and require management by our public utility, Toronto Water.

TEA strongly supports the proposed incentive program for large properties, which will enable property owners to reduce their stormwater charge by up to 50% of its total value if they can demonstrate management of water quantity or water quality. Since large properties pose the greatest stormwater impact and also have the greatest potential to adopt sustainable stormwater management solutions on-site, TEA agrees that it is a good strategy to target large properties for outreach, education and solutions adoption prior to implementing the stormwater charge.

The good news is that despite the 'concrete jungle' of our urban landscape, there are lots of sustainable and cost-effective solutions to collect or absorb rainwater on properties to prevent stormwater runoff. Most properties have some sort of water-absorbent (i.e. permeable) surface area such as grass, gardens, green roofs or trees. Less common, but gaining in popularity, are bioswales and permeable pavement alternatives. Some properties collect rainwater on-site such as through rain barrels or other forms of rainwater harvesting. This is not exclusive to residential properties. One example is Dextran Products Ltd in Scarborough, a local manufacture that installed a rainwater collection and purification system and now save tens of thousands of dollars a year on water costs.

Other forms of stormwater management can also be incentivized with this program, such as stormwater retention and on-site treatment systems. All of these solutions can save large property owners money on their stormwater rates and potentially their water bills as well. These on-site solutions also work well for Toronto Water by significantly reducing the amount of stormwater they need to manage.

Other important benefits to on-site stormwater management include improved water quality in our streams, rivers and Lake Ontario as well as preventing (or limiting) flood damage, which is on the rise as a result of extreme weather conditions like heavy rainfalls due to climate change.

TEA greatly appreciates the opportunity to provide comments on this important proposal.

Unlike the City of Toronto's costs for water supply and treatment, the capital and operating costs of stormwater management can be significantly reduced if more mitigation efforts are taken on individual properties. The 2013 flood, combined with the ice storm, cost Toronto over \$1 billion dollars and these types of storms are only expected to increase in frequency.

Significant measures must be taken and TEA applauds Toronto Water for being the largest water utility in Canada to take this on. Other Ontario municipalities have already introduced a stormwater charge, including our neighbour Mississauga, and now it is Toronto's turn.

Sincerely,



Heather Marshall
Campaigns Director



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Toronto Industry Network

April 21, 2017

Emailed To Kurtis Elton.

Mr. Lou Di Gironimo,
General Manager, Toronto Water,
24E, City Hall,

and

Mr. Adir Gupta,
Manager - Financial Policy,
5E - City Hall,
100 Queen Street West,
Toronto, Ontario,
M5H 2N2.

Dear Messrs. Gironimo and Gupta,

Re: Follow-up to Stormwater Charge Proposal Public Consultation held on April 13, 2017

Members of the Toronto Industry Network (TIN) were pleased to attend the public consultation session offered by your organizations. We wish to provide the following comments:

Rationale for the Stormwater Charge

The historical method of recovering the costs of storm water management – inflating the unit cost of water purchased - insulates ratepayers from any incentive to reduce their storm water footprint and unfairly penalizes large water users since storm water runoff is unrelated to the quantity of water purchased. To charge ratepayers for their portion of storm water management costs is more equitable and transparent and will be more likely to result in improved storm water management.

Implementation of the SWC

While large users of water with small properties will see a reduction in water costs the reverse is true for owners of large properties and small water usage. For the City to get acceptance of the proposed storm water charge from this latter group, it is important that the City provide technical advice and guidance on ways to reduce storm runoff and to phase in the billing change while this is taking place. These technical advisory personnel should be part of the staffing up of this storm water charge project.

We believe that the City should incent large property owners to implement storm water management measures to reduce peak storm water flows.

Competitiveness

Irrespective of the Block 2 rate, the price of water for large water users is a significant input cost for many manufacturers in Toronto. As a result, these large water users have implemented water use conservation programs. The proposed storm water charge will drive conservation and retention initiatives, thereby improving the overall operation of Toronto's storm water system, thus avoiding large cost increases in the future that will hurt the competitiveness of Toronto manufacturers.

Technical Exemptions

It is important that definition of technical exemption are well developed ahead of the implementation of the SWC. Two specific examples of such technical exemptions are facilities that contain and detain all their storm water and facilities that have sanitary discharge agreements in place with Toronto Water. These such facilities are not contributing to the hydraulic load of Toronto Water's storm water infrastructure, and as such should be entitled to technical exemptions.

Sewer Surcharge Agreement

We know that Toronto Water and Finance were asked to report at the same time regarding the SWC and the costs of charging for all surchargeable parameters under the Sewer Surcharge Agreement. Given the complexity of the surcharge parameters and their treatment by the wastewater treatment plants and the issue of storm water charge and management are two different issues, TIN strongly encourages the City to separate consideration of the SWC and the Sewer Surcharge Agreement. We recommend the Sewer Surcharge Agreement issue be part of the Budget discussion/debate this fall. TIN would like to assess the net costs of charging for all parameters in the Surcharge Agreement more thoroughly with Toronto Water.

TIN would like to comment further on the SWC plan as more details become available.

We thank you for your attention.

Sincerely



Fatima Correia,
TIN Water Group Chair



MEMORANDUM

TO: City of Toronto – Toronto Water, Public Works & Infrastructure Committee

FROM: The Real Property Association of Canada (REALPAC)

Date: April 24th 2017

RE: **Commercial Real Estate Industry Perspectives on Proposed Stormwater Charge Framework**

The Real Property Association of Canada (REALPAC) and our member companies would like to thank the City of Toronto for engaging Toronto's commercial real estate industry in a transparent and collaborative consultation on the proposed 'Stormwater Charge'.

We understand that staff will report back to City Council on the implementation plan for a stormwater charge this Spring. This submission is meant to provide an updated perspective from the commercial real estate industry as part of that report. While we initially argued, and consistently maintain that a stormwater charge is not needed to fund the City's capital obligations for water and wastewater management, we understand that a stormwater charge will likely be imposed on commercial and residential properties citywide anyway. The industry's objectives therefore, are to mitigate excessive burdens placed on property owners as a result of this new fee.

We identified below a number of perspectives on the proposed charge which should be carefully considered by City staff, as well as key recommendations and requests for discussion as this matter is referred to Committee and Council.

Industry Concerns with Proposed Stormwater Charge

Stormwater Rate Significantly Shifts Liability to Large Horizontal ICI Property

The real estate industry is already overtaxed and underserved in the City. Toronto has one of the highest commercial property tax rates in Canada compared to residential. The City is a high cost, high development risk (long development timeline) municipality. Adding a stormwater charge to the list would effectively put more weight on the shoulders of the City's businesses.

The proposed charge shifts liability for stormwater costs from smaller, more vertical properties to larger horizontal property types. In some cases, properties of smaller parcel size may see reductions in combined stormwater and water costs of approximately 20%, while larger horizontal properties may see cost increases of 20% or more. These extreme cost swings worry the real estate community, and may be untenable for many property owners.



Businesses such as shopping centres, industrial facilities, car dealers, vehicle repair shops and gas stations require large impervious sites to operate their businesses and will be heavily impacted by increased stormwater costs, as various municipal bylaws require impermeable surface area.

Change in Stormwater Charging Method Will Result in Increased Costs to Some Taxpayers

The proposed change in stormwater billing based on impervious area will require the creation of a new costly administration to measure and calculate charges based on impervious area including the creation of an impartial dispute resolution process to handle area disagreements. The database will have to be maintained and constantly updated to reflect physical changes. The City has not provided a costing of administration fees to initiate and maintain the program. Not only is there a risk that this hefty administrative burden will be passed to taxpayers, there is also a risk that successive Councils may revisit the financial thresholds for different property types in the future. The per-hectare cost established in 2017 may not necessarily be the per-hectare cost in 2020 or 2030. Members of the real estate industry are skeptical that costs will not be increased in future years.

Incentives to Large Properties will have to be Funded Through the Program

We acknowledge that the City will be coupling the proposed stormwater charge with an incentive program currently being developed. Businesses occupying large horizontal properties require impervious sites for their operation and will be heavily impacted by the proposed charge. In many cases, there are limited on-site mitigation options for certain property types. In other cases, existing developed properties are not able to reduce their impermeable area without incurring prohibitive retrofit costs, therefore, an impermeable rate structure is not an effective incentive to reduce runoff.

Existing developed properties are not able to significantly reduce their stormwater costs through incentives without incurring prohibitive retrofit costs, therefore, existing properties are not likely to take advantage of the incentive program unless incentives are significantly greater than the maximum 50% as proposed. Additionally, there is considerable concern that over time, if significant properties take advantage of incentives the total cost of the program will increase significantly to the remainder properties

We understand that new developments are to be provided the same incentives as existing properties. As new properties are required to mitigate stormwater flow as part of the development approval process, incentives for new construction should be much lower than for existing properties

Mitigation initiatives must include significant financial incentives for property owners in all property classes to retrofit their properties in order to address the cause of the problem rather than to continue to focus on methodology to pay for the repair of inadequate stormwater infrastructure.



Recommendations

Cap the Maximum Stormwater Levy at \$100,000

Council's direction of Dec 9, 2015 instructed staff to report back on a stormwater charge implementation plan that provided for the "mitigation of substantial increases in water bills". As the projected increases to some large horizontal properties in the City of Toronto can range between 18% and 40%, we respectfully suggest that the City caps the overall cost increase on said properties to \$100,000, or alternatively limit the overall percentage increase of the water bill as a result of the implementation of the charge.

Our internal analysis of three suburban shopping centres indicates an overall increase in combined costs from 18 – 40% representing gross cost increases, ranging from \$82,800 to 168,500 approximately. These examples are not dissimilar from the samples staff provided in the April 13, 2017 consultation documents.

The significant cost increases to some property types and decreases to other property types can be considered extreme. REALPAC suggests that staff consider moderating these increases and decreases so that no one property type would see a drastic change in water related charges. Capping the increased costs to horizontal properties could be paid for by modest adjustments to the decrease expected for vertical properties. Capping the maximum fee at \$100,000 would reduce the extreme economic impact and per Council's direction.

Significant Impact to Horizontal Properties Must be Phased In

If a cap on the overall cost increase to horizontal properties is not feasible, we strongly recommend that staff design and implementation plan that phases in cost increases over several years rather than introducing them all at once. Implementing a significant change in billing of stormwater cost in one year is extremely punitive could have lasting impacts on Toronto's economic competitiveness.

We look forward to continuing to work with staff on these policy recommendations.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brooks Barnett", with a stylized flourish at the end.

Brooks Barnett
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