

BUDGET **TO**



Toronto Water

**2022 Operating Budget and
2022-2031 Capital Budget & Plan
2022 Water Rate**

Briefing to Budget Committee

November 3, 2021

Toronto Water - Services

Drinking Water



Wastewater Collection & Treatment



Stormwater Management



Toronto Water Outcomes

Toronto Water manages one of the largest water, wastewater and stormwater systems in North America, 24 hours a day, seven days a week. Toronto Water's services ensure that over 3.6 million residents and businesses in Toronto, and portions of York and Peel have access to safe drinking water, safely treated wastewater and stormwater management.



Drinking water is delivered to people (residents, businesses, visitors and the Industrial, Commercial, Institutional sector in Toronto and York Region) in a safe and reliable manner to protect public health.



Wastewater is collected from people (residents, businesses and the Industrial, Commercial, Institutional sector in Toronto and Peel Region) and treated in a safe and environmentally sustainable way to protect public health.



Stormwater (rain and melted snow) is collected or diverted to help prevent the risk of property flooding, control erosion and improve water quality to protect public health and Toronto's waterways.

2022 Budget Overview

Operating Budget							
\$ Thousands	2021 Budget	2021 Projection*	2022 Budget	Chg from 2021 Proj.		OUTLOOKS	
				\$	%	2023	2024
Revenues	\$1,415,336	\$1,402,538	\$1,447,021	\$44,482	3.2%	\$1,477,956	\$1,522,104
Gross Expenditures	\$468,824	\$443,459	\$471,228	\$27,769	6.3%	\$481,900	\$490,740
Capital Contribution	\$946,512	\$946,512	\$975,793	\$29,281	3.1%	\$996,056	\$1,031,364
Surplus (2021 Projection)		\$12,567		(\$12,567)	-100.0%		
Total Capital Contribution	\$946,512	\$959,079	\$975,793	\$16,713	1.7%	\$996,056	\$1,031,364
Approved Positions**	1,841.3	N/A	1,883.3	N/A	N/A	1,891.3	1,892.3

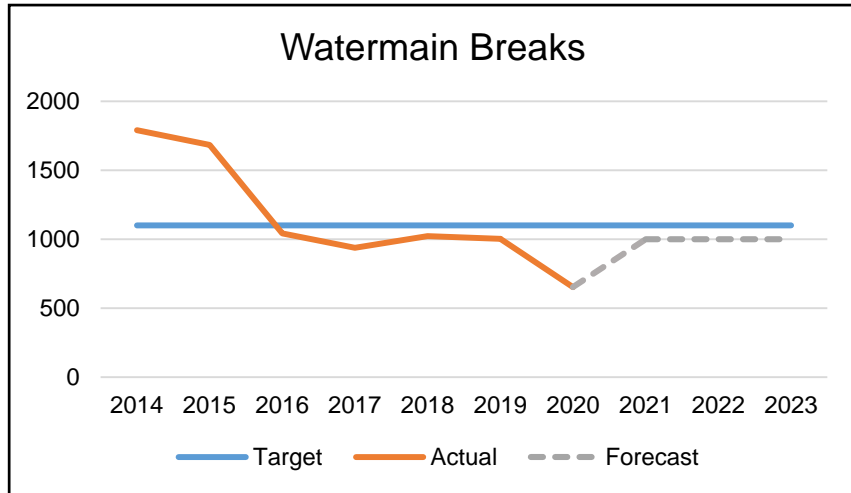
*Projection based on 6 Month Variance

**YoY comparison based on approved positions

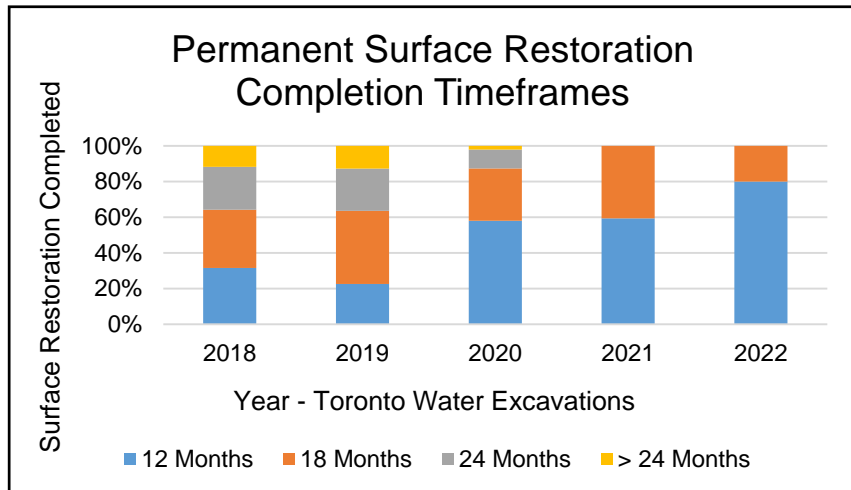
10 Year Capital Budget & Plan			
\$ Thousands	2022	2023-2031	Total
Gross Expenditures	\$1,408,664	\$13,673,681	\$15,082,345
Debt	\$0.00	\$0.00	\$0.00

Note: Includes 2021 carry forward funding

How Well We Are Doing – Behind The Numbers



- Toronto Water currently operates over 5,500km of water distribution pipes that provide safe and reliable drinking water to the residents, businesses and visitors of Toronto and York Region.
- Toronto Water has made significant capital investments in infrastructure renewal projects (i.e. water main replacement, cathodic protection and structural lining) that have contributed to the gradual decline in watermain breaks.
- Inclement weather (extreme cold or temperature fluctuations) continues to be the leading cause of watermain breaks followed by excavation activities, corrosive soils and ground settling.
- Toronto Water is investing \$1.94B in the 2022-2031 Staff Recommended budget for capital improvements that will contribute towards ensuring an overall good condition of the local water distribution network.



- In July 2018, Toronto Water assumed responsibility for the permanent surface restoration program within the public right-of-way (ROW) (for sewer/water service repairs and upgrades and watermain/sewer breaks) previously managed by Transportation Services.
- Permanent restoration requires the replacement of asphalt and concrete where City construction has occurred.
- Each year, Toronto Water completes an average of 8,500 excavations within the ROW and approximately 5,000 of these locations require permanent surface restoration.
- The goal of the Toronto Water program is to minimize the time between excavation and permanent restoration. In 2020, and trending in 2021, 60% of permanent road restorations are now completed within 12 months. In 2022, the target is to increase this to 80% being completed within 12 months.

How Well We Are Doing

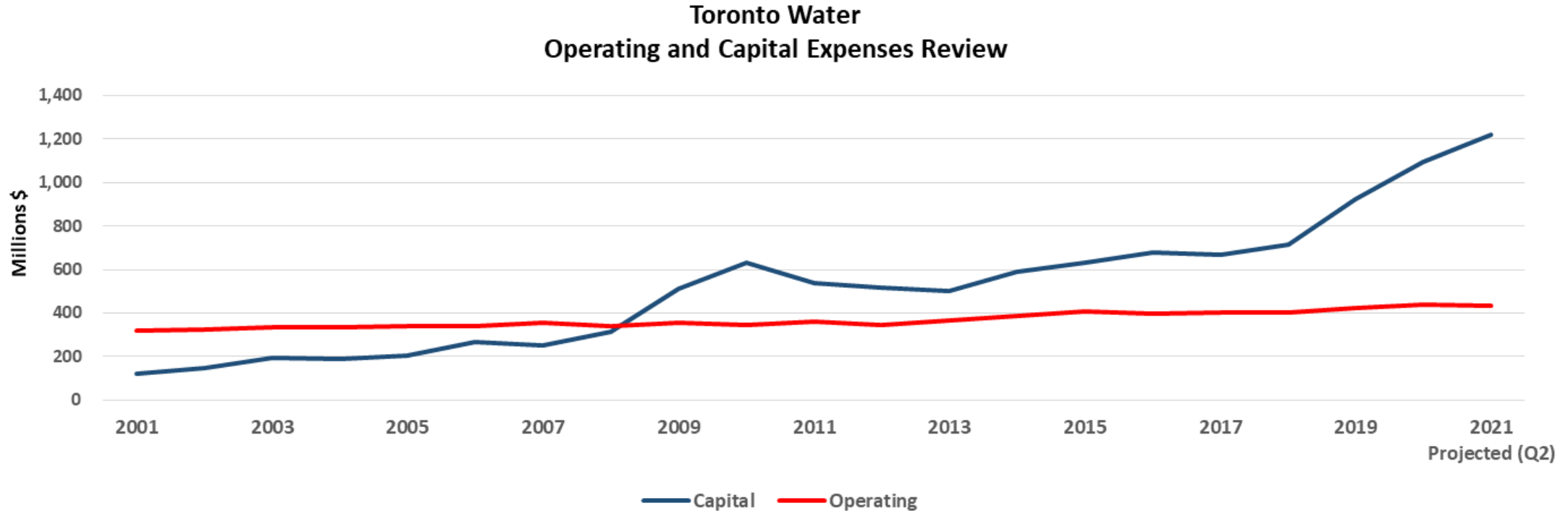
Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
Outcome Measures								
Water Treatment & Supply	Watermain Breaks per 100 km of Water Distribution Pipe	16.5 per 100km	10.7 per 100km	22 per 100km	22 per 100km	●	22 per 100km	22 per 100km
Water Treatment & Supply	Drinking Water Non-Compliance	0	1	0	0	●	0	0
Water Treatment & Supply	Percent Time Operating Within 276 kPA to 793 kPA Requirements	97.0%	99.1%	99.5%	99.1%	●	99.5%	99.5%
Wastewater Collection & Treatment	Non-Compliance Events (Wastewater Treatment)	1	0	0	0	●	0	0
Wastewater Collection & Treatment	Mainline Backups per 100 KM of Pipe	3.6	3.4	4.0	4.0	●	4.0	4.0
Stormwater Management	ML of Dedicated (designed) Stormwater Storage Capacity	1,248 ML	1,248 ML	1,248 ML	1,248 ML	●	1,248 ML	1,248 ML

- 80% - 100%
- 64 - 79%
- 63% and Under

How Well We Are Doing

Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
Service Level Measures								
Water Treatment & Supply	Water Treatment Non-Compliance Events	0	1	0	0	●	0	0
Water Treatment & Supply	Target Pressure Limits (Pressure Maintenance)	97.0%	99.1%	99.5%	99.1%	●	99.5%	99.5%
Wastewater Collection & Treatment	Pumping Station Outages	0	0	0	0	●	0	0
Wastewater Collection & Treatment	Wastewater Treatment Non-Compliance Events	1	0	0	0	●	0	0
Stormwater Management	Number stormwater ponds inspected/maintained	1,069	1,080	990	1,116	●	990	1,080
Other Measures								
Water Treatment & Supply	Electrical kWh per ML of Water Pumped	344 kWh per ML	309 kWh per ML	330 kWh per ML	309 kWh per ML	●	330 kWh per ML	330 kWh per ML
Wastewater Collection & Treatment	Percent Biosolids Beneficially Used (ABTB)	100%	100%	100%	100%	●	100%	100%
Stormwater Management	Water Course Inlet/Outlet Inspections	4,025	6,175	3,000	3,000	●	3,000	3,000

Financial Performance (Actual Costs)



Stable Operating Costs

- Operating costs have been growing relatively slowly over the past 20 years.

Capital Spending

- Increased revenue generated by rate increases have been reinvested in infrastructure.
- 2020 and Projected 2021 capital spending (\$1,096M) and (\$1,222M) are the highest in Toronto Water history.

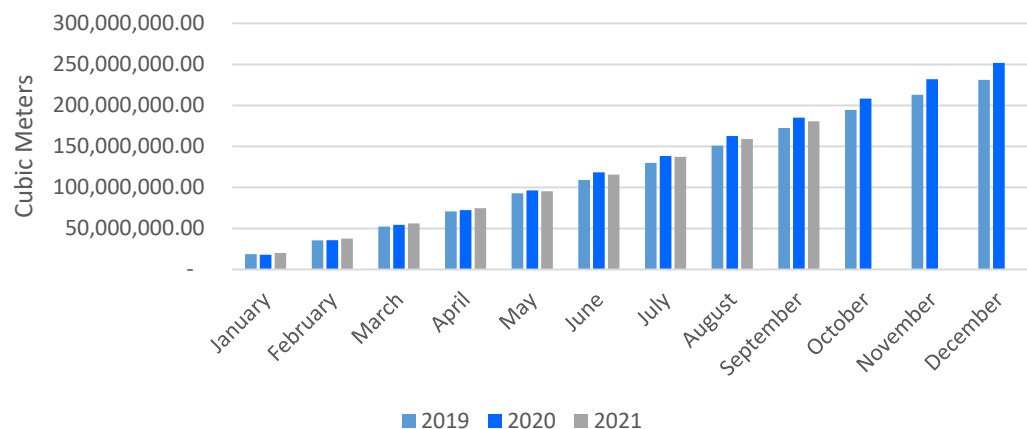
2022 Key Risks and Challenges

COVID-19 Impact

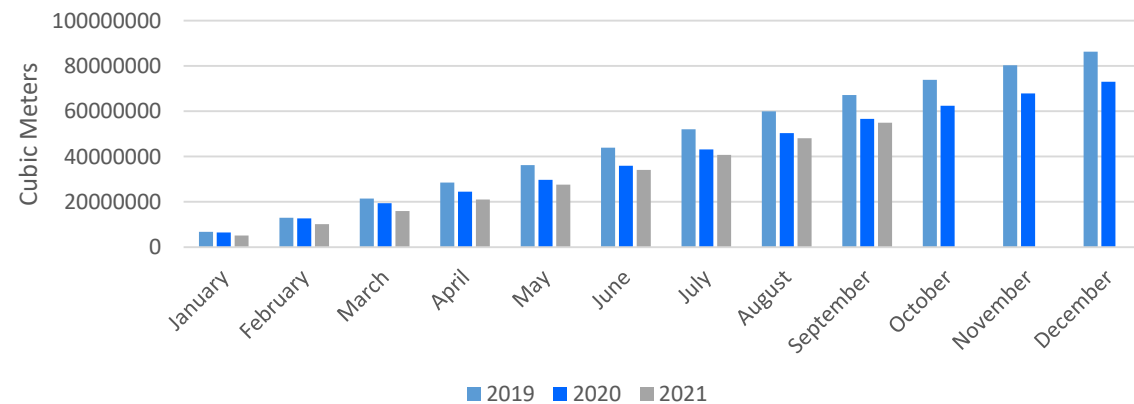
- A projected \$13.7 million loss in sale of water and private water agreements in 2021 due to lower consumption impacted by weather, stay-at-home orders and closures/slowdowns in Industrial, Commercial and Institutional sector (ICI). Year-end results can vary significantly due to the uncertainty of consumption levels during the summer months, a change in consumer habits and/or a change in government orders for closures. The savings from hiring delays and other underspending will be used to offset COVID-19 related revenue losses. The loss in sale of water are not considered to be permanent losses and are not anticipated to continue in 2022.
- Continued costs for health and safety supplies and protocols are included in the 2022 Operating Budget.
- There are no impacts to service levels as a result of COVID-19. Toronto Water continues to provide safe drinking water, safe collection and treatment of wastewater, and stormwater management during the global pandemic.

Estimated (not billed) Water Consumption Comparisons

Residential Consumption Comparison
(2021, 2020, 2019 Cumulative)



ICI Consumption Comparison
(2021, 2020, 2019 Cumulative)



2022 Key Risks and Challenges (cont'd.)

Other Risks and Challenges

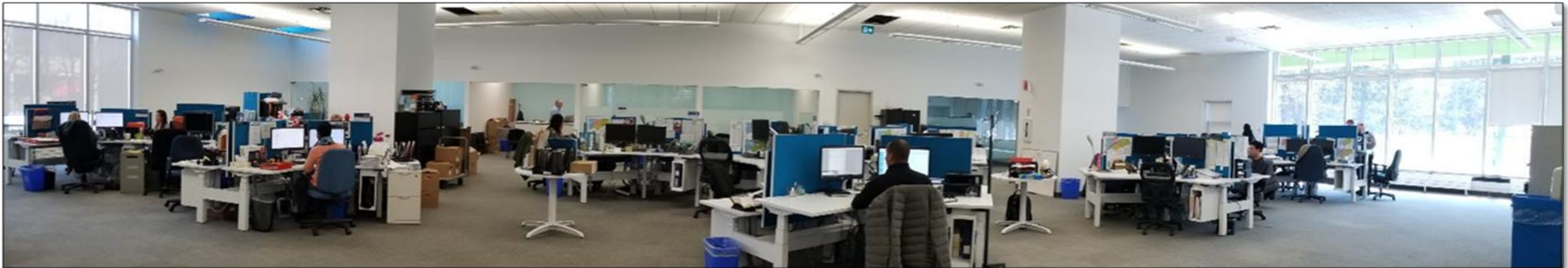
- **Capital construction costs:** Staff have observed some increases in tender costs for certain work types. Explanations for cost escalations are speculative at this time (may be partly due to supply chain reliability and COVID-19). Current tenders are being closely monitored. In the event of high pricing, some projects may be deferred until prices are stable.
- **Adequate reserve balances to fund state-of-good-repair program:** 10-year capital plan relies on 3% water rate increases (1.5% in 2021, followed by planned 3% rate increases). Critical need to maintain adequate capital reserves to fund the state-of-good-repair 10-year capital program. Capital delivery programming that focuses on short and long-term forecasting and critical outcomes.
- **Investment in technology that puts customer service, security and efficiency first:** Resources and long-term planning are critical to ensure replacement and sustainment of outdated technology. Investing in digital technologies will continue to improve customer service response and tracking, maintain present service levels and protect the City's critical infrastructure from external threats and disruptions. For example, the Enterprise Work Management System (EWMS), the new 311 Enterprise Customer Relationship Management System (ECRM) and new Cyber Security Threat protection software and procedures.
- **Asset readiness/critical response processes:** Ensure operational resilience and minimize risk to assets during extreme weather occurrences.



2022 Priority Actions

Priority Actions for 2022

- **Customer Service:** Ensure efficient and effective response times for customer service demands including improved customer service culture, technology and infrastructure.
- **Workforce Strategies:** Ongoing development of hiring strategies during the hiring slow down period for critical, vulnerable and hard to fill positions including on-the-job training programs and planning for demographic changes.
- **State-of-Good-Repair:** Continued long-term investment in SOGR projects and reducing the backlog to \$359 million by 2031.
- **Growth:** Development of strategy to manage pressure on linear infrastructure in growth areas.
- **Resiliency:** Long-term significant investment in Council approved Wet Weather Flow Master Plan projects to protect the environment and lake, river and stream water quality including \$2.27 billion for the Basement Flooding Protection Program, completion of Environmental Assessments for all Basement Flooding Studies Areas by 2023 and investing \$1.3 billion over the 10-years to implement the Don River and Central Waterfront project, with all project phases forecasted for completion in 2038.
- **Modernization:** Planning for resources to implement, support and maintain new technologies including cybersecurity.



Toronto Water Customer Care Centre, Merton Street

2022 Operating Budget Submission



2022 Operating Budget Submission

(In \$000s)	2020 Actual	2021 Budget	2021 Projection*	2022 Budget	Change v. 2021 Projection	
By Service	\$	\$	\$	\$	\$	%
Revenues						
Water Treatment & Supply	629,265.6	619,109.7	616,307.0	632,947.6	16,640.6	2.7%
Wastewater Collection & Treatment	799,401.6	785,617.5	776,704.7	803,249.1	26,544.4	3.4%
Stormwater Management	7,958.1	10,609.2	9,526.7	10,824.2	1,297.5	13.6%
Total Revenues	1,436,625.4	1,415,336.3	1,402,538.4	1,447,020.9	44,482.5	3.2%
Expenditures						
Water Treatment & Supply	199,478.0	195,791.0	186,333.1	196,749.6	10,416.5	5.6%
Wastewater Collection & Treatment	214,464.9	229,905.6	216,285.8	230,918.1	14,632.3	6.8%
Stormwater Management	33,295.9	43,127.5	40,840.1	43,560.4	2,720.3	6.7%
Sub-Total - Gross Expenditures	447,238.8	468,824.0	443,459.0	471,228.1	27,769.1	6.3%
Capital Contribution	989,386.6	946,512.3	946,512.3	975,792.8	29,280.5	3.1%
Surplus (2021 Projection)			12,567.1		(12,567.1)	(100.0%)
Sub-Total - Capital Contribution	989,386.6	946,512.3	959,079.4	975,792.8	16,713.4	1.7%
Total Gross Expenditures	1,436,625.4	1,415,336.3	1,402,538.4	1,447,020.9	44,482.5	3.2%
Approved Positions**	1,841.3	1,841.3	N/A	1,883.3	N/A	N/A

*Projection based on 6 Month Variance

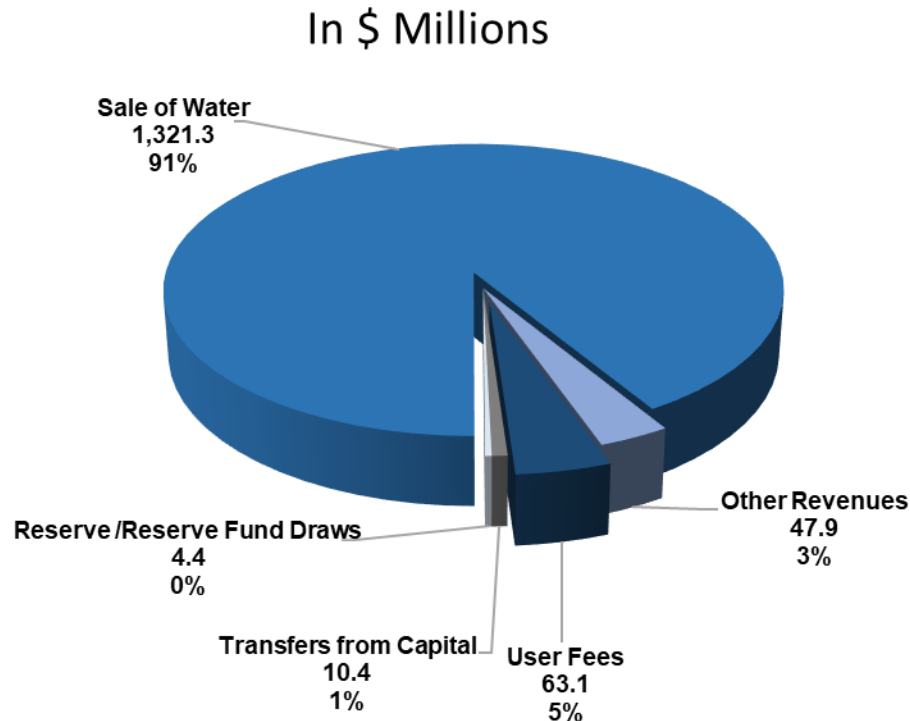
**YoY comparison based on approved positions

2022 Key Cost Drivers

GROSS EXPENDITURES (Millions)			Positions	\$	REVENUE (Millions)		\$
Operating Impact of Capital - Sustained Growth of Capital			16	1.019	Operating Impact of Capital - Sustained Growth of Capital		-
Additional Resources Supporting Delivery of Capital			16	1.175	Additional Resources Supporting Delivery of Capital		1.175
Permanent Restoration Final Transition Phase			8	0.511	Permanent Restoration Final Transition Phase		
Additional Resource Supporting Development Review			4	0.438	Additional Resource Supporting Development Review		0.438
Realignment of Transit Resource Needs			-2	(0.254)	Realignment of Transit Resource Needs		(0.254)
Inter-divisional Charges/Recoveries				(1.900)	Inter-divisional Charges/Recoveries		0.022
Insurance Program Adjustment				1.708	Insurance Program Adjustment		
Other Expense Changes				(0.160)	Other Revenue Changes		(2.570)
ECONOMIC FACTORS							
Economic Factors - Energy and Utilities				1.094			
Economic Factors - Materials & Supply, Equipment and Contracted Services				2.735			
Economic Factors - Salary & Benefit				1.637			
SUBTOTAL KEY COST DRIVERS			42	8.003	SUBTOTAL REVENUE CHANGES		(1.190)
BALANCING ACTIONS							
Utility Efficiencies				(3.456)	User Fees & Other Revenue - Rate		0.791
Technology Efficiencies				(0.624)	York Region - Rate		0.299
Other Realignments and Line-by-Line				(1.520)			
SUBTOTAL BALANCING ACTIONS				(5.599)	SUBTOTAL BALANCING ACTIONS		1.090
					Sale of Water		31.784
TOTAL GROSS EXPENDITURE CHANGES			42	2.404	TOTAL REVENUE CHANGES		31.685
Increase over 2021 Approved Gross Expenditure Budget (%)				0.5%	Increase over 2021 Approved Gross Revenue Budget (%)		2.2%
CAPITAL CONTRIBUTION INCREASE (\$)							29.281
CAPITAL CONTRIBUTION INCREASE (%)							3.1%

How the Budget is Funded

Where the Money Comes From



Key Points

Water Rate Revenues

Represents approximately 91% for total operating revenues.

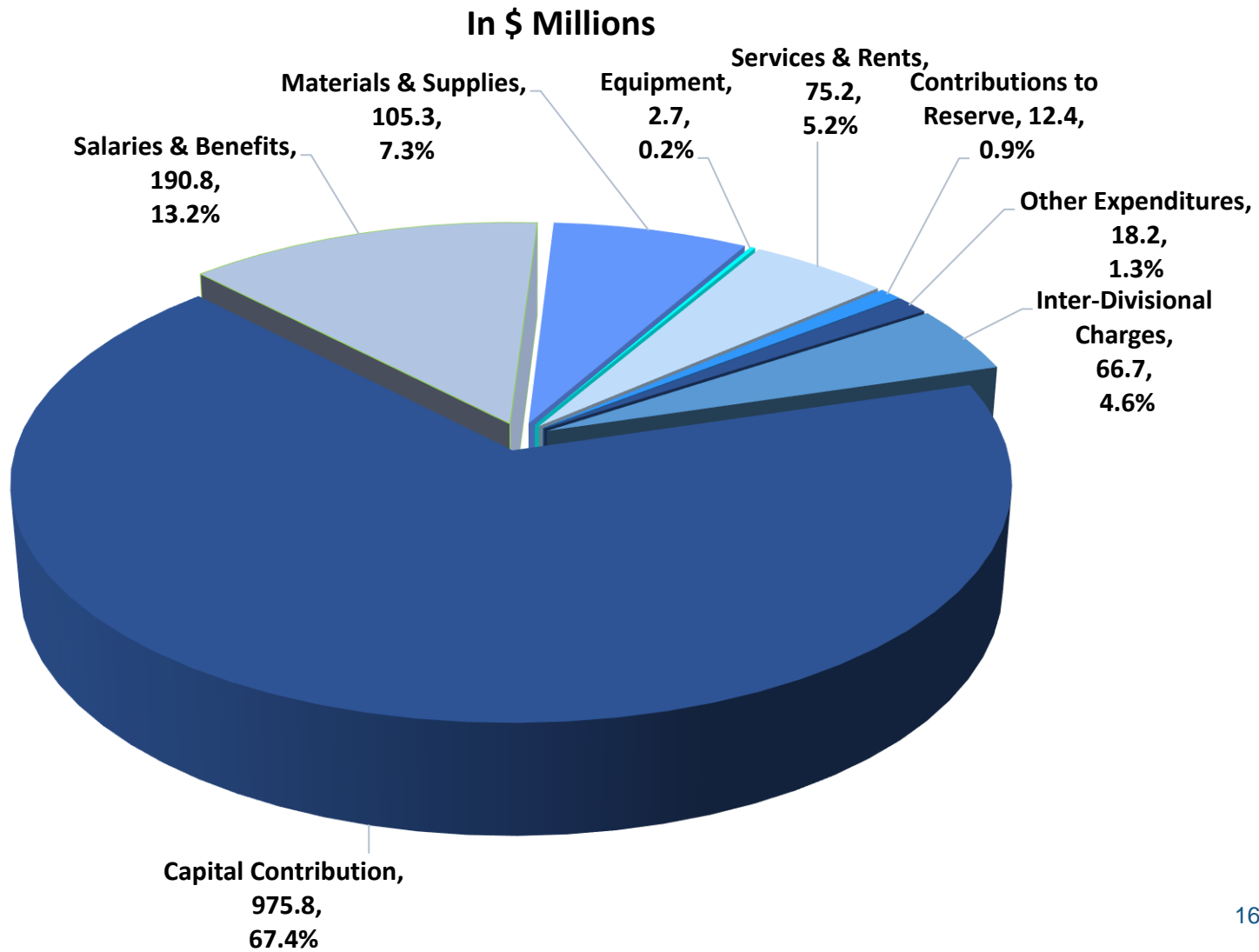
Rate Increase

Includes a 3% rate increase for 2022, and a rate increase of 3% in 2023 and subsequent years.

The 3% rate increase in 2022 will be fully directed to capital reserve contribution.

2022 Budget by Category (\$1,447 Million)

(In millions \$)	2022	2021	Change v. 2021	
	Budget	Budget	Budget	
By Category	\$	\$	\$	%
Salaries & Benefits	190.8	187.5	3.3	1.7%
Materials & Supplies	105.3	106.9	(1.6)	-1.5%
Equipment	2.7	2.8	(0.1)	-5.2%
Services & Rents	75.2	75.5	(0.3)	-0.4%
Contributions to Reserve	12.4	10.7	1.7	16.0%
Other Expenditures	18.2	16.8	1.4	8.1%
Inter-Divisional Charges	66.7	68.6	(1.9)	-2.8%
Sub-Total - Gross Expenditures	471.2	468.8	2.4	0.5%
Capital Contribution	975.8	946.5	29.3	3.1%
Total Gross Expenditures	1,447.0	1,415.3	31.7	2.2%



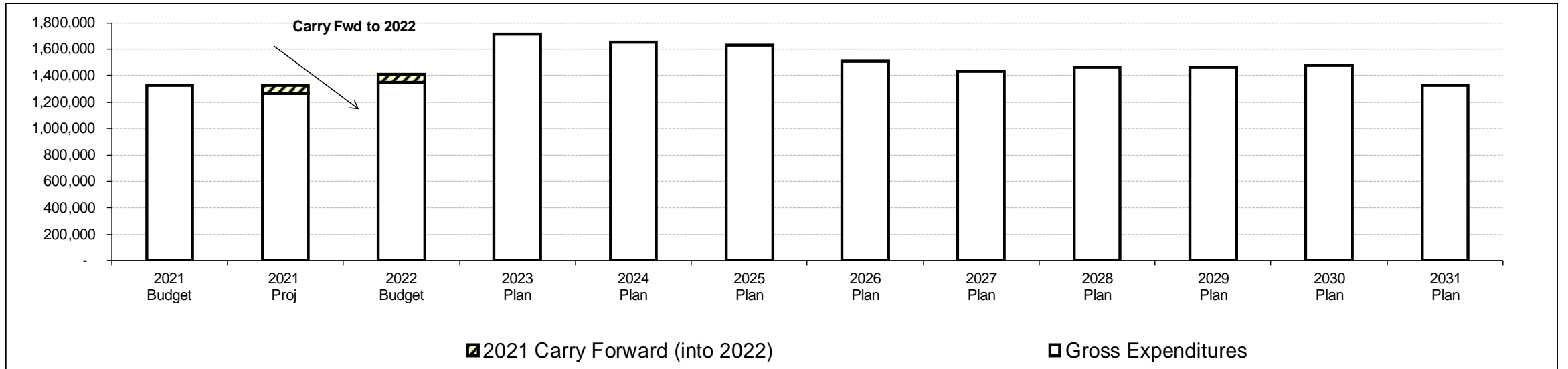
2022 – 2031 Capital Budget & Plan Submission



F.J. Horgan Water Treatment Plant

2022 - 2031 Capital Budget & Plan Submission

10-Year Capital Plan Overview



In \$000's	2022 Capital Budget and 2023 - 2031 Capital Plan												
	2021		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total 10 Year Plan
	Budget	Projected Actual											
Gross Expenditures by Project Category:													
Health & Safety & Legislated	200,579	181,961	173,167	145,838	120,929	113,521	69,523	51,861	59,297	79,270	76,096	49,296	938,798
SOGR	676,439	626,714	676,181	848,027	776,890	810,941	797,414	739,347	733,757	678,844	609,074	586,204	7,256,679
Service Improvement & Growth	453,620	413,621	559,316	718,934	752,710	708,718	641,125	644,715	673,336	701,642	793,572	692,800	6,886,868
Total by Project Category	1,330,638	1,222,296	1,408,664	1,712,799	1,650,529	1,633,180	1,508,062	1,435,923	1,466,390	1,459,756	1,478,742	1,328,300	15,082,345
Financing:													
Reserves/Reserve Funds	1,217,480	-	1,266,977	1,579,461	1,515,717	1,501,305	1,388,215	1,323,341	1,343,617	1,363,118	1,379,995	1,240,779	13,902,525
Development Charges	102,237	-	124,471	95,166	88,244	98,995	104,219	104,496	112,345	90,033	92,483	81,346	991,798
Region of York & Other Revenue	5,595	-	2,598	14,878	13,067	8,709	7,371	8,086	8,570	6,605	6,264	6,175	82,323
Disaster Mitigation & Adaption Fund (DMAF)	5,326	-	14,618	23,294	33,501	24,171	8,257	-	1,858	-	-	-	105,699
Total Financing	1,330,638	-	1,408,664	1,712,799	1,650,529	1,633,180	1,508,062	1,435,923	1,466,390	1,459,756	1,478,742	1,328,300	15,082,345

*2021 Projection based on Q2 Variance Report.

Province of Ontario Asset Management Planning Regulations

Historical Asset Valuation: Toronto Water's core assets were valued at \$28 billion for water, wastewater and stormwater infrastructure based on historical cost of constructed assets inflated to estimate its replacement as well as appraisal valuations. Introduced in 2006, this approach was utilized in response to guidance from the Public Sector Account Board for tangible capital assets.

- **Regulation:** In 2017, Province of Ontario enacted Ontario Regulation 588/17 Asset Management Planning (AMP) for Municipal Infrastructure to support improvements in municipal asset management:
 - The legislation aims to standardize how Ontario municipalities plan their infrastructure, share best practices and enable the collection of comparable data for long-term planning and budgeting. City of Toronto to complete asset management plans as of July 1, 2022 for the City's Core Infrastructure Assets (water, wastewater, stormwater, roads, bridges and culverts asset groups).
- **Updated Asset Valuation:** The Toronto Water AMP has been completed and the updated replacement cost of Toronto Water's infrastructure is \$83 billion. The asset replacement valuation takes into consideration recent appraisal reports for facilities and average unit rates for pipe installation based on bid pricing. The replacement costs will continue to be evaluated as costs can vary significantly based on site constraints and conditions, project delivery approach, project bundling, market conditions and material price fluctuations.
- **Toronto City Council:** The AMP will be at City Council on November 9, 2021 for final approval.



R.L. Clark Water Treatment Plant



Ashbridges Bay Treatment Plant



High Level Pumping, Cottingham Street



Fire hydrants, Disco Yard

Capital Assets to Deliver Services

Historical Asset Valuation (HAV) \$28 Billion
Updated Asset Valuation (UAV) \$83 Billion



Water - \$9.2 Billion (HAV) / \$24.9 Billion (UAV)

- 4 water filtration plants
- 11 reservoirs and 4 elevated storage tanks
- 5,576 km of distribution watermains and 526 km of trunk watermains
- 68,911 valves and 42,137 hydrants
- 516,740 water service connections, plus York Region (population served: 600,000)
- 18 water pumping stations



Wastewater - \$12.6 Billion (HAV) / \$35.6 Billion (UAV)

- 4 wastewater treatment plants
- 3,772 km sanitary sewers, 1,516 km combined sewers
- 207 km sanitary trunk, 120 km combined trunk
- 59,338 sanitary maintenance holes, 23,989 combined maintenance holes
- 522,851 sewer service connections
- 68 sanitary pumping stations, 11 combined pumping stations



Stormwater – \$6.4 Billion (HAV) / \$22.6 Billion (UAV)

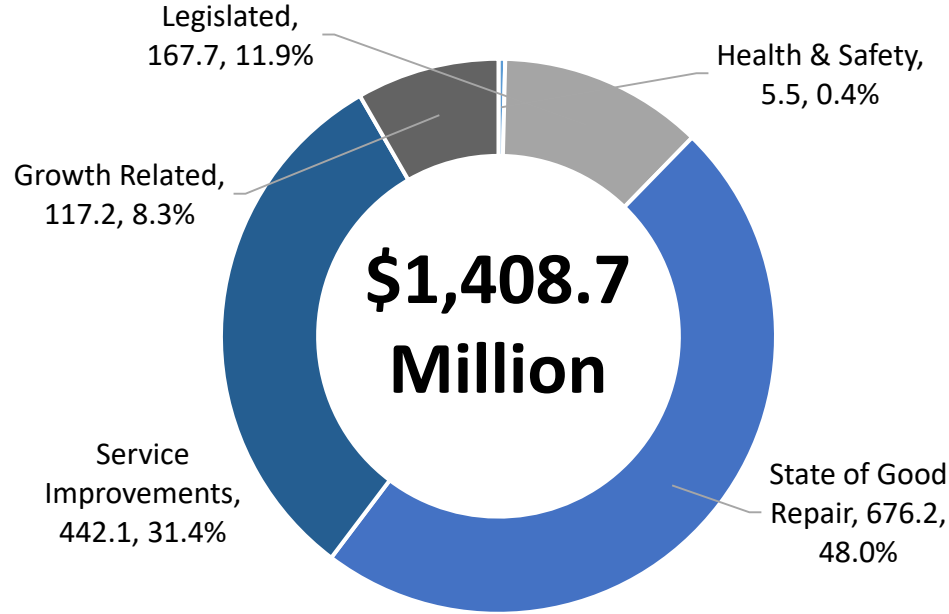
- 7 storage and detention tanks
- 4,899 km of storm sewers, and 28 km of trunk sewers
- 77,445 maintenance holes
- 27 stormwater management ponds
- 1,881 outfalls and 188,626 catch basins
- 13 stormwater pumping stations

2022 Capital Program Breakdown

Where the Money Goes

2022 Capital Budget

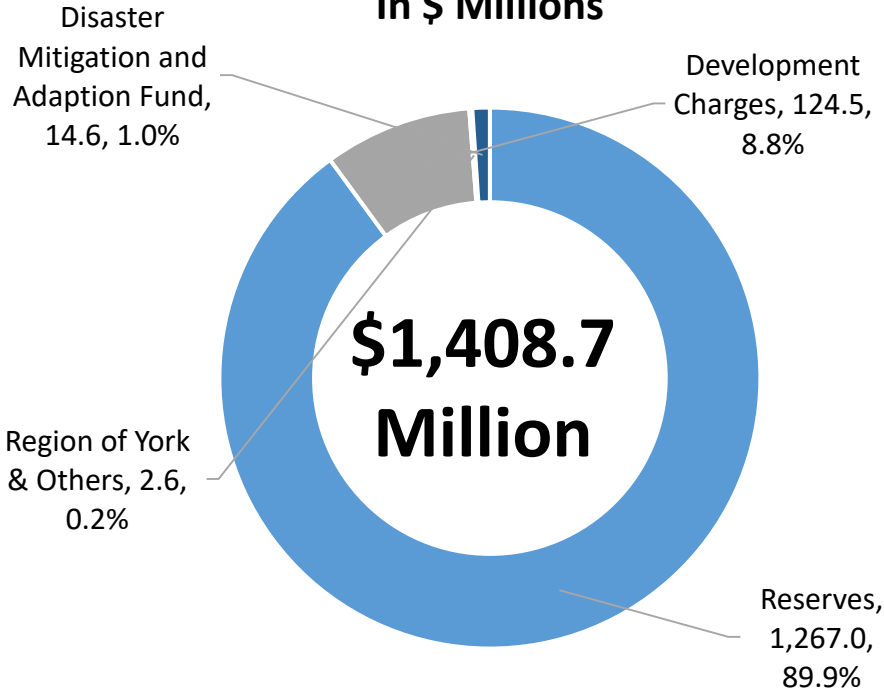
In \$ Millions



Where the Money Comes From

2022 Capital Budget

In \$ Millions



2022 – 2031 Capital Program Breakdown (\$15.082B)



R.L. Clark Water Treatment Plant

What This Buys

- \$4.4 billion of Water Treatment & Supply projects, including \$2.2 billion for watermain replacement and rehabilitation.
- \$6.6 billion of Wastewater Treatment & Collection projects, including \$3.4 billion for upgrades at wastewater treatment plants, and \$2.3 billion for sewer and trunk sewer replacement and rehabilitation.
- \$4.1 billion of Stormwater Management projects. Continued investment for Basement Flooding Program and Wet Weather Flow Master Plan.



F.J. Horgan Water Treatment Plant



Wastewater treatment plant centrifuges



Ashbridges Bay Treatment Plant – aeration tanks














Basement Flooding Protection Program



Highland Creek Treatment Plant – control room

\$15.082 Billion 10-Year Gross Capital Program

			 	
Plant & Facilities	Underground Infrastructure	Stormwater Management	Basement Flooding Protection Program	Engineering, Yard & Network Improvements
\$4,315.1 M 29%	\$5,710.4 M 38%	\$1,828.5 M 12%	\$2,269.7 M 15%	\$958.6 M 6%
Water Filtration Plants; Wastewater Treatment Plants; Pumping Stations; and Storage & Reservoirs 	Watermain and Sewer Replacement/ Rehabilitation; Water Service Replacement; and New Connections 	Wet Weather Flow Projects (end of pipe, infrastructure erosion protection); Don River & Central Waterfront 	Engineering Studies; Implementation Basement Flooding Protection; Subsidy Program 	Engineering Support; Business & Technology; Yards & buildings; Water Efficiency & Metering 

 - Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction*

*Information above includes full project / sub-project 2022-2031 Budget and Plan cash flows. Does not break out the climate component costs separately ²³

How the 10-Year Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding	
\$ 14,976.6M 99.3%		\$0.0M 0%	\$ 105.7M 0.7%	
Reserve Draws	\$ 13,902.5M		Disaster Mitigation and Adaptation Fund	\$ 105.7M
Development Charges	\$991.8M			
Region of York and Other*	\$ 82.3M			

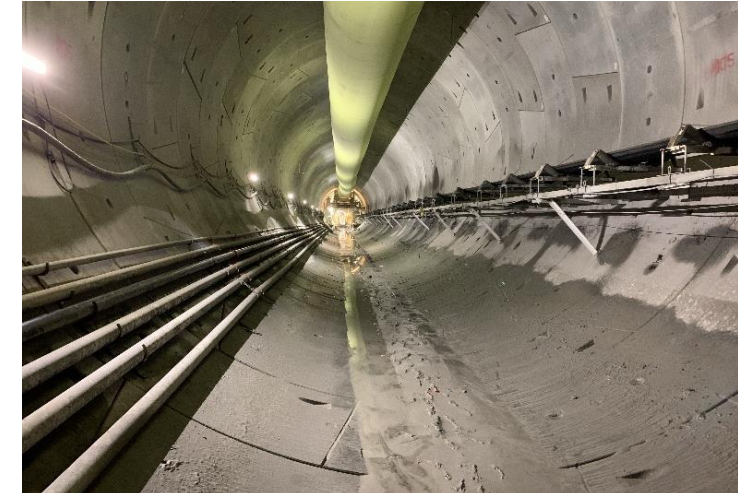
* Toronto Water's 10-Year Capital Plan includes forecasted funding of \$80 million for the expected Toronto Region & Conservation Authority (TRCA) Watercourse Erosion Control project, to be spent between 2023 and 2031. It is assumed that approximately 67% (\$53 million) will be funded by other orders of government. The funding has yet to be secured.



Don River and Central Waterfront & Connected Projects
Landform for erosion and sediment control
Ashbridges Bay Wastewater Treatment Plant
Joint project - Toronto Water & TRCA



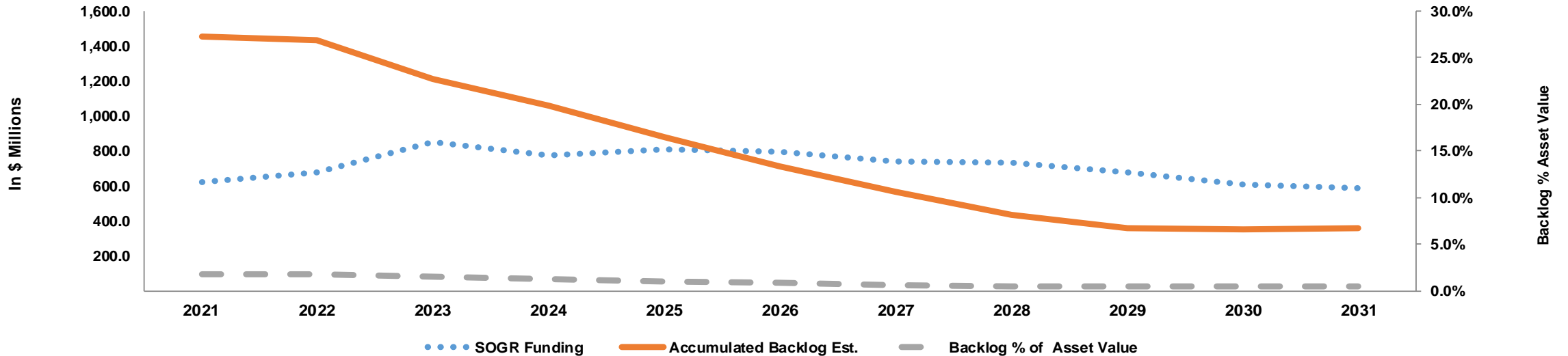
Don River and Central Waterfront & Connected Projects
Wet Weather Flow System to improve river and Harbour water quality: 22 km tunnel system consisting of three integrated tunnels Coxwell Bypass (stage one), Taylor Massey-Creek and Inner Harbour Tunnels



Don River and Central Waterfront & Connected Projects
New outfall (tunneled under the lake) to convey full treated wastewater to Lake Ontario
Ashbridges Bay Wastewater Treatment Plant

State of Good Repair (SOGR) Funding and Backlog

State of Good Repair (SOGR) Funding & Backlog

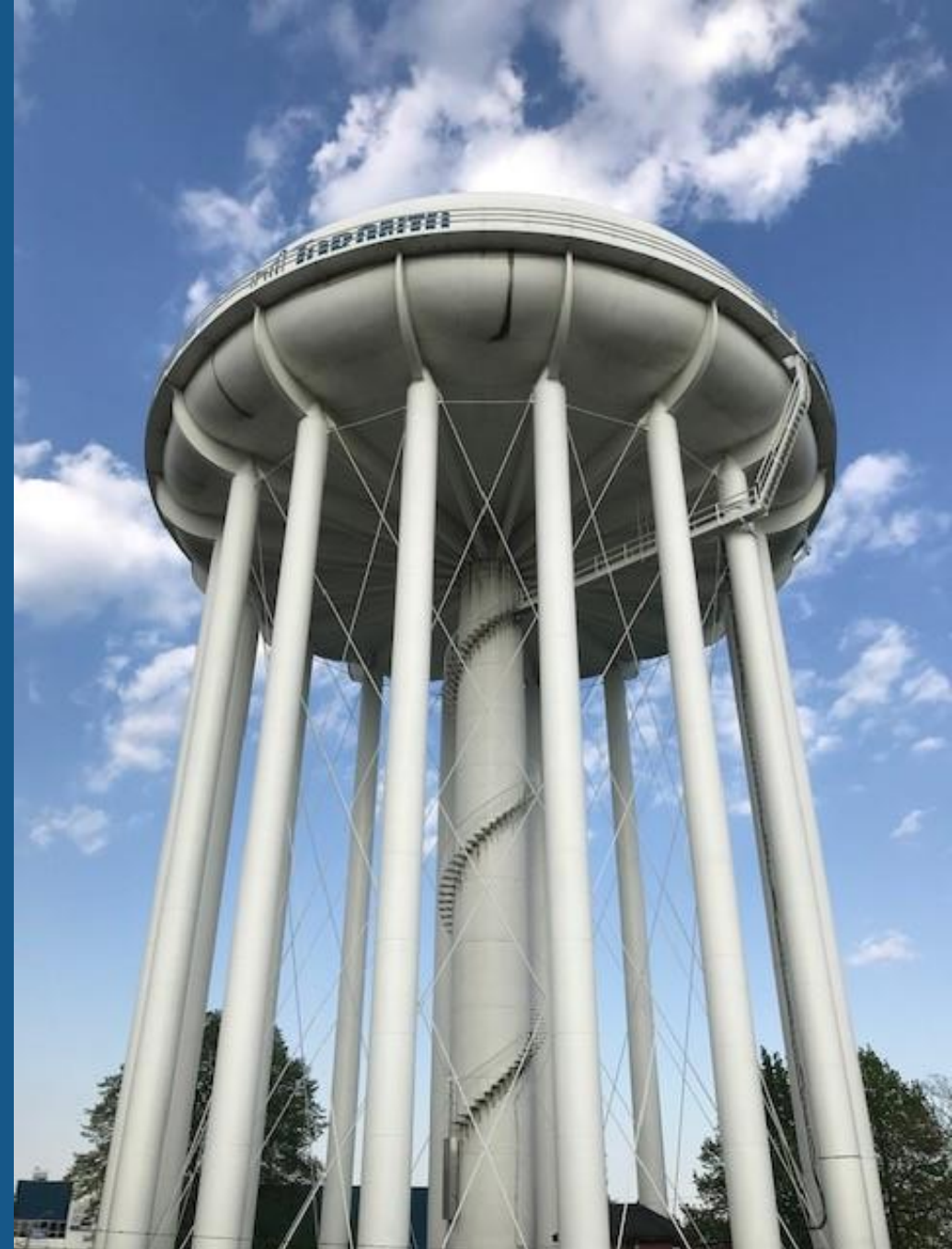


\$ Millions	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
SOGR Funding	623.3	676.2	848.0	776.9	810.9	797.4	739.3	733.8	678.8	609.1	586.2
Accumulated Backlog Est.	1,456.3	1,433.6	1,212.3	1,059.1	875.3	710.8	563.4	434.6	360.2	354.1	359.0
Backlog % of Asset Value	1.8%	1.7%	1.5%	1.3%	1.0%	0.8%	0.7%	0.5%	0.4%	0.4%	0.4%
Total Asset Value	83,167.1	83,314.2	83,513.0	84,342.9	85,206.6	85,968.1	86,472.8	86,811.1	87,141.2	87,445.7	88,186.2

* 2021 SOGR funding is based on recent estimates

- Over 56 per cent of Toronto Water's infrastructure backlog is associated with aging linear watermain and sewer infrastructure
- The 2022-2031 Budget and Capital Plan allocates:
 - \$4.6 billion in SOGR funding to address deteriorated linear infrastructure
 - \$2.6 billion in SOGR funding to address infrastructure renewal projects at water and wastewater treatment facilities

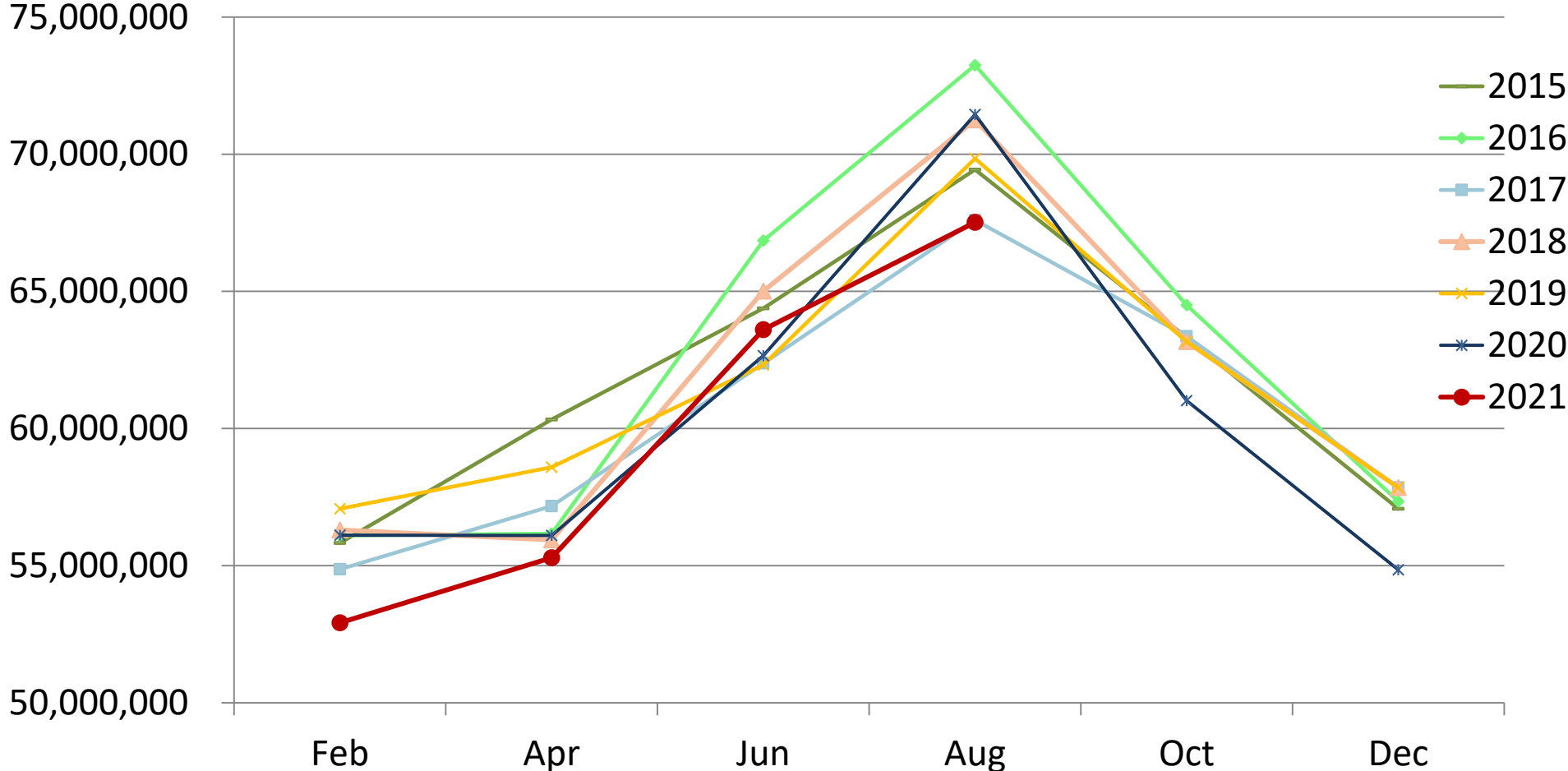
2022 Recommended Water Rate



Whitlam Water Tower (5.7 million litre capacity) Long Branch, Etobicoke

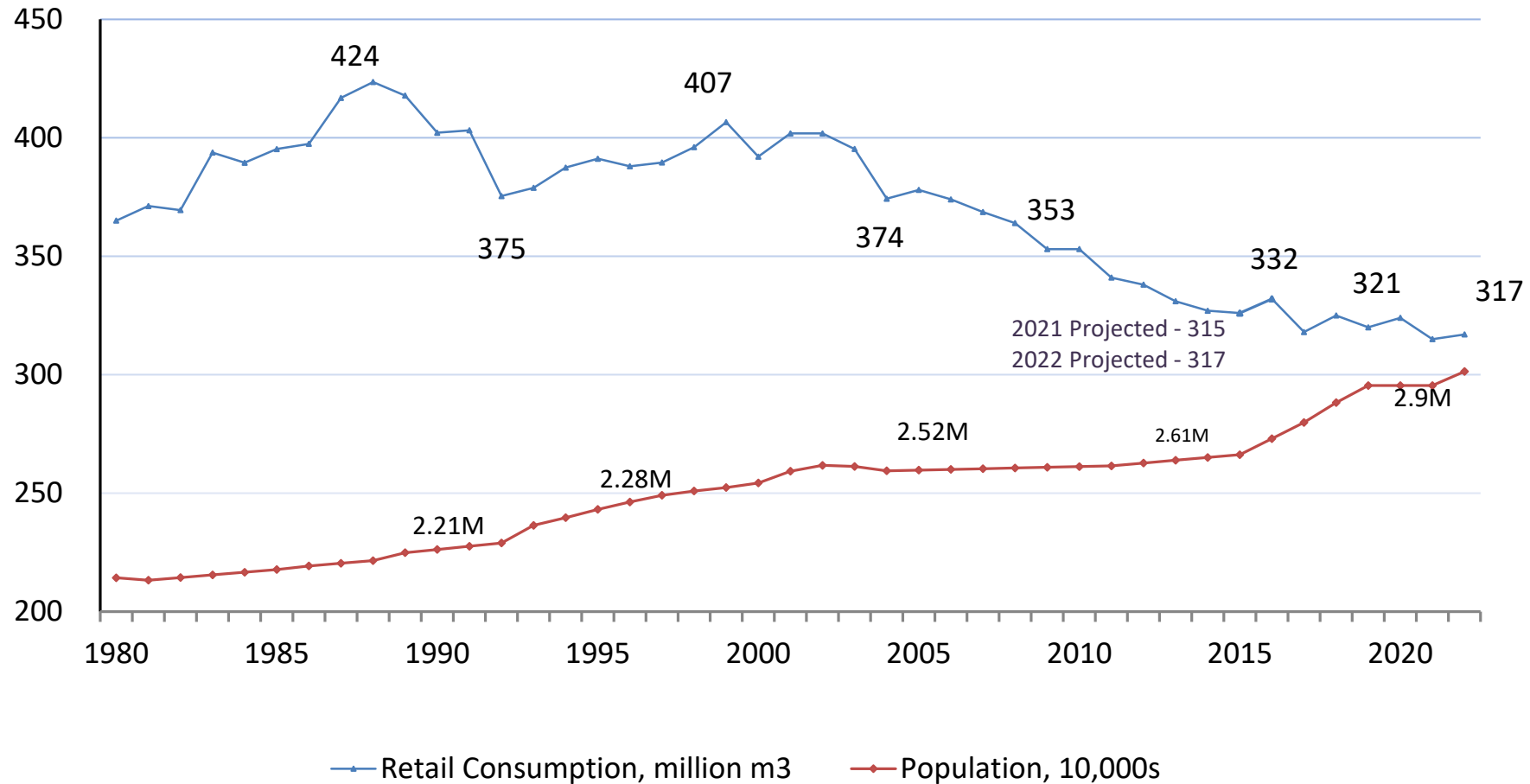
Water Production

Toronto Water Production 2015 -2021, m³ bi-monthly



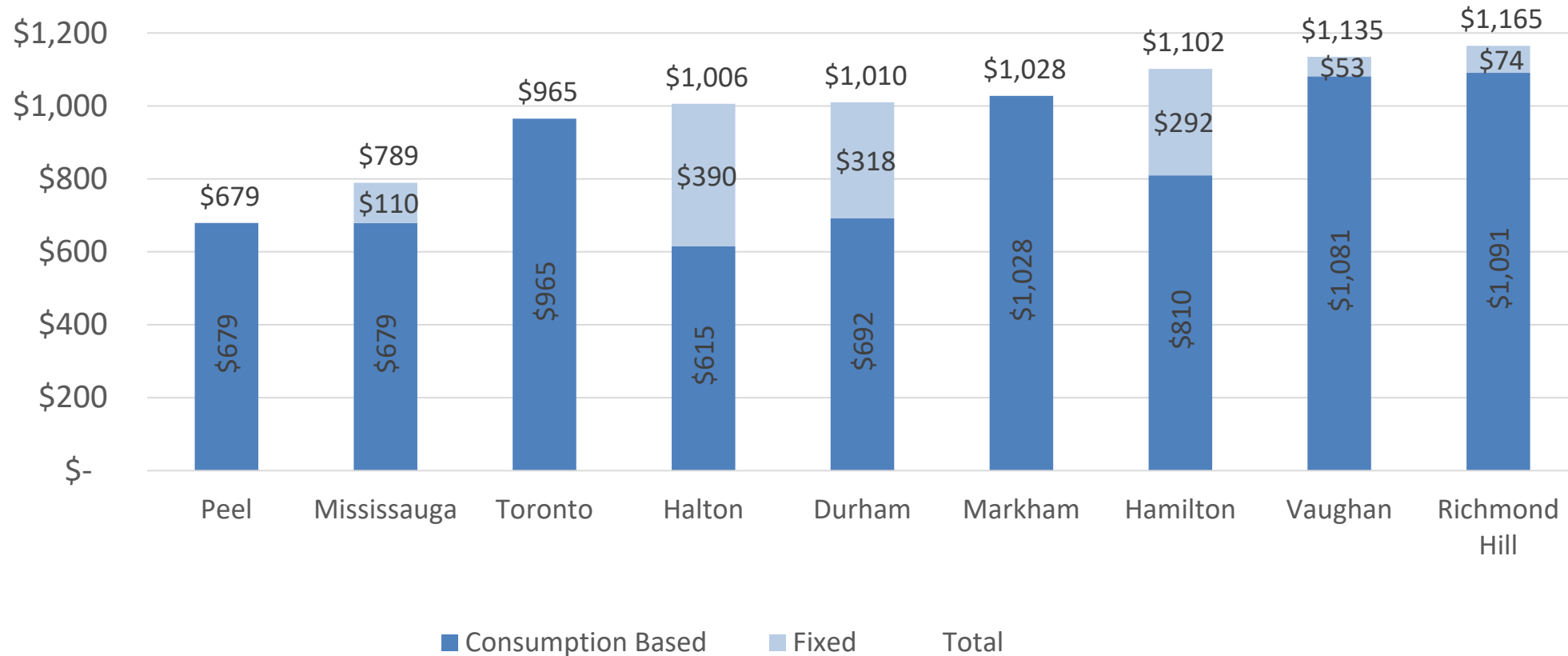
Population & Water Consumption

Population and Water Consumption

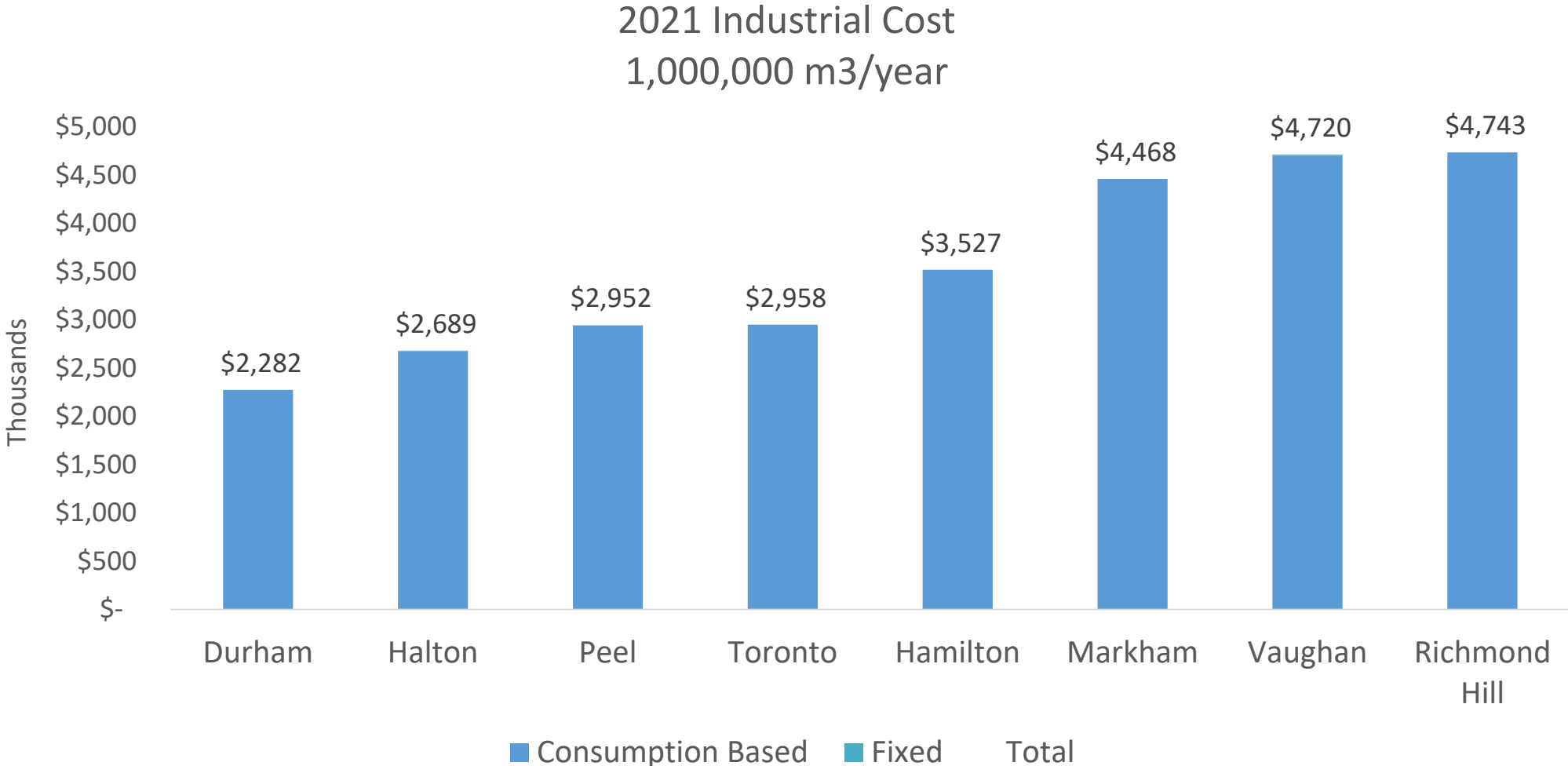


How Does Toronto Compare

2021 Residential Cost
230 m³/year

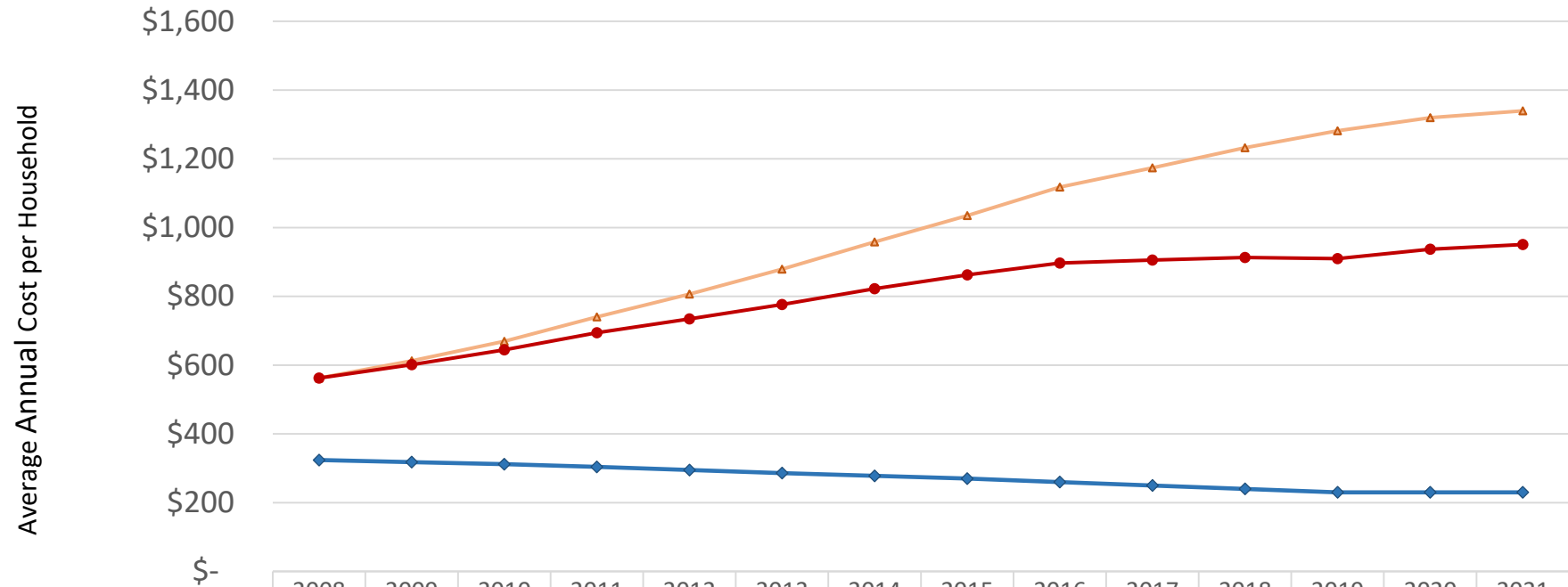


How Does Toronto Compare



Impact of Rate Increases

Average Residential Cost



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential cost with constant consumption at 2008 level, \$/y	\$562	\$613	\$669	\$740	\$807	\$879	\$958	\$1,035	\$1,118	\$1,174	\$1,232	\$1,281	\$1,320	\$1,340
Residential cost with actual consumption \$/y	562	601	645	694	734	776	822	863	897	906	913	910	937	951
Average annual consumption per household m3/y	324	318	312	304	295	286	278	270	260	250	240	230	230	230

2022 Water Rate Increase Impact

Type of Property	Consumption	2021 Cost	2022 Projected Cost	2022 Rate Increase Impact	
	m ³ /y	\$/y	\$/y	\$/y	%
Residential	230	\$951	\$979	29	3.0%
Commercial	100,000	\$413,460	\$425,860	12,400	3.0%
Industrial	100,000	\$295,594	\$304,460	8,866	3.0%
Large Industrial	1,000,000	\$2,900,104	\$2,987,090	86,986	3.0%

*Average cost for residential drinking water, wastewater and stormwater services \$2.68 per day.

Projected Water Rate Increase

			2022-2031 Plan									
TORONTO WATER	Actual 2020	Projected 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
WATER RATE INCREASE	3.00%	1.50%	3.00%	3.60%	3.00%	3.00%	3.00%	3.60%	3.00%	3.00%	3.00%	3.60%
WATER RATE REVENUE \$M	1,307	1,274	1,321	1,354	1,396	1,430	1,465	1,501	1,547	1,585	1,624	1,664
WATER RATE REVENUE INCREASE		-2.55%	3.74%	2.46%	3.09%	2.46%	2.46%	2.46%	3.06%	2.46%	2.46%	2.46%
CAPITAL RESERVE CLOSING BALANCE \$M	\$1,264	\$1,082	\$977	\$635	\$383	\$166	\$68	\$51	\$51	\$55	\$81	\$256

Thank You



StreetArt – Hoarding at Integrated Pumping Station Construction Site (Eastern Avenue)
Don River and Central Water & Connected Projects

Appendices

COVID-19 Financial Impact – Operating

COVID-19 Impacts	In \$ Thousands			
	2021 Net	2022		
		Revenues	Gross	Net
Revenue Loss				
Sale of Water Volume	12,690.0			
Private Water Agreements	1,000.0			
Sub-Total	13,690.0			
Expenditure Increase				
Health and Safety Protocols	859.2		1,131.6	1,131.6
Sub-Total	859.2		1,131.6	1,131.6
Total COVID-19 Impact	14,549.2		1,131.6	1,131.6

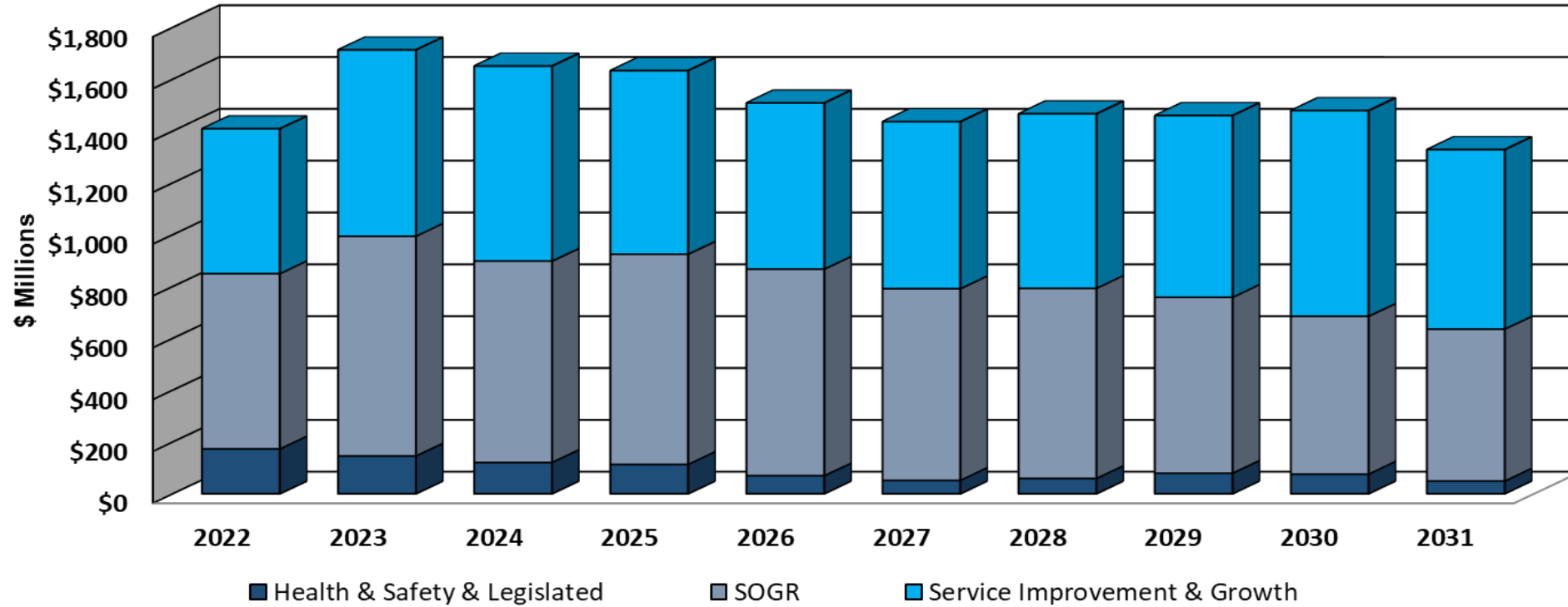
Impacts and Recovery

A projected \$13.7 million loss in sale of water and private water agreements in 2021 due to lower consumptions as a result of stay at home orders and closures/slowdowns in Industrial, Commercial and Institutional sector. Year-end results can vary significantly due to the uncertainty of consumption levels during the summer months, a change in consumer habits and/or a change in government orders for closures. The savings from hiring delays and other underspending will be used to offset COVID-19 related revenue losses.

Continued costs for health and safety supplies and protocols are included in the 2022 Operating Budget.

Toronto Water continues to provide safe drinking water; safe collection and treatment of wastewater; and, stormwater management during the global pandemic. There are no impacts to service levels as a result of COVID-19.

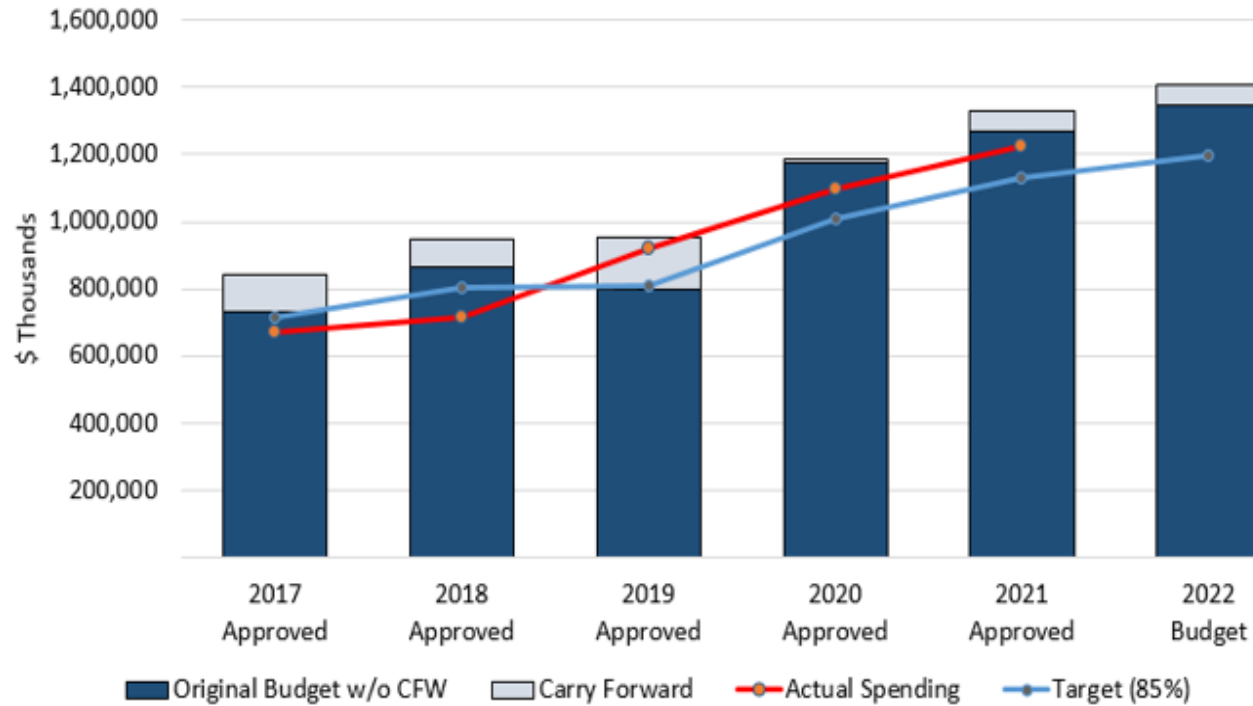
2022 – 2031 Capital Budget & Plan by Project Category



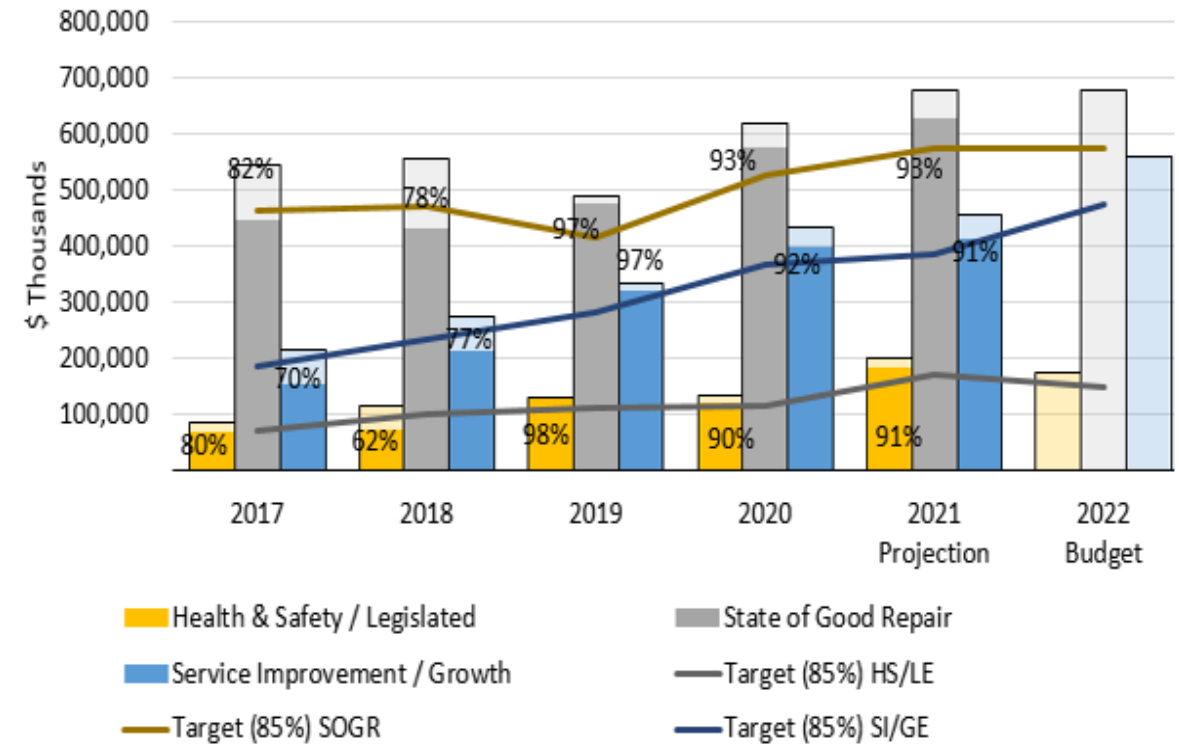
2022 - 2031 Staff Recommended Capital Budget and Plan by Category											
\$ Millions	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Health & Safety & Legislated	173.2	145.8	120.9	113.5	69.5	51.9	59.3	79.3	76.1	49.3	938.8
SOGR	676.2	848.0	776.9	810.9	797.4	739.3	733.8	678.8	609.1	586.2	7,256.7
Service Improvement & Growth	559.3	718.9	752.7	708.7	641.1	644.7	673.3	701.6	793.6	692.8	6,886.9
Total	1,408.7	1,712.8	1,650.5	1,633.2	1,508.1	1,435.9	1,466.4	1,459.8	1,478.7	1,328.3	15,082.3

Capacity to Spend

Carry Forward Impact Vs. Capacity to Spend



Budget Vs. Actual Spending by Category



Capital Needs Constraints



- The 2022-2031 Capital Budget and Plan is based on the capacity to deliver (85 percent spending rate included for planning purposes).
- Toronto Water does not have any unmet needs over the 10-year planning horizon.