

## Budget Committee

BU35.2	ACTION	Amended		Ward: All
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### 2022 Rate Supported Budgets - 2022 Water and Wastewater Consumption Rates and Service Fees

#### Committee Decision

The Budget Committee recommends that:

#### Rates and Fees

1. City Council adopt:

a. effective January 1, 2022, a 3 percent rate increase to the combined water and wastewater consumption rates (paid on or before the due date) charged to metered consumers as shown in the table below and in Appendix B to the report (October 21, 2021) from the Chief Financial Officer and Treasurer and the General Manager, Toronto Water:

Annual Consumption	Paid on or before the due date, \$/m <sup>3</sup>	Paid after the due date, \$/m <sup>3</sup>
Block 1 - All consumers of water, including the first 5,000 cubic metres per year consumed by Industrial users ("Block 1 rate")	4.2586	4.4827
Block 2 - Industrial process – use water consumption over 5,000 cubic metres per year, representing a 30% reduction from the Block 1 Rate ("Block 2 rate')	2.9809	3.1377

b. effective January 1, 2022, an increase of 3 percent to the water and wastewater consumption rates (paid on or before the due date) charged to flat rate consumers, as set out in Appendix B to the report (October 21, 2021) from the Chief Financial Officer and Treasurer and the General Manager, Toronto Water;

c. effective January 1, 2022 the water and wastewater service fees, as set out in Appendix C to the report (October 21, 2021) from the Chief Financial Officer and Treasurer and the General Manager, Toronto Water.

2. City Council adopt, with respect to assistance for low-income seniors and low-income disabled persons:

a. effective January 1, 2022, the water rebate for eligible low-income seniors and low-income disabled persons be set at a rate of \$1.2776 per cubic metre, representing a 30 percent reduction from the Block 1 rate above (paid on or before the due date).

3. City Council authorize the necessary amendments to Municipal Code Chapter 441 - Fees and Charges, Municipal Code, Chapter 849 - Water and Sewage Services and Utility Bill, and any other necessary Municipal Code Chapters as may be required, to give effect to City Council's decision.

4. City Council authorize the City Solicitor to introduce any necessary Bills required to give effect to Council's decision and authorize the City Solicitor to make any necessary clarifications, refinements, including stylistic, format and organization, minor modifications, technical amendments or by-law amendments as may be identified by the City Solicitor, the Chief Financial Officer and Treasurer and the General Manager, Toronto Water.

Operating and Capital Budgets

5. City Council approve the 2022 Operating Budget for Toronto Water of \$471.228 million gross, \$1,447.021 million revenue and \$975.793 million net for the following services:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Capital from Current Contribution (\$000s)
Water Treatment & Supply	196,749.6	632,947.6	436,198.0
Wastewater Collection & Treatment	230,918.1	803,249.1	572,331.0
Stormwater Management	43,560.4	10,824.2	-32,736.2
Total Program Budget	471,228.1	1,447,020.9	975,792.8

6. City Council approve the 2022 staff complement for Toronto Water of 1,883.3 positions comprised of 130 capital position and 1,753.3 operating positions.

7. City Council approve 2022 Capital Budget for Toronto Water with cash flows and future year commitments totaling \$8,001.172 million as detailed by project in Appendix 6a to the 2022 Staff Recommended Capital and Operating Budget Notes - Toronto Water.

8. City Council approve the 2023-2031 Capital Plan for Toronto Water totalling \$7,081.173 million in project estimates as detailed by project in Appendix 6b to the 2022 Staff Recommended Capital and Operating Budget Notes - Toronto Water.

9. City Council request that all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2022 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

### Service Levels

10. City Council approve the 2022 service levels for Toronto Water as outlined in Appendix 1 to the report (November 3, 2021) from the General Manager, Toronto Water titled "Recommended 2022 Service Levels – Toronto Water".

### **Decision Advice and Other Information**

The Budget Committee:

1. Requested the General Manager, Toronto Water, as part of the report back on the potential for a stormwater management fee requested by City Council for 2023, to also report on the necessary stormwater capacity to address the expected severe stormwater events resulting from climate change, in line with global best practices for modelling and managing stormwater.

### **Origin**

(October 21, 2021) Report from the Chief Financial Officer and Treasurer and the General Manager, Toronto Water

### **Summary**

This report presents the recommended 2022 water and wastewater consumption rates and service fees arising from the concurrent adoption by City Council of the 2022 Toronto Water Operating and Capital Budgets.

In accordance with the City Council 10 year capital plan approved in 2015, this report recommends a 3% water and wastewater consumption rate increase, effective January 1, 2022, and inflationary fee increases for certain existing water and wastewater service fees, reflecting cost recovery for these services.

The recommended 2022 water and wastewater consumption rates and service fees will allow the Toronto Water Program to remain fully self-funded and financially stable, with both operating and capital needs being met without excessive year-over-year fluctuations in pricing over the long term.

### **Background Information**

(October 21, 2021) Report from the Chief Financial Officer and Treasurer and the General Manager, Toronto Water on 2022 Water and Wastewater Consumption Rates and Service Fees (<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172790.pdf>)

Appendix A - Summary of 2022 Operating and Capital Budget and Forecast, Corresponding Rate Increase and Capital Financing

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172792.pdf>)

Appendix B - 2022 Water and Wastewater Consumption Rates

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172793.pdf>

Appendix C - 2022 Water and Wastewater Service Fees

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172794.pdf>

(November 3, 2021) Report and Appendix 1 from the General Manager, Toronto Water on Recommended 2022 Service Levels - Toronto Water

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172803.pdf>

2022 Staff Recommended Capital and Operating Budget Notes - Toronto Water

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172839.pdf>

2022 Report 7C - Toronto Water

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172856.pdf>

2022 Report 7C - Toronto Wastewater

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172857.pdf>

(October 22, 2021) Briefing Note (BN1) - 2022 Capital Budget Briefing Note - Basement Flooding Protection Program - Program Status Update and Project List - 2022 to 2026

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172816.pdf>

(October 15, 2021) Attachment 1 to Briefing Note (BN1) - 2022 Capital Budget Briefing Note - Basement Flooding Protection Program - Program Status Update and Project List - 2022 to 2026

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172818.pdf>

(October 15, 2021) Attachment 2 to Briefing Note (BN1) - 2022 Capital Budget Briefing Note - Basement Flooding Protection Program - Program Status Update and Project List - 2022 to 2026

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172819.pdf>

Briefing Note (BN5) - 2022 Operating Budget Briefing Note - Toronto Water and Solid Waste Management Services - Community Gardens and Urban Farms

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173283.pdf>

Briefing Note (BN6) - 2022 Operating Budget Briefing Note - Toronto Water - Service Levels

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173282.pdf>

(November 3, 2021) Notice of Public Meeting - Proposed Amendments to the City of Toronto Municipal Code for Increases to the Water and Wastewater Consumption Rates and Certain Water and Wastewater Service Fees

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172837.pdf>