

# 2021 Budget Notes

## Toronto Water

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### Description

Toronto Water manages one of the largest water, wastewater and stormwater systems in North America, 24 hours a day, seven days a week.

Toronto Water's services ensure that over 3.6 million residents and businesses in Toronto, and portions of York and Peel have access to safe drinking water, safely treated wastewater and stormwater management.

### Why We Do It

**Drinking water is delivered to people (residents, businesses, visitors and the Industrial, Commercial, Institutional sector in Toronto and York Region) in a safe and reliable manner to protect public health.**

**Wastewater is collected from people (residents, businesses and the Industrial, Commercial, Institutional sector in Toronto and Peel Region) and treated in a safe and environmentally sustainable way to protect public health.**

**Stormwater (rain and melted snow) is collected or diverted to help prevent the risk of property flooding, control erosion and improve water quality to protect public health and Toronto's waterways.**

*The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.*

### What Service We Provide

#### **Water Treatment & Supply**

**Who We Serve:** Water account holders and water consumers.

**What We Deliver:** Supply +435 billion litres annually of safe potable water. Continuous distribution of potable water through +6,100km of watermains and City-owned water services.

**How Much Resources (gross operating budget):** \$195.791 million (2021)

#### **Wastewater Collection & Treatment**

**Who We Serve:** Wastewater account holders, wastewater producers, public and private landowners.

**What We Deliver:** Return to Lake Ontario +400 billion litres annually of treated wastewater. Continuous conveyance of wastewater through +5,100km of sewers.

**How Much Resources (gross operating budget):** \$229.906 million (2021)

#### **Stormwater Management**

**Who We Serve:** Public and private landowners

**What We Deliver:** Continuous conveyance of stormwater (rainwater and melted snow) through +4,900km of storm sewers.

**How Much Resources (gross operating budget):** \$43.127 million (2021)

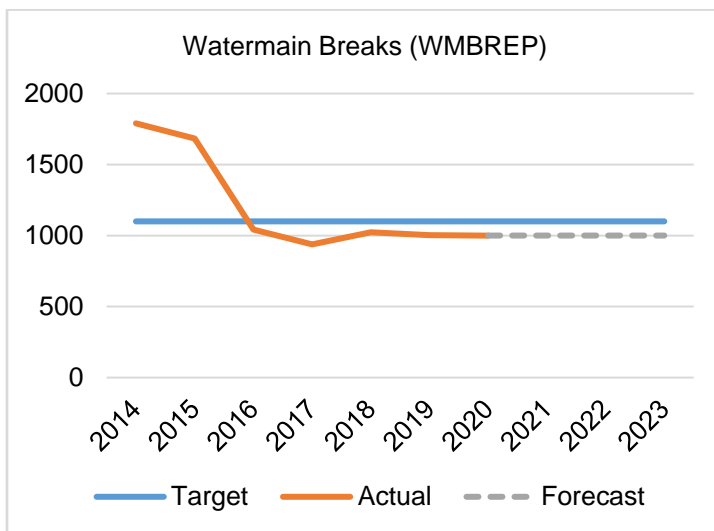
## Budget at a Glance

OPERATING BUDGET			
\$Billion	2021	2022	2023
Revenues	\$1.415	\$1.443	\$1.474
Gross Expenditures	\$0.469	\$0.475	\$0.484
Capital Contribution	\$0.947	\$0.968	\$0.989
Approved Positions	1,841.3	1,856.3	1,857.3

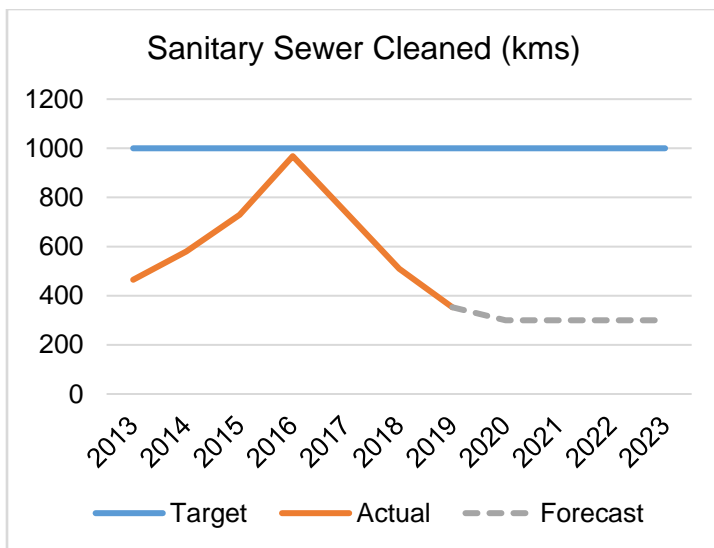
10-YEAR CAPITAL PLAN			
\$Billion	2021	2022-2030	Total
Gross Expenditures	\$1.344	\$13.441	\$14.785
Debt	\$0.000	\$0.000	\$0.000

Note: Includes 2020 carry forward funding to 2021

## How Well We Are Doing – Behind the Numbers



- Toronto Water currently operates over 5,500km of water distribution pipes that provide safe and reliable drinking water to the residents, businesses and visitors of Toronto and York Region.
- Toronto Water has made significant capital investments in infrastructure renewal projects (i.e. watermain replacement, cathodic protection and structural lining) that have contributed to the gradual decline in watermain breaks.
- Inclement weather (extreme cold or temperature fluctuations) continues to be the leading cause of watermain breaks followed by excavation activities, corrosive soils and ground settling.
- Toronto Water is investing \$2.2 billion in the 2021-2030 Capital Budget and Plan for capital improvements that will contribute towards ensuring an overall good condition of the water distribution network.



- Toronto Water currently maintains a wastewater collection network of over 5,600km and invests in Capital Improvement Projects (CIP) to address the renewal needs of aging infrastructure.
- As part of ongoing infrastructure management, Toronto Water performs regular cleaning and maintenance to ensure the reliable operation of its sanitary system.
- In 2016, Toronto Water implemented Acoustic Pipe Inspection (API), which pre-determines whether a particular portion of the sewer needs to be flushed. This process has reduced the number of unnecessary cleanings and has redirected resources elsewhere for proactive system maintenance.
- Toronto Water is investing \$2.0 billion in capital in the 2021-2030 Capital Budget and Plan along with an annual operating budget of approximately \$6.5 million for corrective and predictive sewer maintenance.

## How Well We Are Doing

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
<b>Outcome Measures</b>								
Water Treatment & Supply	Water Treatment Non-Compliance Events	0	0	0	0	0	0	●
Water Treatment & Supply	Target Pressure Limits (Pressure Maintenance)	97.20%	97.00%	99.50%	95.00%	99.50%	99.50%	●
Wastewater Collection & Treatment	Pumping Station Outages	0	0	0	0	0	0	●
Wastewater Collection & Treatment	Wastewater Treatment Non-Compliance Events	0	1	0	0	0	0	●
Stormwater Management	Number stormwater ponds inspected/maintained	970	1069	990	1080	990	990	●
<b>Service Level Measures</b>								
Water Treatment & Supply	Watermain Breaks per 100 km of Water Distribution Pipe	16.8 per 100km	16.5 per 100km	22.0 per 100km	22.0 per 100km	22 per 100km	22 per 100km	●
Water Treatment & Supply	Drinking Water Non-Compliance	0	0	0	0	0	0	●
Water Treatment & Supply	Percent Time Operating Within 276 kPA to 793 kPA Requirements	97.20%	97.00%	99.50%	95.00%	99.50%	99.50%	●
Wastewater Collection & Treatment	Non-Compliance Events (WWT)	0	1	0	0	0	0	●
Wastewater Collection & Treatment	Mainline Backups per 100 KM of Pipe	3.3	3.6	4.0	4.0	4.0	4.0	●
Stormwater Management	ML of Dedicated (designed) Stormwater Storage Capacity	1,248 ML	1,248 ML	1,248 ML	1,248 ML	1,248 ML	1,248 ML	●

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
<b>Other Measures</b>								
Water Treatment & Supply	Electrical kWh per ML of Water Pumped	342 kWh per ML	344 kWh per ML	330 kWh per ML	330 kWh per ML	330 kWh per ML	330 kWh per ML	●
Wastewater Collection & Treatment	Percent Biosolids Beneficially Used (ABTB)	100%	100%	100%	100%	100%	100%	●
Stormwater Management	Water Course Inlet/Outlet Inspections	3,526	4,025	3,000	4,160	3,000	3,000	●

**COVID-19 IMPACT AND RECOVERY**

2020 Impact	2021 Impact and Recovery
<p><b>Financial Impact (Operating)*</b></p> <ul style="list-style-type: none"> <li>• \$23.5 million projected loss in sale of water due to lower consumption from the Industrial, Commercial and Institutional sector as a result of closures/slowdowns in operations. Year-end results can vary significantly due to the uncertainty of sale of water due to consumption levels, a change in consumer habits, and a change in government order or closures.</li> <li>• \$1.7 million in additional costs for health and safety supplies and protocols.</li> <li>• \$6.0 million projected cost savings in salaries and benefits due to hiring slow-down.</li> <li>• Other non-salary underspending due to delay in certain preventative maintenance and discretionary expenses, as well as lower costs in hydro indirectly related to COVID-19.</li> </ul>	<p><b>Financial Impact (Operating)</b></p> <ul style="list-style-type: none"> <li>• There is a projected \$19.1 million in loss or foregone revenue in 2021. In response to these financial pressures and the challenges being faced by Toronto residents and businesses a 1.5% rate increase for 2021 is being recommended rather than the planned 3% rate increase (3% is planned for future years).</li> <li>• To manage the 1.5 per cent rate increase, adjustments were made to the operating budget through a combination of efficiencies, reductions and reduced forecasted revenue in 2021 with no impact or deferrals to the 2021 recommended capital program as a result of the recommended rate.</li> <li>• \$5.0 million projected cost savings in salaries and benefits due to hiring slow-down and voluntary separation program; and \$1.1 million savings from cancellation of non-union progression pay.</li> <li>• \$0.9 million in additional costs for health and safety supplies and protocols.</li> </ul>
<p><b>Financial Impact (Capital)</b></p> <ul style="list-style-type: none"> <li>• Accelerated construction in the right-of-way due to reduced congestion.</li> <li>• Accelerated investment into server infrastructure improvement and desktop virtualization technology.</li> </ul>	<p><b>Financial Impact (Capital)</b></p> <ul style="list-style-type: none"> <li>• 2021 requested cash flows updated to align with current delivery forecasts.</li> </ul>
<p><b>Service Level Changes</b></p> <ul style="list-style-type: none"> <li>• Toronto Water continues to provide safe drinking water; safe collection and treatment of wastewater; and, stormwater management.</li> <li>• All emergency repairs and response continue including emergency watermain break repairs.</li> <li>• Regular and preventative maintenance activities were temporarily suspended in addition to some customer service and public education activities and these services have now resumed (events related to the booking of HTO ToGo water trailers have been cancelled indefinitely).</li> </ul>	<p><b>Service Level Changes</b></p> <ul style="list-style-type: none"> <li>• There are no anticipated impacts to service levels as a result of COVID-19 during 2021.</li> </ul>

\* Projections based on Q2 2020 Variance Report

## EXPERIENCES, CHALLENGES AND PRIORITIES

### Our Experience and Success

- Long-term \$2.5 billion Don River and Central Waterfront projects now actively underway. Phase 1, the Coxwell Bypass Tunnel, at 10.5km long and 6.3m in diameter, will intercept combined sewer overflows and stormwater discharges from 23 sewer outfalls improving beach, river and lake water quality.
- Replaced/rehabilitated 87km of aging watermains to help reduce watermain breaks and ensure customers have reliable safe drinking water.
- Invested \$28.405 million in upgrades to aging water reservoirs/water pumping stations to ensure safe, reliable storage and distribution of drinking water.
- Replaced/rehabilitated 61km of aging sewers to address state-of-good-repair (SOGR) needs.
- Invested \$176.774 million in critical upgrades to the Ashbridges Bay Wastewater Treatment Plant the second largest treatment plant in Canada serving more than 1.5 million people.
- Toronto Water Customer Care Centre (CCC) implementation is complete. Initiated in 2017 and resulted in \$0.747 million in savings due the reduction of 8 positions. From June 1, 2019 to June 30, 2020 there were approximately 208,744 interactions including: incoming/outbound calls, emails and outbound calls for COVID-19 pre-screening for customer service required for homes/businesses. The CCC allows for the management of a surge in call volumes including the ability to make outbound calls during complex and lengthy severe weather incidents or emergencies.

### Key Challenges and Risks

- **Managing Reserve Balances:** Critical need to maintain adequate capital reserves to fund the state of good repair 10-year capital program. 10-year capital plan relies primarily on 3 per cent water rate increases.
- **Aging Infrastructure:** Significant SOGR for underground assets/water and wastewater treatment plants and facilities.
- **Basement Flooding:** Significant investment is required to manage basement flooding across the city. There are complex program challenges including coordination, uncertainty of timing of rain events, acceleration of Environmental Assessments, and a Council approved \$32 thousand per property funding criteria.
- **Planning for growth:** Rapid growth in the city core and mid-town are putting pressure on existing linear infrastructure. Long-term strategies are needed to keep up with growth. Significant groundwater issues have occurred over the past three years as deeper parking structures are being built. As a result of City Council development charge exemptions, \$575.158 million is drawn from Toronto Water's capital reserves to accommodate development growth over the next 10 years.
- **Modernization:** An aging suite of information technology tools and databases require significant investment. Critical need to keep pace with upgraded technology requirements: Geographic Information Systems, enhanced data management tools and artificial intelligence including Enterprise Work Management System.

### Priority Actions

- **Customer Service:** Ensure efficient/effective response times for customer service demands including improved customer service culture, technology and infrastructure.
- **Workforce Strategies:** Ongoing development of hiring strategies during the hiring slow down period for critical, vulnerable and hard to fill positions including on-the-job training programs and planning for demographic changes.
- **SOGR:** Continued long-term investment in SOGR projects and reducing the backlog to \$132.304 million by 2030, effectively eliminating the backlog.
- **Growth:** Development of strategy to manage pressure on linear infrastructure in growth areas.
- **Resiliency:** Long-term significant investment in Council approved Wet Weather Flow Master Plan projects to protect the environment and lake, river and stream water quality including \$2.204 billion for the Basement Flooding Protection Program, completion of Environmental Assessments for all Basement Flooding Studies Areas by 2024 and investing \$1.417 billion over the 10 years to implement the Don River and Central Waterfront project, with all project phases forecasted for completion by 2038.

## RECOMMENDATIONS

The City Manager and Chief Financial Officer and Treasurer recommend that:

1. City Council approve the 2021 Operating Budget for Toronto Water of \$468.824 million gross, \$1,415.336 million revenue and \$946.512 million net capital from current contribution for the following services:

**Service:**

	<b>Gross (\$000s)</b>	<b>Revenue (\$000s)</b>	<b>Capital from Current Contribution (\$000s)</b>
Water Treatment & Supply	195,791.0	619,109.7	423,318.7
Wastewater Collection & Treatment	229,905.6	785,617.5	555,711.9
Stormwater Management	43,127.5	10,609.2	-32,518.3
<b>Total Program Budget</b>	<b>468,824.0</b>	<b>1,415,336.3</b>	<b>946,512.3</b>

2. City Council approve the 2021 staff complement for Toronto Water of 1,841.3 positions comprised of 116.0 capital position and 1,725.3 operating positions.
3. City Council approve 2021 Capital Budget for Toronto Water with cash flows and future year commitments totalling \$7.597 billion as detailed by project in [Appendix 6a](#).
4. City Council approve the 2022-2030 Capital Plan for Toronto Water totalling \$7.188 billion in project estimates as detailed by project in [Appendix 6b](#).
5. City Council request that all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2021 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

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# 2021 OPERATING BUDGET



**2021 OPERATING BUDGET OVERVIEW****Table 1: 2021 Operating Budget by Service**

(In \$000s)	2019 Actual	2020 Budget	2020 Projection	2021 Budget Request	Change v. 2020 Projection	
By Service	\$	\$	\$	\$	\$	%
<b>Revenues</b>						
Water Treatment & Supply	588,864.4	614,548.8	600,704.0	619,109.7	18,405.7	3.1%
Wastewater Collection & Treatment	749,591.3	770,181.3	764,370.2	785,617.5	21,247.3	2.8%
Stormwater Management	7,545.8	5,819.5	7,670.4	10,609.2	2,938.8	38.3%
<b>Total Revenues</b>	<b>1,346,001.5</b>	<b>1,390,549.7</b>	<b>1,372,744.6</b>	<b>1,415,336.3</b>	<b>42,591.7</b>	<b>3.1%</b>
<b>Expenditures</b>						
Water Treatment & Supply	200,630.2	203,667.2	189,233.7	195,791.0	6,557.3	3.5%
Wastewater Collection & Treatment	205,812.5	234,585.7	219,459.4	229,905.6	10,446.2	4.8%
Stormwater Management	27,837.9	32,426.7	35,534.1	43,127.5	7,593.3	21.4%
<b>Subtotal - Gross Expenditures</b>	<b>434,280.6</b>	<b>470,679.6</b>	<b>444,227.2</b>	<b>468,824.0</b>	<b>24,596.8</b>	<b>5.5%</b>
Capital Contribution	911,720.9	919,870.1	928,517.4	946,512.3	17,994.9	1.9%
<b>Total Gross Expenditures</b>	<b>1,346,001.5</b>	<b>1,390,549.7</b>	<b>1,372,744.6</b>	<b>1,415,336.3</b>	<b>42,591.7</b>	<b>3.1%</b>
<b>Approved Positions</b>	<b>1,678.3</b>	<b>1,841.3</b>	<b>1,841.3</b>	<b>1,841.3</b>		

\*2020 Projection based on Q2 Variance Report and Council approved in-year adjustments

**COSTS TO MAINTAIN EXISTING SERVICES**

**Total 2021 Base Budget** expenditures of \$468.824 (prior to capital contribution) million gross reflecting an increase of \$24.597 million in spending above 2020 projected year-end actuals, predominantly arising from:

- Slow-down in spending on discretionary, regular and preventative maintenance activities, and a slow-down in hiring as a result of mitigation efforts to address COVID-19 financial impacts resulted in lower projections in 2020.
- Inflationary increases for salaries and benefits, utilities, chemicals and contract services contract cost.
- Annualised costs from the additional 21 positions approved in-year, required to deliver transit expansion projects (Ontario Line, Scarborough Extension, Yonge Subway Extension, and Eglinton West Light Rail Transit), fully funded by Metrolinx.
- Above pressures are partially offset by base expenditure savings arising from a line by line review, other operational savings, mitigation efforts to address COVID-19 financial impacts, and higher revenues from sale of water to Region of York, increase in new water service connections, and other revenue.

The 2021 Operating Budget recommends a 1.5 per cent rate increase. Approximately 67 per cent of Toronto Water's 2021 Operating Budget or 1.9 per cent above the 2020 projected year-end actuals will go towards the annual capital reserve contribution to fund the 10 year Capital Plan.

**EQUITY IMPACTS OF BUDGET CHANGES**

**No significant equity impacts:** The changes in Toronto Water's 2021 Operating Budget do not have any significant equity impacts.

**2021 OPERATING BUDGET KEY DRIVERS**

The 2021 Operating Base Budget for Toronto Water is \$468.824 million gross (prior to capital contribution) or 5.5 per cent higher than the 2020 Projected Actuals. Table 2a below summarizes the key cost drivers for the base budget.

**Table 2a: 2021 Key Drivers – Base Budget**

Key Cost Drivers	2019 Actuals	2020 Projection	2021 Base Budget Submission	YoY Changes	
				\$	%
<b>Expenditures</b>					
1 Salaries and Benefits	176,938.9	179,697.4	187,541.6	7,844.2	4.4%
2 Materials and Supplies	94,819.6	96,112.8	106,902.2	10,789.4	11.2%
3 Machinery and Equipment	3,151.7	2,767.8	2,835.3	67.5	2.4%
4 Service and Rent	66,552.4	70,300.6	75,474.6	5,173.9	7.4%
5 Contribution To Reserves	10,674.3	10,706.3	10,690.2	(16.1)	-0.2%
6 Other Expenditures (Inc. IDC's)	82,143.7	84,642.3	85,380.1	737.9	0.9%
<b>Subtotal - Gross Expenditures</b>	<b>434,280.6</b>	<b>444,227.2</b>	<b>468,824.0</b>	<b>24,596.8</b>	<b>5.5%</b>
Capital Contribution	911,720.9	928,517.4	946,512.3	17,994.9	1.9%
<b>Total Expenditures</b>	<b>1,346,001.5</b>	<b>1,372,744.6</b>	<b>1,415,336.3</b>	<b>42,591.7</b>	<b>3.1%</b>
<b>Revenues</b>					
1 Sale of Water	1,226,547.3	1,253,711.4	1,289,493.8	35,782.4	2.9%
2 User Fees & Donations	70,696.6	62,691.6	61,899.9	(791.7)	-1.3%
3 Transfers From Capital	7,296.6	8,905.7	9,364.3	458.6	5.1%
4 Other Revenues (Inc. IDR's)	41,461.1	47,435.9	54,578.3	7,142.4	15.1%
<b>Total Revenues</b>	<b>1,346,001.5</b>	<b>1,372,744.6</b>	<b>1,415,336.3</b>	<b>42,591.7</b>	<b>3.1%</b>
<b>Approved Positions</b>	<b>1,678.3</b>	<b>1,841.3</b>	<b>1,841.3</b>		

\*2020 Projection based on Q2 Variance Report and Council approved in-year adjustments

**Salaries & Benefits:** Include inflationary increases on existing salaries and benefits and annualised costs from the additional 21 positions approved in-year to deliver transit expansion projects, which are fully funded by Metrolinx. The above increases have been partially offset by reductions to account for vacancies in 2021 resulting from hiring slow-down, cancellation of non-union performance pay and the voluntary separation program, all mitigation efforts to address COVID-19 financial impacts. Certain positions were also repurposed to better align the re-distribution of work/change within Toronto Water, with no changes to existing services.

**Materials and Supplies:** Include energy and chemical inflationary increases higher than Consumer Price Index (CPI) and CPI increases on existing material contracts (\$5.202 million), offset by ongoing hydro savings and efficiencies through implementation of various utility conservation oriented initiatives (\$4.487 million). The 2021 budget also include provisions for contingencies and estimates based on fluctuating weather conditions.

**Services and Rents:** Include CPI inflationary increases on existing service contracts. The 2021 budget also include provisions for contingencies and estimates based on fluctuating weather conditions.

**Contributions to Capital:** Approximately 67 per cent of the 2021 Operating Budget will go towards the capital reserve contribution to fund the 10-year Capital Plan, representing a 1.9 per cent increase over 2020 projected capital reserve contribution.

**Revenue Changes:** Include rate increase of 1.5 per cent on sale of water that will go towards the annual capital reserve contribution. Water consumption is expected to rebound as restrictions ease and non-essential businesses return to operations. Additional revenues reflect price of water sold to Region of York, increase in new water connections, private water agreements, and other revenue.

Table 2b: 2021 Balancing Actions

(\$000s)								
Recommendation	Savings Type	2021			2022			
		Revenue	Gross	Net	Positions	Gross	Net	Positions
Reduction in Base Expenditures/ Realignment of Budget	Line By Line		(4,785.1)	(4,785.1)				
Energy Efficiencies	Efficiencies		(4,487.4)	(4,487.4)				
Region of York - Rate and Volume	AG Recs	1,731.1		(1,731.1)			(431.6)	
Revenue Increase (User Fees-Rate and Volume)	Revenue Increase (User Fees)	6,674.2		(6,674.2)				
Revenue Increase (Other)	Revenue Increase (Other)	4,098.9		(4,098.9)				
Hiring Slow-down	Other		(2,762.6)	(2,762.6)				
Voluntary Separation Program	Other		(2,165.7)	(2,165.7)				
Cancellation of Non-Union Performance Pay	Other		(1,115.9)	(1,115.9)				
<b>Total Balancing Actions</b>		<b>12,504.2</b>	<b>(15,316.7)</b>	<b>(27,820.9)</b>	<b>-</b>		<b>(431.6)</b>	<b>-</b>

- **Line-by-Line:** A reduction in base expenditures in materials and supplies and other non-salary costs contributes to Toronto Water's efforts to manage continuous cost increases from internal and external sources.
- **Efficiencies:** Ongoing hydro savings and efficiencies that Toronto Water has been able to achieve through implementation of various utility conservation oriented initiatives.
- **Auditor General Recommendations:** In accordance with the Water Supply Agreement between the City of Toronto and the Regional Municipality of York of January 1, 2019, the expected 2021 wholesale water rate has increased in accordance with the Agreement. The review of the Agreement considered recommendation from Auditor General Office.
- **Revenue Increase (User Fees and Other):** Various user fees and other revenue increased to align to projected actual volume and inflationary rate increases.
- **Hiring Slow-Down, Voluntary Separation Program, and Cancellation of Non-Union Performance Pay:** Mitigation efforts to address COVID-19 financial impacts.

**2022 & 2023 OUTLOOKS****Table 3: 2022 and 2023 Outlooks**

(\$000s)	2020 Projection	2021 Budget Request	2022 Outlook	2023 Outlook
Revenues	1,372,744.6	1,415,336.3	1,442,576.5	1,473,808.8
Gross Expenditures	444,227.2	468,824.0	474,758.8	484,384.4
<b>Capital Contribution</b>	<b>928,517.4</b>	<b>946,512.3</b>	<b>967,817.7</b>	<b>989,424.3</b>
<b>Approved Positions</b>	<b>1,841.3</b>	<b>1,841.3</b>	<b>1,856.3</b>	<b>1,857.3</b>

**Key drivers**

The 2022 Outlook with total gross expenditures of \$474.759 million reflects an anticipated \$5.935 million or 1.3 per cent increase in gross expenditures above the 2021 Operating Budget. The 2023 Outlook expects a further increase of \$9.626 million or 2.0 per cent above 2022 gross expenditures.

These changes arise from the following:

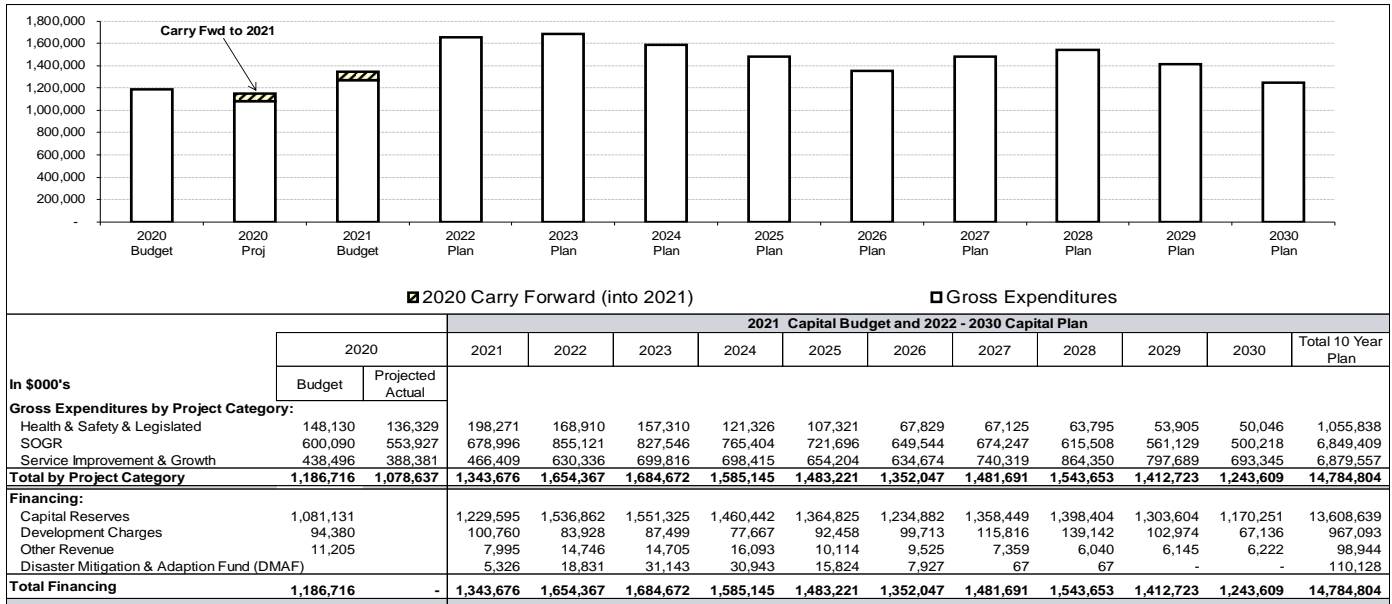
- Inflationary increases for salaries and benefits.
- Anticipated inflationary increases for utilities, chemicals, other materials and supplies, contracted services, contributions to Toronto and Region Conservation Authority and payment in lieu of taxes.
- Operating impact of capital projects once completed and salaries and benefits for staff delivering capital projects.
- Anticipated 15 additional positions tied to phasing in the implementation of Permanent Surface Reinstatement program and Technology Optimization Strategy, and positions required to operate new facilities and infrastructure and deliver capital projects. **(2022 only)**

Revenues are expected to increase as a result of an anticipated 3 per cent water rate increase in 2022 and a further 3 per cent increase in 2023.

**2021 – 2030  
CAPITAL BUDGET AND PLAN**

**2021 – 2030 CAPITAL BUDGET & PLAN OVERVIEW**

**Chart 1: 10-Year Capital Plan Overview**  
(\$'000)



\*2020 Projection based on Q2 Variance Report.






Changes to Existing Projects	New Projects	Capital Needs Constraints
<ul style="list-style-type: none"> <li>The 2021-2030 Capital Budget and Plan reflects an increase of \$328.376 million as compared to the 2020-2029 Capital Budget and Plan. Key Changes include:</li> <li>Increased funding of \$83.770 million to support infrastructure at the Wastewater Treatment Plants.</li> <li>Increased funding of \$177.4 million for Trunk Sewer renewal, including increased investment into the Black Creek Sanitary Trunk Sewer project.</li> <li>Increased funding of \$149.611 million for the Wet Weather Flow Master Plan, including \$94.515 million to support the Basement Flooding Protection Program, and \$47.531 million for Don River and Central Waterfront.</li> </ul>	<ul style="list-style-type: none"> <li>The 2021-2030 Capital Budget and Plan does not include new programs. Some of the key investments are as follows:</li> <li>\$6.849 billion for SOGR projects to ensure the replacement or rehabilitation of aging watermains and sewers and investment in the aging water and wastewater facilities.</li> <li>\$5.207 billion for Service Improvement projects including \$2.204 billion in Basement Flooding Protection projects, and \$1.417 billion to support the Don River and Central Waterfront project.</li> <li>\$1.056 billion for Legislative and Health &amp; Safety projects</li> <li>\$1.673 billion for Growth Projects.</li> </ul>	<ul style="list-style-type: none"> <li>The 2021-2030 Capital Budget and Plan is based on the capacity to deliver (85 per cent spending rate included for planning purposes).</li> <li>Toronto Water does not have any unmet needs over the 10-year planning horizon.</li> </ul>

**Note:**

For additional information, refer to [Appendix 6](#) for a more detailed listing of the 2021 and 2022-2030 Capital Budget & Plan by project and [Appendix 7](#) for Reporting on Major Capital Projects – Status Update.

**2021 – 2030 CAPITAL BUDGET AND PLAN**

**\$14.8 Billion 10-Year Gross Capital Program**

				
<b>Plant &amp; Facilities</b>	<b>Underground Infrastructure</b>	<b>Stormwater Management</b>	<b>Basement Flooding Protection Program</b>	<b>Engineering, Yard &amp; Network Improvements</b>
\$4.133B 28%	\$5.447B 37%	\$2.115B 14%	\$2.204B 15%	\$0.885B 6%
Water Filtration Plants; Wastewater Treatment Plants; Pumping Stations; and Storage & Reservoirs	Watermain and Sewer Replacement/ Rehabilitation; Water Service Replacement; and New Connections	Wet Weather Flow Projects (end of pipe, infrastructure erosion protection); Don River & Central Waterfront	Engineering Studies; Implementation Basement Flooding Protection; Subsidy Program	Engineering Support; Business & Technology; Yards & buildings; Water Efficiency & Metering

**How the Capital Program is Funded**

City of Toronto		Provincial Funding	Federal Funding	
<b>\$ 14,674.7 M</b> <b>99.3%</b>		<b>\$0.0M</b> <b>0%</b>	<b>\$ 110.1M</b> <b>0.7%</b>	
Reserve Draws	\$ 13,608.7M		Disaster Mitigation and Adaptation Fund	\$ 110.1M
Development Charges	\$967.1M			
Other*	\$ 98.9M			

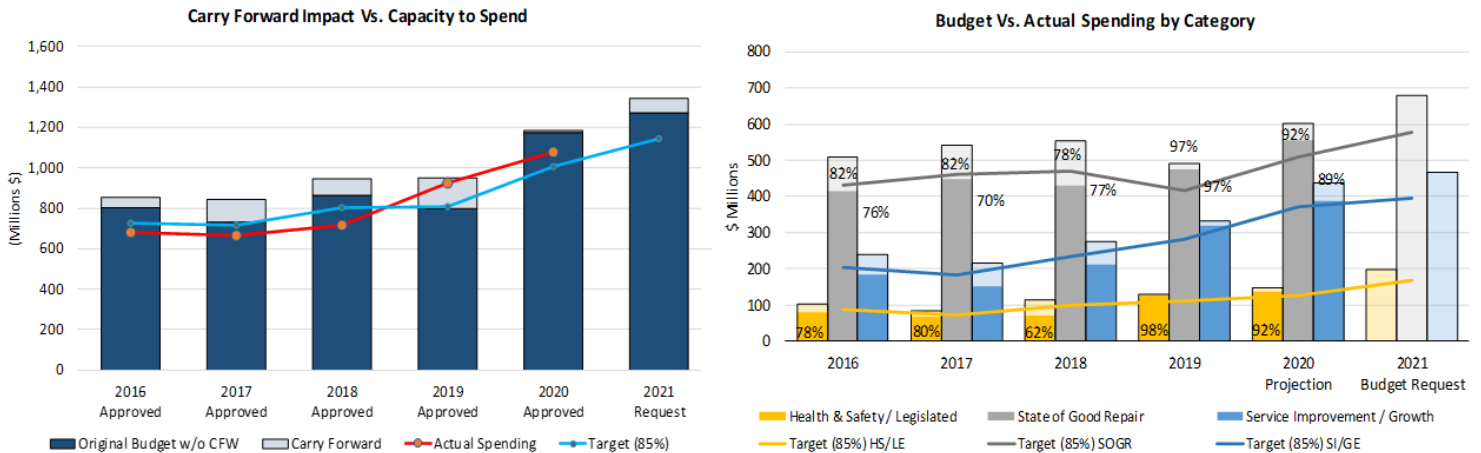
\* Toronto Water's 10-Year Capital Plan includes forecasted funding of \$79 million for the expected Toronto Region & Conservation Authority (TRCA) Watercourse Erosion Control project, to be spent between 2022 and 2030. It is assumed that approximately \$53 million or 67 per cent will be funded by other orders of government. The funding has yet to be secured.

**CAPACITY TO SPEND REVIEW**

The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten year capital plan. A review was undertaken to ensure budgets align with Toronto Water's ability to spend and the markets capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 2 below) as well as the level of projected 2020 underspending that will be carried forward into 2021 to complete capital work.

**Chart 2 – Capacity to Spend**



**Capacity to Spend Review Impact on the 10-Year Plan**

The 2021-2030 Capital Budget and Plan represents Toronto Water's largest investment in infrastructure renewal totalling \$14.785 billion over 10 years. The 2021 Capital Budget of \$1.344 billion (including carry forward funding of \$72.454 million) is higher than the historic 5-year average budget.

Toronto Water's actual spending over the previous five years, from 2015 to 2019, has averaged \$724 million per year. In 2020, Toronto Water is forecasting to spend \$1.079 billion or 91 per cent of the Approved 2020 Capital Budget.

In recent years, Toronto Water has awarded a series of large scale multi-year projects, with approximately \$2.2 billion committed for already awarded works as of October 2020. In addition to regularly scheduled annual construction programs, in 2021 Toronto Water will be awarding approximately \$651 million works supporting the following 7 large projects: Ashbridges Bay Wastewater Treatment Plant (ABTP) Polymer Upgrades and Waste Activated Sludge Upgrades Construction (\$104 million and \$170 million respectively); Fairbanks Silverthorn Tunnel Construction (\$140 million); Highland Creek Wastewater Treatment Plant (HCTP) Biosolids Master Plan (\$93 million); Humber Wastewater Treatment Plant (HTP) Process Upgrades Construction (\$55 million); Black Creek STS Design (\$32 million); and Downsview Transmission Main Construction (\$57 million). The 2021 Capital Budget of \$1.344 billion supports the delivery of current large scale multi-year projects, as well as new projects forecasted for award in 2021.

Based on the review of historical capital spending constraints and a capacity to spend review, \$345.037 million in capital spending originally cash flowed in 2021 has been adjusted to align with current delivery forecasts, including deferrals to 2022 and future years. Key adjustments to the Capital Plan are noted below:

- The *Ashbridges Bay Wastewater Treatment Plant* 2021 cashflow has been reduced by \$52.310 million to reflect updated project delivery schedules for several projects including the Polymer Upgrade, Waste Activated Sludge Upgrade Construction, and Pelletizer Trunk Loading Facility Upgrades projects.
- The *Watermain Replacement* 2021 cashflow has been reduced by \$37.586 million to reflect updated project delivery timelines and project completions.



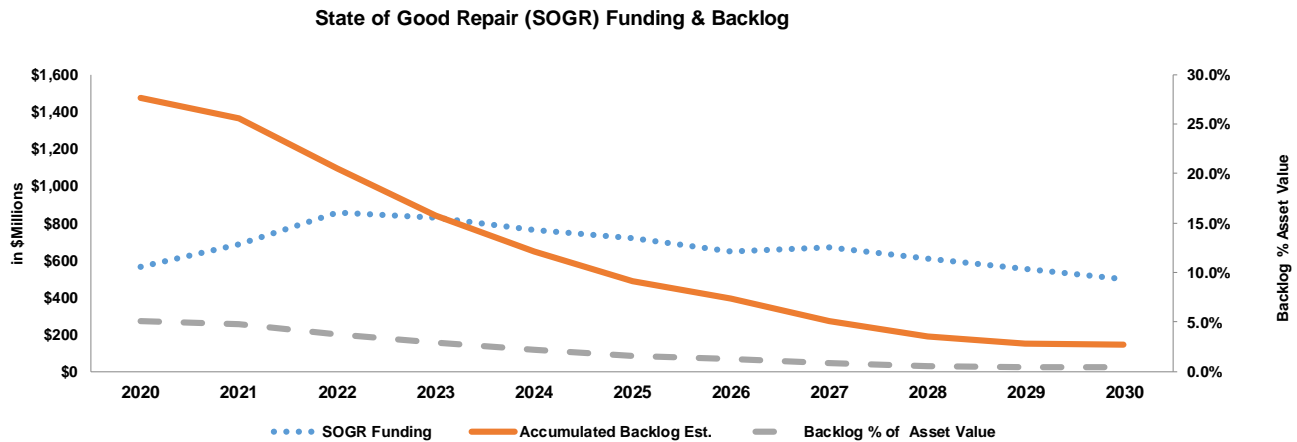
- The *Sewer Replacement* 2021 cashflow has been reduced by \$24.247 million to reflect updated project scope and delivery plan.
- The *Basement Flooding Protection Program* 2021 cashflow has been reduced by \$58.024 million to reflect updated project delivery schedules. Although the 2021 cashflow has been reduced, the overall 10-year Basement Flooding Protection Program will increase by \$94.515 million (2021-2030). Realignments occurred as a result of a project by project review to identify individual project readiness to tender in 2021 and 2022. Some projects are delayed due to the complex nature of infrastructure design. As well, there have been project schedule revisions due to longer than expected negotiation of acquisitions of easements and lands.
- The *Wet Weather Flow Program* 2021 cashflow has been reduced by \$27.964 million to reflect updated project delivery schedules for several projects including the Western Beaches Retrofit and Bonar Creek SWMF Facility Construction projects.

The 2021 Financial Model assumes that 85 per cent of the net Capital Budget and Plan will be drawn from Toronto Water's Capital Reserve and Water, Sanitary and Stormwater Management Development Charge Reserves based on historical capital completion levels, so as not to overstate actual projected funding requirements.

**STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG**

The chart below depicts the SOGR funding and accumulated backlog estimates for linear infrastructure and facilities in Toronto Water.

**Chart 3: Total SOGR Funding & Backlog**



\$ Million	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>SOGR Funding</b>	563.538	678.996	855.121	827.546	765.404	721.696	649.544	674.247	615.508	561.129	500.218
<b>Accumulated Backlog Est.</b>	1,472.544	1,368.706	1,097.816	845.862	651.451	493.930	398.778	268.882	181.832	135.047	132.304
<b>Backlog % of Asset Value</b>	5.1%	4.8%	3.8%	2.9%	2.2%	1.6%	1.3%	0.8%	0.6%	0.4%	0.4%
<b>Total Asset Value</b>	28,669.540	28,788.770	29,068.783	29,273.532	30,138.904	31,044.777	31,700.415	32,144.278	32,325.619	32,502.924	33,947.058

\*2020 SOGR Funding is based on recent estimates

- Toronto Water’s infrastructure is aging with an accumulated SOGR backlog estimated at \$1.473 billion by the end of 2020, which includes both linear (watermains and sewers) and facility/plant infrastructure (water treatment plants, wastewater treatment plants, pumping stations). This represents 5.1 per cent of the total replacement value of Toronto Water's assets, which at the end of 2020 are estimated to be \$28.670 billion.
- The 2021-2030 Budget and Capital Plan allocates a total of \$6.849 billion over 10 years, including \$678.996 million in 2021 (or 51 per cent of the 2021 Capital Budget) to address the renewal needs of Toronto Water's aging infrastructure. This significant investment into Toronto Water infrastructure will ensure continued and reliable service to residents, businesses and visitors, reducing the SOGR backlog to \$132.304 million in 2030, effectively eliminating the backlog.
- Approximately 57 per cent or \$0.842 billion of Toronto Water's infrastructure backlog is associated with aging linear watermain and sewer infrastructure. The 2021-2030 Budget and Capital Plan allocates a total of \$4.429 billion to address deteriorated linear infrastructure.
- Approximately 43 per cent or \$0.630 billion of Toronto Water's infrastructure backlog is associated with the facilities backlog. The 2021-2030 Capital Budget and Plan allocates a further \$2.421 billion for infrastructure renewal projects at water and wastewater treatment facilities. SOGR works at the water and wastewater facilities may include renewal of existing buildings, and process equipment and machinery, etc.

Stormwater management facilities (stormwater ponds and underground storage tanks) are not included in the SOGR backlog analysis as they are relatively new assets, as well as stream restoration from erosion. Restoration of watercourses is planned on a priority basis to protect existing infrastructure and in coordination with the Toronto Region Conservation Authority based on site conditions resulting from extreme weather events.

**OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS**

The 10-Year Capital Plan will Budget will impact future year Operating Budgets by \$5.167 million net over the 2021-2030 period and an increase of five positions for planned completion of new equipment and facilities.

**Table 4: Net Operating Impact Summary****(In \$000's)**

Projects	2021 Budget		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2021-2025		2021-2030		
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	
<b>Previously Approved</b>															
Ashbridges Bay WWTP - Effluent System - Disinfection System			842.1	2.0	162.8							1,004.9	2.0	1,004.9	2.0
Ashbridges Bay WWTP - Liquid Treatment & Handling & Integrated Pumping Station														1,700.0	
Ashbridges Bay WWTP - Solids & Gas Handling - Waste Activated Sludge Upgrade			(620.0)				1,500.0					880.0		880.0	
Ashbridges Bay WWTP Rehab - D Building PHASE 2							350.0					350.0		350.0	
Basement Flooding Relief - GROUP 2			100.0									100.0		100.0	
Island W.T.P. Chemical & Residuals Management							45.8	0.5	80.0			125.8	0.5	125.8	0.5
Island W.T.P. Plantwide HVAC Upgrades							(50.0)					(50.0)		(50.0)	
Island W.T.P. Island Photovoltaic System							(242.0)		(242.0)			(484.0)		(484.0)	
Harris - HVAC Rehab Construction							(150.0)					(150.0)		(150.0)	
North Toronto WTP Upgrades - Process Improvements					641.4	1.0						641.4	1.0	641.4	1.0
Business System Infrastructure - Technology Improvements			118.9	1.0	24.7							143.6	1.0	143.6	1.0
<b>Sub-Total: Previously Approved</b>			<b>441.0</b>	<b>3.0</b>	<b>828.9</b>	<b>1.0</b>	<b>1,453.8</b>	<b>0.5</b>	<b>(162.0)</b>			<b>2,561.7</b>	<b>4.5</b>	<b>4,261.7</b>	<b>4.5</b>
<b>New Projects - Future Years</b>															
WT&S Plantwide - UV Disinfection - Construction							45.8	0.5	645.0			690.8	0.5	905.8	0.5
<b>Sub-Total: New Projects - Future Years</b>							<b>45.8</b>	<b>0.5</b>	<b>645.0</b>			<b>690.8</b>	<b>0.5</b>	<b>905.8</b>	<b>0.5</b>
<b>Total (Net)</b>			<b>441.0</b>	<b>3.0</b>	<b>828.9</b>	<b>1.0</b>	<b>1,499.6</b>	<b>1.0</b>	<b>483.0</b>			<b>3,252.5</b>	<b>5.0</b>	<b>5,167.5</b>	<b>5.0</b>

**Previously Approved projects**

- Increase in operating costs for salaries, benefits, chemicals, energy, utilities and contracted services from previously approved projects at Ashbridges Bay and North Toronto Wastewater Treatment plants and Toronto Island Treatment Plant. In 2022, upgrades at the Ashbridges Bay Treatment Plant (waste activated sludge) will generate savings of \$0.620 million.

**New projects**

- Increase in operating costs for salaries, benefits, chemicals, utilities and contracted services for plant-wide implementation/construction of ultraviolet disinfection facilities.

# APPENDICES

## Appendix 1

## COVID-19 Financial Impact - Operating

COVID-19 Impacts	(\$000s)					
	2020			2021		
	Revenues	Gross	Net	Revenues	Gross	Net
<b>Revenue Loss</b>						
Sale of Water Volume	(23,500.0)		23,500.0			
Sale of Water (1.5% vs. 3% Rate)				(19,053.3)		19,053.3
<b>Sub-Total</b>	<b>(23,500.0)</b>		<b>23,500.0</b>	<b>(19,053.3)</b>		<b>19,053.3</b>
<b>Expenditure Increase</b>						
Health and Safety Supplies		598.1	598.1		450.0	450.0
Additional Cleaning		72.9	72.9		97.2	97.2
Fleet and Equipment Rentals (Physical Distancing)		280.2	280.2		312.0	312.0
Other (One-time costs)		316.1	316.1			
Price Increases from Limited Supply in Chemical Products		387.0	387.0			
<b>Sub-Total</b>		<b>1,654.3</b>	<b>1,654.3</b>		<b>859.2</b>	<b>859.2</b>
<b>Savings due to Management Actions</b>						
Salaries and Benefits (Hiring Slow Down & VSP)		(6,000.0)	(6,000.0)		(4,928.3)	(4,928.3)
Non-Union Merit Pay					(1,115.9)	(1,115.9)
<b>Sub-Total</b>		<b>(6,000.0)</b>	<b>(6,000.0)</b>		<b>(6,044.2)</b>	<b>(6,044.2)</b>
<b>Total COVID-19 Impact</b>	<b>(23,500.0)</b>	<b>(4,345.7)</b>	<b>19,154.3</b>	<b>(19,053.3)</b>	<b>(5,185.0)</b>	<b>13,868.3</b>

\*2020 Projection based on Q2 Variance Report

## Appendix 2

### 2021 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2018	2019	2020	2020 Projected	2021	2021 Change from	
	Actual	Actual	Budget	Actual *	Budget	2020 Projected Actual	
	\$	\$	\$	\$	\$	\$	%
Sale of Water	1,213,071.6	1,226,547.3	1,277,211.4	1,253,711.4	1,289,493.8	35,782.4	2.9%
User Fees & Donations	61,285.5	70,696.6	56,741.8	62,691.6	61,899.9	(791.7)	(1.3%)
Transfers From Capital	6,622.4	7,296.6	8,845.7	8,905.7	9,364.3	458.6	5.1%
Other Revenues	41,062.8	41,275.0	47,434.7	47,119.8	54,263.5	7,143.7	15.2%
Inter-Divisional Recoveries	47.0	186.1	316.1	316.1	314.7	(1.3)	(0.4%)
<b>Total Revenues</b>	<b>1,322,089.4</b>	<b>1,346,001.5</b>	<b>1,390,549.7</b>	<b>1,372,744.6</b>	<b>1,415,336.3</b>	<b>42,591.7</b>	<b>3.1%</b>
Salaries and Benefits	169,773.4	176,938.9	188,197.4	179,697.4	187,541.6	7,844.2	4.4%
Materials and Supplies	94,787.7	94,819.6	108,054.3	96,112.8	106,902.2	10,789.4	11.2%
Machinery and Equipment	2,781.0	3,151.7	3,104.9	2,767.8	2,835.3	67.5	2.4%
Service and Rent	52,015.1	66,552.4	75,179.4	70,300.6	75,474.6	5,173.9	7.4%
Contribution To Reserves	10,130.4	10,674.3	10,706.3	10,706.3	10,690.2	(16.1)	(0.2%)
Other Expenditures	19,038.0	15,753.8	16,959.3	16,464.2	16,816.0	351.8	2.1%
Inter-Divisional Charges	66,550.6	66,389.9	68,478.1	68,178.1	68,564.1	386.0	0.6%
Subtotal Gross Expenditures	415,076.3	434,280.6	470,679.6	444,227.2	468,824.0	24,596.8	5.5%
Capital Contribution	907,013.1	911,720.9	919,870.1	928,517.4	946,512.3	17,994.9	1.9%
<b>Total Gross Expenditures</b>	<b>1,322,089.4</b>	<b>1,346,001.5</b>	<b>1,390,549.7</b>	<b>1,372,744.6</b>	<b>1,415,336.3</b>	<b>42,591.7</b>	<b>3.1%</b>
<b>Approved Positions</b>	<b>1,608.3</b>	<b>1,678.3</b>	<b>1,841.3</b>	<b>1,841.3</b>	<b>1,841.3</b>		

\*2020 Projection based on Q2 Variance Report and Council approved in-year adjustments

### **Appendix 3**

#### **Summary of 2021 Service Changes**

N/A

### **Appendix 4**

#### **Summary of 2021 New / Enhanced Service Priorities Included in Budget**

N/A

### **Appendix 5**

#### **Summary of 2021 New / Enhanced Service Priorities Not Included in Budget**

N/A

### Appendix 6

## 2021 Capital Budget; 2022 - 2030 Capital Plan Including Carry Forward Funding

(In \$000s)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021- 2030 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
ASHBRIDGES BAY WWTP - BUILDING SERVICES & SITE DEV	5,099	2,980	13							1,300	9,392			9,392
ASHBRIDGES BAY WWTP - EFFLUENT SYSTEM	127,058	85,661	54,516	32,271	32,004	85					331,595	323,325		8,270
ASHBRIDGES BAY WWTP - LIQUID TREATMENT & HANDLING	60,760	47,396	66,015	59,147	97,795	127,972	136,800	151,850	169,290	88,658	1,005,683		731,223	274,460
ASHBRIDGES BAY WWTP - O&M UPGRADES	2,543	2,886	2,630	2,710	2,790	2,880	2,960	3,005	3,140	3,240	28,784		28,784	
ASHBRIDGES BAY WWTP - ODOUR CONTROL	1,150	1,145									2,295		2,295	
ASHBRIDGES BAY WWTP - SOLIDS & GAS HANDLING	43,120	58,941	58,770	56,455	59,905	28,704	24,585	10,150	775	725	342,130		335,390	6,740
ASHBRIDGES BAY WWTP REHAB	19,368	51,453	94,257	70,224	44,493	22,925	26,956	27,150	20,160	13,050	390,036	32,848	317,965	39,223
ASHRIDGES BAY TP YR2005	12	255	79								346		346	
BASEMENT FLOODING RELIEF	149,929	266,151	307,785	294,625	251,485	208,616	221,629	183,057	162,092	158,656	2,204,025			2,204,025
BUSINESS IT PROJECTS	106	1,800	1,275	525							3,706			3,706
BUSINESS SYSTEM INFRASTRUCTURE - PW	13,736	14,092	13,419	7,213	3,813	3,344	2,444	3,404	2,474	2,144	66,083		158	65,925
CLARK RESIDUE MGMT. FACILITIES	102	158									260	260		
DIST W/M REHABILITATION	63,179	80,656	74,025	73,906	73,137	72,506	71,406	71,306	71,206	65,460	716,787		716,787	
DIST W/M REPLACEMENT	113,379	152,024	125,494	121,798	125,388	115,500	115,500	115,700	113,500	114,000	1,212,283		1,021,139	191,144
DIST WATER SERVICE REPAIR	48,423	52,231	52,731	53,545	46,445	41,245	41,245	41,245	41,245	41,546	459,901	445,867	14,034	
DISTRICT WATERMANS - NEW	10	500	500	500	500	500	500	500	500	500	4,510			4,510
DON & WATERFRONT TRUNK CSO	77,232	78,041	88,910	66,345	38,560	56,479	164,401	260,750	288,300	298,400	1,417,418			1,417,418
EMERY CREEK POND	17	500									517			517
ENGINEERING	68,480	77,918	77,972	59,724	62,572	64,565	54,863	59,985	61,219	53,538	640,836		640,836	
ENGINEERING STUDIES	510	260	170	70	270	70	70	70	70	70	1,630	300	670	660
EQUIPMENT REPLACEMENT & REHABILITATION	2,150	3,735	42	55							5,982		5,982	
FJ HORGAN W.T.P. R&R	5,428	8,150	2,908	1,829	875	875	805	225	200	200	21,495	504	12,714	8,277
HARRIS W.T.P. R&R	12,225	9,490	6,176	6,255	12,560	11,650	12,550	7,800	500	500	79,706		70,419	9,287
HIGHLAND CREEK WWTP - BUILDING SERV & SITE DEV	1,236	6,092	5,500	5,400	2,400	2,299	3,500	4,157	101		30,685		30,685	
HIGHLAND CREEK WWTP - ODOUR CONTROL	12,932	1,282	1,228	759	417	1,017	6,500	11,300	10,500	5,400	51,335	50,581		754
HIGHLAND CREEK WWTP - SOLIDS & GAS HANDLING	5,108	12,710	30,890	32,650	29,690	35,816	20,150	40			167,054		22,105	144,949
HIGHLAND CREEK WWTP UPGRADES	34,404	37,352	37,452	62,439	76,875	58,385	53,371	46,581	43,620	7,844	458,323	27,865	175,196	255,262
HORGAN TRUNK MAIN EXPANSION	530	15,083	14,650	14,700	15,245	38					60,246			60,246
HUMBER T.P.	158										158			158
HUMBER TP YR2005														
HUMBER WWTP - LIQUID TREATMENT & HANDLING	26,062	13,101	17,500	13,965	1,500	5,150	32,275	35,000	32,000	18,000	194,553		194,553	
HUMBER WWTP - O&M UPGRADES	100	408									508		508	
HUMBER WWTP - ODOUR CONTROL	2,045	1,480	4,450	1,290	5	5	550				9,825	9,825		
HUMBER WWTP UPGRADES	25,253	28,924	27,401	38,486	40,275	26,575	17,875	10,325	100	100	215,314	7,115	127,859	80,340
ISLAND W.T.P. R&R	2,379	5,660	13,674	18,566	17,775	3,397	30				61,481	61,481		
ISLAND W.T.P. R&R	20,999	8,520	11,698	8,333	6,987	4,190	4,792	1,440	375	525	67,859		52,116	15,743
Land Acquisition for Source Water Protect	9,600	11,400	14,467	10,600	7,200	10,900	11,000	11,000	10,948	10,793	107,908			107,908
LAWRENCE ALLAN REVITALIZATION PLAN	1,490	2,285	806	3,592	3,842						12,015			12,015
METERING & METER READING SYS	2,420	3,567	3,600	2,405	1,501	1,501	1,501	1,501	1,501	1,501	20,998			20,998
NEW SERVICE CONNECTIONS	54,580	54,196	46,771	47,610	47,610	47,610	47,610	47,610	47,610	47,610	488,817			488,817
NEW SEWER CONSTRUCTION	6,620	20,140	19,329	14,087	9,500	4,345	1,065	1,100	1,050	1,000	78,236			78,236
NORTH TORONTO WTP UPGRADES	11,555	12,742	11,247	5,083							40,627	13,188		27,439



### Appendix 6 (Con't)

#### 2021 Capital Budget; 2022 - 2030 Capital Plan Including Carry Forward Funding

(In \$000s)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021- 2030 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
OPERATIONAL SUPPORT	4,196	8,701	6,235	3,610	2,060	2,060	2,060	2,060	2,060	2,060	35,102		5,250	29,852
PW ENGINEERING	5,891	9,972	7,317	4,775	3,425	2,875	2,645	1,975	975	975	40,825		22,338	18,487
REGENT PARK CAPITAL CONTRIBUTION	100	720	35	1,067	1,088		52	53	53	53	3,221			3,221
RL CLARK W.T.P. R&R	622	1,141	3,107	1,030	255	255	250	250	250	250	7,410		7,410	
SEWAGE PUMPING STATION UPGRADES	5,851	11,345	23,850	20,364	16,135	15,065	8,640	5,400	2,100	3,100	111,850	82,679	24,561	4,610
SEWER ASSET PLANNING	22,986	26,022	22,892	21,304	22,350	22,314	22,150	22,150	22,150	22,150	226,468		173,968	52,500
SEWER REPLACEMENT PROGRAM	22,314	36,387	24,525	24,745	21,494	20,950	20,350	24,025	20,525	20,500	235,815		235,815	
SEWER SYSTEM REHABILITATION	81,316	93,329	76,509	87,320	72,023	72,277	76,277	74,732	75,232	73,339	782,354		773,690	8,664
STREAM RESTORATION & EROSION CONTROL	13,207	17,794	20,227	24,418	21,196	21,058	23,833	18,791	14,941	6,383	181,848		181,848	
SWITCH GEAR TRANSFORMER	2,716	6,032	5,650	5,400	5,230	54					25,082		25,082	
SWM TRCA FUNDING	4,719	4,837	4,958	5,082	5,209	5,339	5,473	5,610	5,778	5,951	52,956			52,956
SWM END OF PIPE FACILITIES	465	1,920	2,513	5,300	2,717	2,200	16,100	37,300	64,000	52,386	184,901			184,901
SWM SOURCE CONTROL PROG	35	20									55			55
TRANSMISSION R&R	25,533	35,552	25,437	27,220	30,833	36,525	17,742	5,985	4,085	5,675	214,587		208,587	6,000
TRUNK SEWER SYSTEM	45,408	83,640	58,236	63,986	108,770	161,187	162,240	180,951	67,868	61,087	993,373		390,118	603,255
TRUNK WATERMAIN	4,149	4,479	11,791	14,692	10,155	5,405	34,455	37,500	29,600	32,100	184,326		178,624	5,702
TRUNK WATERMAIN EXPANSION	6,975	3,297	3				700	1,000	300	1,000	13,275			13,275
W&WW LABORATORIES	3,474	2,215	14,170	14,500	6,235	210	210	210	210	210	41,644		2,654	38,990
WATER EFFICIENCY PROGRAM	633	637	642	520	520	520	520	520	520	520	5,552			5,552
WATER SUSTAINABILITY PROGRAM	2,601	2,244	44								4,889			4,889
WESTERN BEACHES RETROFIT	6,470	12,921	14,486	3,225	100	25					37,227		37,227	
WET WEATHER FLOW MP	31,019	25,665	22,542	15,507	9,777	7,140	6,630	5,110	4,610	4,610	132,610		34,229	98,381
WT&S PLANTWIDE	21,509	34,132	51,153	53,918	30,235	17,444	4,431	13,780	14,990	16,500	258,092		46,244	211,848
<b>Total Expenditure (including carry forward from 2020)</b>	<b>1,343,676</b>	<b>1,654,367</b>	<b>1,684,672</b>	<b>1,585,145</b>	<b>1,483,221</b>	<b>1,352,047</b>	<b>1,481,691</b>	<b>1,543,653</b>	<b>1,412,723</b>	<b>1,243,609</b>	<b>14,784,804</b>	<b>1,055,838</b>	<b>6,849,409</b>	<b>6,879,557</b>

### Appendix 6a

### 2021 Cash Flow and Future Year Commitments Including Carry Forward Funding

(In \$000s)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total 2021 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
ASHBRIDGES BAY WWTP - BUILDING SERVICES & SITE DEV	5,099	2,980	13								8,092	9,010	(918)	
ASHBRIDGES BAY WWTP - EFFLUENT SYSTEM	127,058	85,011	53,916	28,571	28,704	65					323,325	324,860	(1,535)	
ASHBRIDGES BAY WWTP - LIQUID TREATMENT & HANDLING	60,760	47,246	64,515	57,647	95,445	120,695	128,300	124,700	120,955	53,608	873,871	809,004	64,867	
ASHBRIDGES BAY WWTP - O&M UPGRADES	2,543	2,886	2,630								8,059	10,717	(2,658)	
ASHBRIDGES BAY WWTP - ODOUR CONTROL	1,150	1,145									2,295	2,325	(30)	
ASHBRIDGES BAY WWTP - SOLIDS & GAS HANDLING	43,120	58,941	58,770	56,455	59,905	28,704	24,585	10,150	775	725	342,130	333,691	8,439	
ASHBRIDGES BAY WWTP REHAB	19,368	51,453	94,207	69,124	42,093	21,075	25,656	25,850	18,860	11,750	379,436	314,071	1,195	64,170
ASHRIDGES BAY TP YR2005	12	255	79								346	287	59	
BASEMENT FLOODING RELIEF	149,929	256,901	285,985	226,730	169,218	117,514	90,970	41,280	18,145	14,576	1,371,248	1,253,829	(789)	118,208
BUSINESS IT PROJECTS	106	1,800	1,275	525							3,706	4,513	(807)	
BUSINESS SYSTEM INFRASTRUCTURE - PW	13,736	13,208	11,405	3,789	384						42,522	30,905	11,617	
CLARK RESIDUE MGMT. FACILITIES	102	158									260	328	(68)	
DIST W/M REHABILITATION	63,179	79,899	66,519	25,700	9,916						245,213	132,767	112,446	
DIST W/M REPLACEMENT	113,379	76,045	24,674	2,273	486						216,857	228,962	(12,105)	
DIST WATER SERVICE REPAIR	48,423	43,434	23,536	15,300	7,200						137,893	95,061	35,322	7,510
DISTRICT WATERMAINS - NEW	10	500									510	1,008	(498)	
DON & WATERFRONT TRUNK CSO	77,232	77,010	80,958	45,388	7,641	110					288,339	283,363	2,976	2,000
EMERY CREEK POND	17	500									517	507	10	
ENGINEERING	68,480	43,879	34,476	4,773	6,592	1,456	926	51	51		160,684	112,077	48,607	
ENGINEERING STUDIES	510	260	170	20							960	700	260	
EQUIPMENT REPLACEMENT & REHABILITATION	2,150	3,735	42	55							5,982	5,855	127	
FJ HORGAN W.T.P. R&R	5,428	8,150	2,908	1,629	675	675	605	25			20,095	15,024	2,214	2,857
HARRIS W.T.P. R&R	12,225	8,890	5,676	2,405	1,060						30,256	30,404	(148)	
HIGHLAND CREEK WWTP - BUILDING SERV & SITE DEV	1,236	6,092	5,500	5,400	2,400	2,299	3,500	4,157	101		30,685	27,782	2,903	
HIGHLAND CREEK WWTP - ODOUR CONTROL	12,932	1,282	1,228	759	17	17					16,235	14,087	(83)	2,231
HIGHLAND CREEK WWTP - SOLIDS & GAS HANDLING	5,108	12,710	30,890	32,650	29,690	35,816	20,150	40			167,054	115,209	29,740	22,105
HIGHLAND CREEK WWTP UPGRADES	34,404	36,352	35,432	22,209	34,095	7,515	4,611	3,801	3,850	4,114	186,383	170,278	11,285	4,820
HORGAN TRUNK MAIN EXPANSION	530	15,083	14,650	14,700	15,245	38					60,246	3,634	(388)	57,000
HUMBER T.P.	158										158			158
HUMBER TP YR2005												100	(100)	
HUMBER WWTP - LIQUID TREATMENT & HANDLING	26,062	13,101	17,350	12,965	150	150	275				70,053	69,971	82	
HUMBER WWTP - O&M UPGRADES	100	408									508	620	(112)	
HUMBER WWTP - ODOUR CONTROL	2,045	1,480	4,450	1,290	5	5	550				9,825	5,638	4,187	
HUMBER WWTP UPGRADES	25,253	28,924	26,151	37,186	38,975	25,275	16,525	10,325	100	100	208,814	157,235	51,579	
ISLAND W.T.P. R&R	2,379	5,660	13,674	18,566	17,775	3,397	30				61,481	46,966	14,515	
ISLAND W.T.P. R&R	20,999	8,320	6,428	5,378	3,862	490	7			150	45,634	44,790	(656)	1,500
Land Acquisition for Source Water Protect	9,600	600	467								10,667	750	9,917	
LAWRENCE ALLAN REVITALIZATION PLAN	1,490	2,285	806	3,592	3,842						12,015	12,015		
METERING & METER READING SYS	2,420	3,567	3,600	2,405	1,501	1,501	1,501	1,501	1,501	1,501	20,998	14,392	6,606	
NEW SERVICE CONNECTIONS	54,580	52,574	34,161	35,000							176,315	78,160	98,155	
NEW SEWER CONSTRUCTION	6,620	20,020	11,829	6,087	1,400	545	50				46,551	41,609	4,942	
NORTH TORONTO WTP UPGRADES	11,555	12,742	11,247	5,083							40,627	32,028	8,599	

Appendix 6a (Con't)

2021 Cash Flow and Future Year Commitments Including Carry Forward Funding

(In \$000s)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total 2021 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
OPERATIONAL SUPPORT	4,196	7,391	4,925	1,550							18,062	16,485	1,577	
PW ENGINEERING	5,891	9,972	6,755	4,185	2,835	2,185	1,837	1,000			34,660	27,368	5,292	2,000
REGENT PARK CAPITAL CONTRIBUTION	100	720	35	1,067	1,088		52	53	53	53	3,221	3,977	(756)	
RL CLARK W.T.P. R&R	622	981	457								2,060	2,040	20	
SEWAGE PUMPING STATION UPGRADES	5,851	11,295	23,575	19,789	14,035	13,340	8,615	5,400	2,100	3,100	107,100	92,933	8,391	5,776
SEWER ASSET PLANNING	22,986	26,022	20,892	11,354	200	164					81,618	84,177	(2,559)	
SEWER REPLACEMENT PROGRAM	22,314	15,724	6,320	5,292	5,044	4,700	4,100	3,525	25		67,044	99,857	(32,813)	
SEWER SYSTEM REHABILITATION	81,316	91,316	34,877	24,588	891	45	2,495				235,528	225,578	9,950	
STREAM RESTORATION & EROSION CONTROL	13,207	15,112	9,699	7,079	5,567	3,182	1,213	173	127		55,359	46,975	8,384	
SWITCH GEAR TRANSFORMER	2,716	6,032	5,650	5,400	5,230	54					25,082	25,164	(82)	
SWM TRCA FUNDING	4,719										4,719		4,719	
SWM END OF PIPE FACILITIES	465	1,920	2,513	4,550	1,967	1,200	15,100	22,300	33,000	21,386	104,401	79,737	24,664	
SWM SOURCE CONTROL PROG	35	20									55	40	15	
TRANSMISSION R&R	25,533	33,552	20,537	14,595	2,178	370	237				97,002	74,394	16,608	6,000
TRUNK SEWER SYSTEM	45,408	82,890	54,486	45,116	78,205	115,652	115,135	151,695	62,748	53,686	805,021	560,685	238,636	5,700
TRUNK WATERMAIN	4,149	3,479	3,791	792	5	5	5				12,226	6,251	810	5,165
TRUNK WATERMAIN EXPANSION	6,975	3,297	3								10,275	10,306	(31)	
W&WW LABORATORIES	3,474	1,965	13,960	14,290	6,025						39,714	26,233	13,481	
WATER EFFICIENCY PROGRAM	633	637	642								1,912	1,437	475	
WATER SUSTAINABILITY PROGRAM	2,601	2,244	44								4,889	4,623	266	
WESTERN BEACHES RETROFIT	6,470	12,921	14,486	3,225	100	25					37,227	33,049	4,178	
WET WEATHER FLOW MP	31,019	23,555	20,432	10,897	2,667	30	20				88,620	83,832	4,788	
WT&S PLANTWIDE	21,509	30,132	37,903	33,668	10,985	114	56	35			134,402	125,786	8,616	
<b>Total Expenditure (including carry forward from 2020)</b>	<b>1,343,676</b>	<b>1,466,663</b>	<b>1,311,599</b>	<b>951,091</b>	<b>715,298</b>	<b>508,408</b>	<b>467,106</b>	<b>406,061</b>	<b>262,391</b>	<b>164,749</b>	<b>7,597,042</b>	<b>6,465,459</b>	<b>824,383</b>	<b>307,200</b>

### Appendix 6b

### 2022 - 2030 Capital Plan

(In \$000s)	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2022 - 2030 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
ASHBRIDGES BAY WWTP - BUILDING SERVICES & SITE DEV									1,300	1,300			1,300
ASHBRIDGES BAY WWTP - EFFLUENT SYSTEM	650	600	3,700	3,300	20					8,270			8,270
ASHBRIDGES BAY WWTP - LIQUID TREATMENT & HANDLING	150	1,500	1,500	2,350	7,277	8,500	27,150	48,335	35,050	131,812		70,712	61,100
ASHBRIDGES BAY WWTP - O&M UPGRADES			2,710	2,790	2,880	2,960	3,005	3,140	3,240	20,725		20,725	
ASHBRIDGES BAY WWTP REHAB		50	1,100	2,400	1,850	1,300	1,300	1,300	1,300	10,600		10,600	
ASHRIDGES BAY TP YR2005													
BASEMENT FLOODING RELIEF	9,250	21,800	67,895	82,267	91,102	130,659	141,777	143,947	144,080	832,777			832,777
BUSINESS SYSTEM INFRASTRUCTURE - PW	884	2,014	3,424	3,429	3,344	2,444	3,404	2,474	2,144	23,561			23,561
DIST W/M REHABILITATION	757	7,506	48,206	63,221	72,506	71,406	71,306	71,206	65,460	471,574		471,574	
DIST W/M REPLACEMENT	75,979	100,820	119,525	124,902	115,500	115,500	115,700	113,500	114,000	995,426		847,726	147,700
DIST WATER SERVICE REPAIR	8,797	29,195	38,245	39,245	41,245	41,245	41,245	41,245	41,546	322,008	322,008		
DISTRICT WATERMANS - NEW		500	500	500	500	500	500	500	500	4,000			4,000
DON & WATERFRONT TRUNK CSO	1,031	7,952	20,957	30,919	56,369	164,401	260,750	288,300	298,400	1,129,079			1,129,079
EMERY CREEK POND													
ENGINEERING	34,039	43,496	54,951	55,980	63,109	53,937	59,934	61,168	53,538	480,152		480,152	
ENGINEERING STUDIES			50	270	70	70	70	70	70	670		670	
EQUIPMENT REPLACEMENT & REHABILITATION													
FJ HORGAN W.T.P. R&R			200	200	200	200	200	200	200	1,400		1,400	
HARRIS W.T.P. R&R	600	500	3,850	11,500	11,650	12,550	7,800	500	500	49,450		49,450	
HIGHLAND CREEK WWTP - ODOUR CONTROL				400	1,000	6,500	11,300	10,500	5,400	35,100	35,100		
HIGHLAND CREEK WWTP - SOLIDS & GAS HANDLING													
HIGHLAND CREEK WWTP UPGRADES	1,000	2,020	40,230	42,780	50,870	48,760	42,780	39,770	3,730	271,940		41,740	230,200
HUMBER WWTP - LIQUID TREATMENT & HANDLING		150	1,000	1,350	5,000	32,000	35,000	32,000	18,000	124,500		124,500	
HUMBER WWTP UPGRADES		1,250	1,300	1,300	1,300	1,350				6,500		6,500	
ISLAND W.T.P. R&R	200	5,270	2,955	3,125	3,700	4,785	1,440	375	375	22,225		19,375	2,850
Land Acquisition for Source Water Protect	10,800	14,000	10,600	7,200	10,900	11,000	11,000	10,948	10,793	97,241			97,241
NEW SERVICE CONNECTIONS	1,622	12,610	12,610	47,610	47,610	47,610	47,610	47,610	47,610	312,502			312,502
NEW SEWER CONSTRUCTION	120	7,500	8,000	8,100	3,800	1,015	1,100	1,050	1,000	31,685			31,685
OPERATIONAL SUPPORT	1,310	1,310	2,060	2,060	2,060	2,060	2,060	2,060	2,060	17,040		5,250	11,790
PW ENGINEERING		562	590	590	690	808	975	975	975	6,165			6,165
RL CLARK W.T.P. R&R	160	2,650	1,030	255	255	250	250	250	250	5,350		5,350	
SEWAGE PUMPING STATION UPGRADES	50	275	575	2,100	1,725	25				4,750		4,750	
SEWER ASSET PLANNING		2,000	9,950	22,150	22,150	22,150	22,150	22,150	22,150	144,850		92,800	52,050
SEWER REPLACEMENT PROGRAM	20,663	18,205	19,453	16,450	16,250	16,250	20,500	20,500	20,500	168,771		168,771	
SEWER SYSTEM REHABILITATION	2,013	41,632	62,732	71,132	72,232	73,782	74,732	75,232	73,339	546,826		546,826	

### Appendix 6b (Con't)

#### 2022 - 2030 Capital Plan

(In \$000s)	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2022 - 2030 Total	Health & Safety & Legislated	SOG	Growth & Improved Service
<i>STREAM RESTORATION &amp; EROSION CONTROL</i>	2,682	10,528	17,339	15,629	17,876	22,620	18,618	14,814	6,383	<b>126,489</b>		<b>126,489</b>	
<i>SWM TRCA FUNDING</i>	4,837	4,958	5,082	5,209	5,339	5,473	5,610	5,778	5,951	<b>48,237</b>			<b>48,237</b>
<i>SWM END OF PIPE FACILITIES</i>			750	750	1,000	1,000	15,000	31,000	31,000	<b>80,500</b>			<b>80,500</b>
<i>TRANSMISSION R&amp;R</i>	2,000	4,900	12,625	28,655	36,155	17,505	5,985	4,085	5,675	<b>117,585</b>		<b>117,585</b>	
<i>TRUNK SEWER SYSTEM</i>	750	3,750	18,870	30,565	45,535	47,105	29,256	5,120	7,401	<b>188,352</b>		<b>188,352</b>	
<i>TRUNK WATERMAIN</i>	1,000	8,000	13,900	10,150	5,400	34,450	37,500	29,600	32,100	<b>172,100</b>		<b>172,100</b>	
<i>TRUNK WATERMAIN EXPANSION</i>						700	1,000	300	1,000	<b>3,000</b>			<b>3,000</b>
<i>W&amp;WW LABORATORIES</i>	250	210	210	210	210	210	210	210	210	<b>1,930</b>		<b>1,930</b>	
<i>WATER EFFICIENCY PROGRAM</i>			520	520	520	520	520	520	520	<b>3,640</b>			<b>3,640</b>
<i>WET WEATHER FLOW MP</i>	2,110	2,110	4,610	7,110	7,110	6,610	5,110	4,610	4,610	<b>43,990</b>		<b>33,500</b>	<b>10,490</b>
<i>WT&amp;S PLANTWIDE</i>	4,000	13,250	20,250	19,250	17,330	4,375	13,745	14,990	16,500	<b>123,690</b>			<b>123,690</b>
<b>Total Expenditures</b>	<b>187,704</b>	<b>373,073</b>	<b>634,054</b>	<b>767,923</b>	<b>843,639</b>	<b>1,014,585</b>	<b>1,137,592</b>	<b>1,150,332</b>	<b>1,078,860</b>	<b>7,187,762</b>	<b>357,108</b>	<b>3,608,827</b>	<b>3,221,827</b>

## Appendix 7

### Reporting on Major Capital Projects: Status Update

(\$000s)

Life to Date

Division/Project name	2020 Cash Flow (Active Projects)			Total Project Cost (Active Projects)		Status	Start Date	End Date		On Budget	On Time
	Appr.	YTD Spend	YE Projec Spend	Appr. Budget	Life to Date			Planned	Revised		
<i>Toronto Water</i>											
<b>St Claire - Reservoir Rehabilitation</b>	428	10	137	32,466	26,941	Completed	Jan-14	Dec-21	Dec-21	Ⓞ	Ⓞ
Comments:	Extensive consultation was undertaken through the design phase to address community concerns regarding park access and restoration. Project is nearing completion with reduced expenditures in 2020.										
Explanation for Delay:											
<b>ROSEHILL PS REHAB (CPW060-11)</b>	813	408	813	7,299	3,896	On Track	Jan-15	Dec-21	Dec-21	Ⓞ	Ⓞ
Comments:	Project delivery is proceeding on track for 2020.										
Explanation for Delay:											
<b>OUTFALL CONSTRUCTION (CWW039-06)</b>	50,720	12,796	50,623	281,278	60,508	On Track	Jan-18	Dec-25	Dec-25	Ⓞ	Ⓞ
Comments:	Construction started in early 2019, and is proceeding on track in 2020.										
Explanation for Delay:											
<b>Don &amp; Waterfront Trunk/CSO Const - PHASE 1 (CWW480-03)</b>	70,000	37,858	75,038	411,255	178,313	On Track	Jan-18	Jan-24	Jan-24	Ⓞ	Ⓞ
Comments:	Don & Central Waterfront Phase 1 construction is proceeding ahead of the forecast in 2020.										
Explanation for Delay:											

- Ⓞ >70% of Approved Project Cost
- Ⓜ Between 50% and 70%
- Ⓡ < 50% or > 100% of Approved Project

## Appendix 8

### Summary of Capital Needs Constraints

(In \$ Millions)

- The 2020-2030 Capital Budget and Plan is based on the capacity to deliver (85 per cent spending rate included for planning purposes).
- Toronto Water does not have any unmet needs over the 10-year planning horizon.

## Appendix 9

### **2021 User Fee Changes** (Excludes User Fees Adjusted for Inflation)

- Toronto Water does not have any other changes to its existing user fees.



## Appendix 10

### Inflows and Outflows to/from Reserves and Reserve Funds 2021 Operating Budget and 2021-2030 Capital Budget and Plan

#### Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (in \$000s)	Reserve / Reserve Fund Name	Withdrawals (-) / Contribution (+)		
		2021	2022	2023
		\$	\$	\$
<b>Beginning Balance</b>		<b>20,649.9</b>	<b>14,531.5</b>	<b>4,000.4</b>
<b>Vehicle Replacement Reserve</b>	<b>XQ1012</b>			
Withdrawals (-)		(11,907.7)	(16,320.3)	(3,046.6)
Contribution (+)		5,789.3	5,789.3	5,789.3
<b>Total Reserve / Reserve Fund Draws / Contribution</b>		<b>(6,118.4)</b>	<b>(10,531.1)</b>	<b>2,742.7</b>
<b>Balance at Year-End</b>		<b>14,531.5</b>	<b>4,000.4</b>	<b>6,743.1</b>

\* Based on 6-month 2020 Reserve Fund Variance Report

Reserve / Reserve Fund Name (in \$000s)	Reserve / Reserve Fund Name	Withdrawals (-) / Contribution (+)										
		2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Beginning Balance</b>		1,218,319.0	1,113,906.9	772,787.3	441,782.8	229,060.2	121,200.0	149,101.6	98,143.7	48,308.7	105,963.7	
<b>Water &amp; Wastewater Capital Reserves</b>	<b>XR6003 &amp; XR6004</b>											
Withdrawals (-)												
- TW Capital Program		(1,045,155.8)	(1,306,333.0)	(1,318,626.3)	(1,241,375.4)	(1,160,101.5)	(1,049,649.4)	(1,154,681.7)	(1,188,643.4)	(1,108,063.1)	(994,713.4)	
- Others		(8,577.6)	(8,239.2)	(8,247.7)	(542.0)	(450.8)	(459.8)	(469.0)	(870.9)	(1,881.4)	(1,832.2)	
Contribution (+)												
- From Operations		946,512.3	969,662.7	993,423.8	1,025,837.9	1,050,938.5	1,076,657.1	1,102,954.2	1,138,942.7	1,166,818.7	1,195,369.6	
- Others: Interest		2,809.0	3,789.9	2,445.6	3,356.9	1,753.6	1,353.8	1,238.6	736.6	780.8	2,073.3	
<b>Total Reserve / Reserve Fund Draws / Contribution</b>		<b>(104,412.1)</b>	<b>(341,119.6)</b>	<b>(331,004.5)</b>	<b>(212,722.6)</b>	<b>(107,860.3)</b>	<b>27,901.6</b>	<b>(50,958.0)</b>	<b>(49,835.0)</b>	<b>57,655.0</b>	<b>200,897.3</b>	
<b>Balance at Year-End</b>		<b>1,113,906.9</b>	<b>772,787.3</b>	<b>441,782.8</b>	<b>229,060.2</b>	<b>121,200.0</b>	<b>149,101.6</b>	<b>98,143.7</b>	<b>48,308.7</b>	<b>105,963.7</b>	<b>306,861.0</b>	

\* Based on the most recent estimates

## Appendix 10 (Con't)

### Inflows and Outflows to/from Reserves and Reserve Funds

#### 2021 Operating Budget

#### Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (in \$000s)	Reserve / Reserve Fund Name	Withdrawals (-) / Contribution (+)		
		2021	2022	2023
		\$	\$	\$
<b>Beginning Balance</b>		<b>15,142.3</b>	<b>11,985.3</b>	<b>9,183.2</b>
<b>Insurance Replacement Reserve</b>	<b>XR1010</b>			
Withdrawals (-)				
Contribution (+)		4,900.9	4,900.9	4,900.9
<b>Toronto Water Reserve / Reserve Fund Draws / Contribution</b>		<b>4,900.9</b>	<b>4,900.9</b>	<b>4,900.9</b>
<b>Other Programs Reserve / Reserve Fund Draws / Contribution</b>		<b>(8,086.4)</b>	<b>(7,725.2)</b>	<b>(7,754.3)</b>
<b>Interest</b>		<b>28.5</b>	<b>22.2</b>	<b>16.3</b>
<b>Balance at Year-End</b>		<b>11,985.3</b>	<b>9,183.2</b>	<b>6,346.0</b>
* Based on 6-month 2020 Reserve Fund Variance Report				

### Appendix 10 (Con't)

#### Inflows and Outflows to/from Reserves and Reserve Funds

#### 2021 – 2030 Capital Budget and Plan

#### Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										
		2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	Total
Water Development Charges Reserve Fund XR2111 (in \$000s)	<b>Beginning Balance</b>	<b>94,602</b>	<b>95,566</b>	<b>94,797</b>	<b>103,882</b>	<b>110,322</b>	<b>117,765</b>	<b>136,126</b>	<b>155,396</b>	<b>175,449</b>	<b>196,277</b>	
	<b>Withdrawals</b>											
	DIST W/M REPLACEMENT	(13,432)	(10,775)	(9,357)	(8,616)	(9,284)	(8,520)	(8,520)	(8,527)	(8,441)	(8,460)	(93,929)
	DISTRICT WATERMANS - NEW	(9)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(2,304)
	HORGAN TRUNK MAIN EXPANSION	(451)	(7,693)	(7,472)	(7,497)	(7,775)	(20)	0	0	0	0	(30,906)
	ISLAND W.T.P. R&R	(3)	(364)	(913)	(1,301)	(1,245)	(238)	0	0	0	0	(4,064)
	LAWRENCE ALLAN REVITALIZATION PLAN	(1,267)	(1,165)	(411)	(1,832)	(1,959)	0	0	0	0	0	(6,634)
	PW ENGINEERING	(524)	(645)	(400)	(302)	(242)	(243)	(231)	(188)	(60)	(60)	(2,896)
	REGENT PARK CAPITAL CONTRIBUTION	(85)	(367)	(18)	(544)	(555)	0	(26)	(27)	(27)	(27)	(1,677)
	RL CLARK W.T.P. R&R	(27)	(51)	(15)	0	0	0	0	0	0	0	(94)
	TRANSMISSION R&R	(17)	(245)	(1,020)	(1,530)	(255)	0	0	0	0	0	(3,067)
	TRUNK WATERMAIN EXPANSION	(2,383)	(676)	(1)	0	0	0	0	0	0	0	(3,059)
	WATER EFFICIENCY PROGRAM	(538)	(325)	(327)	(265)	(265)	(265)	(265)	(265)	(265)	(265)	(3,046)
	WATER SUSTAINABILITY PROGRAM	(230)	(118)	(3)	0	0	0	0	0	0	0	(350)
	WT&S PLANTWIDE	(1,243)	(815)	(918)	(1,706)	(1,077)	(550)	(180)	(7)	(31)	(64)	(6,591)
	<b>Total Withdrawals</b>	<b>(20,205)</b>	<b>(23,493)</b>	<b>(21,110)</b>	<b>(23,848)</b>	<b>(22,913)</b>	<b>(10,090)</b>	<b>(9,478)</b>	<b>(9,269)</b>	<b>(9,080)</b>	<b>(9,132)</b>	<b>(158,617)</b>
	Contribution:											
	- Projected Contribution	21,260	22,815	30,286	30,288	30,355	28,452	28,747	29,322	29,908	30,506	281,939
	- Other Program/Agency Net Withdrawals and Contribution	(91)	(91)	(91)	0	0	0	0	0	0	0	(273)
	<b>Total Contribution</b>	<b>21,169</b>	<b>22,724</b>	<b>30,195</b>	<b>30,288</b>	<b>30,355</b>	<b>28,452</b>	<b>28,747</b>	<b>29,322</b>	<b>29,908</b>	<b>30,506</b>	<b>281,666</b>
	<b>Balance at Year-End</b>	<b>95,566</b>	<b>94,797</b>	<b>103,882</b>	<b>110,322</b>	<b>117,765</b>	<b>136,126</b>	<b>155,396</b>	<b>175,449</b>	<b>196,277</b>	<b>217,652</b>	

\* Based on the most recent estimates

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										
		2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	Total
Sanitary Development Charges Reserve Fund XR2112 (in \$000s)	<b>Beginning Balance</b>	<b>65,052</b>	<b>35,823</b>	<b>26,794</b>	<b>24,578</b>	<b>32,603</b>	<b>26,787</b>	<b>(1,162)</b>	<b>(42,141)</b>	<b>(100,618)</b>	<b>(125,564)</b>	
	<b>Withdrawals</b>											
	ASHBRIDGES BAY WWTP - EFFLUENT SYSTEM	(15,936)	(6,280)	(4,029)	(2,155)	(2,166)	(5)	0	0	0	0	(30,570)
	ASHBRIDGES BAY WWTP - LIQUID TREATMENT & HANDLING	(9,501)	(5,257)	(8,171)	(5,940)	(16,914)	(27,061)	(29,007)	(30,169)	(31,142)	(6,882)	(170,045)
	ASHBRIDGES BAY WWTP - ODOUR CONTROL	(145)	(87)	0	0	0	0	0	0	0	0	(231)
	ASHBRIDGES BAY WWTP - SOLIDS & GAS HANDLING	(4,759)	(3,646)	(3,419)	(3,114)	(2,026)	(15)	0	0	0	0	(16,978)
	ASHBRIDGES BAY WWTP REHAB	(318)	(17)	0	0	0	0	0	0	0	0	(335)
	ASHRIDGES BAY TP YR2005	(2)	(20)	(6)	0	0	0	0	0	0	0	(27)
	BASEMENT FLOODING RELIEF	(10,516)	(10,774)	(12,872)	(10,646)	(6,622)	(4,489)	(4,744)	(2,303)	(115)	(25)	(63,104)
	DON & WATERFRONT TRUNK CSO	(8,796)	(5,160)	(5,959)	(4,735)	(2,910)	(4,262)	(12,406)	(19,677)	(17,001)	(15,952)	(96,857)
	HIGHLAND CREEK WWTP - ODOUR CONTROL	(1,624)	(82)	(1)	0	(31)	(76)	(490)	(853)	(792)	(407)	(4,355)
	HIGHLAND CREEK WWTP - SOLIDS & GAS HANDLING	(413)	(615)	(1,540)	(1,603)	(1,483)	(1,794)	(901)	(3)	0	0	(8,352)
	HIGHLAND CREEK WWTP UPGRADES	(320)	0	0	0	0	0	0	0	0	0	(320)
	HUMBER WWTP - LIQUID TREATMENT & HANDLING	(3,278)	(989)	(1,321)	(1,054)	(113)	(388)	(2,435)	(2,641)	(2,415)	(1,358)	(15,993)
	HUMBER WWTP - ODOUR CONTROL	(258)	(111)	(336)	(98)	0	0	(42)	0	0	0	(844)
	NEW SEWER CONSTRUCTION	(3,948)	(7,436)	(6,594)	(4,734)	(2,831)	(1,423)	(532)	(536)	(523)	(510)	(29,067)
	SEWAGE PUMPING STATION UPGRADES	(524)	(619)	(1,062)	(1,006)	(525)	(503)	(642)	(407)	(158)	(234)	(5,680)
	SEWER ASSET PLANNING	(663)	(514)	(376)	(298)	(282)	(281)	(275)	(275)	(275)	(275)	(3,513)
	SEWER REPLACEMENT PROGRAM	(1,080)	(1,181)	(830)	(751)	(613)	(588)	(588)	(588)	(588)	(588)	(7,396)
	SEWER SYSTEM REHABILITATION	(831)	(156)	0	0	0	0	0	0	0	0	(987)
	TRUNK SEWER SYSTEM	(264)	(2,554)	(4,284)	(4,427)	(17,991)	(32,683)	(35,000)	(48,040)	(19,903)	(17,035)	(182,181)
<b>Total Withdrawals</b>	<b>(63,176)</b>	<b>(45,495)</b>	<b>(50,799)</b>	<b>(40,560)</b>	<b>(54,506)</b>	<b>(73,568)</b>	<b>(87,061)</b>	<b>(105,491)</b>	<b>(72,911)</b>	<b>(43,265)</b>	<b>(636,834)</b>	
Contribution:												
- Projected Contribution	34,459	36,978	49,095	49,097	49,203	46,131	46,594	47,526	48,477	49,447	457,007	
- Other Program/Agency Net Withdrawals and Contribution	(512)	(512)	(512)	(512)	(512)	(512)	(512)	(512)	(512)	(512)	(5,120)	
<b>Total Contribution</b>	<b>33,947</b>	<b>36,466</b>	<b>48,583</b>	<b>48,585</b>	<b>48,691</b>	<b>45,619</b>	<b>46,082</b>	<b>47,014</b>	<b>47,965</b>	<b>48,935</b>	<b>451,887</b>	
<b>Balance at Year-End</b>	<b>35,823</b>	<b>26,794</b>	<b>24,578</b>	<b>32,603</b>	<b>26,787</b>	<b>(1,162)</b>	<b>(42,141)</b>	<b>(100,618)</b>	<b>(125,564)</b>	<b>(119,895)</b>		

\* Based on the most recent estimates

## Appendix 10 (Con't)

## Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										Total
		2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	
Stormwater Management Development	Beginning Balance	36,784	32,660	25,577	21,026	17,339	14,121	10,071	5,349	(704)	(8,503)	
Charges Reserve Fund XR2113 (in \$000s)	<b>Withdrawals</b>											
	EMERY CREEK POND	(3)	(37)	0	0	0	0	0	0	0	0	(40)
	Land Acquisition for Source Water Protect	0	(221)	(302)	(216)	(131)	(224)	(226)	(226)	(225)	(221)	(1,992)
	STREAM RESTORATION & EROSION CONTROL	(204)	(234)	(247)	(169)	(141)	(65)	(3)	0	0	0	(1,064)
	SWM TRCA FUNDING	(593)	(365)	(374)	(383)	(393)	(403)	(413)	(423)	(436)	(449)	(4,232)
	SWM END OF PIPE FACILITIES	(59)	(145)	(190)	(400)	(206)	(167)	(1,215)	(2,815)	(4,830)	(3,953)	(13,978)
	WESTERN BEACHES RETROFIT	(813)	(975)	(1,093)	(243)	(8)	(2)	0	0	0	0	(3,134)
	WET WEATHER FLOW MP	(592)	(375)	(259)	(197)	(292)	(237)	(48)	(46)	(46)	(46)	(2,139)
	<b>Total Withdrawals</b>	<b>(2,264)</b>	<b>(2,351)</b>	<b>(2,465)</b>	<b>(1,609)</b>	<b>(1,170)</b>	<b>(1,097)</b>	<b>(1,905)</b>	<b>(3,511)</b>	<b>(5,537)</b>	<b>(4,669)</b>	<b>(26,579)</b>
	Contribution:											
	- Projected Contribution	10,164	10,907	14,481	14,482	14,513	13,607	13,743	14,018	14,298	14,584	134,797
	- TW Operating	(195)	(195)	(195)	0	0	0	0	0	0	0	(585)
	- Other Program/Agency Net Withdrawals and Contribution	(11,829)	(15,444)	(16,372)	(16,560)	(16,560)	(16,560)	(16,560)	(16,560)	(16,560)	(16,560)	(159,565)
	<b>Total Contribution</b>	<b>(1,860)</b>	<b>(4,732)</b>	<b>(2,086)</b>	<b>(2,078)</b>	<b>(2,047)</b>	<b>(2,953)</b>	<b>(2,817)</b>	<b>(2,542)</b>	<b>(2,262)</b>	<b>(1,976)</b>	<b>(25,353)</b>
	<b>Balance at Year-End</b>	<b>32,660</b>	<b>25,577</b>	<b>21,026</b>	<b>17,339</b>	<b>14,121</b>	<b>10,071</b>	<b>5,349</b>	<b>(704)</b>	<b>(8,503)</b>	<b>(15,148)</b>	

\* Based on the most recent estimates

## Appendix 11

### Glossary

**Approved Position:** Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

**Actuals:** An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

**Capacity to Spend:** Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

**Capital Budget:** A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

**Capital Needs Constraints:** The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

**Complement:** Positions that support the delivery of City services and service levels as approved by Council.

**Efficiencies:** Reductions in the cost of delivering a service without a reduction in service level.

**New / Enhanced:** New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

**Operating Budget:** An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

**Operating Impact of Completed Capital Projects:** The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

**Rate Supported Budget:** Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

**State of Good Repair (SOGR):** The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

**Tax Supported Budget:** Budget funded by property taxes.

**User Fees:** Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).

**Voluntary Separation Program** – On July 28th, 2020, City Council approved the implementation of a Voluntary Separation Program for staff who are eligible to retire with an unreduced pension providing a lump sum payment of up to three months' salary to eligible employees, subject to the terms of the program guidelines, funded through savings generated from a combination of permanently eliminating vacated positions and/or holding the positions vacant for a minimum of six months.