

ATTACHMENT 1: SUMMARY OF CONSULTATION FEEDBACK AND ASSESSMENT OF OPTIONS

Table 1 presents the options considered in the Consultation, and a summary of participant feedback and the key findings of the options assessment. The options are presented by topic as per the main body of the staff report:

- a. Toronto Water Industrial, Commercial and Institutional Support Program (pages 1 to 5 of this Attachment)
- b. Sewers By-law (pages 6 to 8 of this Attachment)
- c. Water Fees and Charges (pages 8 to 10 of this Attachment)
- d. Stormwater Management Incentives for Industrial and Commercial (I&C) Customers (pages 10 to 12)

Table 1: Options Consultation Feedback and Assessment

Option	Consultation Feedback	Options Assessment Key Findings
a. Toronto Water Industrial, Commercial and Institutional Support Programs		
Industrial Water Rate (IWR) Program Lower the 5,000 m ³ annual consumption threshold value to 4,500m ³ annual consumption or 4,000 m ³ annual consumption ¹	Very few comments received on this option. The comments received expressed some support.	Not recommended for implementation This option may provide little benefit to support the economic competitiveness of industrial customers not currently participating in the IWR Program based on estimated small or nominal savings per customer and anticipated low uptake. Estimated City Revenue Impacts (Annual): Toronto Water revenue loss of \$72,795 to \$146,793 Estimated City Cost Impacts (Annual): Operating costs: increase of \$1,691 to \$3,623 Capital costs: increase by \$14,939 to \$24,890 Total costs: increase of \$16,630 to \$28,513 Estimated Customer Cost Savings (Annual): Per IWR Program Participant: cost savings of \$282 to \$597 for potentially eligible IWR Program participants, and \$620 to \$1241 for current IWR Program participants ² Total Savings: \$72,795 to \$146,793

¹ Assumes a 9 per cent uptake from potentially eligible industrial customers (3 of 28 customers consuming between 4,500 m³/year to 5,000 m³/year and 5 of 60 customers consuming between 4,000 m³/year and 5,000 m³/year which is based on 2019 consumption profile data from Revenue Services).

² Estimate range is based on whether the threshold is lowered from 5,000 m³/year to 4,500 m³/year or 4,000 m³/year.

Option	Consultation Feedback	Options Assessment Key Findings
<p data-bbox="191 224 468 316">Industrial Water Rate (IWR) Program</p> <p data-bbox="191 349 468 441">Remove the water conservation plan requirement</p>	<p data-bbox="468 224 919 470">This option was not supported by participants in the first round of the Consultation. Concerns were expressed about the loss of water efficiency benefits and associated cost savings from implementing recommended projects identified in the water conservation plans.</p> <p data-bbox="468 495 919 803">In the second round, participants representing large industrial customers expressed support for this option. They commented that the water conservation plan may pose a barrier to smaller companies to participate in the IWR Program and the average project payback period of 1.8 years may not be acceptable to some participants.</p>	<p data-bbox="919 224 1875 256">Not recommended for implementation</p> <p data-bbox="919 284 1875 495">This option would not support economic competitiveness of industrial customers due to cost savings that would not be realized from the implementation of recommended water efficiency measures in water conservation plans. This option does not promote water efficiency objectives. Options recommended under the Capacity Buyback Program address the program participation barrier experienced by smaller companies posed by the requirement to prepare a Water Conservation Plan.</p> <p data-bbox="919 527 1875 625">Estimated City Revenue Impacts (Annual): Not estimated - would depend on the number of additional IWR Program participants and water consumption savings not realized</p> <p data-bbox="919 649 1875 771">Estimated City Cost Impacts (Annual): Operating costs: savings of \$9,399 Capital costs: savings of \$24,890 Total costs: savings of \$34,289</p> <p data-bbox="919 803 1875 982">Estimated Customer Cost Savings (Annual): Per IWR Program Participant: cost savings of \$35,139 one-time costs³ minus an estimated 11 per cent annually in cost savings from the implementation of water efficiency projects not realized Total cost savings: not estimated, it would depend on the number of additional industrial customers participating in the IWR Program</p>

³ One-time cost savings from the elimination of the water conservation plan (estimated at \$2,000) and implementation of water efficiency projects (estimated at an average \$33,139)

Option	Consultation Feedback	Options Assessment Key Findings
<p>Capacity Buyback (CBB) Program</p> <p>Offer the one-time free water audit to industrial customers consuming between 5,000 m³ to less than 15,000 m³ annually⁴</p>	<p>Support for this option was expressed by participant in that it would support water efficiency objectives and provide the opportunity for cost savings for industrial customers by increasing participation in the IWR Program and implementation of water saving measures</p> <p>Some consultation participants suggested that the one-time cash incentive also be made available to industrial customers consuming between 5,000 m³ and 15,000 m³ annually, and that Sewers By-law compliance be added as a requirement of the CBB Program if it is offered to industrial customers.</p>	<p>Recommended for implementation</p> <p>This option would support economic competitiveness of industrial customers by providing the one-time free water audit which would help them meet the requirement of the IWR Program to prepare a comprehensive water conservation plan. These customers could then apply to receive the Block 2 Rate. This option also promotes water efficiency objectives.</p> <p>Estimated City Revenue Impacts (Annual): Toronto Water revenue loss of \$11,750 to \$86,700</p> <p>Estimated City Cost Impacts (Annual): Operating costs: increase of \$8,845 Capital costs: increase of \$23,025 Total costs: increase of \$31,870</p> <p>Estimated Customer Cost Savings (Annual)⁵: Per participant: cost savings of \$2,350 to \$17,430 annually in addition to a one-time cost savings of \$2,000 for the preparation of a water conservation plan. Total cost savings: \$79,849 to \$179,731</p>
<p>Capacity Buyback (CBB) Program</p> <p>Offer the one-time free water audit and one-time cash incentive to industrial customers consuming less than 5,000 m³ annually⁶</p>	<p>Support was expressed for this option as it would provide an opportunity for cost savings for industrial customers currently excluded from participating in either the IWR Program or Capacity Buyback Program, and support water conservation objectives. Some participants suggested Sewers By-law compliance be</p>	<p>Recommended for implementation</p> <p>This option would support economic competitiveness of industrial customers with small and medium water consumption profiles by providing the free water audit and one-time cash incentive to help them achieve water efficiency cost savings. This option also supports water efficiency objectives.</p> <p>Estimated City Revenue Impacts (Annual): not estimated - would result in a loss of revenue for Toronto Water based on average reduction in consumption of 11 percent per new industrial CBB Program participant</p>

⁴ Estimates are based on the assumption of 5 industrial facility water audits annually and subsequent enrollment of those customers in the IWR Program.

⁵ After average IWR Program 1.8 year payback period for permanent water efficiency projects

⁶ Estimates are based on the assumption of 5 industrial facility water audits annually and subsequent enrollment of those customers in the IWR Program.

Option	Consultation Feedback	Options Assessment Key Findings
	added as an eligibility requirement if the CBB Program is offered to industrial customers.	<p>Estimated City Cost Impacts (Annual) ⁷: Operating costs: increase of \$4,743 to \$26,033 Capital costs: increase of \$45,068 to \$207,425 Total costs: increase of \$49,811 to \$233,458</p> <p>Estimated Customer Cost Savings (Annual)⁸: Per CBB Program participant: cost savings of approximately 11 per cent of water consumption costs⁹ Total cost savings: not estimated - would depend on the number of additional CBB and IWR Program participants and their water consumption profiles</p>
<p>Capacity Buyback (CBB) Program</p> <p>Offer a Free Desktop Water Audit ¹⁰</p>	Some participants expressed support for this option if it would simplify the CBB Program application process. Other participants commented on the value of the Technical Services consultant site visit and expressed the concern that this option would result in less comprehensive water audits.	<p>Recommended for implementation</p> <p>Option would result in water consumption and cost savings (depending on increased rate of CBB Program uptake) to support the economic competitiveness of commercial customers. This option supports water efficiency objectives.</p> <p>Estimated City Revenue Impacts (Annual): Toronto Water revenue loss ranging from \$0 to \$330,383 depending on increased uptake of the CBB Program and reduction of water consumption</p> <p>Estimated City Cost Impacts (Annual): Operating costs: no operating cost impacts Capital Costs: savings of \$2,796 to an increase of \$129,559 Total costs: savings of \$2,796 to an increase of \$129,559</p> <p>Estimated Customer Cost Savings (Annual): not estimated - would depend on the CBB Program participant water consumption profiles</p>

⁷ Estimated increase in uptake from the current average of 38 new participants per year to between 47 to 80 participants per year

⁸ After average payback period for permanent water efficiency projects

⁹ Estimate of 11 per cent average water consumption savings for industrial customers is based on IWR Program data for customers that completed water conservation plans between 2015 and 2019

¹⁰ Estimates assume that 10 percent of new CBB program customers annually would be eligible and opt for the desktop review audit instead of the full water audit, and an increase in CBB Program uptake from the current 0.04 per cent participation rate to up to 0.07 per cent

Option	Consultation Feedback	Options Assessment Key Findings
<p>Sewer Surcharge Rebate (SSR) Program</p> <p>Offer a tri-annual verification of water consumption and sewage discharge (tri-annual verification) option for participating customers with process metering</p>	<p>Support for this option was expressed by Consultation participants as this option would reduce the number of verifications of water consumption and sanitary contribution over a three year period. However, concerns were expressed about the high costs for participating customers without process metering to install process meters. Technical feasibility to install process meters for certain facility processes was another concern.</p>	<p>Options Assessment Key Findings</p> <p>Recommended for implementation</p> <p>This option would support economic competitiveness by reducing costs for participating customers with respect to savings on the preparation and submission of engineering reports from annually to every three years. This option could also provide an incentive for SSR Program participants to install process metering which would benefit their operation by providing more accurate readings for their facilities. This option would also enhance SSR Program accountability, transparency and customer service (i.e., more accurate rebate values based on actual metered water diverted from sewer).</p> <p>Estimated City Revenue Impacts (Annual): No revenue impacts</p> <p>Estimated City Cost Impacts (Annual): Operating costs: savings of \$3,500 to \$3,900 Capital Costs: no capital cost impacts</p> <p>Cost impacts per SSR Program participant (with existing process meters): cost savings of \$8,000 to \$10,000 per SSR Program participant over 3 years</p> <p>Total costs for SSR Program participants (with existing process meters): cost savings of \$400,000 to \$700,000 over 3 years</p> <p>Cost impacts for SSR Program participants (without process meters): Cost savings would vary depending on upfront costs to install process meters and savings on engineering fees over multiple verification of water consumption and sewage discharge cycles</p>

Option	Consultation Feedback	Options Assessment Key Findings
b. Sewers By-law		
<p data-bbox="201 256 457 345">Develop a Toronto Sewers By-law Navigation Guide</p> <p data-bbox="201 378 457 651">The Guide would provide information the Sewers By-law requirements, enforcement and compliance, Toronto Water's Pollution Prevention Program, etc.</p>	<p data-bbox="478 256 909 500">Option supported by a broad range of participants. Participants suggested that the Guide be made available in multiple languages and that the Guide be prepared and released after a review of the Sewers By-law and Toronto Water's P2 Program is completed.</p>	<p data-bbox="930 256 1864 345">This option will be implemented in 2023 (upon completion of Sewers By-law and Pollution Prevention (P2) Program Review proposed to start in the second half of 2021 and be completed in Q4 2022)¹¹</p> <p data-bbox="930 378 1864 711">This option supports City Council's objective to promote Sewers By-law compliance by educating and informing the public. This option has the potential to increase Sewers By-law compliance, especially for new dischargers, which would support pollution prevention objectives and potentially provide cost savings to customers by increasing awareness of Sewers By-law requirements that result in compliance actions (i.e., potential to reduce Notices of Violations, fines and legal costs). The Guide would also support the objective of administration efficiency by promoting compliance and potentially reducing enquiries to Toronto Water EM&P. The City of Ottawa has released a Sewer By-law Guide and City of Ottawa staff advise that feedback from users has been positive.</p> <p data-bbox="930 743 1707 776">Estimated City Revenue Impacts (Annual): no revenue impacts</p> <p data-bbox="930 808 1812 898">Estimated City Cost Impacts (Annual): Operating costs: one-time cost to develop the Guide is estimated at \$3,000 Capital Costs: no capital cost impacts</p> <p data-bbox="930 930 1759 963">Estimated Customer Cost Impacts (Annual): see comments above</p>
<p data-bbox="201 959 457 1141">Establish risk-based subject pollutant reporting thresholds for trace amounts of subject pollutants</p>	<p data-bbox="478 959 909 1328">Some participants expressed support for reducing reporting requirements and P2 Plan submissions for trace amounts of subject pollutants "without compromising environmental quality". Other participants commented that any changes to the Sewers By-law reporting and P2 Plan requirements should happen after the Sewers By-law review is completed.</p>	<p data-bbox="930 959 1864 1019">This option will be further consulted upon through the Sewers Bylaw and P2 Program Review proposed to start in the second half of 2021.</p> <p data-bbox="930 1052 1864 1230">This option would provide potential cost savings for customers through reduced reporting and P2 Plan preparation for trace amounts of subject pollutants. Environmental consultants typically charge \$3,000 to \$6,000 for each P2 Plan which does not factor in the cost of laboratory tests. This option would also streamline administration of the Sewers By-law by reducing the number of P2 Plans submitted for trace amounts of subject pollutants.</p> <p data-bbox="930 1263 1843 1352">Estimated City Revenue Impacts (Annual): no revenue impacts Estimated City Cost Impacts (Annual): no operating or capital cost impacts Estimated Customer Cost Impacts (Annual): see comments above</p>

¹¹ The Toronto Sewers By-law Navigation Guide implementation is not a recommendation in the RECOMMENDATIONS section of this staff report.

Option	Consultation Feedback	Options Assessment Key Findings
<p>Industrial Wastewater Surcharge Agreements (IWSAs)</p> <p>Increase Number of Exceedances (from 3 to 4 or 5) of IWSA Schedule 1 Parameter Limits (less than 20 per cent) per Term of the IWSA</p>	<p>Some participants supported this option because it recognizes the operational realities of facilities and it would provide operational flexibility for IWSA participants.</p> <p>Other participants expressed opposition to this option and suggested that additional exceedances should only be permitted with increased monitoring and testing. Concerns were also expressed about any changes to the Sewers By-law being implemented prior to the Sewers By-law and P2 Program review and report back to City Council.</p>	<p>Options Assessment Key Findings</p> <p>Not recommended for implementation</p> <p>In 2020, 416 of the total 429 exceedances (97 per cent) of IWSA Schedule 1 limits were over 20 per cent. Staff conclude that this option to increase the number of allowable exceedances to 4 or 5 (from 3) of IWSA Schedule 1 parameter limits (less than 20 per cent) per Term of the Agreement would not achieve the objective of providing additional operating flexibility for IWSA holders and reducing the number of IWSA defaults.</p> <p>Estimated City Revenue Impacts (Annual): no revenue impacts</p> <p>Estimated City Cost Impacts (Annual): no operating or capital cost impacts</p> <p>Estimated Customer Cost Impacts (Annual): no cost savings</p>
<p>Reassess IWSA Schedule 1 Limits</p> <p>Reassess IWSA Schedule 1 limits for IWSA holders so that the limits capture a facility's annual production cycle</p>	<p>No comments received on this option.</p>	<p>This option will be implemented starting in the second half of 2021</p> <p>This option has the potential to reduce the number of companies exceeding IWSA Schedule 1 limits and defaulting on their IWSA which may result in a discharge suspension or an IWSA termination. This option could serve to reduce administration for Toronto Water EM&P and has the potential to achieve administrative cost savings based on the expected reduction of IWSA Schedule 1 exceedances resulting in IWSA defaults, suspension and/or termination. This option could also reduce costs for IWSA holders associated with an IWSA default, suspension and/or termination.</p> <p>Estimated City Revenue Impacts (Annual): no revenue impacts</p> <p>Estimated City Cost Impacts (Annual): no operating or capital cost impacts</p> <p>Estimated Customer Cost Impacts (Annual): see comments above</p>

Option	Consultation Feedback	Options Assessment Key Findings
<p>Establish a self-reporting and monitoring option in the Sewers By-Law</p>	<p>Feedback on this option from participants was varied.</p> <p>Participants that supported this option stated that self-reporting and monitoring is permitted in other jurisdictions and that many industrial facilities already conduct their own sampling. This option would allow Dischargers to utilize their own sampling results sooner and take corrective actions</p> <p>Other participants expressed concerns about costs of self-reporting and monitoring to smaller customers and commented that Toronto Water should continue to provide sampling and analysis services.</p>	<p>Options Assessment Key Findings</p> <p>Not recommended for implementation</p> <p>This option poses implementation challenges. The City cannot use independent sampling data for Sewers By-law enforcement purposes, and there would be concerns about sampling data reliability and the potential for data manipulation. The City of Ottawa permits self-reporting which has resulted in operational challenges according to City of Ottawa staff.</p> <p>Estimated City Revenue Impacts (Annual): No revenue impacts</p> <p>Estimated City Cost Impacts (Annual): costs not estimated but expected increase in operating costs for implementing this option for IT and database integration needs with current iPACs system, additional staff resources for follow-up with companies, development of Standard Operating Procedures, etc.</p> <p>Estimated Customer Cost Impacts (Annual): increased costs for small to medium sized customers to install self-sampling equipment (estimated at \$5,000 for a composite sampler) and for third party laboratory analysis</p>
<p>c. Water Fees and Charges</p>		
<p>Establish an Administrative Water Charge</p> <p>Establishing a fixed charge to recover administrative costs of water and sewer services and programs</p>	<p>The feedback from participants on this option was varied.</p> <p>Participants that supported this option stated that it would make the utility bill more transparent, share costs more fairly for all water customers, and would support economic competitiveness for large commercial and industrial customers. Participants opposed to this option were concerned about increased costs to small volume water customers.</p>	<p>Recommended consultation on this option with stakeholders, including residential, multi-residential, institutional, commercial and industrial customers, on the possible implementation of an administrative water charge starting in fall of 2021 and throughout the winter of 2022, with a report back to City Council in mid-2022.</p> <p>This option would provide more transparency for water and wastewater services on the utility bill and would align with the user pay principle.</p> <p>Estimated City Revenue Impacts (Annual): No revenue impacts - revenue neutral</p> <p>Estimated City Cost Impacts (Annual): Operating costs: no operational costs for undertaking the consultation; minor one-time operational costs to implement this option on the utility bill; Capital costs: no capital cost impacts</p>

Option	Consultation Feedback	Options Assessment Key Findings
		<p>Estimated Customer Cost Impacts (Annual): this option, if implemented, would increase costs to small volume water customers (mostly residential) and decrease costs to large volume water customers (large industrial and commercial) to support economic competitiveness. Estimated customer cost increases or reductions range from +4.4% to -3.9% depending on a customer's water consumption profile and water meter size.</p>
<p>Decouple stormwater costs for industrial and commercial (I&C) customers from the water rate through the establishment of a stormwater charge for I&C properties</p>	<p>A broad range of participants expressed support for this option. Comments were that this option would provide for a sustainable and fair financing strategy for the City's rising stormwater servicing costs and needs, and support economic competitiveness and objectives of the City's Resilience Strategy.</p> <p>Some participants expressed concerns about the cost impacts to properties with large impervious areas and suggested there should be exemptions.</p>	<p>Not recommended for implementation</p> <p>This option would provide greater transparency for stormwater services billing and aligns with the user pay principle. It would provide a mechanism to support improved stormwater management if paired with a SW Charge credit program for I&C properties.</p> <p>Challenges with this option include that it would result in the City charging different customer classes for stormwater services on a different basis and would require restructuring the current two block water rate structure, which would result in a more complex rate structure. This option would be very challenging to implement for mixed-use properties. No other municipality was identified (through a jurisdictional scan) that has implemented a stormwater charge only for I&C properties.</p> <p>Estimated City Revenue Impacts (Annual): No revenue impacts - revenue neutral</p> <p>Estimated City Cost Impacts (Annual): Operating costs: estimated operating costs to implement this option and a SW Charge credits option are \$2.09 M (one-time) and \$1.35 M for 11 new permanent FTEs. Capital costs: no capital cost impacts</p> <p>Estimated Customer Cost Impacts (Annual): I&C customer cost increases or reductions would vary based on water consumption profile and impervious area of the customer's property. In general, would increase costs for commercial properties with low water consumption and some impervious area. Annual costs for commercial properties with large impervious areas would be expected to increase. Annual costs for industrial properties consuming large</p>

Option	Consultation Feedback	Options Assessment Key Findings
		volumes of water would be expected to decrease depending on the impervious area size of their property.
<p>Establish a Stormwater Charge for Commercial Parking Lots</p> <p>Establish stormwater charge for owners of commercial parking lots to recover the serviceable costs of stormwater management services for these properties.</p> <p>The stormwater charge would apply to parking lot properties without a water account and with surface or parking garages with a roof.</p>	<p>Support expressed for this option from some consultation participants on the basis of cost recovery and fairness.</p> <p>Private parking lot owners and operators and the Toronto Parking Authority (TPA) expressed concerns about significant cost impacts to their operations. Private parking lot operators noted many surface parking lots will undergo development in the next decade, and there is no business case to invest in stormwater management solutions for these properties, even with this option and if SW Charge credits were to be offered. TPA is implementing a multi-year plan to green its surface parking lots.</p>	<p>Not recommended for implementation</p> <p>This option would align with the user pay principle and would reduce costs marginally for all water customers but increase costs for parking lot owners and operators.</p> <p>This option poses implementation challenges since many parking lots span several property parcels and have multiple property owners. Implementing this option would require an IT solution to integrate City mapping data, property ownership information and water account information for billing. Based on the small percentage of impervious area (0.7 per cent) of these properties as a total percentage of the City's impervious area, this option may have a limited impact in supporting Resilience Strategy objectives.</p> <p>Estimated City Revenue Impacts (Annual): No revenue impacts - revenue neutral</p> <p>Estimated City Cost Impacts (Annual): Operating costs: costs (not estimated) for an IT integration solution as noted above Capital costs: no capital cost impacts</p> <p>Estimated Customer Cost Impacts (Annual): Would decrease costs for all water customers by approximately \$2.3 million in 2021. These costs would shift to applicable commercial parking lot properties.</p>
iv. Stormwater Management Incentives for Industrial and Commercial Customers		
<p>Establish an I&C SW Charge Credits Program (with an I&C SW Charge option)</p> <p>Would provide a 50 per cent credit on the I&C SW Charge</p>	<p>This option was supported by a broad range of consultation participants based on potential cost reductions of an I&C SW Charge option and promoting the implementation of green infrastructure/low impact development (GI/LID) solutions which provide environmental and community benefits. The value of</p>	<p>Not recommended for implementation since the I&C SW Charge Option is not recommended</p> <p>Stormwater charge credits should be considered for incorporation as part of a stormwater charge program, in particular for properties with large impervious areas. Stormwater charge credits have been implemented by many municipalities with a stormwater charge. This option would help promote retrofits on I&C properties to improve stormwater management. This option would support Resilience Strategy objectives depending on the rate of uptake of I&C SW Charge credits and return on investment for property owners.</p>

Option	Consultation Feedback	Options Assessment Key Findings
<p>option for eligible properties</p>	<p>credits should correlate to an acceptable return on investment period for property owners.</p>	<p>Estimated City Revenue Impacts (Annual): No revenue impacts - revenue neutral. Annual revenue losses (estimated at \$386,000 to \$966,000 in 2021) would be recovered through the I&C SW Charge.¹²</p> <p>Estimated City Cost Impacts (Annual): operating and capital cost estimates included in I&C SW Charge Option (see page 9 of this Attachment)</p> <p>Estimated Customer Cost Impacts (Annual): Would decrease costs of the I&C SW Charge option for I&C customers by an estimated \$386,000 to \$966,000 in 2021.</p>
<p>Establish an I&C Stormwater Grant Program</p> <p>The Stormwater Grant Program would offer grants to eligible I&C customers to help reduce the upfront costs of implementing GI/LID solutions on their properties</p>	<p>Consultation participants expressed support for this option and commented on the many environmental and community benefits of GI/LID beyond stormwater management. It was suggested that an I&C Stormwater Grant Program should be a multi-divisional initiative to fully assess and realize the benefits of GI/LID.</p>	<p>Not recommended for implementation</p> <p>Stormwater grant programs (that include I&C properties) have been implemented by a few municipal jurisdictions in the US. Many of these programs have been established for the purpose of meeting US EPA Consent requirements for combined sewer overflow requirements.</p> <p>This option would help reduce upfront costs for I&C properties to implement GI/LID solutions to improve stormwater management on their properties. GI/LID solutions also support other objectives of the City's Resilience Strategy and provide many environmental and socio-economic benefits. However, this option would require significant City capital expenditures to achieve a marginal reduction in stormwater operating costs and no reduction in stormwater program capital costs.</p> <p>Estimated City Revenue Impacts (Annual): No revenue impacts</p> <p>Estimated City Cost Impacts (Annual): Operating costs: to establish an I&C Stormwater Grant Program have not been estimated. This option would potentially decrease Toronto Water</p>

¹² Estimate is based on a 2 to 5 per cent uptake rate of the I&C SW Charge credit option

Option	Consultation Feedback	Options Assessment Key Findings
		<p>stormwater management operating costs by an estimated \$114,796 to \$179,106 over 6 or 7 years (or \$16,399 to \$29,851 annually).¹³</p> <p>Capital costs: range from \$11.2 M over 6 years (\$1.87 M annually) to \$180 M over 7 years (\$25.7 M annually) for grant awards. There would be no capital cost savings for Toronto Water's Wet Weather Flow Management program expenditures¹⁴</p> <p>Estimated Customer Cost Impacts (Annual): cost savings to I&C customers for the implementation of GI/LID solutions have not been estimated</p>
<p>Establish a stormwater management awards and recognition program</p>	<p>A few consultation participants commented that this option would showcase leadership and innovation in stormwater management practices . Other participants commented that this option would not be effective because it would not address the cost challenges I&C property owners face in implementing improved stormwater management practices.</p>	<p>Not recommended for implementation</p> <p>This option would help promote best practices in stormwater management but would not address cost barriers for I&C property owners to implement GI/LID and other stormwater management solutions. Many municipal awards programs have been discontinued in the past decade.</p> <p>Estimated City Revenue Impacts (Annual): No revenue impacts</p> <p>Estimated City Cost Impacts (Annual): Operating costs to establish and operate this option have not been estimated. No capital costs.</p> <p>Estimated Customer Cost Impacts (Annual): No cost savings</p>

¹³ Estimates are based on grant awards and estimated stormwater runoff reductions achieved by the City of Philadelphia's Stormwater Grant Program (2014-2020) and Northeast Ohio Regional Sewer District (NEORS) Green Infrastructure Grant Program for the years 2014, 2016 and 2018 to 2021.

¹⁴ See footnote 13

City of Toronto Water Fees, Charges & Programs Consultation

Round One Consultation Report

March 2021

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Introduction

Toronto Water and Economic Development and Culture, as directed by City Council, are undertaking consultation with water users on water fees, charges, programs and other measures designed to support business retention, economic growth, investment and employment ("Consultation").

The purpose of the Consultation is to receive stakeholder feedback on options being explored by the City of Toronto (City) with respect to water fees, charges and current programs to further support the economic competitiveness of the City's industrial and commercial businesses and the objectives of the City's Resilience Strategy.

The Consultation process comprises two rounds of stakeholder consultation in Fall 2020 and Spring 2021.

The scope of consultation topics includes:

- **Current Toronto Water support programs** for industrial, commercial and institutional (ICI) customers
- **Current policies and practices under Municipal Code Chapter 681, Sewers**, with a view to identifying potential opportunities for administrative efficiencies
- **Water fees and charges** including:
 - The possible decoupling of industrial and commercial (I&C) customers' water rate from costs associated with stormwater management services
 - A potential dedicated stormwater management charge (SW Charge) for owners of commercial parking lots
- **Possible incentives for industrial and commercial businesses to undertake sustainable stormwater and flood management solutions**, including stormwater management charge credits and green infrastructure funding

Purpose of this Report

This report presents a summary of notification and consultation activities, and feedback on the consultation topics and options noted above from the first round (Round 1) of the Consultation which took place between October 2020 and January 2021. Detailed participant comments, and questions and responses from City staff, from the Round 1 consultation are presented by topic area in the Appendix to this report (Round 1 Consultation Report).

This Round 1 Consultation Report is intended solely for general information reporting purposes and is being made available as part of the consultation process to provide an overview of Round 1, and for consultation purposes only. The views expressed reflect the feedback received by the City and the related discussion among participants of consultation topics and options during Round 1 of the Consultation.

A second round of Consultation (Round 2) is planned for the end of mid/late April 2021, followed by a report back to the City's Infrastructure and Environment Committee on the outcomes of the consultation expected by mid-2021.

Round 1 Notification Activities

In an effort to notify water users and interested persons of the opportunities to become engaged and provide feedback in the consultation process, a number of activities were undertaken during Round 1 as follows:

- emails and/or letters to industrial, commercial, institutional water users and associations, commercial parking lot companies, not-for-profit environmental sector, City and external agencies, and the consulting sector
- creation of a consultation webpage on the City's website: [Water Fees, Charges & Programs Consultation \(toronto.ca/waterconsultation\)](https://toronto.ca/waterconsultation)
- a consultation email account - waterconsultation@toronto.ca

Round 1 Consultation Activities

This section outlines the consultation activities undertaken in the Round 1 consultation from October 2020 to January 2021.

These activities included three virtual sessions with water users and other interested persons at which City staff presented the options being explored with respect to water fees, charges and current Toronto Water support programs for industrial, commercial and institutional customers, the Sewers By-law and stormwater management incentives for industrial and commercial customers. An opportunity was provided for participant questions and comments.

The virtual consultation sessions were as follows:

- **Toronto Industry Network Virtual Session** on October 29, 2020. Fourteen (14) people participated in the session.
- **Multi-Stakeholder Virtual Session** on December 4, 2020. Seventy-one (71) people participated in the session representing industrial and commercial, institutional, environmental not-for-profit and consulting sectors.
- **City and External Agencies Virtual Session** on January 22, 2021. Staff from the Toronto Parking Authority and Metrolinx participated in the session.

In addition to the virtual consultation sessions, **two discussion guides and an on-line survey** for feedback were posted on the consultation webpage from December 4, 2020 to January 8, 2021. There were twenty-three (23) respondents to the on-line survey. These respondents did not comment on all questions in the survey. In addition, two submissions were received separately from the Toronto Industry Network and the Toronto Environmental Alliance.

The respondents were made up of:

- 22% commercial; 22% institutional, 4% industrial, 52% other (consulting sector, environmental not-for-profit organizations)
- Commercial and industrial respondents were made up of: 50% large-sized business (500 employees or more), 17% medium-sized businesses (100 to 499 employees), and 33% small-sized businesses (less than 100 employees)

The topics of interest to respondents were as follows:

- 78 % of respondents were interested in commenting on stormwater incentives for industrial and commercial businesses
- 67 % of respondents were interested in commenting on water fees and charges
- 61 % of respondents were interested in commenting on the Sewers By-law
- 39 % of respondents were interested in commenting on Toronto Water Support Programs for industrial, commercial and institutional customers

Summary of Round 1 Consultation Feedback

This section provides a high-level summary of stakeholder feedback by topic area from the Round 1 consultation including advantages and disadvantages, and suggestions concerning the options being explored by City staff. Detailed comments, suggestions, comments and City staff responses, as well as submissions received, are presented in the Appendix.

Toronto Water Support Programs for Industrial, Commercial and Institutional Customers

Industrial Water Rate (IWR) Program

- **Option: Lowering the 5,000 m³ threshold for IWR eligibility**
 - A few participants expressed support for this option to support smaller and medium-sized industrial customers
- **Option: Changes to IWR Program - Removing the Requirement for Water Conservation Plans**
 - Concerns and lack of support for eliminating the requirement for water conservation plans which benefit water conservation and provide cost savings for facilities that implement identified water efficiency measures
- **Other comments and suggestions**
 - IWR Program is worthwhile and beneficial for industrial customers
 - Lack of industry awareness of the IWR Program may contribute to low participation; the City should consider ways to increase awareness
 - The City should consider more support for the implementation of water conservation measures by facilities
 - The City should review the Water Conservation Plan template to align with other City strategies and objectives (e.g. TransformTO, Resilience Strategy, reduction in energy costs and GHG emissions, etc.)

Capacity Buyback (CBB) Program

- **Option: Changes to Free Water Efficiency Audit - Desktop audit option**
 - Different perspectives on this option with respect to advantages (e.g., streamlining the CBB Program application process and simplifying the review would facilitate more participation) and disadvantages (e.g., value to program participants of a site visit by a knowledgeable expert would be lost)
- **Option: Expanding Eligibility to industrial customers**
 - This option would be beneficial in supporting water efficiency and provide potential cost savings to smaller and medium-sized industrial customers
 - The financial incentive (\$0.30/litre of water saved) should also apply to larger water volume industrial customers (those consuming greater than 15,000 m³ annually)
 - The City should provide for more comprehensive audits for smaller and medium sized industrial businesses if the program is expanded
 - The City should add Sewers By-law compliance as an eligibility requirement for the CBB program if it is expanded to industrial customers

Sewer Surcharge Rebate (SSR) Program

- **Option: Extending the SSR Program Renewal Period and adding a requirement for process metering to be eligible for the extended renewal period (e.g. every 3 years)**
 - Renewal period extension will reduce engineering report costs for SSR Program participants; 3 year renewal seems appropriate
 - Process meter addition requirement will provide more accurate data but concerns about cost implications and technical challenges to implement, which may limit participation by customers
 - The City should explore options to help SSR Program participants address upfront costs for process metering installation
 - Other SSR Program comments and suggestions:
 - also consider measures when a user implements effluent quality improvements discharging to the sanitary sewer, rather than focus on volume
 - eligibility should be tied to Sewers By-law compliance

Municipal Code Chapter 681 ("Sewers By-law")

- **Option: Development of a Toronto Sewers By-law Navigation Guide**
 - A Sewers By-law Navigation Guide that provides information on the City's Sewers By-law will support facilities in complying with requirements
 - Key suggestions for the development of the Guide:
 - include examples and case scenarios of ways to reduce and eliminate contaminants
 - coordinate with Toronto Public Health's ChemTRAC Program so that the guide provides industry specific information on safe chemical substitutions that could be explored to maintain compliance and reduce environmental, health and safety risks
 - Guide should be released when a subject pollutant review is completed
- **Option: Industrial Waste Surcharge Agreements (IWSA) - Increasing 3 IWSA exceedances to 4 or 5**
 - Support from industrial stakeholders as it recognizes the operational realities of facilities and will provide more operational flexibility for IWSA participants without compromising the purpose of the Sewers By-law
 - Environmental organizations expressed opposition and concerns with this option and suggested any changes to Sewers By-law be undertaken after a subject pollutant review and examination of risk-based thresholds is completed by Toronto Water
 - Additional exceedances should only be allowed with increased monitoring/testing
- **Option: Establish Risk-based Reporting Thresholds for trace amount of subject pollutants**
 - Support from industrial stakeholders and consulting sector for establishing risk-based reporting thresholds and reducing P2 Plan submission requirements for trace pollutants
 - Opposition and concerns from other stakeholders about environmental impacts and changes to Sewers By-law preceding a subject pollutant review being undertaken by the Toronto Water
 - The City needs to provide guidance on how risk-based thresholds would be established
- **Option: Self-Monitoring and Reporting - allow companies to self-report effluent sampling, testing and analysis to the City**
 - Interest and support from industrial stakeholders as a measure that would allow companies to receive sample results and take corrective actions if needed sooner

- Concerns about cost impacts to smaller and medium-sized industrial facilities associated with conducting their own sampling and analysis
- Environmental organizations expressed opposition to this option and that sampling and analysis work should continue to be undertaken by Toronto Water's Environmental Monitoring and Protection Unit.
- Suggestions for establishing a framework for this option:
 - Tiered structure with baseline monitoring remaining free; if more monitoring is required due to a NOV, could be billed by City to facility to keep costs low for complaint facilities
 - Establishing required parameter tests and frequencies. These could be individualized for different companies and then added as an appendix to the surcharge agreement (much like the parameter thresholds are now)
 - The role of the City would still maintain oversight and vigilance, but with a different auditing function
- **Other Comments and Suggestions**
 - **Establish a Low Volume Threshold** which would set a minimum threshold of water use before a Notice of Violation (NOV) would be issued
 - **Provide more technical assistance and financial support to companies** to prevent pollution through better control technology, more efficient processes, and product/chemical substitution
 - Some of the revenues generated from Sewers By-law fines and other charges could be invested into a **pollution prevention fund or program** that assists companies who wish to improve compliance through innovation and chemical substitution
 - **Updating the compliance agreement template** to include retaining a P2 Consultant to assess and help implement upstream process changes (water use reduction, ingredient or product recovery, material substitution, etc.)
 - **'Private water' and harvested rainwater re-use** - the City restricts the discharge of 'private water' and harvested rainwater is classified as 'private water' under 681-2 c. The Sewers By-law should be amended to permit a wider use of harvested rainwater.

Water Fees and Charges

- **Option: Administrative Water Fee - contemplates a fixed charge for the administration of water and sewer services portion of the utility bill and other Toronto Water "overhead" operating expenditures which are irrespective of water consumption and would be removed from the water rate**
 - This option is fairer for larger water users, makes the water bill more transparent and shares costs more fairly for all users
 - Need to ensure protections are in place so that this option does not unreasonably increase fees for small volume water costumers.
 - Unit prices should apply to things customers have control and concerns that this option will reduce incentive for customers to conserve water
- **Option: Decoupling stormwater costs for industrial and commercial customers (I&C) through a stormwater charge (SW Charge)**
 - Strong support for this option from a broad range of stakeholders
 - SW Charge will provide for a sustainable and fair financing strategy for rising stormwater costs and needs

- SW Charge is a common best practice across jurisdictions in North America
 - Provides for the adoption of green infrastructure solutions to mitigate flood risks
 - Makes sense to implement for IC&I given they represent 78% of 1 hectare or large properties
 - Supports City's resilience objectives
 - SW Charge should be applied to all property classes or be phased in for all property classes over time starting with industrial and commercial customers which would address challenge of having to figure out how to separately apply to I&C customers and simplify how to apply this option to mixed-use properties
 - SW Charge for I&C properties and SW Charge credits program should be implemented at the same time to help reduce costs and incentivize improved stormwater management and implementation of green infrastructure on these properties, which will provide many benefits (environmental, economic, social, etc.)
 - SW Charge based on impervious area should consider properties, especially new developments that meet Tier 1 or higher of the Toronto Green Standard and include stormwater retention and treatment on-site for credits
- ***Option: Stormwater Charge for Commercial Parking Lots (lots without a water account that generate stormwater) to recover the serviceable costs of stormwater services for these properties***
 - Provides for fairness and cost recovery from properties that are contributing stormwater to the sewer system but not currently paying for stormwater management services through the water rate
 - Would encourage installation of green infrastructure to reduce stormwater volumes and improve stormwater quality (e.g. particulate settlement from automobile contaminants)
 - Should be paired with SW charge incentives (e.g. permeable pavers, underground cisterns for water re-use)
 - Concerns about significant financial impact on parking lot property owners and operators and timing in light of Covid-19
 - Seems to be administratively burdensome to implement compared to revenues that would be generated

Stormwater Management Incentives for Industrial and Commercial Businesses

- ***General Comments***
 - Implementation of measures to improve stormwater quality on property is a consideration for industrial and commercial properties - Yes 71.4%, No 14.3%, Unsure 14.3% (*based on six responses to survey*)
 - Challenges or constraints for industrial and commercial businesses to implement improved stormwater management on a property include significant upfront capital costs, e.g. retrofits for older buildings and ongoing maintenance costs
 - The value of incentives related to retrofitting of SWM controls does not often correlate to an acceptable return on investment period (e.g. 10 years or more).
 - Importance and benefits of green infrastructure solutions for incentives must be considered in addition to stormwater benefits (e.g. reducing pollution, beautification, green space, public health, socio-economic, etc.)
 - Green infrastructure incentives require a City-wide approach and collaboration with other divisions to fully assess and realize benefits

- Consider prioritizing area for incentives that are within or upstream of areas that are at high risk of flooding
- ***Option: Stormwater Charge Credits - would provide a credit or discount on a SW Charge as an incentive to I&C property owners to implement sustainable stormwater management measures (e.g., green infrastructure) on their properties***
 - Strong support from a broad range of participants for stormwater charge credits as part of a SW Charge program to motivate property owners to implement improved stormwater management practices and help address costs
 - Stormwater charge credits program should be implemented at the same time as a stormwater charge
 - Suggestions and considerations for developing a framework for stormwater charge credits program:
 - Prioritize credits for stormwater management solutions such as green infrastructure that can simultaneously address stormwater volumes and water quality
 - Different municipalities focus on peak flow reduction versus water quality versus infiltration as priorities for these schemes according to their local hydrogeology
 - Rooftop controlled flow inlets have the best cost/benefit ratio to realize peak flow reductions in a widespread fashion.
 - SW Charge based on impervious area must consider properties, especially new developments, that meet Tier 1 or higher of the Toronto Green Standard and include stormwater retention and treatment on-site for credits; should consider retroactive measures
 - Ensure credit value is high enough to balance against a reasonable return on investment period
 - Must include verification and long-term monitoring of performance, e.g. retrofit of green roofs
 - Consider credit sharing but may be challenged by significant costs to neighbouring property to take on the initial risk in dense commercial areas with smaller property sizes
 - Requires provision of information/guidance to applicants (especially small-medium sized companies) as per other municipal programs
- ***Option: Grants and Rebates - Provide lump sum funds for the implementation of stormwater solutions by industrial and commercial properties for stormwater management***
 - Support for grants and rebates (in addition to SW Charge credits) from all participant sectors, that would provide upfront financial assistance to reduce significant upfront capital costs for the implementation of green infrastructure
 - The City should consider grants to off-set the initial costs and assess return on investment over a 10 or 20 year period
 - Grant program could prioritize certain types of solutions in specific areas of the city that require more immediate attention, such as areas with active combined sewer overflows (CSOs), areas contributing to system overloads or overland flooding risks, and identified flood protection areas.
 - Consider grants for smaller properties that may not be eligible for SW Charge credits
 - Grant program could leverage resources from other City strategies (and divisions) that may have funding to increase biodiversity, increase the urban tree canopy, and address green space gaps
 - May not be practical to provide 'retroactive' grants to properties that have already invested in stormwater solutions. Credits program should address this

- ***Option: Awards and Recognition Programs - showcase exemplary stormwater management projects for companies that have implemented sustainable practices on their properties***
 - Different perspectives on the effectiveness of this option to incentivize stormwater management solutions on I&C properties
 - Important to celebrate leadership and recognize best practices implemented by individual properties
 - Does not address costs for SWM implementation; many other such programs already exist to which property owners can apply
 - Consider collaborations with Live Green Toronto, the Resilience Office, Green Sector team in Economic Development and Culture and external partnerships with Toronto and Region Conservation Authority and other organizations

- ***Other Comments and Suggestions***
 - Offer low-interest loans for capital investments in sustainable stormwater management, much like how the City currently provides energy retrofit financing. This financing could also support stormwater audits (if not provided for free) the same way retrofit financing covers before and after energy audits of building
 - Provide free or subsidized stormwater assessments or audits to ensure most effective solutions are being implemented
 - Include urban food production in the incentive programs for I&C properties - e.g. offering a greater incentive to those who plant fruit or nut trees compared to regular trees, rooftops food producing gardens.
 - Stormwater harvesting and re-use - constraints in the Sewers Bylaw must be addressed to permit the use of SWM best practices including stormwater harvesting and re-use (e.g. for washing applications, evaporative cooling tower HVAC systems, etc.)

Appendix: Round 1 Consultation Comments, Questions and Suggestions

This Appendix presents a compilation of comments, suggestions and questions received by the City in the Round 1 consultation, as well as responses from City staff to questions.

Toronto Water Support Programs for Industrial, Commercial and Institutional Customers

Round 1 Comments and Questions	Round 1 City Staff Responses
Industrial Water Rate (IWR) Program	
<i>Option: Lowering the 5,000 m3 threshold</i>	
Lowering the threshold would be more fair to smaller customers	Comment noted
Given the significant water rate discount provided by the IWR Program, lowering the threshold should only be considered if the current eligibility requirements to develop a water conservation plan and compliance with the Sewers By-law are maintained.	Comment noted
<i>Option: Changes to IWR Program Requirements - Removing Water Conservation Plan</i>	
Water conservation plans should remain as a requirement for the IWR Program. Sewers By-law compliance should always be tied to any rebates or other incentive programs.	Comment noted
<p>The current IWR program requires water conservation plans as a condition of the heavily discounted water rate for large industrial water users. Do not agree with the proposal to remove the water conservation plan requirement. Given the environmental benefits and cost saving potential of water efficiency and conservation measures, both for the customer and the City of Toronto, it is counterintuitive to remove this requirement.</p> <p>Given the option to expand the Capacity Buyback Program and the services of the free water audit, there should be sufficient support for IWR Program customers to develop the mandatory water conservation plans.</p>	Comment noted
Some water conservation plans may include multi-benefit sustainable solutions such as rainwater harvesting or wastewater recycling, which serve to reduce flood risks and improve water quality. In order to better align with the City of Toronto's climate action plan, TransformTO, and the Resilience Strategy, Toronto Water should work with the Environment and Energy Division to redesign the Water Conservation Plan template to incorporate the additional cost savings and climate benefits of reducing water consumption (e.g. reduction in energy costs and GHG emissions, reduction in stormwater volume, increased water quality).	Comment noted
Independent assessment of water conservation plans is necessary. For example, one IWR application reviewed by a	Comment noted

Round 1 Comments and Questions	Round 1 City Staff Responses
<p>consulting firm would have saved <2% of water use. Feedback from consultant of facility production processes identified practical affordable measures for the facility to save 9%.</p>	
<p>Is the City concerned that the removal of the water conservation plan requirement for the IWR program could lead to some industries losing out on opportunity for water savings?</p>	<p>The loss of identifying water conservation opportunities and of capital investments into the economy that customers make when implementing those opportunities is something City staff will consider in the evaluation of this option going forward.</p>
<p>How would a company would apply to the IWR Program if no water conservation plan is required? The savings from the Block 2 rate and water reductions more than pay for the engineering assessment.</p>	<p>The concept behind this option is that the Block 2 rate would be based strictly on consumption, bylaw compliance and tax class but Toronto Water appreciates that the water conservation plan is also of value to the program participants.</p>
<p><i>Other Comments and Suggestions</i></p>	
<p>Program is beneficial and worthwhile to industrial customers.</p>	<p>Comment noted</p>
<p>Industrial Water Rate Program uptake rate is low, I believe that this is primarily due to lack of awareness.</p>	<p>Comment noted</p>
<p>Seems to be overly generous to larger consumers. Once completed measures, nothing more is required and they continue to receive a large price discount that is not available to their smaller competitors. Suggest having them to commit to reinvesting at least part of their annual discount in implementing further improvements each year.</p>	<p>Comment noted</p>
<p>Consider more implementation support. A strength of Toronto's existing Block 2 program is the annual checkups for implementation measures under the water conservation plans submitted. If support were more intentional, the selected consultant could help keep momentum and provide advice needed to overcome implementation roadblocks at the facilities. The consultant's liability insurance would cover any risk exposure.</p>	<p>Comment noted</p>
<p>Selection of service provider based on 100% lowest bid automatically skews towards providers who do not find water savings (because it is less expensive to provide the service if you do not find water savings). Therefore, selection process requires weighting based on the magnitude of savings the vendor has secured in similar circumstances.</p>	<p>Comment noted</p>

Round 1 Comments and Questions	Round 1 City Staff Responses
Capacity Buyback (CBB) Program	
<i>Option: Changes to Free Water Efficiency Audit - Desktop Audit</i>	
Encourage changes to the free water audit to help simplify the process.	Comment noted
Identification of practical & economically viable water savings measures requires a site visit by a knowledgeable expert.	Comment noted
<i>Option: Expanding Eligibility to Industrial Customers</i>	
Expanding the CBB Program to small and medium sized industrial customers is a good idea.	Comment noted
<p>Support the CBB Program expansion (i.e. to industrial customers) and supportive programs and tools that increase sustainability such as the free water audit. If industrial customers are added to the CBB Program, they must be required to remain in compliance with the Sewers By-law, as is currently in place for IWR Program beneficiaries.</p> <p>If industrial customers are added to the CBB Program will they be required to be in compliance with the Sewers By-law?</p>	The CBB program does not currently include compliance with Sewers By-law as an eligibility requirement. However this could be looked at in the future with program updates.
The Capacity Buyback financial incentive would be a favorable option for industrial customers >15,000 m3 to fund capital investments. Is this being considered?	This hasn't been considered in the current option. These large volume water customers would continue to be eligible for the IWR Program. Discussion needs to be had with regards to offering multiple incentives to the same water customers under different programs.
<p>Consider more comprehensive water conservation assessments at the small & medium sized industrial facilities under the option being explored to expand eligibility to industrial customers for the CBB Program.</p> <p>For example, when our company completed 60 of these for York Region, we found an average of 36% water savings per facility. However, if we had merely used a checklist for common replacement technologies, only a small fraction of these savings would have been secured.</p>	Comment noted
<i>Other Comments, Suggestions and Questions</i>	
We encourage changes to the Capacity Buyback Program that will facilitate participation in the program and simplify the review. Increasing eligibility and simplifying process will help properties participate in the program.	Comment noted
How does a institutional low volume water user apply for the free water audit under the CBB Program?	If referring to the CBB Program as it exists now, information is available on the City's website at https://www.toronto.ca/services-payments/water-environment/how-to-use-

Round 1 Comments and Questions	Round 1 City Staff Responses
	<p>less-water/water-efficiency-for-business/capacity-buyback-program</p> <p>Alternatively, companies may contact Toronto Water Business Support staff at 416-392-7000 or at savewater@toronto.ca or call 311.</p>
Sewer Surcharge Rebate (SSR) Program	
<i>Option: Renewal Period Change (e.g. to every 3 years) with Addition of Process Metering</i>	
<p>Extending the SSR renewal period from 1 year to 3 is a good idea as it would reduce business costs to employ an engineer to validate.</p>	<p>Comment noted</p>
<p>Support the increase in the SSR Program renewal period. This will eliminate the need for more engineering reports.</p> <p>However, there can be technical challenges preventing some facilities and significant costs associated with, the installation of process meters. Thus the current mass balance approach should be maintained for those that cannot implement additional metering. How will that be handled?</p>	<p>City staff will look at options for companies that don't have the ability to install a meter.</p>
<p>Meters for the Sewer Surcharge Rebate (SSR) Program is a great idea. We recommend meters for all participants. However, based our work in other regions, meter implementation poses a barrier as the cost of the meters for customers is quite high and may greatly impact the SSR Program uptake.</p>	<p>Installation of meters would not be mandatory for participation in the Sewer Surcharge Rebate Program. This option contemplates that customers who are able to install a meter would be eligible for less frequent renewal submissions.</p>
<p>Changes to the annual renewal period will facilitate participation, however up-front costs could be prohibitive to this change.</p> <p>Effluent flow metering is expensive and prone to maintenance concerns. If you have an engineer sign off on the water not going down the drain, you get the same gain without imposing additional cost on the participating facility to install and maintain an effluent meter.</p>	<p>Comment noted</p>
<p>With respect to meters, there are different business options such as owning the water meters and the industry can pay a fee on them. In this case it will remove the barrier for the upfront cost.</p>	<p>Comment noted</p>
<p>Perhaps a 2 year vs. a 3 year renewal would be better due to staff turnover in industrial facilities</p>	<p>Comment noted</p>
Other SSR Program Comments and Suggestions	
<p>Is the SSR Program considering measures when a user implements improvements to the quality of the effluent discharging to the sanitary sewer, rather than a focus on volume?</p>	<p>This is not within the bounds of the SSR Program. Under the Sewers By-law, Toronto Water has nothing like that in</p>

Round 1 Comments and Questions	Round 1 City Staff Responses
	place but City staff can take this back for consideration.
Companies would appreciate details from the City when receiving the SSR approval letter as to why their rebate report was not approved or was approved for a different percentage. The approval letters currently don't include those details.	City staff have incorporated this feedback into Sewer Surcharge Rebate administration and program participants can expect to see, going forward, additional information on application decisions and rebate value revisions.
General Comments, Suggestions and Questions	
Will the City potentially go ahead with all ICI support program options or only a certain number of options? Are any of the options currently considered to be favoured?	At this time, the evaluation of options is in the early stages and this work will inform which options may be recommended for implementation. The City is seeking feedback from customers during this round of consultation on the advantages and disadvantages of the options to inform the City's consideration of the options.
How will the City's decisions about ICI program changes be communicated to customers?	A staff report will go to Committee and Council in 2021. Feedback will be presented to stakeholders. Any changes implemented to existing ICI support programs would be communicated by TW to water customers.
Are there considerations to allow exceptions for companies with sewer surcharge non-compliance to participate in the industrial and commercial support programs? This would be a proactive way for companies to improve vs. paying fines.	This has not been considered in the options being presented for consultation at this time.
Sewers By-law compliance should remain tied to any rebates or other incentive programs provided to industrial and commercial customers. Customers who have an Industrial Waste Surcharge Agreement (IWSA), which allows them to surpass the parameter limits set in the Sewers By-law, should not be allowed to receive the Block 2 rate if they exceed the IWSA limits more than three times because we do not agree with the proposal to increase the number of permitted IWSA exceedances to 4 or 5. Companies that violate the Sewers By-law repeatedly and/or are fined or brought to court for their water pollution activities should not continue to benefit from a subsidized water rate. The City of Toronto must leverage rebates and incentives like Block 2 to increase compliance with municipal by-laws.	Comment noted
Technical support is a challenge for most end users. Companies don't know where to find trusted advice/support to implement best practices identified. Is Toronto Water willing to	Companies can contact/join Partners in Project Green if looking for contacts in consulting industry. Financial resources

Round 1 Comments and Questions	Round 1 City Staff Responses
provide resources for regional/domestic vendors that could assist?	are not being considered by the City at this time.
Is it possible to have an Industrial/Block 2 meter after an existing institutional meter?	Yes, a deductive meter can be installed and will only measure industrial flow. If participant shares their contact information, TW will reach out to that customer directly to discuss further.

Municipal Code Chapter 681 ("Sewers By-law")

Round 1 Comments and Questions	Round 1 City Staff Responses
<i>Option: Development of a Sewers By-law Navigation Guide</i>	
A Sewers By-Law Guide is a good idea. Would the navigation guide include examples and case scenarios of ways to reduce and eliminate contaminants?	Yes, that is the intent. The Guide would include some examples that have been successful for other proponents.
The guide should also be made available in multiple languages and formats to increase access. Given the outstanding decisions still to be made regarding adding new chemicals of concern to the subject pollutant list and determining any risk-based thresholds that could be introduced for the mandatory pollution prevention planning, this guide should not be published until these matters are resolved. Toronto Water should coordinate with Toronto Public Health's ChemTRAC Program so that the guide provides industry specific information on safe chemical substitutions that could be explored to maintain compliance and reduce environmental, health and safety risks.	Comments noted. If this option is recommended, City staff will consider language requirements (based on industry needs) and timing of the Guide's development, release and updates to reflect any updated requirements. Toronto Water would coordinate the development of the Guide with Toronto Public Health's ChemTRAC Program as has been done in previous consultations.
<i>Option: Industrial Waste Surcharge Agreements - Increase number of exceedances (e.g., to 4 or 5) of the parameter limits (less than 20%) per Term of the Agreement</i>	
Support increasing the number of exceedances under the Sewers By-law from 3 to 5 for the reasons stated by City staff. This option does not subtract from the purpose of the By-law but rather recognizes the daily realities of operating a manufacturing facility.	Comment noted
Do not agree with proposal to increase the number of permitted IWSA exceedances beyond the current three (e.g. to four or five). Strongly oppose any changes to the Sewers By-law including P2 plan requirements until consultation on a chemicals review (adding chemicals of concern to the Great Lakes to the list of Sewers By-law subject pollutants, and risk-based thresholds) is undertaken by Toronto Water. This was a direction by City Council in 2016 and a report back to Infrastructure and Environment Committee is overdue. We	Comments noted Toronto Water would continue to closely monitor facilities on an IWSA. This option provides for more appropriate actions (e.g. assist company towards compliance or escalate enforcement) and resources to be allocated towards systemic and/or severe discharges, for those treatable parameters.

Round 1 Comments and Questions	Round 1 City Staff Responses
understand that a consultant was hired by the City. What is the status of this review?	The City hired a consultant to inform the chemical review and assessment of risk-based thresholds. Stakeholders will be informed of consultation on the review once the timing and approach has been determined.
Increasing the amount of discharges will cost all users more as a result of increased treatment costs, so I do not agree with this.	Comment noted. The cost of treating discharge exceedances (over the limit set in the IWSA) is currently covered by the facility and this option contemplates that this would remain in place.
Allow additional number of exceedances only with increased monitoring/testing. For example, an exceedance triggers automatic reporting but also re-testing to be completed. This will provide more data for businesses to understand when exceedances occur and for how long; which they can use in the future to mitigate the exceedance during a certain activity.	Comment noted. The City could look at reassessing a facility's IWSA and sampling frequency when it has demonstrated an additional number of exceedances.
How would the option work concerning changes to the IWSA allowing a discharger up to 3 exceedances (of less than 20%) of the parameter limits in the Agreement/Permit per Term of the IWSA?	Some of the limits of IWSAs may have been set lower than they should have been set for an industry or perhaps there has been a large change in company production. There is currently no way of changing the 3 "strike" procedure in the Agreement. This option would provide more flexibility for agreement holders so they don't go into IWSA default.
When a facility with an IWSA exceeds their treatable parameter limits, does Toronto Water charge the company extra to recover the additional pollution treatment costs? What happens if they exceed a non-treatable parameter?	Yes, there is a formula for calculating the fee, which is based on volume of water a company consumes multiplied by the concentration limits. The company is billed for their IWSA based on an average of sampling data and the company will be charged for any exceedances. Any exceedance for a non-treatable parameter would result in Toronto Water sending a notice of violation asking the company to respond with what remedy was implemented to fix the issues.
<i>Option: Establishing Risk-Based Reporting Thresholds for Trace Amounts of Subject Pollutants</i>	
Strongly support subject pollutant reporting thresholds for trace amounts of subject pollutants.	Comment noted
Risk-based threshold limits for the reporting of trace amounts of subject pollutants for businesses in lieu of the specific threshold makes sense. The City should consider who will propose the new threshold, what criteria is being used and will	Comments noted. City staff will has and will continue to work with consultants to assist with such a review, incorporating a

Round 1 Comments and Questions	Round 1 City Staff Responses
<p>have to review and determine if they agree with that revision. If the City is completing a risk based threshold for each parameter or is each business going to review and propose one for their site based on site activities?</p>	<p>risk-based analysis for each individual subject pollutant.</p>
<p>A chemical review of priority substances and proposed risk-based thresholds for each subject pollutant must be provided before stakeholders can agree or disagree with the proposal to eliminate P2 plan requirements when any amount of a subject pollutant is discharged.</p> <p>Strongly oppose any changes to the Sewers By-law including P2 plan requirements until these overdue steps are taken. If the administrative costs of pollution prevention enforcement and oversight are not sufficient to cover these activities, Toronto Water should achieve cost recovery by increasing the cost of rates, fees and fines. If Notices of Violation do not currently carry financial charges, this should be explored.</p>	<p>Comments noted.</p> <p>The thresholds and emerging pollutants are being looked at and an update to stakeholders and next steps for consultation will be provided to stakeholders.</p>
<p>I think this is a dangerous start. Trace contaminants of emerging concern are already starting to build in Lake Ontario, and with allowing further trace contaminant discharges that cannot be treated by Toronto Water, this would increase their accumulation in Lake Ontario. The City needs to think cumulatively and holistically and though the amount coming from one discharger may not be significant enough to cause risk, cumulatively it could be detrimental.</p>	<p>Comment noted. The Pollution Prevention Program proactively asks industry to investigate ways to reduce, eliminate, substitute, or prevent the discharge of subject pollutants and has shown a noticeable decrease in subject pollutant discharge throughout the years. The Pollution Prevention Program will continue to focus on the reduction and ultimately, where feasible, elimination of subject pollutants.</p>
<p>Will the City provide guidance/procedures on how to establish risk-based threshold limits?</p>	<p>Yes. At this time, the City is exploring and seeking feedback on the option of establishing risk-based thresholds for the reporting of trace amount of certain subject pollutants with the objective of having companies avoid submitting a P2 plan for trace amounts of certain subject pollutants.</p> <p>This option requires further study, analysis and stakeholder consultation to determine the risk-based threshold values for individual subject pollutants.</p>
<p><i>Option: Self-Monitoring and Reporting - allow companies to self-report effluent sampling, testing and analysis to the City</i></p>	
<p>What are the City's thoughts on self-reporting? It is permitted by other jurisdictions, e.g. the Province.</p>	<p>The self-monitoring and reporting option is in the early stages of investigation and requires further evaluation (e.g.</p>

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<p>Stakeholders would like to meet with staff to discuss a protocol that would replace the need for Toronto Water to test the effluent of Block 2 users in particular and allow for testing by City-approved independent labs.</p> <p>To be discussed would be required parameter tests, frequencies. These could be individualized for different companies and then added as an appendix to the surcharge agreement (much like the parameter thresholds are now).</p> <p>This individualized testing delineation is already being done in some surrounding municipalities and promotes a more unified partnership between the company and the municipality in terms of meeting the desired goal (of best water treatment possible). The role of the City would still maintain oversight and vigilance, but with a different auditing function.</p>	<p>enforcement and compliance impacts, bylaw changes) and consultation. City staff are open to further discussion with stakeholders on this option and looking at approaches in other jurisdictions.</p> <p>City staff have reached out to other municipalities and found that this option may be difficult for small and medium size companies because it would present extra costs and they may not have the expertise to understand the sampling protocols.</p> <p>The City could consider developing a self-reporting pilot project for larger industries. However, the City foresees it would maintain its role in sampling, e.g., perhaps at the same time as a facility from the maintenance access hole, and oversight.</p>
<p>Self- monitoring is a great idea. Many industrial facilities already conduct their own self-monitoring and use the results as feedback for their own treatment system.</p> <p>Are you suggesting the self-monitoring take place at the maintenance access hole?</p>	
<p>Agree that self-monitoring and reporting is the best approach - this is currently implemented by the City with respect to Private Water Discharge Agreements (yearly sampling and reporting). Similar language in this agreement would be necessary (i.e., specific time, location, qualified person etc).</p>	
<p>Do not support self-monitoring and reporting of effluent discharges. Test sampling and analysis work should continue to be undertaken by Toronto Water's Environmental Monitoring and Protection unit.</p>	
<p>This would be acceptable only if tightly regulated and enforced</p>	
<p>Suggest a tiered structure with baseline monitoring remaining free. If monitoring is increased due to a Notice of Violation, etc. and additional testing is performed then this could be billed for to keep administrative costs low for compliant businesses.</p>	<p>Comment noted</p>
<p>Small businesses should not incur self-monitoring costs. What will the City do to ensure costs don't rise for small businesses?</p>	<p>City staff recognize self-monitoring costs could be a concern for smaller or medium size business and this will be considered. The City could consider applying this option for larger industries only and/or on a volunteer basis.</p>

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<p>I'm happy with the City sampling my facility. What is the need for self-monitoring and reporting and why is it being considered by the City?</p>	<p>Larger-sized industries have expressed interest in this option in order to receive their results sooner. As noted above, the City could look at a self-monitoring and reporting pilot project for large industries only.</p>
<p><i>Other Comments, Suggestions and Questions</i></p>	
<p>The City should consider a low volume threshold option, which would be beneficial to most companies as companies can easily have exceedances just from bathroom facilities at a site. Low water usage can lead to high concentrations which may not be very impactful because it is such a small contribution to sewer system. In strong support of subject pollutant reporting thresholds.</p> <p>Toronto Water should establish a Low Volume Threshold which would set a minimum threshold of water use before a Notice of Violation (NOV) would be issued. Since bylaw adherence is measured on a concentration basis, when there is little water flow, even a minor amount of effluent such as from a facility's washrooms, would show a high concentration. However, the total effluent amount is very low, and this is in fact what the sanitary system is designed to handle. A threshold for a minimum water flow would eliminate NOV's that are not representative of the real conditions and also reduce staff time to measure and follow up.</p>	<p>The Sewers By-law is modeled after the Provincial model and any amount of subject matter over the limit is a violation. Moving towards a concentration limit would require significant changes to the Sewers By-law.</p>
<p>Looking at violations from a concentration perspective, would that require changes to the By-law or could the City enforce the Bylaw differently than it currently does?</p>	
<p>To increase Sewers By-law compliance, industries need access to more technical assistance and financial support to prevent pollution through better control technology, more efficient processes, and product/chemical substitution. Unfortunately, Ontario has lost nearly all P2 technical support initiatives in the last decade with the closure of the Canadian Centre for Pollution Prevention, BLOOM Centre for Sustainability and the elimination of the provincially mandated Toxics Reduction Program. Some of the revenues generated from Sewers By-law fines and other charges could be invested into a pollution prevention fund or program that assists companies who wish to improve compliance through innovation and chemical substitution.</p>	<p>Comments noted</p>
<p>The Sewer Bylaw allows for Compliance Agreements with industry, for non-surchargeable wastewater parameters. The Agreements set out the steps the facility must implement, with a schedule, to return to regular discharge compliance. The</p>	<p>There are a variety of tools/approaches available to companies when working towards compliance. Toronto Water's EM&P unit strongly proposes and</p>

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<p>first step is to retain an engineering firm to assess and design and a treatment system. P2 is often a better (and cheaper) solution for the facility.</p> <p>Can the Compliance agreement template be updated, to include retaining a P2 Consultant to assess and help implement upstream process changes (water use reduction, ingredient or product recovery, material substitution, etc.)? Then only move to engineering design of end-of-pipe treatment solutions if P2 isn't sufficient.</p>	<p>encourages the pollution prevention (P2) approach, advising companies to identify ways to reduce, substitute, eliminate or prevent pollution at the source. This is a cost-effective approach but when all avenues are exhausted or when an immediate solution cannot be implemented (pollution prevention or otherwise), a Compliance Plan is an available tool.</p> <p>The Sewers Bylaw Navigation Guide option being explored presents an opportunity to potentially expand on the tools/approaches currently available, such as the GUIDE TO COMPLIANCE PROGRAM AGREEMENT APPLICATION and clarify the options that assist companies with compliance and/or rectify non-compliance.</p>
<p>Toronto's IWSA surcharge rates for overstrength parameters (BOD, etc.) are quite different than other jurisdictions.</p> <p>Has Toronto undertaken a recent financial/engineering assessment of our true cost of water supply (treatment, conveyance, etc.) and wastewater treatment, (conveyance, WWTP capex and opex, hauled waste, etc.), to help inform pricing? Similar to what York Region and others have done.</p>	<p>The City has been implementing a move to a full cost recovery method for the IWSA Program as of April 2019. This is being phased in over a six year period (with the use of incremental annual adjustment factors) and the Program will reach full cost recovery on April 1, 2025. Please reference Table 4 (Surcharge Fee Calculation Formula) in the Sewers Bylaw for the formula details and breakdown: https://www.toronto.ca/legdocs/municode/1184_681.pdf</p> <p>Toronto Water has undertaken assessments of the City's surcharge rates to ensure the fees, which comprise capital costs, operating and maintenance costs, as well as an admin fee, are reflective of true costs.</p> <p>In 2012, a review was completed by Stantec in 2012 and the report can be found at</p>

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	<p>https://www.toronto.ca/legdocs/mmis/2012/bu/bgrd/backgroundfile-51677.pdf.</p> <p>Stantec's review included a comparison Toronto's surcharge fees with surrounding municipalities. It can be found in Section 4.3.4 of the Stantec Report. Please note that Peel Region uses a different formula for their surcharge billing than Toronto. Peel's formula is based on the cost to treat a unit of wastewater (in m³) while Toronto's is based on a unit cost per kg of parameter. In 2015, an additional review was conducted and the surcharge fees were updated on April 1, 2016.</p>
<p>What are the recent controls put in place with regard to the discharge of groundwater into the City?</p>	<p>At a high level, the City is concerned with the quality and quantity of any groundwater going into the sewer. A site requires a sanitary discharge agreement and is required to pay associated fees. Groundwater may also go to the storm sewer with a permit, but quality needs to meet by-law stormwater parameter limits.</p>
<p>Regarding: Clause 681-2. Sanitary and combined sewer requirements. C. Discharge of private water. (a) 'The discharge is in accordance with a sanitary discharge agreement or permit entered into in accordance with § 681-6 which is in good standing; provided, however, that this requirement shall not apply to rainwater used for washroom facilities'. This clause is unnecessarily stringent with regard to the potential valuable and sustainable uses of harvested rainwater.</p>	<p>Comments noted for future policy consideration pertaining to re-use of 'private water'.</p>
<p>The City restricts the discharge of 'private water' and harvested rainwater is classified as 'private water' under 681-2 c. The Sewers By-law requires amendment to permit a wider use of harvested rainwater.</p>	
<p>Updates to the Private Water Discharge Application. More clear timing and steps for securing various agreements with the City. Short-term discharge permits (i.e., pumping tests) need to be streamlined and not treated the same as long-term construction dewatering. Better collaboration/communication is required between City divisions.</p>	<p>Comment noted. City staff can explore clarifying the Private Water Discharge Application steps further, particularly those involving various Toronto Water Units or City Divisions.</p>

Water Fees and Charges

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<i>Option: Administrative Water Fee</i>	
<p>Agree that administering water accounts should be separated from the cost of water charge. This is fairer for larger water users and makes the water bill more transparent.</p> <p>This option would distribute and share these costs more fairly for all users.</p> <p>This option seems fair and all encompassing.</p>	Comments noted
<p>Ensure protections are in place so administrative water fee option does not unreasonably increase fees for small volume water costumers. Encourage change that would decrease costs for large volume water customers.</p>	Comment noted
<p>Whenever possible, leave the unit price of things that customers have control over high. For example, if you remove an administrative cost from the water rate, you reduce incentive for customers to conserve water.</p>	Comment noted
<p>How would the administrative water fee option be applied in tenants in condo buildings?</p>	<p>The administrative water fee would appear on the utility bill so it would depend on who receives the utility bill, e.g. tenant, landlord, condo property owner, condo building management. If water usage is included in tenants' rent, tenants' would be billed using the current billing method for their unit. Some condos have one account for one building and water bills are included in the maintenance fees. It would depend on the owner/tenant agreement as to how the administrative water fee would be paid.</p>
<p>Do you have an example of what the administration water fee would be for a large user (5,000 cubic metre)?</p>	<p>City staff have not developed a framework at this time as to how this option would be applied. Other municipalities apply administration fees according to water meter size, which is an approach the City could look at. Impacts of this option to small, medium and large volume water users will be assessed.</p>
<i>Option: Decoupling Stormwater Costs for Industrial and Commercial Customers through a Stormwater Charge for Industrial and Commercial Properties</i>	
<p>Supportive of the concept of a Stormwater Management Charge instead of having this cost buried in the water purchase price.</p> <p>It is important that the City not implement any changes to the charging for stormwater management until a system of</p>	<p>Comment noted.</p> <p>The \$1.50 sq. metre SW charge is a preliminary estimate based the capital and operating costs for Toronto Water's stormwater program in 2020, from the</p>

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<p>"equivalency to permeable" has been established wherein companies and organizations that have installed storm water management features to control runoff be given credit for this in the determination of their impermeable area.</p> <p>How was the \$1.50/sq. m charge and its companion reduction in water costs were determined – particularly as the Institutional sector appears to have been excluded from the analysis?</p>	<p>approved 2020 Toronto Water Capital and Operating Budgets.</p> <p>The estimate of \$1.50 sq/m is based on dividing the total stormwater program operating and capital costs of \$315 million in 2020 with the total impervious area across the city (21,025 hectares or 210,250,000 sq m).</p>
<p>Strongly support decoupling water rates from stormwater charges, starting with industrial and commercial properties, with the intention of including Institutional and Residential property classes in future years.</p> <p>Toronto Water needs a sustainable and fair financing strategy for these rising stormwater management costs and needs to proactively increase the adoption of green infrastructure solutions on both public and private property that can help mitigate flood risks.</p> <p>Toronto Water identified 78% of the 1 hectare or larger properties are IC&I so it makes sense to get moving on stormwater charges with these property types immediately while still planning to phase in stormwater charges to all property classes over time.</p> <p>Toronto Water should consider applying stormwater charges to additional I&C properties including vacant lots and transportation sector sites (e.g. airports, rail yards), if these are not already included.</p>	<p>Comments noted</p>
<p>Strongly support decoupling water rates from stormwater charges, starting with I&C properties given that they represent 36% of the impervious surface in the city. This is a best practice in cities across North America that are serious about creating climate resilience and removing the market distortions that exist when stormwater charges are tied to water rates. A separate stormwater charge is a necessary step towards creating a resilient city and it removes an existing market distortion that discourages the use of green infrastructure.</p>	<p>Comments noted</p>
<p>Agree with the option. It will reduce initial water rate costs while providing incentive for I&C properties to implement green infrastructure, so long as incentives are also implemented. Capital costs for implementing green infrastructure may be the biggest hurdle.</p>	<p>Comment noted</p>

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Support a SW Charge for I&C customers as a mechanism to decouple stormwater costs from the water rate for I&C customers	Comment noted
This seems well reasoned and necessary. I would welcome a stormwater charge. I think the stormwater charge should also be applied to residential water bills as well.	Comment noted
Decoupling stormwater costs from the water rate for Industrial and Commercial customers is a great idea to help highlight stormwater management as a large aspect of the water rate distinct from drinking water consumption and wastewater treatment. I believe it would be best to apply this stormwater charge to all customers including residential as all customers can have impervious areas that contribute to flooding and related water quality issues. Also by applying the charge at a scaled rate to all customers (e.g. by tax bracket, property size and percentage of impervious areas), this eliminates the disadvantages of having to figure out how to separately apply the charge to only I&C customers and could simplify how to handle mix use properties (e.g. residential and commercial).	Comments noted
If decoupling is to be pursued, consider other parameters for informing SW Charge, especially for new developments that that meet Tier 1 or higher of Toronto Green Standard (TGS) and include stormwater retention and treatment on-site. These sites may have higher impervious surface area, but better stormwater performance. Additionally, consider impact to I&C properties and how to ensure owners are not faced with unreasonable costs.	Comment noted
A properly allocated SW Charge provides the potential for customers to work together towards reducing their stormwater contributions. There are advantages to moving forward with something. The City should keep looking at what can be done and reach out to stakeholders for their opinions.	Comment noted
A stormwater charge is common practice in the United States. This option isn't something that hasn't been done many times elsewhere and there is a lot of data available (e.g. economic impacts). I think it is a long time coming that Toronto moves down this road.	Comment noted
Supportive of both decoupling stormwater charges from fees based on consumption for I&C properties and a stormwater charge for commercial parking lots.	Comment noted
Appreciate how complex the stormwater charge is and understand that applying it for certain sectors only is a challenge. Could the City look at the general city water profile	The challenge would be on what basis such as fee would be charged for different areas of the City. There may also be legal

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and put a resiliency fee for those areas of the city that need more help?	issues with charging some areas and not others.
How does this stormwater charge option differ from the one not implemented in 2017?	In 2017, Council requested staff to develop a stormwater charge implementation plan for all customer classifications. That work was much more detailed than this current concept and presented a structure for a SW Charge. For the current consultation, City staff are exploring a stormwater charge for I&C properties and will be evaluating this option to determine if it is practical and should be recommended for implementation.
For the stormwater charge option, only industrial and commercial users are being considered. Would the charge be paid by institutional and other users?	<p>Council directed staff to look at the possible decoupling for I&C only and not institutional or other property classes. Therefore, staff will be responding back to Council on the feasibility of decoupling stormwater costs from the water rate for I&C water customers only through a stormwater charge option.</p> <p>Other property classes would continue to pay for stormwater services through the water rate, i.e. based on their water consumption.</p>
Do other jurisdictions apply a stormwater charge for only I&C customers?	In the early 2000s, the City of Philadelphia applied a SW Charge starting with I&C properties only then expanded it to residential in later years. City staff have not found other examples of municipalities applying a SW Charge to I&C properties only and then expanding it to additional property classes later on.
I believe that the City of Ottawa implemented a stormwater charge on a rolling basis to different property types.	City staff will review the City of Ottawa's implementation of a stormwater charge.
How would you account for mixed use properties that are both residential and commercial?	How to apply a stormwater charge to mixed-use properties is one of the challenges with a SW Charge only for I&C properties. Under the 2017 stormwater charge proposal, all properties would have been charged a SW Charge and there wasn't a need to separate out mixed-use properties (i.e. complexity to determine if the property pays for stormwater services

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	through the water rate or a stormwater charge).
What is the anticipated growth rate of an I&C stormwater charge option year over year?	A stormwater charge would need to be reviewed annually to calculate the rate to fund the Toronto Water's stormwater services capital and operating costs for I&C properties. This would be done through the preparation and submission of the Toronto Water Capital and Operating Budgets to City Council for approval.
Have other factors been considered for calculation of a SW charge, other than the percentage of impervious area? For instance, new construction projects achieving TGS Tier 1 or higher must incorporate stormwater retention/runoff features, which should be considered for SW charge reductions.	<p>No. The preliminary analysis presented was based on the percentage of impervious area to identify stormwater program funding allocations for I&C properties.</p> <p>The City is also consulting on stormwater management incentives including a stormwater charge credit option, which will consider the implementation of stormwater retention/runoff features on a property.</p>
Does the impervious area quoted for the city also include roads and sidewalks?	The preliminary analysis of impervious area is based on public and private properties and does not include roads and right-of-way. This is consistent with the GIS methodology used for the 2017 Stormwater Charge analysis.
Would permeable paving solutions be considered differently for calculating a stormwater charge on a property (e.g. commercial parking lots)?	The GIS data needs to be looked at to confirm if permeable vs. impermeable pavement can be distinguished. This is would be something that would then need to be calculated and refined if City staff recommend implementation of a SW Charge as well as incentives options (i.e., SW charge credits).
How would the stormwater charge option consider industrial and commercial properties that implement low impact development controls?	The implementation of LID controls could be considered as part of a SW Charge credit option to reduce the stormwater charge on a property.
Would the stormwater charge option for industrial and commercial properties be charged annually or monthly?	Some municipalities apply a stormwater charge as a monthly charge and others as an annual charge. Different approaches could be considered.
How have the I&C sectors been impacted by flooding in recent years? How is the City mitigating flooding risks for I&C sectors?	Under the Basement Flooding Protection Program, the City undertakes studies that identify infrastructure studies to reduce

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	flooding risks for all properties within the study area.
To reduce administrative needs, why not add the SW charge to the annual business license fee (as a zoning review is needed on initial issuance).	This may not be feasible and/or administratively efficient as the annual business license fee is separate from the utility bill.
Don't emphasize the one-time cost of implementing the modified billing system for a stormwater charge option.	Initial and ongoing operating costs are important considerations for implementing a stormwater charge program for I&C properties.
<i>Option: Stormwater Charge for Commercial Parking Lots</i>	
<p>Strongly support introducing stormwater charges for commercial parking lots. Currently parking lot properties that are not Toronto Water customers are getting a free ride, contributing large volumes of stormwater to the system and paying nothing for stormwater management. By decoupling water rates from stormwater charges, Toronto Water will be able to more fairly recover costs from all stormwater contributors in the city.</p> <p>Stormwater charge credits for parking lots could encourage the installation of green infrastructure to reduce stormwater volumes as well as reduce water pollution. It is likely that parking lots are generating potentially harmful stormwater due to the presence of chemical particulates that have settled from vehicle exhaust and other automotive contaminants.</p>	Comments noted
Strongly support introducing stormwater charges for commercial parking lots. Doing this would eliminate yet another market distortion that undermines building a resilient Toronto and that puts yet more strain on an already over-burdened stormwater system. Moreover, it makes no economic sense and no business sense to offer a free service to commercial parking lot owners (who do not have a water account) that provides no incentive to do less harm.	Comments noted
Strongly in favor of this policy. Single storey parking is a terribly wasteful land use.	Comment noted
Commercial parking lots should certainly be charged a stormwater fee as large impervious areas that contribute to flooding and related water quality impacts. These fees should be paired with incentives to improve stormwater management in the area of these parking lots such as reduced fees for green infrastructure like permeable pavement or underground cisterns that can utilize runoff for water reuse (e.g. flushing toilets) in nearby buildings.	Comment noted

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Support, however, the timing of such a decision, in light of covid should be considered. Signal this for future.	Comment noted
Concerns about the stormwater charge for commercial parking lots. This option would have a significant financial impact. Parking facilities (e.g. Toronto Parking Authority) are continuing to implement green initiatives over time.	Comments noted
The parking lot-only SW charge seems like it would be administratively burdensome and costly compared to the funds that would be brought in.	Comment noted
Do the commercial parking lots you assessed include existing commercial water customers (e.g. a shopping mall) or is this just assessing parking lots who are not currently customers?	<p>The SW Charge option for commercial parking lots contemplates application of the SW charge to parking lots that do not have a water account.</p> <p>The preliminary GIS analysis presented is a partial analysis and only includes Toronto Parking Authority lots and privately-owned commercial parking lots. Data is pending on which of these parking lots have a water account so the estimates of revenue of this options is expected to change pending confirmation of customer account data for these properties.</p>

Stormwater Management Incentives for Industrial and Commercial Businesses

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<i>General Comments</i>	
<p>Challenges or constraints to implement improved stormwater management on a property.</p> <ul style="list-style-type: none"> • Capital costs will be the biggest factor - these could range from a few thousand to hundreds of thousands depending upon the best management practice and size of property. The City should consider grants to off-set the initial costs and review or provide an analysis on the return on investment over a 10 or 20 year period (i.e. how long will it take for the capital costs to be offset by the grant, lower water consumption rate and stormwater credit). • Financial costs can be a significant deterrent, especially with older buildings that may not have structural capacity for rooftop SWM storage or other 	Comments noted

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<p>SWM features. Incentives and education program would encourage participation.</p> <ul style="list-style-type: none"> • Challenges with implementing improved stormwater management are often largely financially based such as funding for capital costs and ongoing maintenance. • The value of incentives related to retrofitting of SWM controls does not often correlate to an acceptable return on investment period for anything more complex than bandaid solutions. There is also a major revenue hit from operation downtime if construction impacts operations (such as digging up parking areas). Grant programs should be considered to compensate for those one-time costs if the objective is to actually incentivize the installation of stormwater infrastructure. 	
<p>Strongly support both credits and grants for the I&C sectors to implement stormwater management systems especially green infrastructure solutions that provide many other benefits, e.g., reducing pollution, beautification, green space, etc.</p>	<p>Comment noted</p>
<p>A stormwater charge should be paired with rebates and other incentives to implement green infrastructure solutions to improve on-site stormwater management. The additional benefits of green infrastructure should be considered (economic, other environmental benefits, mental and physical health), and Toronto Water should consider partnerships with other City divisions to fully realize these benefits.</p>	<p>Comment noted</p>
<p>Cost benefit analysis of providing credits and grants shouldn't just be on Toronto Water's shoulders.</p> <p>Should assess, value, and incentivize the range of co-benefits that green infrastructure investments would realize by collaborating with other departments such as Public Health, Office of Emergency Mgt, Economic Dev. and Culture, Planning, Parks Forestry and Recreation.</p>	<p>Comment noted</p>
<p>Has consideration been given to prioritizing areas for incentives that are within or upstream from areas that are at high risk of flooding?</p>	<p>This could be considered. Other municipalities have targeted grants and other incentive programs to specific areas (e.g. City of Philadelphia combined sewer service area to achieve EPA consent requirements). The City of Mississauga is reviewing its stormwater charge credits program and is looking at targeting specific areas within the municipality.</p>

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Option: Stormwater Charge Credits	
<p>A SW charge credit program is important to motivate property owners. Many municipalities found it important to offer guidance to applicants. Larger corporations have a good idea but small and medium size may not have stormwater expertise and require support.</p>	<p>Comment noted</p>
<p>Many cities in Ontario and other jurisdictions provide stormwater management incentive options such as credits and grants, and some provide both as they can work in tandem to increase the cost-benefit ratio. These incentives serve to increase adoption of stormwater management solutions on private property.</p> <p>Strongly support the inclusion of a stormwater charge credit program to incentivize stormwater management on-site, particularly green infrastructure solutions. While the amount of the credit may not always be enough to financially motivate capital expenditures if the return on investment is not high, it will serve to create a partial incentive and prompt stormwater management solutions to be incorporated more often.</p> <p>Toronto Water’s past consultation considered a 1 hectare or larger property threshold for stormwater management credits, even though London (Ontario) uses a 0.4 hectare threshold. Toronto Water should provide a clear rationale for why they recommend setting the threshold at 1 hectare and why London set theirs lower during the next phase of consultation. Toronto Water should also explore ways to incentivize green infrastructure on smaller properties through grants, a one-time rebate, or a credit program that can be introduced at a later phase.</p> <p>During the virtual consultation, questions arose about which performance target would be prioritized for stormwater management (peak flow / volume or water quality) and at this time Toronto Water is undecided. Different jurisdictions prioritize different performance measures based on the risks and challenges they face such as flooding or combined sewer overflows. Mississauga credits program may start to target areas with higher benefit potential (e.g. greater need for stormwater management) and that Philadelphia focuses this on their CSO areas.</p> <p>Recommend that Toronto Water prioritize stormwater management solutions such as green infrastructure that can simultaneously address stormwater volumes and water</p>	<p>Comments noted</p>

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<p>quality. Both performance measures must be considered since the urban environmental challenges of preventing flooding and water pollution are both part of Toronto Water's mandate.</p> <p>Providing credits also serves to acknowledge and reward properties that proactively adopted stormwater management solutions prior to the introduction of the stormwater charge.</p>	
<p>When coupled with the installation of natural infrastructure that reduces stormwater runoff, this is a great idea that has been adopted in many jurisdictions across North America. In calculating the credit, it is important to capture other benefits that flow from natural infrastructure that may reduce other city expenditures from other divisions.</p>	<p>Comment noted</p>
<p>Encourage a SW charge credit program.</p> <p>A credits program is a great idea to provide on-going incentives for customers to improve their stormwater management and reward them for improved management</p>	<p>Comments noted</p>
<p>Analysis on the long-term return on investment should be reviewed and explored.</p>	<p>Comment noted</p>
<p>Different municipalities focus on peak flow reduction versus water quality versus infiltration as priorities for these schemes according to their local hydrogeology. Is there a sense of which stormwater management performance targets might be a focus for Toronto?</p>	<p>Not at this point in the process. Performance targets applied other municipalities provides a starting point for the City to look at developing a framework for this option.</p>
<p>Rooftop controlled flow retrofits are likely to be the most cost effective measure to implement to reduce peak flow rates. Please consider incentivizing roof structural analyses to clear a major expense and risk item for I&C property owners.</p>	<p>Comments noted and will be shared with Environment and Energy Office staff that manage the Eco-Roof Incentive Program.</p>
<p>Rooftop controlled flow inlets have the best cost/benefit ratio to realize peak flow reductions in a widespread fashion. There is risk however in the ability of existing roof stock to accommodate these controls, with the potential for leaks or structural issues from detaining water longer than they currently do. How can the City support the remedial effort needed on I&C properties to confirm that retrofitted SWM controls can pay for themselves over time?</p>	
<p>The biggest issue is monitoring the long-term performance of the installation. How will maintenance of the systems be checked? How frequently? etc. The City already has trouble keeping track of how often green roofs are being removed from buildings where they were initially mandated. This scheme makes the capital investment e.g. for retrofits quite</p>	<p>Comments noted</p>

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<p>difficult for some companies, so uptake could remain very low. I like the 'Drainage Act' approach being used by CVC/Mississauga.</p>	
<p>A verification process to confirm proper installation of green infrastructure (as part of a SW Charge credit) as well as ongoing maintenance is a great idea. Consider incorporating regular performance monitoring of GI solutions.</p>	<p>Comments noted</p>
<p>Credit sharing programs are likely to be a positive incentive, but may require a deep pocketed neighbor to take on the initial risk in dense commercial areas with smaller property sizes.</p>	<p>Comment noted</p>
<p>Consider incentives for commercial parking lots and potential for permeable pavers.</p>	<p>Comment noted</p>
<p><i>Option: Grants and Rebates</i></p>	
<p>Strongly support the introduction of both credits and grants for the I&C sectors to implement stormwater management systems especially green infrastructure solutions that provide many other benefits: reducing pollution, beautification, green space, and stimulating local economic opportunities.</p> <p>A grant program is needed to help properties who need upfront financial assistance but it is also essential for providing technical guidance on what types of solutions are best for reducing stormwater volumes as well as improving water quality. More so than with the credit program, it makes sense to explore how a grant program could be used to prioritize certain types of solutions in specific areas of the city that require more immediate attention, such as areas with active CSOs, areas contributing to system overloads or overland flooding risks, and identified flood protection areas.</p> <p>There are many benefits to stormwater management, and green infrastructure solutions in particular, that relate to housing preservation, local economic development, climate resilience, biodiversity, and public health. It is important to assess, value, and incentivize the range of co-benefits that flood prevention, water quality improvements and green infrastructure investments would realize in certain neighbourhoods by collaborating with other departments such as Parks, Forestry & Recreation, Environment & Energy Division, Toronto Public Health, Office of Emergency Management, Economic Development & Culture, and City Planning.</p>	<p>Comments noted</p>

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<p>For instance, Toronto Water could partner with Economic Development & Culture to create grant criteria or added incentives to promote the adoption of local green sector solutions and services, contributing to local economic development and job creation. Perhaps this grant program could leverage resources from other City strategies (and divisions) that may have funding to increase biodiversity, increase the urban tree canopy, and address green space gaps.</p> <p>Given the number of properties that may rely on a grant program to implement stormwater management solutions, it would not be practical to provide 'retroactive' grants to properties that have already invested in solutions. The provision of a credit program will help to reward these proactive properties.</p>	
<p>As capital costs can be large barriers for implementing stormwater management systems like green infrastructure among others, grant programs would be highly useful to overcome these barriers and promote more widespread adoption of improved stormwater management. They may help improve stormwater management not only with large organizations but also for small and medium sized organizations.</p>	Comments noted
<p>Grant programs to offset costs for remedial on-site investigations would remove a significant burden to implementing retrofitted SWM controls onto existing sites. They would also be a significant benefit to reducing the return on investment period to acceptable levels. Often the Return on Investment (ROI) period extends for greater than 10 years on certain complex sites, diminishing the appetite for a lengthy and costly program.</p>	Comment noted
<p>This should also be applied for some customers to increase overall LID adoption. What has been learned from the Eco-Roof incentive program? I know it was reviewed in the past few years. I think the review found that initially the grants being offered were too low? Has participation increased since the review and recommendations were adopted?</p>	Comment noted. Toronto Water staff will discuss changes and participation in the Eco-Roof Incentive Program with staff in Environment and Energy Division.
<p>Grant programs that support natural infrastructure that reduces stormwater runoff is a great idea. It is important to capture other benefits that flow from natural infrastructure that may reduce other city expenditures from other divisions.</p>	Comment noted
Option: Awards and Recognition Programs	
<p>Awards and recognition for green infrastructure leaders are worth considering, as it can increase uptake of solutions and</p>	Comments noted

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<p>demonstrate leadership in ways that support local and regional economic development in emerging green sectors.</p> <p>While this may be challenging for Toronto Water to take on independently, awards or recognition programs could be facilitated by other City of Toronto units such as Live Green Toronto, the Resilience Office, or the Green Sector team in Economic Development & Culture. These programs could also be developed in partnership with - or led by - external non-profit organizations such as Toronto & Region Conservation Authority, Partners in Project Green (PPG), Green Infrastructure Ontario, Canadian Green Building Council (CaGBC) Toronto Chapter, Ryerson University's Urban Water collective. Toronto Water could also collaborate with existing initiatives such as the Grey to Green Conference, PPG's Natural Infrastructure and Climate Resiliency program, or ReNew Canada magazine.</p>	
<p>This is a great idea. Milwaukee has a great Awards program that is worth looking at.</p>	<p>Comment noted. City staff will look at Milwaukee's program.</p>
<p>Highly support. This will generate a culture of care and innovation which is the kind of culture this City wants to embody. Celebrate leadership!</p>	<p>Comment noted</p>
<p>This may be useful to highlight stormwater management achievements to the public if the city uses existing building recognition programs such as LEED.</p>	<p>Comment noted</p>
<p>It can be a useful tool in certain circumstances and there will be some companies that will use this to their advantage but overall it is not likely to be the most effective as an incentive tool for implementing stormwater practices.</p>	<p>Comment noted</p>
<p>These are relatively low impact for the amount of administration required. Also there are already myriad schemes to which developer can apply.</p>	<p>Comment noted</p>
<p>Nice to have, but I'm not sure if these would be as effective as credit programs or grants.</p>	<p>Comment noted</p>
<p><i>Other Comments, Suggestions and Questions</i></p>	
<p>Have you considered additional incentives such as free or subsidized stormwater assessments or audits? This process could ensure that the most effective solutions are being implemented.</p>	<p>City staff have not looked at developing a program for free or subsidized stormwater assessments or audits. This suggestion has been noted for future consideration.</p>
<p>The City could also consider offering low-interest loans for capital investments in sustainable stormwater management, much like how the City currently provides energy retrofit financing. This financing could also support stormwater audits (if not provided for free) the same way retrofit financing covers before and after energy audits of buildings.</p>	<p>Comments noted</p>

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<p>There is an opportunity for food-producing GSI strategies to be included in Toronto's new stormwater plan. For example: Offering a greater incentive to those who plant fruit or nut trees compared to regular trees. Both trees manage stormwater and address the urban heat island but only the fruit and nut trees provide additional services.</p> <p>Organizations like Not Far From the Tree (NFFT) in Toronto actually collect and distribute the harvests from fruit and nut trees in the city. This creates more food produced locally and has the potential to create more jobs through NFFT.</p> <p>There are various food applications for industrial and commercial sites and these sites can often work best for rooftop gardens due to the size. As long as they are constructed with this additional loading capacity in mind.</p> <p>Cities are fairly siloed in their approach and I think we need to change this if we want to improve our resilience. Ideally, the City would create a holistic eco-systems service approach to stormwater.</p> <p>An ecosystem services approach helps the city address numerous issues at the same time. Stormwater, urban heat island, cleaner air, biophilic benefits, increased property values, job creation, and in some cases food production. Urban food production supports food justice, mental health, access to.</p> <p>Resources for the City to consider:</p> <ul style="list-style-type: none"> • GrowTo an urban agriculture action plan for the City of Toronto • Urban Agriculture as a Green Stormwater Management Strategy • New York City's First Stormwater Management Park <p>Is there an opportunity for food to be included in the stormwater incentive options being explored?</p>	<p>Urban food production is not historically part of Toronto Water's mandate. These comments and resources will be shared and discussed with Parks, Forestry and Recreation which has a Community Planting and Stewardship Grant Program, City Planning, and Environment and Energy Division for broader City consideration.</p>
<p>The cost and benefit analysis for green infrastructure on private property should include environmental, social and other outcomes as measures. While a stormwater credit alone may not be enough of a financial incentive for a private property owner, there may be significant co-benefits realized</p>	<p>Comments noted</p>

Round 1 Comments and Questions	Round 1 City Staff Responses
<p>that should lead to a different type of 'return on investment' analysis. This may mean that Toronto Water and other City departments (or other levels of government) should support green infrastructure investments on private property through grants or other programs that increase the conversion of grey to green infrastructure in our city.</p> <p>City staff should look at Green Infrastructure Ontario's (GIO) report that provides an economic impact assessment of green infrastructure that is worth reviewing. GIO identifies multiple co-benefits to green infrastructure stormwater systems including: climate change adaptation, flood mitigation, ecosystem health, public health, community aesthetics, and multiple economic benefits including capital and lifecycle cost savings, flood cost prevention, and green job creation.</p> <p>The US EPA also has information on cost benefit analyses for green infrastructure that could be helpful.</p>	
<p>Is the City leaning towards one option over others?</p>	<p>Not at this time stage in the process. At this time, the City is seeking feedback from stakeholders and that feedback will be reported back to City Council. City staff may have recommendations in that report, which will be informed by the consultation feedback.</p>

Round 1 Comments and Questions	Round 1 City Staff Responses
<p>More harvested rainwater applications should be supported as part of a site-wide SWM plan (albeit secondarily to the promotion of green infrastructure).</p> <p>1. Ontario Building Code permits harvested rainwater to be applied to a number of low hazard applications. See O. Reg. 332/12: Article 7.1.5.3. (3). 2. The Canadian Standards Agency provides an excellent list of risk versus opportunities for reusing harvested rainwater. CSA B805-18/ICC 805-2018 3. LEED promotes the reuse of harvested rainwater in applications which produce sewer discharge e.g. Credit WE5. 4. Toronto's own Green Standard v3. Tier 2. promotes the reuse of harvested rainwater, and in our most hyper-urbanized locations rainwater reuse is the only option for SWM available to developers. But none of these SWM best practices are being supported for I&C clients, as long as the following clause in the Sewer Use By-Law remains as is: 681-2. C. (a). If yet another City initiative (after TGS) is going to request/require more SWM by I&C clients, then rainwater harvesting absolutely must be permitted (even if not actively supported) for industrial and commercial processes, including various washing applications and evaporative cooling tower HVAC systems.</p> <p>Will rainwater harvesting be an option for 'best practices' in stormwater management? If so, how will the City permit new rainwater harvesting technologies in light of the aforementioned bylaw restrictions?</p>	<p>The scope of this consultation does not include an examination of rainwater harvesting and specific stormwater management technologies. Any proposal that goes before Council should align with City requirements (e.g., health and safety, Bylaws, Wet Weather Flow Management Guidelines).</p> <p>Comments noted for future policy consideration.</p>
<p>Municipalities are mandated provincially to move toward full cost recovery. Toronto's \$4.07/m³ base water rate is about 35% higher than in neighbouring Peel Region.</p> <p>Has Toronto undertaken a recent financial/engineering assessment of our true cost of water supply (treatment, conveyance, etc.) and wastewater treatment, (conveyance, WWTP capex and opex, hauled waste, etc.), to help inform pricing? Similar to what York Region and others have done.</p>	<p>Peel Region's water and wastewater rate does not include stormwater costs, which is included in Toronto's water and wastewater rate.</p> <p>In addition, Toronto Water's Capital Plan, which is currently the largest it in its history is making significant investments in State of Good Repair to address aging infrastructure. Toronto Water is currently working on a asset management plan for critical infrastructure (water and wastewater) which is required to be submitted to the Province by July 1, 2021. A report is expected to be presented to Council in advance of that deadline.</p>



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Toronto Industry Network

January, 2021

EMAILED

Mr. Lou Di Gironimo,
General Manager – Toronto Water,
24E – City Hall,
and
Mr. Pat Tobin,
A/General Manager,
Economic Development & Culture Division,
8E – City Hall,
100 Queen Street West,
Toronto, Ontario,
M2N 5V7.

Dear Lou and Pat:

RE: Follow-up to Consultation with TIN - Oct. 29, and Public Consultation – Dec. 4, 2020 regarding Water Rates and Charges, Sewer Use By-law and Stormwater Charge

The Toronto Industry Network is writing to follow up on the stakeholder sessions held in response to the directive provided by City Council 2019 EX11.2 concerning increasing the competitiveness of Toronto's water rate structure and ancillary programs. T N was pleased to be invited to the recent consultation sessions and makes the following comments:

1. We agree that the cost of administering water accounts should be separated from the cost of water charge. This is fairer for larger water users and makes the water bill more transparent.
2. T N supports the proposal of increasing the renewal period for the Sewer Surcharge Rebate Program from one year to three years. However, there can be technical challenges preventing some facilities and significant costs associated with, the installation of process meters. Thus the current mass balance approach should be maintained for those that cannot implement additional metering. We would be pleased to discuss this further.
3. T N continues to be supportive of the concept of a Storm Water Management Charge instead of having this cost buried in the water purchase price. However, T N would be appreciative of an explanation of how the \$1.50/sq. m charge and its companion reduction in water costs were determined – particularly as the institutional sector appears to have been excluded from the analysis. In addition, T N considers it important to not implement any changes to the charging for storm water management until a system of "equivalency to permeable" has been established wherein companies and organizations that have installed storm water management features to control runoff be given credit for this in the determination of their impermeable area.

4. T N supports the concept of increasing the number of exceedances under the Sewer Use By-law from 3 to 5 for the reasons stated in the presentations. This move does not subtract from the purpose of the By-law but rather recognizes the daily realities of operating a manufacturing facility.
5. We would appreciate the opportunity to meet with staff to discuss a protocol that would replace the need for Toronto Water to test the effluent of Block 2 users in particular and allow for testing by City-approved independent labs. To be discussed would be required parameter tests, frequencies. These could be individualized for different companies and then added as an appendix to the surcharge agreement (much like the parameter thresholds are now). This individualized testing delineation is already being done in some surrounding municipalities and promotes a more unified partnership between the company and the municipality in terms of meeting the desired goal (of best water treatment possible). The role of the city would still maintain oversight and vigilance, but with a different auditing function.
6. We also recommend that Toronto Water establish a Low Volume Threshold which would set a minimum threshold of water use before an NOV would be issued. Since bylaw adherence is measured on a concentration basis, when there is little water flow, even a minor amount of effluent such as from a facility's washrooms, would show a high concentration. However, the total effluent amount is very low, and this is in fact what the sanitary system is designed to handle. A threshold for a minimum water flow would eliminate NOV's that are not representative of the real conditions and also reduce staff time to measure and follow up with these.

Before endorsing any planned changes, T N would very much like to see the costs and benefits for each initiative and when and how these changes will be implemented.

T N's membership is pleased to be part of this review process and looks forward to your response.

Sincerely,

Fatima Correia

Fatima Correia,

T N, Water Group Chair

c.c. Craig McLuckie, T N President
John Alderdice

Fall 2020 Consultation on Water Fees, Charges and Programs

Comments submitted by Toronto Environmental Alliance

December 18, 2020

Heather Marshall, Campaigns Director of the Toronto Environmental Alliance (TEA) participated in the early December virtual consultation hosted by Toronto Water and Economic Development & Culture. This written submission provides greater detail on the organization's feedback and recommendations by answering applicable questions from the two Discussion Guides provided by Toronto Water.

Part A - Toronto Water Support Programs for ICI Customers

The Toronto Environmental Alliance is a non-profit organization with an office located within a commercial building. We do not directly participate in any of the ICI support programs provided by Toronto Water therefore questions A1-A3 are not applicable.

A4a. Do you have comments on the Industrial Water Rate Program options (advantages/benefits, disadvantages/concerns, other considerations)?

a) Lowering the 5000 m3 threshold

Given the significant water rate discount provided by the IWR Program, lowering the threshold should only be considered if the current eligibility requirements to develop a water conservation plan and remain in compliance with the Sewers By-law are maintained.

b) Changes to IWR Program requirements

The current Industrial Water Rate program requires water conservation plans as a condition of the heavily discounted water rate for large industrial water users. We do not agree with the proposal to remove the water conservation plan requirement. Given the environmental benefits and cost saving potential of water efficiency and conservation measures, both for the customer and the City of Toronto, it is counterintuitive to remove this requirement. Given Toronto Water's proposal to expand the Capacity Buyback Program and the services of the free water audit, there should be sufficient support for IWR Program customers to develop the mandatory water conservation plans.

While it is mandatory to develop a water conservation plan (which includes an implementation plan), it is not mandatory to implement the measures they outline in their plan.

Some water conservation plans may include multi-benefit sustainable solutions such as rainwater harvesting or wastewater recycling, which serve to reduce flood risks and improve water quality. In order to better align with the City of Toronto's climate action plan, TransformTO, and the Resilience Strategy, Toronto Water should work with the Environment and Energy Division to redesign the Water Conservation Plan template to incorporate the additional cost savings and climate benefits of reducing water consumption (e.g. reduction in energy costs and GHG emissions, reduction in stormwater volume, increased water quality).

A4b. Do you have other suggestions for the Industrial Water Rate Program?

Sewers By-law compliance should remain tied to any rebates or other incentive programs provided to industrial and commercial customers. Customers who have an Industrial Waste Surcharge Agreement (IWSA), which allows them to surpass the parameter limits set in the Sewers By-law, should not be allowed to receive the Block 2 rate if they exceed the IWSA limits more than three times because we do not agree with the proposal

to increase the number of permitted IWSA exceedances to 4 or 5. Companies that violate the Sewers By-law repeatedly and/or are fined or brought to court for their water pollution activities should not continue to benefit from a subsidized water rate. The City of Toronto must leverage rebates and incentives like Block 2 to increase compliance with municipal by-laws.

A5a. Do you have comments on the Capacity Buyback Program options (advantages/benefits, disadvantages/concerns, other considerations)?

a) Changes to the free water audit

Toronto Water currently provides a free water audit to many commercial and institutional properties and is considering expanding this service to industrial properties as well as smaller volume customers. We support the expansion of supportive programs and tools that increase sustainability such as the free water audit.

b) Expand Capacity Buyback program application eligibility to industrial customers

If industrial customers are added to the CBB Program, they must be required to remain in compliance with the Sewers By-law, as is currently in place for IWR Program beneficiaries.

A5b. Do you have other suggestions for the Capacity Buyback Program?

We have no further suggestions at this time.

A6a. Do you have comments on the Sewer Surcharge Rebate Program options (advantages/benefits, disadvantages/concerns, other considerations)?

a) Change to the annual renewal period

We have no comments at this time.

b) Addition of process metering

We have no comments at this time.

A6b. Do you have other suggestions for the Sewer Surcharge Rebate Program?

Yes. SSR Program participants should be required to remain in compliance with the Sewers By-law, as is required for IWR Program beneficiaries. When asked about this during the virtual consultation Toronto Water staff responded that the SSR Program does not currently include confirmation of Sewer By-law compliance. It is critical that eligibility requirements for all rebates and other financial incentives serve to uphold compliance with by-laws.

A7. Do you have suggestions for other measures that Toronto Water could consider outside of its current ICI support programs to further support economic competitiveness and water efficiency for ICI customers?

We have no further suggestions at this time.

Part B - Sewers By-law

B1. Do you have comments on the options for the Sewers By-law (advantages/benefits, disadvantages/concerns, other considerations)?

a) Industrial Wastewater Surcharge Agreements (IWSA)

We do not agree with the proposal to increase the number of permitted IWSA exceedances beyond the current 3 (e.g. to 4 or 5).

b) Toronto Sewers By-law Navigation Guide

We support the creation of a guide. This guide should also be made available in multiple languages and formats to increase access. Given the outstanding decisions still to be made regarding adding new chemicals of concern to the subject pollutant list and determining any risk-based thresholds that could be introduced for the mandatory pollution prevention planning, this guide should not be published until these matters are resolved. Toronto Water should coordinate with Toronto Public Health's ChemTRAC Program so that the guide provides industry specific information on safe chemical substitutions that could be explored to maintain compliance and reduce environmental, health and safety risks.

c) Subject pollutant reporting thresholds

There has been a lack of consultation on adding additional chemicals of concern to the Great Lakes to the list of subject pollutants managed by the Sewers By-law. During the virtual consultation, there was no mention of the chemical review underway to identify potential chemicals of concern that should be added to the Sewers By-law as subject pollutants. This was a direction provided by Toronto City Council in 2016 and while we are aware that a consultant was hired to complete the chemical review, the report back on findings is significantly overdue. Furthermore, the recommendations from the chemical review was expected to be brought forward at the same time as any consultation regarding risk-based thresholds for existing subject pollutants.

A chemical review of priority substances and proposed risk-based thresholds for each subject pollutant must be provided before stakeholders can agree or disagree with the proposal to eliminate P2 plan requirements when any amount of a subject pollutant is discharged.

We strongly oppose any changes to the Sewers By-law including P2 plan requirements until these overdue steps are taken.

If the administrative costs of pollution prevention enforcement and oversight are not sufficient to cover these activities, Toronto Water should achieve cost recovery by increasing the cost of rates, fees and fines. If Notices of Violation do not currently carry financial charges, this should be explored.

d) Self-monitoring and reporting

We do not support self-monitoring and reporting of effluent discharges. Test sampling and analysis work should continue to be undertaken by Toronto Water's Environmental Monitoring and Protection unit.

B2. Do you have suggestions for other options Toronto Water could consider to help improve businesses' compliance with the Sewers By-law?

To increase Sewers By-law compliance, industries need access to more technical assistance and financial support to prevent pollution through better control technology, more efficient processes, and product/chemical substitution. Unfortunately, Ontario has lost nearly all P2 technical support initiatives in the last decade with the closure of the Canadian Centre for Pollution Prevention, BLOOM Centre for Sustainability and the elimination of the provincially mandated Toxics Reduction Program. Some of the revenues generated from Sewers By-law fines and other charges could be invested into a pollution prevention fund or program that assists companies who wish to improve compliance through innovation and chemical substitution.

Part C - Water Fees and Charges

C1. Do you have comments on an administrative water fee option (e.g., advantages/benefits, disadvantages/concerns, other considerations)?

We do not have any comments at this time.

C2. Do you have comments on a stormwater charge option for I&C properties as a mechanism to decouple stormwater costs from the water rate for these customers (e.g., advantages/benefits, disadvantages/concerns, other considerations)?

We strongly support decoupling water rates from stormwater charges, starting with Industrial and Commercial properties, with the intention of including Institutional and Residential property classes in future years.

Toronto is facing increased climate risks due to severe rainstorms and flooding, as evidenced by recent emergency events, the future forecast provided by the City of Toronto's Climate Driver Study and highlighted in the city's first Resilience Strategy. The operating and capital costs of stormwater management in Toronto are rising much higher than other service areas and the city's state of good repair backlog has not yet been adequately assessed for climate risks. Toronto Water needs a sustainable and fair financing strategy for these rising stormwater management costs and needs to proactively increase the adoption of green infrastructure solutions on both public and private property that can help mitigate flood risks.

Toronto Water identified 78% of the 1 hectare or larger properties are IC&I so it makes sense to get moving on stormwater charges with these property types immediately while still planning to phase in stormwater charges to all property classes over time.

Toronto Water should consider applying stormwater charges to additional I&C properties including vacant lots and transportation sector sites (e.g. airports, rail yards), if these are not already included.

C3. Do you have comments on the option of a stormwater charge for commercial parking lots (e.g., advantages/benefits, disadvantages/concerns, other considerations)?

We strongly support introducing stormwater charges for commercial parking lots. Currently parking lot properties that are not Toronto Water customers are getting a free ride, contributing large volumes of stormwater to the system and paying nothing for stormwater management. By decoupling water rates from stormwater charges, Toronto Water will be able to more fairly recover costs from all stormwater contributors in the city.

Stormwater charge credits for parking lots could encourage the installation of green infrastructure to reduce stormwater volumes as well as reduce water pollution. It is likely that parking lots are generating potentially harmful stormwater due to the presence of chemical particulates that have settled from vehicle exhaust and other automotive contaminants.

Part D - Stormwater Management Incentives for I&C Customers

The Toronto Environmental Alliance is a non-profit organization with an office located within a commercial building. We do not directly participate in any decisions pertaining to the utilities or management of the property therefore questions D1 and D2 are not applicable.

D3. Do you have comments on the stormwater management incentive options (e.g., advantages / benefits, disadvantages / concerns, other considerations)?

a) Stormwater Charge Credits Program

Many cities in Ontario and other jurisdictions provide stormwater management incentive options such as credits and grants, and some provide both as they can work in tandem to increase the cost-benefit ratio. These incentives serve to increase adoption of stormwater management solutions on private property.

We strongly support the inclusion of a stormwater charge credit program to incentivize stormwater management on-site, particularly green infrastructure solutions. While the amount of the credit may not always be enough to financially motivate capital expenditures if the return on investment is not high, it will serve to create a partial incentive and prompt stormwater management solutions to be incorporated more often.

Toronto Water's past consultation considered a 1 hectare or larger property threshold for stormwater management credits, even though London (Ontario) uses a 0.4 hectare threshold. Toronto Water should provide a clear rationale for why they recommend setting the threshold at 1 hectare and why London set theirs lower during the next phase of consultation. Toronto Water should also explore ways to incentivize green infrastructure on smaller properties through grants, a one-time rebate, or a credit program that can be introduced at a later phase.

During the virtual consultation, questions arose about which performance target would be prioritized for stormwater management (peak flow / volume or water quality) and at this time Toronto Water is undecided. Different jurisdictions prioritize different performance measures based on the risks and challenges they face such as flooding or combined sewer overflows. We learned that Mississauga credits may start to target areas with higher benefit potential (e.g. greater need for stormwater management) and that Philadelphia focuses this on their CSO areas.

We recommend that Toronto Water prioritize stormwater management solutions such as green infrastructure that can simultaneously address stormwater volumes and water quality. Both performance measures must be considered since the urban environmental challenges of preventing flooding and water pollution are both part of Toronto Water's mandate.

Providing credits also serves to acknowledge and reward properties that proactively adopted stormwater management solutions prior to the introduction of the stormwater charge.

b) Grant Programs

TEA strongly supports the introduction of both credits and grants for the I&C sectors to implement stormwater management systems especially green infrastructure solutions that provide many other benefits: reducing pollution, beautification, green space, and stimulating local economic opportunities.

A grant program is needed to help properties who need upfront financial assistance but it is also essential for providing technical guidance on what types of solutions are best for reducing stormwater volumes as well as improving water quality. More so than with the credit program, it makes sense to explore how a grant program could be used to prioritize certain types of solutions in specific areas of the city that require more immediate attention, such as areas with active CSOs, areas contributing to system overloads or overland flooding risks, and identified flood protection areas.

There are many benefits to stormwater management, and green infrastructure solutions in particular, that relate to housing preservation, local economic development, climate resilience, biodiversity, and public health. It is important to assess, value, and incentivize the range of co-benefits that flood prevention, water quality improvements and green infrastructure investments would realize in certain neighbourhoods by collaborating with other departments such as Parks, Forestry & Recreation, Environment & Energy Division, Toronto Public Health, Office of Emergency Management, Economic Development & Culture, and City Planning.

For instance, Toronto Water could partner with Economic Development & Culture to create grant criteria or added incentives to promote the adoption of local green sector solutions and services, contributing to local economic development and job creation. Perhaps this grant program could leverage resources from other City strategies (and divisions) that may have funding to increase biodiversity, increase the urban tree canopy, and address green space gaps.

Given the number of properties that may rely on a grant program to implement stormwater management solutions, it would not be practical to provide 'retroactive' grants to properties that have already invested in solutions. The provision of a credit program will help to reward these proactive properties.

c) Awards and Recognition Programs

Toronto Water should consider identifying case studies where IC&I customers who currently benefit from existing programs such as IWR, SSR, and Capacity Buyback have achieved water conservation or water efficiency measures through the adoption of rainwater harvesting, water recycling, and/or green infrastructure systems.

Awards and recognition for green infrastructure leaders are worth considering, as it can increase uptake of solutions and demonstrate leadership in ways that support local and regional economic development in emerging green sectors. While this may be challenging for Toronto Water to take on independently, awards or recognition programs could be facilitated by other City of Toronto units such as Live Green Toronto, the Resilience Office, or the Green Sector team in Economic Development & Culture. These programs could also be developed in partnership with - or led by - external non-profit organizations such as Toronto & Region Conservation Authority, Partners in Project Green (PPG), Green Infrastructure Ontario, Canadian Green Building Council (CaGBC) Toronto Chapter, Ryerson University's Urban Water collective. Toronto Water could also collaborate with existing initiatives such as the Grey to Green Conference, PPG's Natural Infrastructure and Climate Resiliency program, or ReNew Canada magazine.

Here's an example of a recent article published in ReNew Canada and written by PPG staff:

<https://partnersinprojectgreen.com/wp-content/uploads/2020/08/Renew-Canada-greeninfrastructure-julyaug-2020.pdf>

D4. Do you have suggestions for other stormwater management incentive options that could be considered by the City for I&C customers?

Like the free water audits provided already, Toronto Water should consider providing free stormwater audits to support small and medium businesses with technical solutions as well as resolve any disagreements about the stormwater volumes and water quality risks generated by their property.

The City could also consider offering low-interest loans for capital investments in sustainable stormwater management, much like how the City currently provides energy retrofit financing. This financing could also support stormwater audits (if not provided for free) the same way retrofit financing covers before and after energy audits of buildings.

During the virtual consultation, Toronto Water indicated that they would need to develop a framework for the credits program (eligibility criteria, performance objectives, credit values and categories, etc.) and an assessment of revenue and cost implications (e.g. program administration, resources, communications, etc.) for all incentive programs (credits, grants, awards).

We would like to emphasize that the cost benefit analysis of providing stormwater management credits and grants shouldn't just be the responsibility of Toronto Water. The cost and benefit analysis for green

infrastructure on private property should include environmental, social and other outcomes as measures. While a stormwater credit alone may not be enough of a financial incentive for a private property owner, there may be significant co-benefits realized that should lead to a different type of 'return on investment' analysis. This may mean that Toronto Water and other City departments (or other levels of government) should support green infrastructure investments on private property through grants or other programs that increase the conversion of grey to green infrastructure in our city.

Green Infrastructure Ontario recently wrote a [report](#) that provides an economic impact assessment of green infrastructure that is worth reviewing. GIO identifies multiple co-benefits to green infrastructure stormwater systems including: climate change adaptation, flood mitigation, ecosystem health, public health, community aesthetics, and multiple economic benefits including capital and lifecycle cost savings, flood cost prevention, and green job creation [[ref](#)].

EPA also has information on cost benefit analyses for green infrastructure that could be helpful: <https://www.epa.gov/green-infrastructure/green-infrastructure-cost-benefit-resources>

Thank you for receiving Toronto Environmental Alliance's (TEA) submission. We look forward to the second round of consultation in Feb/March 2021.

City of Toronto Water Fees, Charges & Programs Consultation

Round Two Consultation Report

June 2021

Prepared by:
Public Consultation Unit, City of Toronto



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Introduction

Toronto Water and Economic Development and Culture, as directed by City Council, are undertaking consultation with water users on water fees, charges, programs and other measures designed to support business retention, economic growth, investment and employment ("Consultation").

The purpose of the Consultation is to receive stakeholder feedback on options being explored by the City of Toronto (City) with respect to water fees, charges and current programs to further support the economic competitiveness of the City's industrial and commercial businesses and the objectives of the City's Resilience Strategy.

The Consultation process comprises two rounds of stakeholder consultation in Fall 2020 and Spring 2021.

The scope of consultation topics includes:

- **Current Toronto Water support programs** for industrial, commercial and institutional (ICI) customers
- **Current policies and practices under Municipal Code Chapter 681, Sewers**, with a view to identifying potential opportunities for administrative efficiencies
- **Water fees and charges** including:
 - The possible decoupling of industrial and commercial (I&C) customers' water rate from costs associated with stormwater management services
 - A potential dedicated stormwater management charge (SW Charge) for owners of commercial parking lots
- **Possible incentives for industrial and commercial businesses to undertake sustainable stormwater and flood management solutions**, including stormwater management charge credits and green infrastructure funding

Purpose of this Report

This report presents a summary of notification and consultation activities, and feedback on the consultation topics and options noted above from the second round (Round 2) of the Consultation which took place between April and May 2021. Detailed participant comments, and questions and responses from City staff, from the Round 2 consultation are presented by topic area in the Appendix to this report (Round 2 Consultation Report). A Round 1 Consultation Report was posted on the City's website in March 2021.

This Round 2 Consultation Report is intended solely for general information reporting purposes and is being made available as part of the consultation process to provide an overview of Round 2, and for consultation purposes only. The views expressed reflect the feedback received by the City and the related discussion among participants of consultation topics and options during Round 2 of the Consultation.

Round 2 Notification Activities

In an effort to notify water users and interested persons of the opportunities to become engaged and provide feedback in the consultation process, a number of activities were undertaken during Round 2 as follows:

- emails and/or letters to industrial, commercial, institutional water users and associations, commercial parking lot companies, not-for-profit environmental sector, City and external agencies, and the consulting sector

- creation of a consultation webpage on the City's website: [Water Fees, Charges & Programs Consultation \(toronto.ca/waterconsultation\)](https://toronto.ca/waterconsultation)
- a consultation email account - waterconsultation@toronto.ca

Round 2 Consultation Activities

This section outlines the consultation activities undertaken in the Round 2 consultation from May to June 2021.

These activities included two virtual sessions with water users and other interested persons at which City staff presented the options being considered, any modifications to options presented in the first round of consultation, suggested frameworks for options, the assessment of options, and participant feedback from the first round of consultation. An opportunity was provided for participant questions and comments.

The virtual consultation sessions were as follows:

- **Toronto Industry Network Virtual Session** on April 30, 2021. Ten (10) people participated in the session.
- **Multi-Stakeholder Virtual Session** on May 7, 2021. Sixty-three (63) people participated in the session representing industrial and commercial, institutional, environmental not-for-profit and consulting sectors.

A consultation meeting was also held with staff from the Toronto Parking Authority on May 3, 2021.

Summary of Round 2 Consultation Feedback

This section provides a high-level summary of participant feedback by topic area from the Round 2 consultation. Detailed comments, suggestions, questions and City staff responses, as well as submissions received are presented in the Appendix. Only options for which comments were received are presented below. All the options are presented at: <https://www.toronto.ca/wp-content/uploads/2021/05/8f7f-City-of-Toronto-Water-Fees-Charges-and-Programs-Consultation-Presentation-May-7-2021.pdf>

Toronto Water Support Programs for Industrial, Commercial and Institutional Customers

Industrial Water Rate (IWR) Program

- **Option: Remove the Water Conservation Plan Requirement**
 - The water conservation plan requirement may be contributing to low uptake for the IWR Program due to initial costs, particularly for smaller companies to develop a conservation plan and implement water efficiency projects

Sewer Surcharge Rebate (SSR) Program

- **Option: Offer a three year annual renewal option for SSR Program participating customers with process metering at their facilities**
 - Process metering may not help better measure water input vs. output, and accurate metering depends on properly operating meters, which can be a challenge
 - Flow meters are not applicable to some processes which have to be calculated, e.g. evaporation from a cooling tower, and metering outgoing flow to the sanitary sewer is in many cases quite challenging
 - Installing process metering is a very expensive undertaking and, in some cases, cannot be done because of accessibility issues
 - The 10 percent year-to-year differential proposed for variances in a facility's water input vs. wastewater output should be increased to 20% to realistically reflect normal variances in operating conditions of most facilities

Municipal Code Chapter 681 ("Sewers By-law")

- **Option: Development of a Toronto Sewers By-law Navigation Guide**
 - Support for the development of a Toronto Sewers By-law Navigation Guide
- **Option: Self-Monitoring and Reporting - allow companies to self-report effluent sampling, testing and analysis to the City**
 - The City should allow companies to self-report effluent samples for the Sewers By-law, using accredited laboratories, while the City would retain an auditing function
 - Self-reporting and monitoring is permitted in other municipal jurisdictions and federal and provincial programs
 - The City should consider a self-reporting pilot project with one or two large industrial facilities
- **Other Comments and Suggestions**
 - Sewers By-law Review to start in Fall 2021 should include new and emerging substances of concern such as PFAs (Perfluoroalkyl or polyfluoroalkyl substances)

Water Fees and Charges

- **Option: Establish an Administrative Water Charge**
 - The City should implement a water administration fee based on the principle of fairness since currently, large water users subsidize smaller ones simply because they use more water which has no bearing on administration costs
- **Option: Decouple Stormwater Costs for Industrial and Commercial (I&C) Customers from the Water Rate Through the Establishment of a Stormwater Charge for Industrial and Commercial Properties**
 - The City should implement a stormwater charge for industrial and commercial customers to support the City's Resilience Strategy objectives and create real change in the way stormwater is managed, and based on the principle of fairness
 - Stormwater charge should start with industrial and commercial customers and be expanded to all property types
 - Concerns about cost impacts of an I&C stormwater charge for properties with large impervious areas
 - There should be exemptions to the I&C stormwater charge for properties that can demonstrate they do not discharge stormwater to the City's sewer systems (i.e., capture and re-use stormwater in facility processes)
- **Option: Establish a Stormwater Charge for Commercial Parking Lots**
 - The application of a stormwater charge for commercial parking lots needs to consider how parking lots are designated and licensed as "commercial parking lots"
 - This option would have a significant cost impact to private parking lot owners and operators and magnify losses due to Covid-19 pandemic; commercial parking lot companies to do not anticipate parking volumes to return in the foreseeable future
 - Administratively burdensome to implement compared to revenues that would be generated
 - There are other opportunities to build resiliency on parking lot properties, and companies are taking measures to "green" their properties
 - Most commercial surface parking lots in the Greater Toronto Area will going through development soon; for these parking lots, investing in stormwater management infrastructure doesn't make financial sense for the owner and operator
 - Toronto Parking Authority (TPA) concerns about the significant impacts a stormwater charge may have on the precarious balance of providing affordable short-term parking while achieving financial viability for the City agency, as well TPA funding for its programs (e.g. Green P+ Program, State of Good Repair Program) that implement green initiatives at existing facilities to conform to the City's Parking Lot 'Greening' Guidelines

Stormwater Management Incentives for Industrial and Commercial (I&C) Customers

- **Option: Establish an I&C Stormwater Charge Credits Program (with an I&C SW Charge Option)**
 - I&C Stormwater Charge Credits should also be offered to properties smaller than 1 hectare in size
- **Option: Establish an Industrial and Commercial (I&C) Stormwater Grant Program**
 - Consider providing both grants and SW Charge credits to I&C properties
 - Stormwater grants should be aimed at promoting green infrastructure/low-impact development (GI/LID) solutions

- **Other Comments and Suggestions**

- Important to remember that green infrastructure brings multiple benefits in addition to stormwater management, including urban heat mitigation, improvements to air quality (as well as water quality), physical and mental health benefits, increased biodiversity, etc. These additional benefits should be factored into consideration of these options.

Appendix: Round 2 Consultation Comments, Questions and Suggestions

This Appendix presents a compilation of comments, suggestions and questions received by the City in the Round 2 consultation, as well as responses from City staff to questions. Only options for which participants provided comments, suggestions or questions are presented.

Toronto Water Support Programs for Industrial, Commercial and Institutional Customers

Round 2 Comments and Questions	Round 2 City Staff Responses
Industrial Water Rate (IWR) Program	
<i>Option: Removing the Water Conservation Plan</i>	
<p>Given that water is a renewable resource, the Toronto Industry Network (TIN) questions the need for a conservation plan. Perhaps one of the reasons that there has been such a low uptake for the Block 2 program is the initial cost involved of doing a conservation plan and water balance study and implementing them which can be punitive to smaller companies.</p> <p>We also question the estimated \$346,018 annual cost savings highlighted. Although the conservation plan can certainly provide some significant initial savings, further conservation is often difficult to make these savings continue year after year.</p> <p>The payback period of 1.8 years although an attractive proposition, may not be sufficient for some TIN members on Block 2 who may require a one-year payback period.</p>	<p>Comment noted</p>

Round 2 Comments and Questions	Round 2 City Staff Responses
Sewer Surcharge Rebate (SSR) Program	
<i>Option: Offer a three year annual renewal option for customers with process metering at their facilities participating in the SSR Program</i>	
<p>The technical feasibility of process metering is very challenging for industry.</p> <p>Are technical feasibility and process constraints for the addition of process metering reflected in the assessment for this option?</p>	<p>It is reflected in that the three year renewal period would be optional for SSR Program participants. If companies don't have process metering at their facilities, they would remain on the annual renewal cycle.</p>
<p>Concerns with this option from Toronto Industry Network:</p> <ul style="list-style-type: none"> • If process metering would help better measure water input vs. output, meters would have been installed in our plants a long time ago. • Accurate metering depends on properly operating metering devices which can be a challenge. • There is no flow meter for evaporation – for a cooling tower, for example. Evaporation has to be a calculated number. • The metering of the outgoing flow to the sanitary sewer is in many cases quite challenging because: the sewer is usually below ground; it may not be running full of liquid; and, the characteristics of the liquid may have impacts on certain meter types • Installing process metering is a very expensive undertaking and, in some cases, cannot be done because of accessibility issues. It is not reasonable to reject mass balance studies and require flow meters to obtain a three-year renewal window for the program. • The 10 percent year-to-year differential proposed for variances in a facility's water input vs. wastewater output should be increased to 20% to realistically reflect normal variances in operating conditions of most facilities – for example most industries has seen variance of more than 10% from March 2020 to May 2021. 	<p>Comments noted</p>

Round 2 Comments and Questions	Round 2 City Staff Responses
<p>What is the intention of the adding the process metering? Is it to measure effluent leaving the building? Would the rebate be based on the engineering study done every 3 years or using the process meter data?</p>	<p>The intent is that process meters would be installed at the facility in sub-sequence, where all volumes would be captured and counted towards the rebate. The years (Years 1 and 2) in which a company would not be applying for the rebate renewal, the City would identify the variance in discharges using the process meter data.</p> <p>The City would review the renewal application on the 3rd year. The rebate value would be based on the renewal application in the 3rd year using the process meter data. If processes cannot be captured by process meters, the City is open to use the engineering studies for those portions that cannot be captured with a process meter.</p>
<p>Will SSR Program participants be required to be in compliance with the Sewers By-law?</p>	<p>All current eligibility criteria will have to be maintained. Sewers By-law compliance is not currently a requirement for the SSR Program.</p>
<p>Other Comments, Suggestions and Questions</p>	
<p>The CBB Program uptake rates and projected uptake rates seem low. Is there a plan for the City to reach out to more customers to increase the uptake rates?</p>	<p>Toronto Water participates in outreach to customers with ED&C to promote the CBB Program.</p> <p>Note that the uptake rate of 0.04% is based on the number of active businesses in the City with employees and may include a number of businesses that would not benefit from this program. It's targeted at attracting smaller businesses with simple operations and equipment such as restaurants.</p> <p>All of the options proposed are aimed at increasing program uptake</p>
<p>Now more than ever, businesses are looking to their expense line items and there's a focus on power and natural gas. Water is one thing that restaurants and hotels want to look at for savings. Is there information that you could send like a one pager that showcases options as the uptake numbers appear to be low.</p>	<p>There are one page fact sheets on all of the City's ICI support programs. We have contacts from Restaurants Canada that we can provide to you.</p>
<p>Where might I find information on what's considered "commercial"? Is a rental residential building commercial?</p>	<p>The terms refer to the tax class of a property.</p>

Municipal Code Chapter 681 ("Sewers By-law")

Round 2 Comments and Questions	Round 2 City Staff Responses
<i>Option: Develop a Toronto Sewers By-law Navigation Guide</i>	
The Toronto Industry Network supports the development of a Navigation Guide to the Sewer By-law.	Comment noted
Will the Sewers By-law Navigation Guide be made available in multiple languages and formats to increase access? Will Toronto Water coordinate with Toronto Public Health's ChemTRAC Program so that the navigation guide provides industry specific information on safe chemical substitutions that could be explored to maintain compliance and reduce environmental, health and safety risks?	The City develops materials in multiple languages when needed. We will consider this for the Sewers By-law Navigation Guide. Toronto Water will work with Toronto Public Health for the review.
<i>Option: Industrial Waste Surcharge Agreements - Increase number of exceedances (e.g., to 4 or 5) of the parameter limits (less than 20%) per Term of the Agreement</i>	
The number of exceedances does not reflect the effluent treatment.	An alternative option to this one for the City to reassess IWSA Schedule 1 limits is now being considered.
<i>Option: Establish a Self-Reporting and Monitoring Option in the Sewers By-law</i>	
If labs that the private sector use for effluent sampling analysis are accredited labs, would that not overcome the question of data reliability?	Data reliability is one concern. The key concern is the integration of sampling data from 3rd party labs in the City's database. Other municipalities that allow for this option, has commented that timing is an issue with facilities sometimes not having sampling data available.
Many other regulatory sectors rely on independent labs. Industries should be able to use independent labs. Perhaps the way forward with this option would be a pilot of the program? Maybe the way forward would be to pilot this option with one or two companies?	The City cannot use independent sources, in order to keep the data valid for Sewers By-law enforcement. The pilot project suggestion has been noted.
Toronto Water currently takes grab samples. Are you recommending 24 hour composite samples if so, why?	The City uses composite sampling for the surcharge program. The other parameters in the Bylaw use grab samples.
Many Toronto Industry Network (TIN) members are supportive of self-monitoring and reporting. This is already permitted in other jurisdictions (e.g. Durham Region allows it for surcharge invoicing and it is written in the schedule, how frequently the sampling needs to be taken by the facility). Other Examples of	Comment noted

Round 2 Comments and Questions	Round 2 City Staff Responses
<p>governments accepting testing by and reporting from third party accredited laboratories are the federal NPRI and Provincial Environmental Compliance Approvals</p> <p>Self-reporting should really be considered for Toronto as well. Basing surcharge on 3 measurements in a quarter may not capture the true essence of what is happening at a facility. The City should allow the company to provide a true understanding of what the facility is discharging. There are different ways to incorporate self reporting. Toronto should be open to this option.</p>	
<p>Could this option be integrated with monthly reporting for permits with MECP? Could we use the data we already have for self monitoring for other programs for surcharge sampling?</p>	<p>The City takes various samples for various monitoring purposes. This comment has been noted for future consideration.</p>
<p>It is becoming a common practice that customers should be responsible for monitoring. The data can come from accredited labs. If the Sewers By-law has to be changed, the Bylaw changes should be made.</p>	<p>Comment noted</p>
<p>Is there a potential to involve facilities in coordinating sampling with City staff if self-reporting is not possible (i.e. case where discharge is intermittent and unannounced sampling by City staff may not be practical)?</p>	<p>Toronto Water EM&P does not typically schedule an appointment for sampling. The company is welcome to take a sample at the same time as when EM&P staff are taking a sample.</p>
<p><i>Other Comments, Suggestions and Questions</i></p>	
<p>Will the Sewers By-law review planned for this fall, likely to review the scheduled chemical substances and include new and emerging substances of concern such as PFAs (Perfluoroalkyl or polyfluoroalkyl substances)?</p>	<p>The Sewers By-law review will be comprehensive and is intended to include emerging chemical substances.</p>

Water Fees and Charges

Round 2 Comments and Questions	Round 2 City Staff Responses
<p><i>Option: Establish an Administrative Water Charge</i></p>	
<p>Toronto Water should implement a water administration fee based on the principle of fairness since currently, large water users subsidize smaller ones simply because they use more water which has no bearing on account administration costs.</p>	<p>The principle of fairness is captured in participant comments and in staff's assessment of this option with respect to aligning with the user pay principle. This will be reflected in the report back to Council.</p>

Round 2 Comments and Questions	Round 2 City Staff Responses
Fairness should be considered in the assessment of this option.	
Could the suggested administrative water charge tier rates be adjusted to mitigate increases to customers with small water consumption profiles?	The tiered rate structure mitigates the shift in costs to some degree compared to another option we looked at which is to apply a flat rate charge equally to all water accounts.
<p>How is the exponentially higher Tier 3 cost compared to Tier 1 for the administrative water charge option justified?</p> <p>The cost should be based on maintaining water meters to ensure accuracy and managing the data generated to produce an invoice.</p>	The tiered rates reflect costs associated with administration costs, e.g. water billing costs and meter servicing. We also looked at different municipalities with a similar charge and how they apply the values in each tier based on water meter size.
<i>Option: Decouple Stormwater Costs for Industrial and Commercial Customers from the Water Rate Through the Establishment of a Stormwater Charge for Industrial and Commercial Properties</i>	
Given Toronto's Resiliency policies and changing climatic conditions, Toronto Industry Network urges Toronto Water to implement a stormwater charge that will help create real change to the way stormwater is managed by both all the users and the city staff. It is a good idea to limit the charge initially to the Industrial and Commercial sectors with the goal of expanding the program to all sectors.	Comments noted
Toronto Water should implement a stormwater charge based on the principle of fairness since currently, large water users subsidize smaller ones simply because they use more water which has no bearing on the amount of stormwater run-off.	Comments noted
What would be the timeline for residential properties being included in the stormwater charge? The concern is that industrial and commercial properties would be left funding the increasing costs for storm water management.	The stormwater charge option is for industrial and commercial properties only based on the direction from City Council to report back on possible decoupling of stormwater costs for these properties from the water rate. Other property classes would pay for stormwater services through the water rate based on their water consumption.
The stormwater charge for industrial and commercial properties supports the principle of fairness reflecting that some users are paying for services that others are using. Fairness should be emphasized in the assessment of this option. There would also be environmental benefits.	The principle of fairness is captured in participant comments and in staff's assessment of this option with respect to aligning with the user pay principle. This will be reflected in the report back to Council. Participant comments about environmental benefits arising from the stormwater charge credits option will also be reflected.
Appreciate that implementing a stormwater charge for industrial and commercial properties only would pose challenges. However, it could be a starting point to roll out	A stormwater charge for industrial and commercial properties poses challenges that a stormwater charge for all properties would not pose. The

Round 2 Comments and Questions	Round 2 City Staff Responses
<p>the stormwater charge to all property classes. In short, start with something that is simpler.</p>	<p>implementation of this option would be more complex than the stormwater charge for all property classes considered in 2017.</p>
<p>Humber College is happy to support the City's Resilience Strategy objectives to provide a more resilient sewer infrastructure.</p> <p>I am writing to express some concerns with the I&C Stormwater Charge and Credits option. With the proposed rates, Humber College would be expecting an 80% increase in water utility costs. Without a more detailed outline of the I&C SW Credits and its potential to reduce stormwater costs, it is difficult to predict the overall budget required.</p>	<p>Comments noted. The stormwater charge option would apply only to properties in the commercial and industrial tax class.</p>
<p>For sites that currently have managed stormwater with zero discharge, how would they be treated?. Would it be a credit system with the site getting 100% rebate, or could a site apply for an exemption if they can demonstrate zero discharge?</p>	<p>Comments with respect to properties seeking exemptions to the I&C SW charge will be considered. However, while a property may not directly discharge stormwater to the City's storm sewer system, the property may still contribute stormwater runoff from impervious areas to the City's sewer systems.</p> <p>The I&C stormwater charge option as presented in the consultation, would apply to all properties in the commercial and industrial tax class. The SW Charge would be based on the property's impervious area size, which is representative of stormwater runoff contributions.</p> <p>The I&C SW Charge Credits option proposed a maximum 50 per cent reduction on the I&C SW Charge based on meeting stormwater management requirements on the property, which would be determined during implementation, if this option were to be implemented.</p>
<p><i>Option: Establish a Stormwater Charge for Commercial Parking Lots</i></p>	
<p>The application of this option should be approached very carefully.</p> <p>The City of Toronto changed its legal definition of a Commercial Parking Lot in TMCC 545 in 2015 when it replaced the Public Garage License with the Commercial Parking Lot license ("CPL"). Along with those changes there were exemptions put into place that exempted now described Commercial Parking</p>	<p>The option contemplates that the stormwater charge would apply to properties in the commercial tax class without a City water account and that contribute stormwater to the City's sewer system through direct discharges or stormwater runoff, i.e. surface parking lots and parking garages with a roof. Underground parking lots would not be included.</p>

Round 2 Comments and Questions	Round 2 City Staff Responses
<p>Lots from the requirement to obtain a license. Since the Local Planning Appeal Tribunal struck down the zoning prohibitions under 569-2013 on pay parking in R and R1 zoned Residential Parking Lots this cleared the way for those lots to obtain CPL's in compliance with TMC 545 with the necessary clearance in the form of the Preliminary Planning Review related to zoning issues.</p> <p>Because of the various exemptions in obtaining a CPL such as Green P, Hospitals and by definition any property that levies a charge by the week instead of the hour the possession or requirement to obtain a CPL is now widely varied and is required in non commercial zoned settings. These R and R1 license holders or operations are already within an MPAC category outside the commercial and industrial zoned properties.</p> <p>For example, you may be required to have a CPL at a 6 parking spot location next to a 600 space hospital car park that is exempt for the CPL requirement. Simply having a CPL is not a description of the use of the property anymore. A pre-existing apartment building which in 2019 obtained a CPL for 10 parking spots that have been used and existed as parking spots for the last 50 years the building was present would now be subject to a fee that they would otherwise be subject to even though no change to the property zoning or use has taken place. This is because for the last 20 years its pay parking was considered and pre-existing non-conforming use of the harmonized zoning by law that was captured by the change in definition in 2015. Essentially you would have a situation where the City was assigning these fees to some and not to others by way of exemption for the same use.</p> <p>Consequently if you were to make such a fee or charge against a surface parking lot in the downtown area which operated as a stand-alone business and not as ancillary to the use of the property that property could change its method of charging. Simply by making the parking lot pay for 7 days at a time instead of daily the lot would no</p>	<p>The comments provided will be considered further in determining properties to which the stormwater charge option would apply.</p>

Round 2 Comments and Questions	Round 2 City Staff Responses
longer be required to obtain a CPL and therefore not be subject to the water charge.	
Traffic volumes have been drastically reduced since the onset of the pandemic in March 2020, and parking and parking-related revenues have correspondingly fallen. With many continuing to work remotely for 2021, and with uncertainties surrounding when restrictions may be eased, we do not anticipate traffic volumes to return for the foreseeable future	Comments noted
This option would seemingly be administratively burdensome to implement compared to the revenues that would be generated. Impark is concerned about how a potential charge would impact our ability to best serve our communities and ultimately, our customers across the City of Toronto	Comments noted
There are other opportunities to build resiliency in a more proactive manner. Impark's client-facing management – around 15 people – are certified by the Green parking Council, and we are “deputized” to act on the Council’s behalf certifying Green Parking Garages.	Comments noted
Most commercial surface parking lots in the Greater Toronto Area will going through development soon. Why would we be motivated to spend money on greening the parking lot when it will soon be developed?	Comments noted
<p>Toronto Parking Authority (TPA) is concerned about the potential application of a new stormwater charge and the significant impacts it may have on the precarious balance of providing affordable short-term parking while achieving financial viability.</p> <p>The impacts of the Covid-19 pandemic on TPA have been significant and a recovery period extending over multiple years is forecasted. In 2020, TPA sat at approx. 30% of its revenues and our annual dividend to the City fell from \$65 in 2019 to \$12 M in 2020. In 2021, TPA is forecasting a break even operation with no dividend provided to the City</p> <p>New charges will also serve to magnify TPA's financial difficulties in the coming years as TPA rebounds from the impacts of the Covid 19 pandemic. adding in new fees will have a significant</p>	Comments noted

Round 2 Comments and Questions	Round 2 City Staff Responses
<p>impact on TPA operations going forward as we recover from the impacts of Covid.</p> <p>New SW fees will push a number of TPA's parking facilities into loss making operations. as a self-sustaining agency, TPA cannot operate at a loss.</p>	
<p>A preliminary financial review has found that the proposed stormwater fee would represent approximately 3% of TPA's annual revenue and an estimated cost of approximately \$3 to \$5 million.</p> <p>This would impact TPA's ability to fund programs to name a few such as SOGR, including TPA's Green P+ Program, which funds the implementation of greening initiatives at existing facilities.</p> <p>TPA's ability to raise parking rates to offset stormwater charge impacts to revenue would ultimately need to be acknowledged by the TPA's Board and affected Ward Councillor.</p> <p>TPA's rate setting strategy has been developed to encourage short-term parking that supports local business while discouraging commuter travel behaviour. Rate adjustments to offset additional administrative costs may no longer allow TPA to offer competitive rates that support its rate setting strategy or mandate.</p> <p>In addition, these charges will be passed on to the other commercial parking and commuter lots that TPA operates on behalf of other City Divisions, Agencies and Corporations, including Parks, Forestry & Recreation, Corporate Real Estate Management, CreateTO, Toronto Transit Commission, TDSB and Toronto Public Library.</p>	<p>Comments noted</p>
<p>Under TPA's Net Revenue Sharing Agreement with the City of Toronto, 85 % of the net income generated by TPA is provided to the City to fund other programs, services and projects. Any new charges imposed on TPA will result in funds flowing directly to Toronto Water and a corresponding reduction to the annual dividend provided to the City.</p>	<p>Comments noted</p>

Round 2 Comments and Questions	Round 2 City Staff Responses
<p>As part of TPA's 2015 Capital Budget, brought forward a multi-year plan and commitment to retrofit and apply the City's Design Guidelines for 'Greening' Surface Parking Lots. 'Greening' a surface parking lot can include planting trees, providing good quality soil and generous landscaped areas, enhancing pedestrian and cycling infrastructure, managing stormwater on-site, reducing the urban heat island effect, and using sustainable materials and technologies.</p> <p>On an annual basis, TPA undertakes its' Surface Car Park Repaving Program (SCPRP) which identifies surface car parks where pavement surfaces have reached the end of their lifecycle and need to be replaced.</p> <p>As part of the SCPRP, TPA's Green P+ program is used to fund permeable pavers, landscaped areas and new energy efficient lighting.</p> <p>The SCPRP is the most cost and time effective means to retrofit and apply the Greening Surface Parking Lots design guidelines, as the Program already functions to identify the surface parking lots in need of improvement. A major retrofit to an existing car park generally occurs on an approximate 20-year life cycle.</p> <p>TPA is working to ensure that the inventory of TPA car parks are retrofitted to conform to the Greening Guidelines within a 20-year period. All new TPA parking facilities are designed to address the on-site attenuation and treatment of stormwater runoff and meet the requirements of the City's Wet Weather Flow Management Guidelines and Ministry of the Environment, Conservation and Parks' Stormwater Management Guidelines.</p>	<p>Comments noted</p>
<p>TPA operations are increasingly a temporary use of City lands to be repurposed for affordable housing, parks, etc... The parking offers the opportunity to generate some revenue for the City in the interim. Within this context, installing a SWM system doesn't make financial sense for either TPA or the City.</p>	<p>Comments noted</p>

Round 2 Comments and Questions	Round 2 City Staff Responses
Would the stormwater charge apply to stormwater runoff generated by other hard surface areas (e.g. City streets)?	The stormwater charge would apply to properties and not City streets and roads, which are designed to handle stormwater runoff and are part of the stormwater conveyance system. Parking spots in the City's Right-of-Way would not be included in the stormwater charge.
What would be the implementation timeline if this option was approved?	The estimated timeframe to implement a SW Charge is 18 months to two years.

Stormwater Management Incentives for Industrial and Commercial (I&C) Customers

Round 2 Comments and Questions	Round 2 City Staff Responses
<i>Option: Establish an I&C Stormwater Charge Credits Program (with an I&C SW Charge Option)</i>	
Highly recommend offering credits to smaller size properties in addition to those 1 hectare or greater in size.	<p>The City received similar comments when a stormwater charge and credits was considered in 2017.</p> <p>In the suggested framework for the I&C SW Charge option, stormwater credits would apply only to properties 1 hectare or greater in size. This is based on the work done for the SW Charge proposal in 2017 which identified 1 ha or greater properties (less than 5,000 properties) account for 42% of hard surface area in the City. Providing credits to these larger properties is would achieve more significant reductions in stormwater runoff. It is also more administratively practical to implement than providing credits to properties of all sizes.</p>
<p>As a parking lot owner, how could a parking lot property apply for the SW Charge credit option?</p> <p>There is little benefit to parking lot property owners to implement GI/LID solutions because many of the surface parking lots in the Greater Toronto Area will be developed soon. Why spend the money to apply for a SW Charge credit when the property will be developed?</p>	<p>The property could implement green infrastructure/low impact development (GI/LID) solutions to reduce stormwater runoff and improve stormwater quality such as permeable pavement, bioswales, green area on different parts of your property,</p> <p>Comment noted. There is data showing that surface parking has decreased in the City's downtown by 40% from 1978 to 2019.</p>
<i>Option: Establish an Industrial and Commercial (I&C) Stormwater Grant Program</i>	

Round 2 Comments and Questions	Round 2 City Staff Responses
<p>Could a property apply for both a SW Charge Credit and Stormwater Grant?</p>	<p>In the City of Philadelphia, eligible properties can apply for a stormwater grant and the stormwater management projects implemented can be used to apply for the a SW Charge credit. This is something that could be considered.</p>
<p>Has the grant option considered criteria or added incentives to promote the adoption of local green solutions and services (which would contribute to local economic development and job creation)? And why are grants being considered for retroactive existing property retrofits when there will likely be enough of a need to support proactive measures?</p>	<p>The option has not considered promoting local green solutions and services.</p> <p>Clarification that that "existing" refers to properties not undergoing development or redevelopment. The intention of the grant option is to incentivize the implementation of green infrastructure/low impact development (GI/LID) solutions to improve stormwater management on industrial and commercial properties proactively.</p>
<p>Are there options for low interest loans for stormwater management?</p>	<p>This option was suggested in the first round of consultation. The suggestion has been noted but staff have not explored this option for this consultation</p>
<p><i>Other Comments, Suggestions and Questions</i></p>	
<p>There is a focus here on the economic case for/against the stormwater credits/incentives/grants. That makes sense given how this consultation is framed, but I think it's important to remember that green infrastructure brings multiple benefits in addition to stormwater management, including urban heat mitigation, improvements to air quality (as well as water quality), physical and mental health benefits, increased biodiversity, etc. These additional benefits should be factored into this discussion.</p>	<p>Comments noted</p>
<p>What is considered green infrastructure?</p>	<p>Green infrastructure or low impact development (GI/LID) solutions can be in various forms (e.g. permeable pavement, bioswales, green roofs, etc.). It is infrastructure that absorbs stormwater and infiltrates it into ground to reduce stormwater runoff entering the City's sewer system.</p>
<p>How much is Toronto Water investing in green infrastructure solutions in its 10 year Capital Plan?</p>	<p>The Toronto Water 10 year plan 2021-2030 approved budget is approximately \$5.5 M for the GI/LID for the City's Green Streets initiative. Transportation Services Division's Green Streets Program has planned an estimated \$6.4 million for green infrastructure projects for the years 2021 to 2024. Parks Forestry and Recreation Division also contributes funding for GI/LID projects.</p>



Toronto Industry Network C/O Paul Scrivener and Associates
Phone & Fax: (416) 444-8060
Email: paul@scrivener-associates.com

Toronto Industry Network

May 14, 2021

EMAILED

Mr. Lou Di Gironimo
General Manager,
Toronto Water,
24E – 100 Queen street West,
Toronto, Ontario,
M5H 2N2.

Dear Mr. Gironimo:

Re: Comments on the Toronto Water Consultations

On behalf of the Toronto Industry Network's Water Group, I am pleased to offer the following comments stemming from the consultations we participated in on April 30 and May 7, 2021:

General

We believe it is important to keep in mind the Goals and Objectives of the Council direction (2019.EX11.2) that Toronto Water report back to Council on "...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 Economic competitiveness** and the City's Resilience Strategy."

T N's proposals contained in its letter of December, 2020 generally addressed this Direction with some specific recommendations to increase efficiencies in both Toronto Water and the city's industries and to promote fairness for the Block 2 customers. However, Toronto Water's summaries in its slide deck need to go further to affect real change and innovation.

Block 2

Given that water is a renewable resource, we question the need for a conservation plan. Perhaps one of the reasons that there has been such a low uptake for the Block 2 program is the initial cost involved of doing a conservation plan and water balance study and

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implementing them which can be punitive to smaller companies. It is a given that companies want to lower input costs and are unlikely to waste commodities like water and electricity and a conservation plan does not add enough value. We also question the estimated \$346,018 annual cost savings highlighted. Although the conservation plan can certainly provide some significant initial savings, further conservation is often difficult to make these savings continue year after year.

The payback period of 1.8 years used in Slide 16 although an attractive proposition, may not be sufficient for some T N members on Block 2 who may require a one-year payback period.

Sewer Surcharge Rebate Program (SSRP)

It is apparent that the option as proposed by T N as a real cost-savings measure to SSRP participants and Toronto Water of submitting the SSRP report every three years is becoming less achievable as long as Toronto Water is not willing to accept reports based on both existing flow measurements and mass balance calculations certified by Professional Engineers as has been the accepted practice for annual submissions.

We would like the opportunity to further discuss SSRP details with the goal of coming to a working solution that would benefit both program participants and the City.

Some of the concerns we have identified are:

- If process metering would help better measure water input vs. output, meters would have been installed in our plants a long time ago.
- Accurate metering depends on properly operating metering devices which can be a challenge.
- There is no flow meter for evaporation – for a cooling tower, for example. Evaporation has to be a calculated number.
- The metering of the outgoing flow to the sanitary sewer is in many cases quite challenging because: the sewer is usually below ground; it may not be running full of liquid; and, the characteristics of the liquid may have impacts on certain meter types.

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- Installing process metering is a very expensive undertaking and, in some cases, cannot be done because of accessibility issues. It is not reasonable to reject mass balance studies and require flow meters to obtain a three-year renewal window for the program.
- From slide 22, May 7th presentation,
 - “Annual discharge percentage reported in the preceding 2 annual program applications / renewal did not vary greater than 10% year to year”
 This 10% differential proposed for variances in a facility’s water input vs. wastewater output should be increased to 20% to realistically reflect normal variances in operating conditions of most facilities – for example most industries has seen variance of more than 10% from March 2020 to May 2021.

Sewer By-law

- T N supports the development of a Navigation Guide to the Sewer By-law and would help the City to enhance the guide by adding more sections to the draft content list provided on slide 28. T N also looks forward to participating fully in the comprehensive review of the By-law (Slide 25) to be conducted by Toronto Water later this year.

Industrial Wastewater Surcharge Agreement

- Self-reporting is a generally accepted form of submitting data to government, e.g. CRA – HST and corporate income tax returns as well as federal and provincial food testing requirements which are important public health initiatives. Examples of governments accepting testing by and reporting from third party accredited laboratories are the federal NPR and provincial Environmental Compliance Approvals – both legislative requirements that Toronto Water itself must self-report to.
- Toronto Water should accept testing data from accredited labs for companies that wish to participate and reserve the usual right to audit the results.

Water Fees, Charges and Credits

Toronto Water should recommend implementing both an administration fee and a stormwater charge are based on the principle of fairness since currently, large water users subsidize smaller ones simply because they use more water which has no bearing on account administration costs or the amount of stormwater run-off. Our specific comments include:

- We are puzzled by the large cost differential for maintaining a metered water account for smaller customers compared to larger ones (Slide 39). The cost should be based on maintaining water meters to ensure accuracy and managing the data generated to produce an invoice. Assuming these are annual charges, does it cost \$2,200 a year to produce invoices for a typical large water user, especially when many such customers self-report their meter readings or have electronic recorders from which the City can retrieve data automatically?
- Given Toronto's Resiliency policies and changing climatic conditions, we urge Toronto Water to implement a stormwater charge that will help create real change to the way stormwater is managed by both all the users and the city staff. It is a good idea to limit the charge initially to the Industrial and Commercial sectors with the goal of expanding the program to all sectors. This can be done. We are very interested in participating in helping to plan this initiative.

T N thanks you for your recent response to the letter sent to you last month detailing a number of concerns we have regarding the Sewer Surcharge program and other matters.

Copied is Cheryl Blackman, Acting General Manager of Economic Development and Culture.

Sincerely,

Fatima Correia

Fatima Correia,
Chair, Water Group

cc. Cheryl Blackman, A/GM – Economic Development & Culture Division



Toronto Parking
Authority

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stationnement de
Toronto

The Toronto Parking Authority exists to provide safe, attractive, self-sustaining, conveniently located and competitively priced off-street and on-street public parking as an integral component of Toronto's transportation system.

Date | June 7, 2021

To | Lou Di Gironimo | Cc | James Yacoumidis
General Manager
Toronto Water

Toronto Water Proposal to Apply a Stormwater Charge Against Commercial Parking Lots

Dear Lou,

Further to our May 3, 2020 meeting about Toronto Water's proposal to implement a stormwater charge against commercial parking lots, I am following up with a summary of the concerns raised by Toronto Parking Authority (TPA). Toronto Water's consideration of these issues as part of its policy development and report to City Council is appreciated.

1. TPA is committed to retrofitting its facilities to manage stormwater

TPA has publicly committed to investing in its state of good repair (SOGR) program for surface lots. Assessing new fees will **not** accelerate the implementation of new stormwater controls as the revenues generated through parking do not support an investment that precedes replacement of concrete base and asphalt before end of lifecycle. More importantly, the additional fees will reduce TPA's retained earnings (what TPA receives through its net revenue sharing agreement with the City and relies upon to fund its SOGR program), which may compromise TPA's ability to fund its SOGR program and investment in new stormwater management (SWM) controls.

2. New stormwater fees will result in financial impacts to the City

As discussed, the introduction of stormwater fees at TPA facilities is expected to cost TPA upwards of \$3 million / year. This is funding that will go directly to Toronto Water, instead of being included in TPA's revenue share with the City. The reduction in revenues generated by TPA will further limit its ability to invest its retained earnings into its SOGR program, including surface rehabilitation and investment in SWM quantity and quality controls.

3. Implementation of new stormwater fees during the pandemic and/or recovery period will result in significant impacts to TPA

As an agency of the City, TPA is required to be financially self-sustaining. The Covid-19 Pandemic has deeply impacted TPA, impacts that will be exacerbated by the application of new fees. Briefly:



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- 2020 revenue fell 42.6% and TPA's annual income share dividend to the City fell from \$65M in 2019 to zero in 2020;
- 2021 is forecasted to have operating losses with no income share dividend being paid to the City;
- to manage pandemic cash flow pressure, TPA staff were placed on emergency leave, and remain on emergency leave today;
- TPA has a self-sustaining mandate, and is not eligible for any future pandemic funding or funding through the City's Capital Budget process to offset operating losses;
- TPA must manage investment and operations strategically to mitigate the long-lasting impacts of the pandemic; full operating recovery is expected to be several years away and strategic cash management remains a critical focus; and
- The addition of any new fees or similar taxes will have a significant impact on operations, which may require TPA to close underperforming locations, significantly impacting the service levels provided.

4. **New programmatic policies being developed in isolation are placing TPA's ability to continue to sustain its operations at risk**

New stormwater fees will push a number of TPA's parking facilities into loss making operations. While TPA has carried a number of sub-par operations historically, the policy framework - through the implementation of the City-wide real estate model - is changing. Historically, TPA would acquire property and would apply a buy and hold strategy. Parking lots would be operated and revenues generated where possible. Returns on the investment would be maximized through the redevelopment of these properties where TPA would sell the air rights and receive sufficient funding to construct replacement underground parking, fund its SOGR program and provide the remainder of the proceeds back to the City to fund other programs.

Under the new City-Wide Real Estate Model, TPA no longer has an interest in lands. Lands are owned by the City and subject to repurpose based on other Council priorities. As a result, underperforming locations are at risk of closure. The addition of new fees worsens the outlook and may require TPA to surplus a number of its parking facilities.

Other supporting policies, including TPA's fair market value policy, which returns a portion of the proceeds when TPA lands are sold is being reviewed for consistency with the City-Wide Real Estate Model. Changes being contemplated represent a significant source of funding for TPA's SOGR program, placing TPA's ability to continue to maintain its assets at risk.

Other ongoing policy/project/program impacts include: repurposing of curbside space for ActiveTO, CafeTO and CurbTO, among others; use of discretionary enforcement of on-street paid parking during the Covid-19



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pandemic; and repurposing of TPA facilities for other programmatic needs (affordable housing, parks, etc...).

5. TPAs operations are increasingly temporary in nature

In some cases, TPA operations represent a temporary use of City lands to be repurposed for other programmatic needs (affordable housing, parks, etc...) once planning approvals are in place and/or joint venture development plans finalized. Operating parking on an interim basis allows the City to generate some revenue for the City during a period of time in which the site may otherwise be unused. Installing a SWM system within this context doesn't make financial sense for either TPA or the City as the cost for such a system cannot be recovered through parking revenues in the context of a temporary operation.

If you have any questions, please contact Howard Jung, Director Parking Infrastructure & Asset Management at howard.jung@toronto.ca.

Sincerely,

Jeffrey Dea
Vice President, Business Development
Toronto Parking Authority



May 19, 2021

Re: City of Toronto Water Fees, Charges & Programs Consultation

This letter is submitted on behalf of Imperial Parking Corporation (Impark) and its subsidiary companies, which represent one of the largest parking management companies in North America.

Impark has been providing optimal parking services to its many customers since 1962, operating approximately 4,600 parking facilities with 16,000 employees in more than 400 cities across the United States and Canada. In the City of Toronto alone, Impark operates 170 parking facilities and employs over 250 employees, as well as contracting for goods and services with a multitude of industry vendors from around the City. We are proud of our city and our contributions to its success.

Throughout 2020 and despite unprecedented challenges due to the COVID-19 pandemic, Impark continued to adapt and deliver services to our customers. Traffic volumes have been drastically reduced since the onset of the pandemic in March 2020, and parking and parking-related revenues have correspondingly fallen. With many continuing to work remotely for 2021, and with uncertainties surrounding when restrictions may be eased, we do not anticipate traffic volumes to return for the foreseeable future.

That is why, under the leadership of REEF Technologies, Impark has developed an industry-leading program of alternate uses on these under-utilized parking lots: from Neighbourhood Kitchens to last-mile fulfilment centres, to urban common spaces, we are seeking to leverage the real estate under our management into valuable centres of proximity which adds value to communities rather than sitting dormant. We firmly believe that parking lots are multi-purpose and can transform to benefit the community at-large in a thoughtful way. Parking facilities should not be seen as archaic impervious surface, but rather as a sustainable and changing community asset, which is a critical component of building resiliency within our city.

We understand that the ongoing consultation on Water Fees, Charges and Programs looks to fulfill Council direction and present options being explored by the City of Toronto to support economic competitiveness of industrial and commercial businesses and the City's Resilience Strategy objectives. One of the potential options under consideration is a Stormwater Charge for commercial parking lots that would apply to approximately 300 parking lots, which represents an estimated 0.62% of total impervious area across the city and would seemingly be administratively burdensome to implement compared to the revenues that would be generated (estimated \$2.012 million in 2021). We are concerned about how a potential charge would impact our ability to best serve our communities and ultimately, our customers across the City of Toronto.

Looking ahead, there are other opportunities to build resiliency in a more proactive manner. All of our client-facing management – around 15 people – are certified by the Green parking Council, and we are “deputized” to act on the Council's behalf certifying Green Parking Garages. Further, REEF is ‘leading the charge’ on the installation of electric vehicle charging stations for our customers, and to date have installed 14 EV charging stations across our facilities in Toronto. We continue to look forward to other creative ways in which we can best serve our communities and the city. Please do not hesitate to reach out should you wish to discuss any of the above in greater detail.

Sincerely,

Matthew Williams

Executive Vice President - Eastern Canada

1500-120 Adelaide St. West, Toronto, ON M5H 1T1 CANADA

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ATTACHMENT 4: I&C STORMWATER CHARGE OPTION - PROPERTY IMPACT EXAMPLES

This attachment presents estimated cost impacts of an I&C Stormwater Charge option (2021 costs) to industrial and commercial properties with different water consumption profiles and impervious area on their properties, as shown in the four examples below.

I&C properties have a large range of consumption and impervious area and the individual property cost impacts would vary substantially depending on these two parameters for each property.

Example 1: Small Commercial Property

A commercial property (small bank branch) with water consumption of 150 m³ in 2020 and an impervious area of 554 m².

Table 1 Small Commercial Property

	Consumption cost	I&C SW Charge	Total
Current 2021 cost	\$ 620	n/a	\$ 620
2021 cost with an I&C SW Charge (at \$1.55 per m ²)	\$ 465	\$ 859	\$1,324
Cost Impact and Percentage Change			\$ 704 (+113%)

Example 2: Medium Commercial Property

A commercial property (small commercial plaza with a convenience store, restaurants and a bank branch) with water consumption of 4,387.61 m³ in 2020 and an impervious area of 8197.66 m².

Table 2 Medium Commercial Property

	Consumption cost	I&C SW Charge	Total
Current 2021 cost	\$ 18,141	n/a	\$ 18,141
2021 cost with an I&C SW Charge (at \$1.55 per m ²)	\$ 13,592	\$12,706	\$26,298
Cost Impact and Percentage Change			\$ 8,157 (+45%)

Example 3: Large Commercial Property

A large commercial property (shopping centre) with water consumption of 147,211 m³ in 2020 and an impervious area (98%) of 22.85 ha.

Table 3 Large Commercial Property

	Consumption cost	I&C SW Charge	Total
Current 2021 cost	\$ 608,569	n/a	\$ 608,569
2021 cost with an I&C SW Charge (at \$1.55 per m ²)	\$ 456,031	\$354,175	\$ 810,206
Cost Impact and Percentage Change			\$ 201,548 (+33%)

Example 4: Large Industrial Property

A large commercial property (food processing company) on the Block 2 Rate with water consumption of 1,315,072 m³ in 2020 and an impervious area (94%) of 7.18 ha.

Table 4 Large Industrial Property

	Consumption cost	I&C SW Charge	Total
Current 2021 cost	\$ 3,811,890	n/a	\$ 3,811,890
2021 cost with an I&C SW Charge (at \$1.55 per m ²)	\$ 2,856,021	\$111,315	\$ 2,967,336
Cost Impact and Percentage Change			- \$ 844,555 (-22%)