BU16.1  ACTION   Adopted
2012 Water and Wastewater Rates and Service Fees

Committee Decision
The Budget Committee recommends to the Executive Committee that:

1. City Council consider the report (November 9, 2011) from the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water, respecting the 2012 Water and Wastewater Rates and Service Fees concurrently with the 2012-2021 Capital Plan and the 2012 Operating Budget, and that:

   a. Effective January 1, 2012, the combined water and wastewater rates charged to metered consumers shall be as shown below and in Appendix B attached to the report (November 9, 2011) from the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water;

<table>
<thead>
<tr>
<th>Annual Consumption</th>
<th>Paid on or before the due date, $/m3</th>
<th>Paid after the due date, $/m3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Block 1 - All consumers, including Industrial consumption of first 6,000 m³</td>
<td>$2.4897</td>
<td>$2.6209</td>
</tr>
<tr>
<td>Block 2 - Industrial tax class, volumes consumed over 6,000 m³, representing 30 percent reduction from the Block 1 Rate</td>
<td>$1.7428</td>
<td>$1.8345</td>
</tr>
</tbody>
</table>

   b. The water and wastewater rates charged to flat rate consumers be increased by 9 percent, effective January 1, 2012, to the rates shown in Appendix B attached to the report (November 9, 2011) from the Deputy City Manager and Chief
Financial Officer, and the General Manager, Toronto Water;

c. Effective January 1, 2012, the water and wastewater service fees shall be as shown in Appendix C attached to the report (November 9, 2011) from the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water;

d. Effective January 1, 2012, an inspection fee be charged for the reuse of residential City sewer connection up to 150 mm with the fee to be set at $500.00 per service to be reused, as set out in Appendix C - Schedule 3, Wastewater Services, Ref. No. 15, attached to the report (November 9, 2011) from the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water;

e. Effective January 1, 2012, a fee be charged for Technical Review by Toronto Water staff – Application to Toronto Water for exemption to permit the construction of a driveway sloped downwards towards a residential building with the fee to be set at $1,500.00 per application, as set out in Appendix C - Schedule 3, Wastewater Services, Ref. No. 16, attached to the report (November 9, 2011) from the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water;

f. Effective January 1, 2012, a fee be charged for Technical Review by Toronto Water staff – Application to Toronto Water for new connection or relocation of storm, sanitary or water supply connection with the fee to be set at $300 minimum fee; additional $74/hour for each hour after 4 hours to a maximum fee of $1,500 per application, as set out in Appendix C - Schedule 3, Wastewater Services, Ref. No. 17, attached to the report (November 9, 2011) from the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water;

g. Effective January 1, 2012, a fee be charged for Technical Review by Toronto Water staff - Application to Toronto Water for request to encroach within a City permanent or temporary easement (related to City water and sewer infrastructure) with the fee to be set at $300 minimum fee; additional $74/hour for each hour after 4 hours to a maximum fee of $1,500 per application, as set out in Appendix C - Schedule 3, Wastewater Services, Ref. No. 18; attached to the report (November 9, 2011) from the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water;

h. Effective January 1, 2012, a fee be charged for Technical Review by Toronto Water staff – Application to Toronto Water for request to release from title a City easement (related to City water and/or sewer infrastructure) with the fee to be set at $300 minimum fee; additional $74/hour for each hour after 4 hours to a maximum fee of $1,500 per application, as set out in Appendix C – Schedule 3, Wastewater Services, Ref. No. 19; attached to the report (November 9, 2011)
from the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water.

2. With respect to assistance for low-income seniors and low-income disabled persons:
   
a. The rebate for eligible low-income seniors and low-income disabled persons be set at a rate of $0.7469 /m³, effective January 1, 2012, representing a 30 percent reduction from the Block 1 Rate (paid on or before the due date).

3. City Council authorize, effective January 1, 2012, amendments to Municipal Code Chapter 849 – 18 "Eligibility for Block 2 Rate" by way of removing the eligibility criteria for Block 2 rate customers contained in sections 849 - 18 (C), (D) and (E) pertaining to
   
a. compliance with the City's Sewers By-law;
   
b. installing effluent monitoring equipment accessible to City staff on a twenty-four hour basis; and
   
c. providing a comprehensive water conservation plan.

4. City Council authorize staff to consult with the City's major water stakeholders on funding options to address the capital funding deficiencies of the Program, including potential changes to the water rate pricing structure, and report back through the appropriate Committee in June 2012 so that any approved changes can be incorporated into the 2013 Toronto Water Budget and Rate Setting Process.

5. City Council authorize the necessary amendments to Municipal Code Chapter 441, Fees and Charges and Municipal Code Chapter 849, Water and Sewage Services and Utility Bill, and any other necessary Municipal Code Chapters as may be required, to give effect to Recommendations (1), (2) and (3) above.

6. City Council authorize the City Solicitor to introduce any necessary Bills required to implement these recommendations, subject to any necessary refinements, including stylistic, format and organization, as may be identified by the City Solicitor, the Deputy City Manager & Chief Financial Officer and General Manager, Toronto Water.

7. City Council authorize and direct the appropriate City officials to take the necessary actions to give effect thereto.

    **Toronto Water - 2012 Recommended Operating Budget**

8. City Council approve the 2012 Recommended Operating Budget for Toronto Water of $381.553 million gross and $511.780 million in capital-from-current contribution, as funded by the water and wastewater user rates and other recoveries, comprised of the following services:
<table>
<thead>
<tr>
<th>Service(s)</th>
<th>Gross ($000s)</th>
<th>Net ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Supply &amp; Treatment</td>
<td>66,916.0</td>
<td>0</td>
</tr>
<tr>
<td>Wastewater Treatment</td>
<td>103,356.4</td>
<td>0</td>
</tr>
<tr>
<td>District Operations</td>
<td>88,969.0</td>
<td>0</td>
</tr>
<tr>
<td>Water Infrastructure Management</td>
<td>9,557.8</td>
<td>0</td>
</tr>
<tr>
<td>Business Operations Management</td>
<td>17,961.6</td>
<td>0</td>
</tr>
<tr>
<td>Operational Support</td>
<td>36,398.1</td>
<td>0</td>
</tr>
<tr>
<td>Program Support</td>
<td>58,667.3</td>
<td>0</td>
</tr>
<tr>
<td>Capital–from–Current Contribution</td>
<td>511,779.7</td>
<td>0</td>
</tr>
<tr>
<td>Total Program Budget</td>
<td>893,332.9</td>
<td>0</td>
</tr>
</tbody>
</table>

9. City Council maintain the information in Confidential Attachment 1 as confidential until the outcome of City Council's decision has been communicated to the Union and affected staff.

10. City Council approve the 2012 Recommended Capital Budget for Toronto Water with a total project cost of ($84.206 million), and 2012 cash flow of $607.517 million and future year commitments of $1.876 billion comprised of the following:
   a) New Cash Flow Funding for:

$659.022 million in 2017; $694.189 million in 2018; $769.076 million in 2019; $883.792 million in 2020; and $905.115 million in 2021;

12. City Council consider operating impacts of $0.150 million in 2014; $0.397 million in 2015; $0.346 million in 2016; $0.152 million in 2017; $0.053 million in 2018; $0.115 million in 2019; $6.990 million in 2020; and, $4.878 million in 2021 emanating from the approval of the 2012 Recommended Capital Budget for inclusion in the 2012 and future year operating budgets;

13. City Council approve the transfer of $18.455 million to the Water Capital Financing Reserve (XR6003) from the Toronto Universal Metering project (CPW515-1);

14. City Council approve the transfer of $13.760 million to the Wastewater Capital Financing Reserve (XR6004) from the 2004 Sewer Development Charge Reserve (XR2026); and

15. City Council request the General Manager of Toronto Water in consultation with the Deputy City Manager and Chief Financial Officer to report to the Budget Committee in June 2012 on strategies to maximize funding capacity and/or provide reductions in current project costs to address existing and emerging unfunded capital priorities for consideration prior to the 2013 Capital Budget process.

Decision Advice and Other Information

The Budget Committee:

1. Held a public meeting on Thursday, November 10, 2011, and notice was given in accordance with the Municipal Code, Chapter 441, Fees.

2. Requested the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water, to provide Briefing Notes to the Executive Committee at its meeting on November 21, 2011, on the following:

   a. Implementation of Automated Meter Reading as a result of the transfer of $18 million to the Capital Reserve.

   b. Cost assumptions for the projected revenue loss associated with eliminating the eligibility criteria for Block 2 rate customers.


Origin

(November 9, 2011) Report from the Deputy City Manager and Chief Financial Officer and General Manager, Toronto Water

Background Information
Communications
(November 9, 2011) Submission from Gerry W. Cooper, Public Policy Advisor, People for Safe Drinking Water (BU.Supp.BU16.1.1)
(November 10, 2011) Submission from Frank Moir, Highland Creek (BU.New.BU16.1.2)
(November 10, 2011) Submission from Paul Lewkowicz, Centennial Community and Recreation Association and petition on file (BU.New.BU16.1.3)

Speakers
Frank Moir
Gerry Cooper, Public Policy Advisor for People for Safe Drinking Water and Resident of Ward 25
Karen Buck
Paul Lewkowicz, Centennial Community & Recreation Association
Heather Marshall, Toronto Environmental Alliance
Aliss Terpstra
Councillor Janet Davis
Councillor Shelley Carrol
Councillor Gord Perks