

Attachment E – Consultation – Issues & Responses

This attachment contains a summary of the issues raised and comments received about the proposed stormwater charge (SWC) during stakeholder and public consultation, plus staff's response to each issue. Issues have been edited and aggregated for clarity.

Issues and comments received	Responses
<p>Demand for more discrete stormwater charges</p> <ul style="list-style-type: none"> • The current SWC proposal unfairly burdens small houses on large lots • The SWC should instead be based on the specific amount of hard surface area on a property • Pending that, it should be based on the size of house • 25% of survey respondents who chose to answer the open-ended question referred to this issue in some respect 	<ul style="list-style-type: none"> • Conducting hard surface analysis manually for all 475,000 properties in the dataset and maintaining those data in perpetuity would be extremely expensive and time-consuming • Automated methods currently available would not result in reliable data • The City does not have access to data on house size that are at the necessary standard for SWC billing purposes at this time
<p>Incentives for homeowners</p> <ul style="list-style-type: none"> • Incentives should be provided to residential properties for onsite stormwater management (e.g., rain barrels, rain gardens, etc.) • Consider implementing a "Category 2 Large Property" category, where properties less than one hectare in size can combine efforts to be eligible for incentives 	<ul style="list-style-type: none"> • Proposal is to start with incentives program for Large Properties: 5,500 properties account for 42% hard surfaces • Incentives for residential properties are more difficult and expensive to quantify (through a professional engineer's report) and verify (through inspections) • Costs associated with program at 4% uptake would be \$2.9M to \$5.4M per year (1%-2% of expected \$275M in 2019)
<p>Impacts on tenants</p> <ul style="list-style-type: none"> • Analysis shows that a majority of properties in the Apartment & Condominium Buildings category would see a net <u>decrease</u> on the water account portion of their utility bills as a result of SWC implementation • Concern that these savings would not be passed on to tenants 	<ul style="list-style-type: none"> • Leases and arrangements with respect to the payment of utility bills are a private matter between landlords and tenants governed by the <i>Residential Tenancies Act</i> (RTA) • The City has no jurisdiction to dictate or enforce these private agreements or the provisions of the RTA

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<p>Development concerns</p> <ul style="list-style-type: none"> • Building permits routinely allow excessive lot coverage • Illegal parking pads contribute excess stormwater runoff 	<ul style="list-style-type: none"> • All new and re-developments must meet the stormwater management requirements in the Toronto Green Standard and the Wet Weather Flow Management Guidelines
<p>Impacts on residents who conserve water</p> <ul style="list-style-type: none"> • Most residents who conserve water will likely see a net increase on the water account portion of their utility bills as a result of the SWC, which is counterintuitive – those who conserve water should not be penalized with a larger bill 	<ul style="list-style-type: none"> • A stormwater charge is a dedicated charge for a dedicated service • Water consumption is not a direct representation of the amount of stormwater runoff a property contributes to the City's stormwater management system • Residents who are eligible for the City's water rebate program for low-income seniors and low-income persons with a disability would also be eligible for a rebate on their SWC
<p>Impacts on large commercial properties</p> <ul style="list-style-type: none"> • Most large commercial properties do not consume a lot of water relative to the SWC they may receive • Resulting bill for dozens of properties may be hundreds of thousands of dollars higher per year • Therefore the SWC is seen as unfair and punitive 	<ul style="list-style-type: none"> • Large Properties most impacted by the SWC will be eligible to apply for incentives to reduce their SWC by up to 50% • The SWC could be phased in over a number of years to lessen the initial impact
<p>Cost of SWC program</p> <ul style="list-style-type: none"> • SWC program entails added administration costs • Program therefore not revenue neutral 	<ul style="list-style-type: none"> • The program is revenue neutral, but there are costs to implementing and sustaining a SWC program • Staff developed a proposal that balances fairness and administrative efficiency

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<p>Notification for public consultation</p> <ul style="list-style-type: none"> • Notification for public consultation was insufficient • Notification should have been included in water/utility bills 	<ul style="list-style-type: none"> • Advertised in print (e.g., Metroland newspapers, Metro, NOW Magazine, and multilingual newspapers) and online (e.g., CBC, CP24, toronto.ca banner, etc.) • Many City social media accounts provided notice of the consultation • City Councillors were encouraged to inform their constituents • More than 2,200 postcards advertising the public consultations were distributed at 19 "pop-up" events and at select Toronto Public Libraries and City utility payment counters • Notification in water/utility bills is inadequate because bills roll out over a four-month (or greater) period, meaning some customers would receive notification much too early and some would not receive it until after the consultations had ended
<p>Property taxes</p> <ul style="list-style-type: none"> • Stormwater management is shared by all residents and businesses, therefore the cost should be included in property taxes 	<ul style="list-style-type: none"> • The City's stormwater management program is currently funded from the water rate, not property taxes • Including the program in property taxes would not result in a fair, transparent and dedicated solution • Other municipalities that have implemented SWCs have done so because their property tax funding for stormwater management was insufficient
<p>Downspouts</p> <ul style="list-style-type: none"> • There are still many properties with downspouts connected to the sewer system • The City should better enforce disconnections 	<ul style="list-style-type: none"> • Downspout disconnections is mandatory for all properties (except where an exemption has been granted by Toronto Water) • A recent field study reveals compliance rates are adequate and meet the targets to achieve a significant reduction in sewer surcharging

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<p>Too complex</p> <ul style="list-style-type: none"> The SWC model is too complex 	<ul style="list-style-type: none"> Staff made efforts to simplify communications materials as much as possible while also giving a fulsome idea of the SWC model
<p>Green infrastructure</p> <ul style="list-style-type: none"> The City should invest more in green infrastructure The City puts too much emphasis on grey infrastructure 	<ul style="list-style-type: none"> In late 2017, the City plans to release Green Streets Technical Guidelines that will help facilitate the implementation of green infrastructure on City streets to manage stormwater in a more sustainable and environmentally holistic manner The City has implemented green infrastructure demonstration projects Grey infrastructure is still needed to address issues such as combined sewer overflows
<p>Assessing property characteristics</p> <ul style="list-style-type: none"> When formulating the SWC, the City should account for property characteristics such as soil types, topography, mature trees, etc. 	<ul style="list-style-type: none"> The initial model assesses hard and soft areas on properties using aerial ortho-photography Accounting for other property characteristics at the outset of the SWC program would be cost prohibitive
<p>Financing model</p> <ul style="list-style-type: none"> Why does the financing model include 3% annual rate increases after 2019? 	<ul style="list-style-type: none"> The 3% annual increases are used in the financial model to account for inflationary and construction cost increases
<p>Ravine lots</p> <ul style="list-style-type: none"> Ravine lots tend to have minimal hard surface areas and cannot be developed like normal residential lots Ravine lots should therefore be given special compensation under the SWC proposal 	<ul style="list-style-type: none"> If a SWC was implemented, staff would examine options related to reviewing the stormwater charges issued to ravine lots

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<p>Runoff from public rights-of-way</p> <ul style="list-style-type: none"> Costs in the stormwater management program resulting from runoff from public rights-of-way should be split evenly between all residential units in Toronto 	<ul style="list-style-type: none"> Rights-of-way are designed to be part of the stormwater management conveyance system An early version of the SWC proposal accounted for shared costs using a gross area weighting for each property The results were difficult to explain and went against the premise of using hard surfaces as the basis for calculations The idea was abandoned after receiving feedback from stakeholders
<p>Suburbs subsidizing downtown</p> <ul style="list-style-type: none"> Property sizes tend to be larger in the suburbs than downtown, so suburban properties will be subsidizing downtown properties under the SWC proposal 	<ul style="list-style-type: none"> The stormwater charge is calculated based on a unit rate per square metre of hard surface area, not on a ratio of hard-to-soft area On a per capita basis, it is much more efficient to service higher density areas than lower density areas
<p>Estimator tool</p> <ul style="list-style-type: none"> Staff should develop a tool for customers to estimate their SWC 	<ul style="list-style-type: none"> If implemented, staff would develop an online SWC estimator tool available through the MyWaterToronto portal
<p>Cash grab</p> <ul style="list-style-type: none"> The SWC is simply a cash grab 	<ul style="list-style-type: none"> The SWC would be dedicated to funding the City's stormwater management program and is revenue neutral
<p>Survey concerns</p> <ul style="list-style-type: none"> The online survey was designed such that it will result in results that skew towards favouring the SWC proposal 	<ul style="list-style-type: none"> The survey was designed to be neutral and elicit forthright feedback Results (Attachment D) show a wide variety of opinions, as expected

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<p>Education on stormwater management</p> <ul style="list-style-type: none"> • A SWC program would also require more public education about stormwater management issues and ways for the public to get involved 	<ul style="list-style-type: none"> • If implemented, the SWC program would include a comprehensive communications initiative • The City would continue to produce materials about stormwater management issues and ways for the public to get involved
<p>Improve infrastructure</p> <ul style="list-style-type: none"> • The City should improve its stormwater management infrastructure 	<ul style="list-style-type: none"> • The proposed SWC would be dedicated to operating and improving the City's stormwater management infrastructure