
2012 CAPITAL BUDGET BRIEFING NOTE

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

Issue:

Budget Committee, at its meeting of November 10, 2011, recommended adoption of Toronto Water's 2012 Operating and Capital Budgets to the Executive Committee and requested the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water, to provide a Briefing Note to the Executive Committee at its meeting on November 21, 2011, on the implementation of Automated Meter Reading as a result of the transfer of \$18 million to the Capital Reserve.

The Budget Committee Decision Document can be found at:

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getDecisionDocumentReport&meetingId=5054>

Background:

- The 2012 Capital Budget Analyst Briefing Notes for Toronto Water, which were before the Budget Committee at its meeting of November 10, 2011, identified \$18.455 million in unused capital financing from previous years of Toronto Water's Water Metering Program that can be transferred to the Toronto Water Capital Financing Reserve to provide funding for the implementation of the current Water Metering Program capital project.
- Budget Committee recommended adoption of recommendation #4 in the 2012 Capital Budget Analyst Briefing Notes for Toronto Water, which states:
 - *Council approve the transfer of \$18.455 million to the Water Capital Financing Reserve (XR6003) from the Toronto Universal Metering project (CPW515-1).*

The 2012 Capital Budget Analyst Briefing Notes for Toronto Water can be found at:

http://www1.toronto.ca/static_files/budget/2012/pdf/toronto_water_cap.pdf

Key Points:

- The transfer of \$18.455 million in Net Capital Credits from the previous *Toronto Universal Metering Project* (CPW515-1) does not result in any reductions or adjustments to the current *Water Metering Program* (CPW532-02)

- The Toronto Universal Metering Project (CPW515-1) was the precursor to the current Water Metering Program, which had been approved for implementation in 2001.
- This project was funded directly from Toronto Water operating budget contributions, in the amount of \$19.545 million from 2001 to 2003. The life to date capital expenditures for this project are \$1.090 million, resulting in unused capital funding (*Net Capital Credit*) of \$18.455 million, as identified in the table below:

Project CPW515-01 Toronto Universal Metering							
Year	2001	2002	2003	2004	2005	2006	Life-to-Date
Actual Expenditures	293,413	292,894	131,325	364,651	12,493	(4,578)	1,090,198
Actual Revenues - Contributions from Toronto Water Operating	(6,389,000)	(7,516,000)	(5,640,000)				(19,545,000)
Unused Capital Funding (<i>Net Capital Credit</i>)	(6,095,587)	(7,223,106)	(5,508,675)	364,651	12,493	(4,578)	(18,454,802)

- The current Water Metering Program (CPW532-02) has begun in earnest, with approximately \$8.000 million spent in 2011, as of September 30th; and projected year-end spending of \$20.800 million or 91% of the 2011 approved cash flow funding of \$22.860 million.
 - The recommended transfer of \$18.455 million from the previous Toronto Universal Metering Project (CPW515-1) will ensure the availability of capital funding for contributions towards the current Water Metering Program, which includes 2012 recommended cash flow funding of \$36.000 million and projects \$20.800 million in 2011 year-end actual expenditures.
- The recommended transfer of \$18.455 million from the Universal Metering Project to the Toronto Water Capital Financing Reserve will ensure that funding which was originally approved for metering projects, is available for the continued implementation of the Water Metering Program (formerly the Automated Meter Reading Project).

Prepared by:

Stephen Conforti
 Senior Financial Planning Analyst
 Financial Planning
 Phone: (416) 397-0958
 Email: sconfor@toronto.ca

Michael D'Andrea
 Director, Water Infrastructure Management
 Toronto Water
 Phone: (416) 397-4631
 Email: mdandre@toronto.ca

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