



WING'S FOOD PRODUCTS

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November 23, 2015

BU14.1.7

Councilor Gary Crawford and
Members of the Budget Committee
10th Floor West, City Hall
100 Queen Street West
Toronto, ON
M5H 2N2

attn: Ms. J. Forkes

**Subject: NEGATIVE IMPACT OF 8% WATER RATE INCREASE AND CHANGE TO INDUSTRIAL SURCHARGABLE
PARAMETERS**

Wing's Food Products has been operating in the City of Toronto for more than 60 years and we are writing to express our concern about the proposed increase in Block 2 water rates and the proposed change to the surchargable parameters. We believe that these proposed increases are a disproportionate load on industry and make operating in the City more expensive and less competitive.

As a responsible corporate citizen, Wing's has invested significant capital to develop and implement our waste water management program. This cost, in addition to the surcharges and water utility bills incurred by our operation; are as significant part of our annual operations costs. As a growing industrial operation, it is very challenging for the company to maintain an enhanced waste water treatment systems as well as pay significant surcharge fees. These fees have increased significantly over the past 3 years. By changing the surchargable parameters, the city is effectively increasing these costs significantly and further burdening industrial users. Additionally, the cost of treating BOD and SS are not additive, which we believe is reflected in the current practice of charging based on the higher of the two parameters makes sense. Charging on the basis of both parameters without an adjustment is not representative of the actual cost of treatment. The current surcharge includes a significant portion that represents capital costs. This is not true of surcharges in some other nearby municipalities and also needs to be factored in on any change to the surchargable Parameters. Finally the model of shared infrastructure works best when there is a fair sharing of the costs and disproportionately burdening industrial user will make the system less efficient and us less competitive

While the Block 2 water rates are offered as a benefit to industrial water users, they have increased significantly since they were introduced (+80%) and the proposed increase for 2016 – 2018 totaling 18% are making it even more difficult to maintain operations in an ever increasingly competitive environment.

Considering these factors - the proposed hike of 8% in the Block 2 water rates, and inclusion of concentration of all agreed parameters in the surcharge fee calculation will add to the financial burden of industries such as ours. This, from our perspectives as a long-time corporate citizen of this municipality, is detrimental to our commitment to job growth within the City through industrial expansion, serving only to impair our ability to maintain our operations competitively.

Respectfully submitted,

Neal Lee
President
Wing's Food Products