

EX11.2

Decision Letter

Budget Committee

Meeting No.	11	Contact	Julie Amoroso, Committee Administrator
Meeting Date	Monday, November 25, 2019	Phone	416-392-4666
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Committee Room 1, City Hall	Chair	Councillor Gary Crawford

BU11.1	ACTION	Amended		Ward: All
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2020 Rate Supported Budgets - 2020 Water and Wastewater Consumption Rates and Service Fees

Public Notice Given

Committee Decision

The Budget Committee recommends to Executive Committee that:

Rates and Fees

1. City Council adopt:

- a. effective January 1, 2020, the combined water and wastewater consumption rates charged to metered consumers as shown below and in Appendix C to the report (November 8, 2019) from the Chief Financial Officer and Treasurer and the General Manager, Toronto Water titled "2020 Water and Wastewater Consumption Rates and Service Fees";

	Paid on or before the due date, \$/m3	Paid after the due date, \$/m3
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Annual Consumption		
Block 1 - All consumers of water, including the first 5,000 cubic metres per year consumed by Industrial users ("Block 1 rate")	4.0735	4.2878
Block 2 - Industrial process – use water consumption over 5,000 cubic metres per year, representing a 30 percent reduction from the Block 1 Rate ("Block 2 rate')	2.8514	3.0014

b. effective January 1, 2020, an increase of 3.0 percent to the water and wastewater consumption rates (paid on or before the due date) charged to flat rate consumers, as set out in Appendix C attached to the report (November 8, 2019) from the Chief Financial Officer and Treasurer and the General Manager, Toronto Water titled "2020 Water and Wastewater Consumption Rates and Service Fees"; and

c. effective January 1, 2020, the water and wastewater service fees, as set out in Appendix C to the report (November 8, 2019) from the Chief Financial Officer and Treasurer and the General Manager, Toronto Water titled "2020 Water and Wastewater Consumption Rates and Service Fees".

2. With respect to assistance for low-income seniors and low-income disabled persons, City Council:

a. effective January 1, 2020, set the water rebate for eligible low-income seniors and low-income disabled persons at a rate of \$1.2221 /m³, representing a 30 percent reduction from the Block 1 rate (paid on or before the due date).

3. City Council authorize the necessary amendments to Municipal Code Chapter 849 – Water and Sewage Services and Utility Bill to add the following eligibility criteria for utility billing adjustments to water accounts for uncontrollable and unexplainable consumption increases as set out in §849 -31 F and §849 -31 G and defined in §849 -26:

a. the customer requesting the adjustment must be the owner of the property, which is the subject of the water account and corresponding utility bill, ("Property") and reside at the Property for a minimum of one year immediately preceding the consumption event and request for an adjustment; and

b. the Property must not be tenanted.

4. City Council authorize that the necessary amendments be made to Municipal Code Chapter 441 - Fees and Charges, Municipal Code, Chapter 849 - Water and Sewage Services and Utility Bill, Municipal Code Chapter 851 - Water Supply, and Municipal Code Chapter 681- Sewers, and any other necessary Municipal Code Chapters as may be required, to give effect to Council's decision.

5. City Council authorize the City Solicitor to introduce any necessary Bills required to give effect to Council's decision and authorize the City Solicitor to make any necessary clarifications, refinements, including stylistic, format and organization, minor modifications, technical amendments or by-law amendments as may be identified by the City Solicitor, the Chief Financial Officer and Treasurer and the General Manager, Toronto Water.

Operating Budget

6. City Council approve the 2020 Staff Recommended Operating Budget for Toronto Water of \$469.217 million gross, \$1.390 billion revenue, and \$921.210 million net capital-from-current contribution for the following services:

Service:	Gross	Revenue	Capital-from-current Contribution
	(\$000s)	(\$000s)	(\$000s)
Water Treatment & Supply	203,086.79	614,536.56	411,449.77
Wastewater Collection & Treatment	233,866.05	770,138.43	536,252.38
Stormwater Management	32,244.18	5,752.09	-26,492.09
Total Program Budget	469,217.02	1,390,427.08	921,210.06

7. City Council approve the 2020 staff complement of 1,820.3 positions, comprising of 95 capital positions and 1,725.3 operating positions.

Capital Budget

8. City Council approve the 2020 Staff Recommended Capital Budget for Toronto Water with cash flows and future year commitments totaling \$7.611 billion as detailed by project in Appendix 5a to the 2020 Staff Recommended Capital and Operating Budget Notes - Toronto Water.

9. City Council approve the 2021-2029 Staff Recommended Capital Plan for Toronto Water totalling \$6.877 billion in project estimates as detailed by project in Appendix 5b to the 2020 Staff Recommended Capital and Operating Budget Notes - Toronto Water.

10. City Council request that all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2020 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

Service Levels

11. City Council approve the 2020 service levels for Toronto Water as outlined in Appendix 1 to the report (November 12, 2019) from the General Manager, Toronto Water titled "Recommended 2020 Service Levels – Toronto Water".

Stakeholder Consultations

12. City Council authorize the General Manager, Toronto Water, in consultation with the General Manager, Economic Development and Culture, to undertake stakeholder consultation with water users to determine what, if any, water fees and charges, programs or other measures designed to support business retention, economic growth, investment and employment, Toronto Water might recommend to City Council in furtherance of the objectives of the City's economic

competitiveness strategy and the City's resilience strategy. Such consultation to include, but not be limited to, consideration of the following:

- a. current support programs offered by Toronto Water for Industrial, Commercial and Institutional customers;
- b. related municipal best practices in other jurisdictions;
- c. current policies and practices under the Municipal Code Chapter 681, with a view to identifying any potential opportunities for the implementation of further administrative efficiencies;
- d. possible dedicated stormwater management charge for owners of commercial and retail parking lots to recover the serviceable costs of the collection, transmittal and treatment of stormwater run-off generated by those parking lots;
- e. the possible decoupling of Industrial and Commercial customers' water use rate from costs associated with storm water management, in an effort to promote more transparent and equitable water rates, reduce the cost of water consumption to large consumers, while recovering the full serviceable costs of the collection, transmittal and treatment of storm water run-off generated by different properties; and
- f. possible incentives for industrial and commercial water customers to undertake sustainable storm water and flood management solutions, including, but not limited to, storm water management charge financial credit programs and green infrastructure funding.

13. City Council request the General Manager, Toronto Water, in consultation with the General Manager, Economic Development and Culture to report back to the Infrastructure and Environment Committee on the outcome of the stakeholder consultation once completed and recommendations, if any, for changes to water fees and charges, programs or other measures in advance of the 2021 Budget process.

Other

14. City Council request the General Manager, Toronto Water, in consultation with relevant City Divisions, to report to the Budget Committee in 2020 through Capital Variance Reports, on the potential to assist with funding the Ravine Strategy implementation through an in-year adjustment to the Toronto Water Capital budget.

Origin

(November 8, 2019) Report from the Chief Financial Officer and Treasurer and the General Manager, Toronto Water

Summary

This report presents the recommended 2020 water and wastewater consumption rates and service fees arising from the concurrent adoption by City Council of the recommended 2020 Toronto Water Operating and Capital Budgets. This report also recommends the adoption by City Council of additional eligibility criteria related to utility billing adjustments to water accounts for uncontrollable and unexplainable consumption increases under Municipal Code Chapter 849.

In accordance with the City Council 10 year capital plan approved in 2015, this report recommends a 3.0 percent water and wastewater consumption rate increase, effective January 1, 2020. In addition, this report recommends inflationary fee increases for certain existing water and wastewater service fees, reflecting cost recovery for these services.

The recommended 2020 water and wastewater consumption rates and service fees will allow the Toronto Water Program to remain fully self-funded and financially stable, with both operating and capital needs being met without excessive year-over-year fluctuations in pricing over the long term.

Background Information

(November 8, 2019) Report and Appendix A from the Chief Financial Officer and Treasurer and the General Manager, Toronto Water on 2020 Water and Wastewater Consumption Rates and Service Fees

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-139975.pdf>

Appendix B - 2019 Water and Wastewater Consumption Rates

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-140014.pdf>

Appendix C - 2019 Water and Wastewater Service Fees

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-140015.pdf>

(November 8, 2019) 2020 Staff Recommended Capital and Operating Budget Notes - Toronto Water

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-139978.pdf>

Attachment 1 to 2020 Staff Recommended Capital and Operating Budget Notes - Toronto Water - 10 Year Capital Budget and Plan

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-140024.pdf>

Attachment 2 to 2020 Staff Recommended Capital and Operating Budget Notes - Toronto Water - 10 Year Capital Budget and Plan

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-140025.pdf>

(November 12, 2019) Report and Attachment 1 from the General Manager, Toronto Water on Recommended 2020 Service Levels - Toronto Water

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-139979.pdf>

(November 15, 2019) Notice of Public Meeting - 2020 Rate Supported Budgets - 2020 Water and Wastewater Consumption Rates and Certain Water and Wastewater Service Fees

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-139947.pdf>

Notice of Public Meeting - 2020 Rate Supported Budgets - Appendix A - 2020 Water and Wastewater Consumption Rates and Certain Water and Wastewater Service Fees

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-139949.pdf>

Notice of Public Meeting - 2020 Rate Supported Budgets - Appendix B - 2020 Water and Wastewater Consumption Rates and Certain Water and Wastewater Service Fees

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-139950.pdf>

(November 15, 2019) Briefing Note 1 - 2020 Capital Budget Basement Flooding Protection Program - Program Status Update and Project List - 2020 to 2024

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-139951.pdf>

(November 15, 2019) Attachment A to Briefing Note 1 - 2020 Capital Budget Basement Flooding Protection Program - Program Status Update and Project List - 2020 to 2024

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-139952.pdf>

(November 15, 2019) Revised Attachment B to Briefing Note 1 - 2020 Capital Budget Basement Flooding Protection Program - Program Status Update and Project List - 2020 to 2024

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-139953.pdf>

Communications

(November 25, 2019) Letter from Paul Scrivener, Director of External Relations, Toronto Industry Network (BU.New.BU11.1.1)

<http://www.toronto.ca/legdocs/mmis/2019/bu/comm/communicationfile-99298.pdf>

Speakers

Heather Marshall, Toronto Environmental Alliance
Jennifer Court, Green Infrastructure Ontario Coalition
Fatima Correia, Atlantic Packaging Products Ltd.
Paul Scrivener
Jennifer Drake, PhD, PEng, Department of Civil and Mineral Engineering, University of Toronto

1a Proposed Stakeholder Consultation with Water Users in Furtherance of the City's Economic Competitiveness Strategy**Origin**

(November 12, 2019) Report from the General Manager, Toronto Water, and the General Manager, Economic Development and Culture

Summary

This report is in response to an earlier City Council direction to report to the Budget Committee as part of the 2020 Budget Process. The report seeks City Council authority to undertake consultation with various stakeholders and the public to determine what, if any, water fees and charges, programs or other measure designed to support business retention, economic growth, investment and employment, Toronto Water might recommend to City Council in furtherance of the objectives of the City's economic competitiveness strategy. It is further recommended that the General Manager, Toronto Water, in consultation with the General Manager, Economic Development and Culture, report back to the Infrastructure and Environment Committee on the outcome of the stakeholder consultation once completed.

Background Information

(November 12, 2019) Report from the General Manager, Toronto Water, and the General Manager, Economic Development and Culture on Proposed Stakeholder Consultation with Water Users in Furtherance of the City's Economic Competitiveness Strategy
(<http://www.toronto.ca/legdocs/mmis/2019/bu/bqrd/backgroundfile-139955.pdf>)