

BY E-MAIL  
buc@toronto.ca

Budget Committee  
City of Toronto,  
10<sup>th</sup> Floor, West Tower, City Hall  
100 Queen Street West,  
Toronto, ON, M5H 2N2

Attention: Ms. Jennifer Forkes, Administrator, Budget Committee

Dear Chair and Members of the Budget Committee,

**Re: BU 3.1 2015 Rate Supported Budgets – Toronto Water and 2015 Water and Wastewater Rates and Service Fees**

We wish to express our concern regarding the proposed 8% increase in the water rate for 2015, and request that Committee limit the increase to the annual rate of inflation.

National Silicates is located in South Etobicoke and has been in operation since 1931. We employ 85 people, and have been an active contributor to the South Etobicoke community for many years. Our Toronto Plant competes globally with other companies and also internal plants on a regular basis. Input costs to our manufacturing process are extremely important and impact the overall competitiveness of our products.

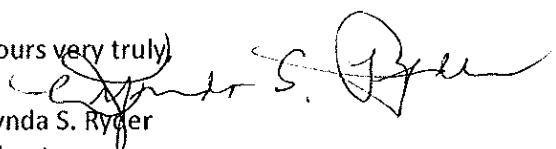
Water is a significant input cost. For the past several years, water costs have been increasing at 9% per year. While we understand the City's need to replace aging infrastructure, continued increases of this level – including the proposed 8% increases for 2015 and 2016 – significantly impact the competitiveness of our operations. Alternative approaches must be found for long term infrastructure spending which do not place the entire burden for these future benefits on today's water users. No other input costs are increasing at this rate.

Furthermore, water costs in Toronto are higher than in our other locations. In Canada we operate in Quebec, Alberta, BC and Ontario and all the other provinces and municipalities are considerably cheaper than the city of Toronto. Water costs range from 72.7% cheaper in Quebec to 27.2% cheaper in BC – all of our other facilities across Canada have water rates that are 27% to 73% lower than the city of Toronto.

We request that Budget Committee hold the annual increase in the water rate to an inflationary level.

Thank you.

Yours very truly

  
Lynda S. Ryder  
Director

National Silicates cc. Councillor Mark Grimes, Ward 6

