

# EX20.4

## Attachment 2 – Key Terms and Conditions of the Toronto-Ontario Public Transit Infrastructure Fund and Clean Water Wastewater Transfer Payment Agreements

Issue	Requirements under the PTIF TPA	Requirements under the CWWF TPA
Allocation	<ul style="list-style-type: none"> <li>• Each municipality is receiving base funding of \$50,000 plus an allocation based on share of transit ridership (2014 data).</li> <li>• Ontario will be retaining up to 1% (\$14.8 million) of the total allocation for administration expenses.</li> <li>• Toronto's allocation is up to \$856 million.</li> </ul>	<ul style="list-style-type: none"> <li>• Each municipality is receiving funding based on the amount of water, wastewater and storm water assets owned and on local economic conditions.</li> <li>• Ontario will be retaining up to 1% of the total allocation (\$5.4 million) for administration expenses.</li> <li>• Toronto's allocation is up to \$60 million (\$40 million from the federal government and \$20 million from the provincial government).</li> </ul>
Payments & Retention	Funding will be provided in 2017, 2018 and 2019 on a reimbursement basis.	
Project Identification, Approval & Amendments	<ul style="list-style-type: none"> <li>• Toronto will submit a project list to Ontario for verification with Canada.</li> <li>• Toronto will submit a revised project list for approval when seeking to modify, add or delete a project.</li> </ul>	
Project Incrementality	<p>Project incrementality, as defined as follows, must be met:</p> <ul style="list-style-type: none"> <li>• Federal funding is added to funding already planned by the City of Toronto as part of the City's infrastructure plans, to allow the City to carry out more infrastructure projects or to accelerate those that the City had already planned; and</li> <li>• Toronto has met project incrementality, as projects would not have otherwise taken place in 2016-17 or 2017-18 and/or projects would not have been undertaken without federal funding. This includes projects included in Toronto's 2016-2025 Capital Budget and Plan where projects require additional funding to proceed and/or to accelerate.</li> </ul>	

Issue	Requirements under the PTIF TPA	Requirements under the CWWF TPA
Eligible investment categories	<p>Canada will provide 50% of eligible costs for:</p> <ul style="list-style-type: none"> <li>• Capital projects for the rehabilitation, optimization and modernization of public transit infrastructure, or that improve the efficiency, accessibility and/or safety of public transit infrastructure;</li> <li>• Expenditures to support the asset management capacity of a public transit system;</li> <li>• Expenditures to support the design and planning for the expansion and improvements to public transit systems, including transportation demand management measures and studies and pilot projects related to innovative and transformative technologies; and</li> <li>• Projects for system expansion, which may include active transportation, if they can be completed within the program timeframe.</li> </ul>	<p>Canada will provide 50% of eligible costs and Ontario will provide 25% of eligible costs for:</p> <ul style="list-style-type: none"> <li>• Capital projects for the rehabilitation of water treatment and distribution systems, and wastewater and storm water collection, conveyance and treatment systems;</li> <li>• Separation of existing combined sewers and/or combined sewer overflow control;</li> <li>• Initiatives that support system optimization and improved asset management including studies and pilot projects related to innovative and transformative technologies;</li> <li>• Design and planning for upgrades to wastewater treatment infrastructure to meet federal regulatory requirements; and</li> <li>• New construction projects, including construction of naturalized systems for management and treatment of wastewater and storm water, if projects will be completed within the program timeframe, subject to any additional flexibility that may be provided by the Minister on a case by case basis. Any unspent allocations would remain with the federal government.</li> </ul>

Issue	Requirements under the PTIF TPA	Requirements under the CWWF TPA
Eligible & Ineligible Expenditures	<p><i>Eligible Expenditures</i></p> <ul style="list-style-type: none"> <li>• Costs incurred between April 1, 2016 and March 31, 2018 are eligible.</li> <li>• Costs between April 1, 2018 and March 31, 2019 will be subject to the prior written approval of Canada and the Province and limited to a maximum of 25% of the City's allocation.</li> <li>• All costs considered to be direct and necessary for successful implementation of a project, excluding identified ineligible costs.</li> <li>• Costs of Aboriginal consultation, and where appropriate, accommodation.</li> <li>• Costs of construction carried out in-house by the City.</li> </ul> <p><i>Ineligible Expenditures</i></p> <ul style="list-style-type: none"> <li>• Costs incurred for cancelled projects.</li> <li>• Land acquisition; leasing land, buildings and other facilities; leasing equipment other than equipment directly related to the construction of the project; real estate fees and related costs.</li> <li>• Financing charges, legal fees and loan interest payments, including those related to easements.</li> <li>• Any goods and services costs which are received through donations or in kind.</li> <li>• Taxes, for which the City is eligible for a rebate, and any other costs eligible for rebates.</li> <li>• Costs associated with operating expenses and regularly scheduled maintenance work.</li> <li>• Indirect costs such as salaries and benefits of employees for soft services (design, engineering, etc.) provided by permanent staff and funded under the City's operating budget.</li> </ul>	
Communications	<ul style="list-style-type: none"> <li>• A communications protocol will be put in place with Ontario and Canada.</li> </ul>	
Reporting & Audits	<ul style="list-style-type: none"> <li>• Toronto will submit project reports on a semi-annual basis and at the end of the program, and an outcomes report, based on key performance indicators.</li> <li>• A minimum of one audit may be required during the term of the agreement.</li> </ul>	