

2024 Budget Notes

Toronto Water

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Description

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.

Why We Do It

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.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

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What Service We Provide

Water Treatment & Supply

Who We Serve: Water account holders, water consumers

What We Deliver: Supply +435 billion litres annually of safe potable water. Continuous distribution of potable water through +6,100 km of watermains and City-owned water services.

How Much Resources (gross 2024 operating budget): \$209.9 million

Wastewater Collection & Treatment

Who We Serve: Wastewater account holders, wastewater producers, public & private landowners

What We Deliver: Return to Lake Ontario +400 billion litres annually of treated wastewater. Conveyance of wastewater through +5,600 km of sewers.

How Much Resources (gross 2024 operating budget): \$250.2 million

Stormwater Management

Who We Serve: Public and private landowners

What We Deliver: Continuous conveyance of stormwater (rainwater and melted snow) through +4,900 km of storm sewers.

How Much Resources (gross 2024 operating budget): \$47.9 million

Budget at a Glance

2024 OPERATING BUDGET

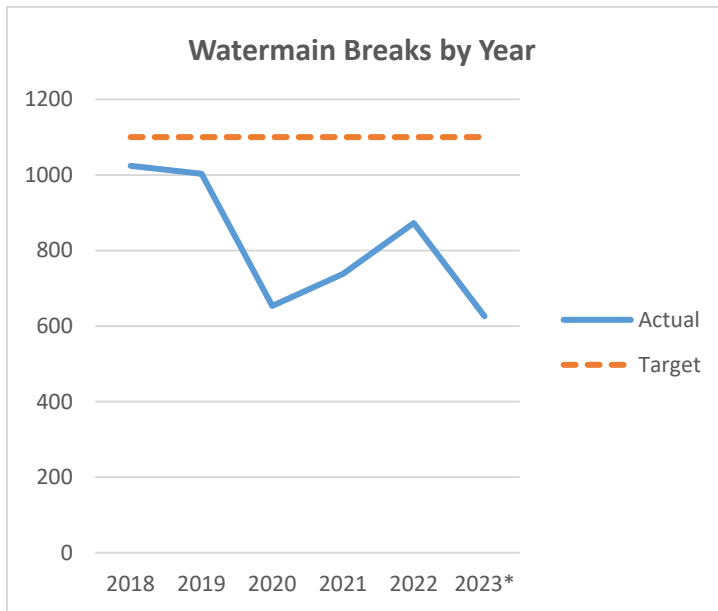
<u>\$Billion</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenues	\$1.548	\$1.588	\$1.629
Gross Expenditures	\$0.508	\$0.519	\$0.532
Capital Contribution	\$1.040	\$1.068	\$1.098
Approved Positions	1,918.3	1,933.3	1,936.3

2024 - 2033 10-YEAR CAPITAL PLAN

<u>\$Billion</u>	<u>2024</u>	<u>2025-2033</u>	<u>Total</u>
Gross Expenditures	\$1.273	\$14.917	\$16.190
Debt	\$0.000	\$0.000	\$0.000

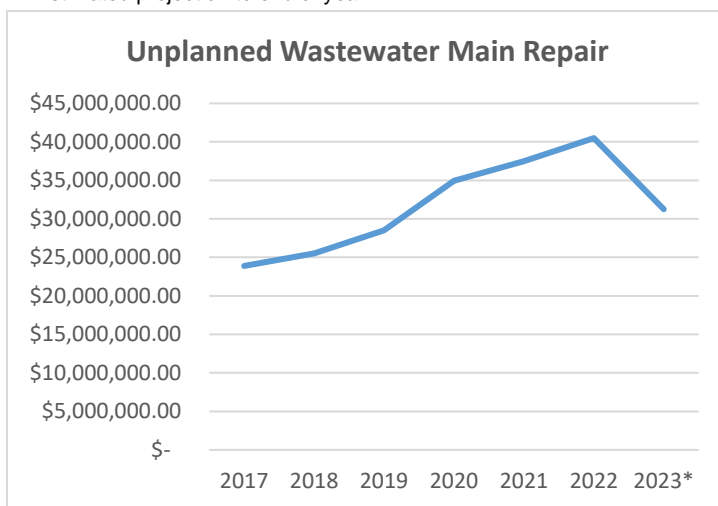
Note: Includes 2023 carry forward funding

How Well We Are Doing – Behind the Numbers



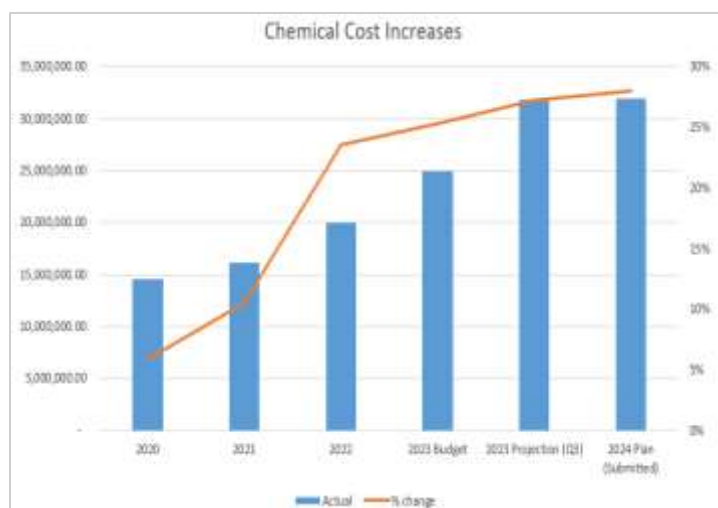
*Estimated projection to end of year

- Toronto Water has made significant capital investments in water infrastructure replacement and renewal activities (cathodic protection and structural lining). These projects have contributed to the gradual decline in watermain breaks.
- Inclement weather (extreme cold or temperature fluctuations) is the leading cause of watermain breaks followed by excavation activities, corrosive soils and ground settling.
- The 2024-2033 Staff Prepared Capital Budget proposes a \$1.9 billion investment to maintain the water distribution network in a state of good repair. The proposed 2024 annual investment of \$207.4 million is a 9.9% decrease over what was proposed in 2023.
- Consistent capital investments in the water distribution network improves reliability of service by reducing unplanned maintenance and repairs, and other disruptions to the community caused by watermain breaks.



*Estimated projection to end of year

- The 2024-2033 Staff Prepared Budget proposes a \$3.0 billion investment to maintain the wastewater collection network in a state of good repair.
- Toronto Water is increasing its capital investments in wastewater infrastructure replacement and renewal to mitigate the rise in expenditures associated with emergency wastewater repairs. The proposed capital investment of \$170.6 million in 2024 for replacement and renewal, a 11.5% increase compared to the 2023 proposed investment.
- Deterioration due to age and environmental conditions (such as soil type) are leading causes of wastewater main collapse.
- Proactive capital investments in the wastewater network decrease costly emergency repairs and protects private property, public health, and the environment.



- 2023 index value for chemical contracts are 4% - 296% higher than the corporate increase guideline.
- Chemicals critical to achieving regulatory compliance in the treatment of drinking water and wastewater are subject to extreme market pressures in addition to the inflationary impacts felt by other markets.
- In 2022 and 2023, these pressures included historic high costs of raw materials due to shortages, supply chain disruptions, instability caused by the war in Eastern Europe and sanctions against Russia. Many chemical components are sourced from Ukraine, Russia and Belarus.
- Based on the continued market instability, it is anticipated that chemical contract prices will remain high in 2024.

How Well We Are Doing

Service	Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	*Status	2024 Target	2025 Target
Outcome Measures								
Water Treatment & Supply	Watermain Breaks per 100 km of Water Distribution Pipe	12	15.11	22	22	●	22	22
Water Treatment & Supply	Drinking Water Non-Compliance	2	0	0	0	●	0	0
Water Treatment & Supply	Per cent Time Operating Within 276 kPA to 793 kPA Requirements	99.5%	99.5%	99.5%	99.5%	●	99.5%	99.5%
Wastewater Collection & Treatment	Non-Compliance Events (Wastewater Treatment)	3	6	0	0	●	0	0
Wastewater Collection & Treatment	Mainline Backups per 100 KM of Pipe	3	2	4	4	●	4	4
Stormwater Management	ML of Dedicated (designed) Stormwater Storage Capacity	1,248	1,254	1,248	1,248	●	1,248	1,248
Service Level Measures								
Water Treatment & Supply	Water Treatment Non-Compliance Events	2	0	0	0	●	0	0
Water Treatment & Supply	Target Pressure Limits (Pressure Maintenance)	99.5%	99.5%	99.5%	99.5%	●	99.5%	99.5%
Wastewater Collection & Treatment	Pumping Station Outages	0	0	0	0	●	0	0
Wastewater Collection & Treatment	Wastewater Treatment Non-Compliance Events	3	6	0	0	●	0	0
Stormwater Management	Number stormwater ponds inspected/maintained	1,152	1,180	990	1,164	●	990	990

2023 Projection to 2023 Target Comparison: ● 80% and above (MET TARGET) ● 70 - 79% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

Service	Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	*Status	2024 Target	2025 Target
Other Measures								
Water Treatment & Supply	Electrical kWh per ML of Water Pumped	321 kWh per ML	320 kWh per ML	330 kWh per ML	319 kWh per ML	●	330 kWh per ML	330 kWh per ML
Wastewater Collection & Treatment	Per cent Biosolids Beneficially Used (ABTB)	100%	100%	100%	100%	●	100%	100%
Stormwater Management	Water Course Inlet/Outlet Inspections	4,680	5,210	3,000	3,000	●	3,000	3,000

2023 Projection to 2023 Target Comparison

● 80% and above (MET TARGET) ● 70 - 79% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success



- Continued long-term investment in the Don River and Central Waterfront projects, which are actively underway.
 - Phase 1, the Coxwell Bypass Tunnel, at 10.5km long and 6.3m in diameter, will intercept combined sewer overflows and stormwater discharges from 23 sewer outfalls improving beach, river and lake water quality. As of November 2023, the \$404 million Coxwell Bypass Tunnel (stage one) construction is approximately 90% complete.
- Invested over \$127 million in critical upgrades to the Ashbridges Bay Wastewater Treatment Plant (ABTP), which serves over 1.5 million people.
 - The new ABTP outfall is being built to improve capacity and better convey and disperse fully treated wastewater to Lake Ontario. As of November 2023, the \$269 million outfall construction is approximately 88% complete.
 - The new ABTP UV Disinfection Wastewater Treatment Facility will provide reliable disinfection as part of the full wastewater treatment process without the use of chemicals. As of November 2023, the \$213 million UV Disinfection construction is approximately 92% complete.
 - The new landform, a joint initiative with Toronto and Region Conservation Authority (TRCA), will provide erosion and sediment control to improve passage for boats, eliminating the need for regular dredging in the Coatsworth Cut area of Ashbridges Bay. The eastern breakwater portion of the landform was completed at the end of November 2023. Overall, the project is approximately 75% complete.
- The Basement Flooding Protection Program (BFPP) continues to be a priority for Toronto Water as a key aspect of the Wet Weather Flow Master Plan (WWFMP), which has been in place for 20 years as of 2023. The BFPP program continues to see advancement on key projects, but also faces challenges.
 - The Fairbank-Silverthorn Trunk Sewer Project, one of the largest projects that is part of Toronto Water's Basement Flooding Protection Program, achieved an important project milestone in 2023. In May, a 270-tonne Tunnel Boring Machine (TBM) named 'Nabia' was launched down a 40-metre shaft inside Fairbank Memorial Park. The TBM will work to construct tunnels that will help collect, store and move stormwater from the Fairbank-Silverthorn area to Black Creek to help reduce the risk of basement flooding.
 - As of November 2023, the \$206 million Phase 1 construction was approximately 66% complete. Phase 2, expected to be tendered in 2024, will include the construction of new storm sewers that will collect stormwater and bring it to the tunnel for storage and conveyance.

- Following an extreme storm in July 2013, City Council approved the expansion of the BFPP, to help Toronto become more resilient when affected by extreme weather. The BFPP expanded to 67 study areas across the city.
 - As of December 2023, studies have been completed for 61 Basement Flooding Study Areas and 6 study areas are underway. All remaining studies (Areas 42, 44, 46, 52, 57, and 59) are scheduled for completion by the end of 2024.
- The Rockcliffe area is the most flood vulnerable area in TRCA/the City's jurisdiction. BFPP Study Areas 45 and 4 are located in the Black Creek and Highway 401 (north and south) area, which has experienced recurring basement and surface flooding during extreme storms. The City has successfully applied for federal funding through the Disaster Mitigation and Adaptation Fund for basement flooding project 45-48, a BFPP project that proposes flood mitigation measures in both Areas 45 and 4 and is part of the broader Rockcliffe flood mitigation work.
 - Project 45-48 is advancing to preliminary design in 2024 with a targeted construction start of 2027. Preliminary design will refine the project's scope and update the cost estimate. If the project's cost estimate meets the Council-directed threshold of \$68,000 per benefiting property, the project will proceed to detailed design and construction.
 - Federal funding of \$65 million will be provided towards the project, should it proceed, but is conditional on the City making the appropriate contribution. Toronto Water has included more than \$200 million in its 10-year capital plan to support the contribution towards this project.

Key Challenges and Risks

- **Capital construction costs are increasing above inflation and remain unpredictable** - Cost escalations caused by high rates of inflation, global supply chain issues, market volatility, staffing constraints for specialized labour and operational costs increases (e.g., commodities, materials). Year-over-year increases in tender costs across Toronto Water projects will continue to impact capital affordability.
- **Inadequate reserve balances to fund state-of-good-repair program** - 10-year capital plan relies on a 3% annual water rate increase in 2024 followed by successive rate increases of 3.25% annually starting in 2025 to maintain the capital reserves to fund the state-of-good-repair 10-year capital program. Pressure on capital reserves may be exacerbated if capital construction costs continue to escalate. Capital cost escalations due to inflation are creating financial pressures that cannot be managed with capital reprioritization alone without impacting capital reserve levels. The 10-year plan is predicated on a rate adjustment to 3.25% beginning in 2025 to offset the increase in costs while maintaining adequate reserve balances.
- **Inadequate capacity to deliver on capital commitments** - Significant increases in operational costs and continued staffing constraints (both within Toronto Water and other divisions), are impacting the ability to deliver on capital commitments.
- **Operating costs are increasing and remain unpredictable** - Cost escalations caused by inflation, supply chain issues, market volatility and labour market challenges are resulting in increases in expenditures in multiple areas (commodities, materials, chemicals, etc.). A significant portion of the operational budget are expenditures that are highly susceptible to market fluctuations, and critical to service delivery (e.g., chemicals for water and wastewater treatment).

Priority Actions

- **Growth:** Manage pressure on linear infrastructure in growth areas, and ensure investment aligns with planned growth. Coordinate with the Development and Growth services area to support an efficient development review process and the City's priority to build housing faster.
- **Resiliency:** Continue to invest billions in projects to protect the environment and the City's water quality with guidance from the Wet Weather Flow Master Plan. Includes \$2.1 billion investment in the Basement

Flooding Protection Program, with the Environmental Assessments for all Basement Flooding Studies Areas expected to be completed in 2024. Investment of \$1.4 billion over the next 10 years to implement the Don River and Central Waterfront project.

- **Technology Investment and Modernization:** Provide support, resources and leadership to maintain existing, and implement new, division and enterprise-wide technology that will modernize the division's operations and service delivery. Facilitate strategic investments that strengthen operational efficiency and system cybersecurity and improve customer response times.
 - **Workforce Strategies:** Prioritize recruitment and retention strategies, focussing on harder to fill positions that are critical to Toronto Water's operations. Strengthen succession planning in alignment with divisional partners. Ensure a diverse, inclusive and healthy workforce with the capacity to deliver on capital commitments while maintaining excellent service standards.
 - **State-of-Good-Repair (SOGR):** Minimize impacts on this year's planned SOGR projects resulting from cost escalation and constraints on resources and capacity to deliver on capital commitments. Realign planned long-term investment and reduction of the backlog to achieve a reduction of \$483 million by 2033.
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CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2024 Operating Budget for Toronto Water of \$507.949 million gross, \$1,548.333 million revenue and \$1,040.384 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Capital from Current Contribution (\$000s)
Water Treatment & Supply	209,919.6	676,150.8	466,231.3
Wastewater Collection & Treatment	250,151.4	859,629.7	609,478.2
Stormwater Management	47,878.4	12,552.9	-35,325.6
Total Program Budget	507,949.4	1,548,333.4	1,040,383.9

- The 2024 staff complement for Toronto Water of 1,918.3 positions comprised of 140.0 capital positions and 1,778.3 operating positions.
2. The 2024 Capital Budget for Toronto Water with cash flows and future year commitments totaling \$9,392.381 million as detailed by project in [Appendix 5a](#).
 3. The 2025-2033 Capital Plan for Toronto Water totalling \$6,797.525 million in project estimates as detailed by project in [Appendix 5b](#).
 4. That all sub-projects with third party financing be subject to the receipt of such financing in 2024 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

2024 OPERATING BUDGET

2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

(In \$000s)	2022 Actual	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Base Budget	2024 New / Enhanced	2024 Budget	Change v. 2023 Budget excl COVID	
								\$	%
By Service	\$	\$	\$	\$	\$	\$	\$	\$	%
Revenues									
Water Treatment & Supply	651,455.5	650,023.9	658,889.3	650,023.9	676,150.8	676,150.8	26,126.9	4.0%	
Wastewater Collection & Treatment	817,470.0	823,933.5	838,722.0	823,933.5	859,629.7	859,629.7	35,696.1	4.3%	
Stormwater Management	6,729.7	12,119.1	10,536.5	12,119.1	12,552.9	12,552.9	433.8	3.6%	
Total Revenues	1,475,655.2	1,486,076.5	1,508,147.8	1,486,076.5	1,548,333.4	1,548,333.4	62,256.9	4.2%	
Expenditures								N/A	
Water Treatment & Supply	195,971.6	201,421.5	200,340.7	201,421.5	209,919.6	209,919.6	8,498.0	4.2%	
Wastewater Collection & Treatment	213,181.5	242,690.4	242,659.7	242,690.4	250,151.4	250,151.4	7,461.0	3.1%	
Stormwater Management	37,577.2	45,741.9	44,379.2	45,741.9	47,878.4	47,878.4	2,136.5	4.7%	
Sub-Total - Total Expenditures	446,730.3	489,853.9	487,379.6	489,853.9	507,949.4	507,949.4	18,095.6	3.7%	
Capital Contribution	975,792.8	996,222.6	996,222.6	996,222.6	1,040,383.9	1,040,383.9	44,161.3	4.4%	
Surplus (2023 Projection)	53,132.1		24,545.5					N/A	
Sub-Total - Capital Contribution	1,028,924.9	996,222.6	1,020,768.1	996,222.6	1,040,383.9	1,040,383.9	44,161.3	4.4%	
Total Gross Expenditures	1,475,655.2	1,486,076.5	1,508,147.8	1,486,076.5	1,548,333.4	1,548,333.4	62,256.9	4.2%	
Approved Positions**	1,884.3	1,912.3	N/A	1,912.3	1,918.3	1,918.3	6.0	0.3%	

*2023 Projection based on 9 Month Variance

**YoY comparison based on approved positions

KEY DRIVERS

Total 2024 Budget expenditures of \$507.949 million gross reflecting an increase of \$18.096 million in spending above 2023 budget, predominantly arising from:

- Salaries and benefit increases due to cost of living adjustments and anticipated filled vacancies in 2024, as Toronto Water continues to implement its hiring strategies and prioritize recruitment of critical positions required for capital delivery and delivery of other essential programs.
- Inflationary increases for utilities, chemicals, materials, and contract services caused by inflation and global market supply conditions.
- Operating costs for salaries and benefits including six (6) net new positions, primarily arising from the completion of capital projects to operate new facilities and infrastructure, and the delivery of ongoing capital projects.

Above pressures are partially offset by base expenditure savings arising from a line-by-line review, other operational efficiency savings, higher revenues from sale of water to Region of York, and other revenue. The 2024 consumption for sale of water volume was adjusted to align with 2022 actuals and 2023 projections while still maintaining a moderate annual decrease of 0.5% starting in 2025 and beyond.

The 2024 Operating Budget includes a 3% rate increase, effective January 1, 2024. As illustrated in Table 1 above, approximately 67% of Toronto Water's 2024 Operating Budget will go towards the annual capital reserve contribution to fund the 10-Year Capital Plan for Toronto Water, representing a 4.4% increase from the 2023 approved contribution.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Toronto Water's 2024 Operating Budget do not have any significant equity impacts.

2024 OPERATING BUDGET KEY COST DRIVERS

The 2024 Operating Budget for Toronto Water of \$507.949 million gross is 18.096 million or 3.7% greater than the 2023 gross expenditure Budget. Table 2 below summarizes the key cost drivers for the 2024 Budget.

Table 2: 2024 Key Cost Drivers

(In \$000s)	2024				2025 Annualized impact (Net)
	Revenues	Gross	Capital Contribution	Positions**	
2023 Budget	1,486,076.5	489,853.9	996,222.6	1,912.3	N/A
2023 Projection*	1,508,147.8	487,379.6	1,020,768.1	N/A	N/A
Key Cost Drivers:					
Operating Impacts of Capital					
Operating Impacts of Capital		176.0	(176.0)	4.0	(2,698.1)
Support Growth and Delivery of Capital	196.3	196.3		3.0	
Salary & Benefits					
Salaries and Benefit Inflation and Other Complement Changes	2,860.4	7,595.3	(4,734.9)	(1.0)	(1,057.6)
Non-Salary Inflation					
Economic factors - Inflation		8,471.8	(8,471.8)		(6,730.8)
Price increase over CPI - Chemicals		7,093.7	(7,093.7)		
Revenue Changes					
Sale of Water Rate Increase	41,302.0		41,302.0		45,838.3
Sale of Water Volume Adjustments	23,523.4		23,523.4		(7,050.3)
Other Volume Changes	(7,732.0)		(7,732.0)		(1,567.8)
User fee increases	2,081.9		2,081.9		1,945.8
Other Changes	24.8	346.7	(321.9)		(721.8)
Sub-Total - Key Cost Drivers	62,256.9	23,879.8	38,377.1	6.0	27,957.8
Affordability Measures:					
Efficiencies - Water & Wastewater		(3,247.2)	3,247.2		
Realignment to Actuals		(2,537.0)	2,537.0		(40.0)
Sub-Total - Affordability Measures		(5,784.2)	5,784.2		(40.0)
Total 2024 Budget	1,548,333.4	507,949.4	1,040,383.9	1,918.3	N/A
Change from 2023 Budget (\$)	62,256.9	18,095.6	44,161.3	6.0	N/A
Change from 2023 Budget (%)	4.2%	3.7%	4.4%	0.3%	N/A

*Based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:**Operating Impacts of Capital:**

- The increase includes four (4) positions to operate new facilities and infrastructure following the completion of facility renovations, other upgrades, new infrastructure expansion and transfer of assets to Toronto Water, and three (3) positions to support growth and delivery of ongoing capital projects.

Salaries & Benefits:

- Includes increases due to cost-of-living adjustments and anticipated positions to be filled in 2024. In addition, this includes a reduction of one (1) position under Toronto Water for services to be provided through interdivisional charge with Corporate Real Estate Management going forward.

Non-Salary Inflation:Materials and Supplies:

- Includes hydro, natural gas, and chemical inflationary increases higher than general Consumer Price Index (CPI), global market supply pressures and inflationary increases on existing materials contracts. This is partially offset by ongoing hydro efficiencies. The 2024 budget also includes provisions for contingencies and estimates based on fluctuating weather conditions.

Services and Rents:

- Includes inflationary increases on existing contracted services. The 2024 budget also includes provisions for contingencies based on emergency or unplanned events (e.g., weather-related impacts to services).

Revenue Changes:

- Includes rate increase of 3% on sale of water, user fee inflationary rate increases, anticipated volume changes for sale of water and other user fee volume adjustments. The 2024 consumption of water was adjusted to align with 2022 actuals and 2023 projections while still maintaining a moderate annual decrease of 0.5% starting in 2025 and beyond.
- Revenue changes also include the removal of one-time funding received in 2023 from the Ministry of the Environment, Conservation and Parks linked to improving wastewater and stormwater discharges in Lake Ontario, as this provincial funding is expected to end in the first quarter of 2024.

Contributions to Capital:

- Approximately 67% of the 2024 Operating Budget will go towards the capital reserve contribution to fund the 10-Year Capital Plan.

Affordability Measures:**Table 3: Offsets and Efficiencies**

(\$000s)										
Recommendation	Savings Type	Equity Impact	2024				2025 (Incremental)			
			Revenue	Gross	Net	Positions	Revenue	Gross	Net	Positions
Efficiencies - Water & Wastewater - Utilities	Efficiency Savings	No Impact		(3,247.2)	(3,247.2)			(40.0)	(40.0)	
Realignment to actuals	Line By Line	No Impact		(2,537.0)	(2,537.0)					
Total Balancing Actions				(5,784.2)	(5,784.2)			(40.0)	(40.0)	

Efficiencies – Water & Wastewater:

- Ongoing hydro savings and efficiencies that Toronto Water has been able to achieve through implementation of various utility conservation-oriented initiatives. Toronto Water has also utilized technology to improve on efficiency in contract administration and estimates, contributing to savings in contracted service costs.

Realignment to Actuals (Line by Line):

- A reduction in base expenditures in materials and supplies and other non-salary costs contributes to Toronto Water's efforts to manage continuous cost increases from internal and external sources.

2025 & 2026 OUTLOOKS**Table 5: 2025 and 2026 Outlooks**

(\$000s)	2024 Budget	2025 Incremental Outlook	2026 Incremental Outlook
Revenues			
Sale of Water		38,787.9	39,408.5
User Fees Inflation		1,945.8	1,712.5
Other Revenue Changes		(1,367.9)	434.6
Total Revenues	1,548,333.4	39,365.8	41,555.7
Gross Expenditures			
Salaries and Benefits Inflationary Impacts		977.5	1,719.1
Non-Salary Inflationary Impacts		6,730.8	7,004.4
Operating Impacts to Capital		2,971.5	1,759.4
Other Expenditures		768.2	1,649.1
Total Gross Expenditures	507,949.4	11,448.1	12,132.0
Capital Contribution	1,040,383.9	27,917.8	29,423.7
Approved Positions	1,918.3	15.0	3.0

Key Outlook Drivers

The 2025 Outlook with total gross expenditures of \$519.397 million reflects an anticipated \$11.448 million or 2.25% increase in gross expenditures above the 2024 Operating Budget. The 2026 Outlook expects a further increase of \$12.132 million or 2.34% above 2025 gross expenditures.

These changes arise from the following:

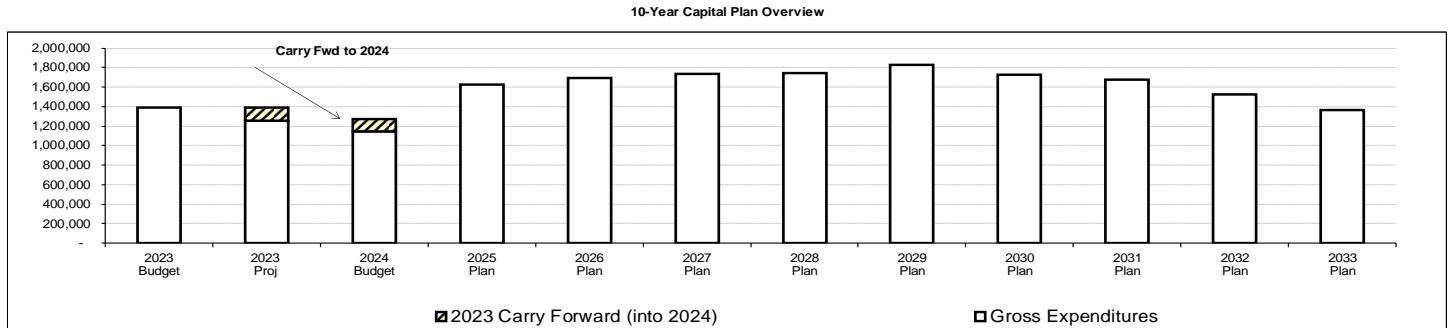
- Annualized impact of 2024 added positions and one (1) additional position to support operational demands.
- Anticipated inflationary increases for utilities, chemicals, other materials and supplies, and contracted services.
- Increase in contribution to Fleet Replacement Reserve and interdivisional charges based on operational demands.
- Operating impacts of capital projects, including an anticipated fourteen (14) for 2025 and three (3) for 2026 additional positions primarily required to operate new facilities and infrastructure and deliver capital projects.

Revenues are expected to increase as a result of anticipated 3.25% water rate increases in both 2025 and 2026.

2024 – 2033 CAPITAL BUDGET AND PLAN

2024 2033 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



In \$000's	2023 Capital Budget and 2024 - 2033 Capital Plan													Total 10 Year Plan
	2023		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
	Budget	Projected Actual												
Gross Expenditures by Project Category:														
Health & Safety & Legislated	140,448	115,824	104,983	103,322	99,398	71,624	61,190	51,540	42,096	40,435	38,239	41,883	654,710	
SOGR	627,882	509,789	678,708	897,867	892,356	919,835	900,272	880,059	840,451	832,622	763,169	541,458	8,146,797	
Service Improvement & Growth	620,646	545,964	489,671	623,871	701,053	745,819	780,565	897,926	840,847	804,826	721,896	781,925	7,388,399	
Total by Project Category	1,388,976	1,171,577	1,273,362	1,625,060	1,692,807	1,737,278	1,742,027	1,829,525	1,723,394	1,677,883	1,523,304	1,365,266	16,189,906	
Financing:														
Reserves/Reserve Funds	1,227,704		1,140,206	1,516,235	1,555,360	1,586,002	1,590,968	1,658,312	1,556,805	1,507,232	1,388,617	1,251,136	14,750,873	
Development Charges	133,461		109,055	82,531	108,425	128,800	135,301	149,918	146,233	152,220	121,892	114,111	1,248,486	
Region of York	3,061		1,637	2,089	703	1,726	8,172	9,313	7,781	5,684	92	19	37,216	
Disaster Mitigation & Adaptation Fund (DMAF)	24,750		22,464	24,205	28,319	20,750	7,586	11,982	12,575	12,747	12,703	-	153,331	
Total Financing	1,388,976	-	1,273,362	1,625,060	1,692,807	1,737,278	1,742,027	1,829,525	1,723,394	1,677,883	1,523,304	1,365,266	16,189,906	

*2023 Projection based on 9 months Variance Report.

Changes to Existing Projects

The 2024-2033 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2024-2032):

- Increased funding of \$244.381 million to support local and trunk sewer renewal and upgrades.
- Increased funding of \$208.701 million to support the infrastructure at the Wastewater Treatment Plants.
- Increased funding of \$53.382 million for the Basement Flooding Protection Program, based on revised project schedules and priorities.
- Decreased funding of \$152.584 million for the multi-decade Wet Weather Flow program, based on multiple revised project schedules and priorities (including deferrals).

New Projects

The 2024-2033 Capital Budget and Plan includes new projects. Key projects are as follows:

- \$8.147 billion for SOGR projects to ensure the replacement or rehabilitation of aging watermain and sewers and investment in the aging water and wastewater facilities.
- \$5.041 billion for projects for Service Improvements, including \$2.088 billion in Basement Flooding Protection projects, and \$1.591 billion stormwater projects, which includes supporting the Don River and Central Waterfront project.
- \$2.348 billion for projects that support the City's growth.
- \$655 million for compliance projects related to legislative and health & safety projects.

Capital Needs Constraints

Due to financial pressures resulting from local and global economic circumstances, Toronto Water has undertaken a prioritization of works across the 10-year plan in order to focus on allocating funding to address the highest priority infrastructure needs.






As a result, the implementation of several projects has been deferred. While Toronto Water has not identified any unmet needs over the 10-year planning horizon, projects have been delayed to start or be completed beyond the 10 year planning horizon.

Note:

For additional information, refer to [Appendix 5](#) for a more detailed listing of the 2024 and 2025-2033 Capital Budget & Plan by project; [Appendix 6](#) for Reporting on Major Capital Projects – Status Update; [Appendix 7](#) for Capacity to Spend Review; and [Appendix 8](#) for Capital Needs Constraints, [Appendix 9](#) for Capital Program Provincial/Federal Funding Streams by Projects, respectively.

2024 – 2033 CAPITAL BUDGET AND PLAN

\$16.190 Billion 10-Year Gross Capital Program

				
Plant & Facilities	Underground Infrastructure	Stormwater Management	Basement Flooding Protection Program	Engineering, Yard & Network Improvements
\$4,590.9M 28%	\$5,933.7M 37%	\$2,375.7M 15%	\$2,088.0M 13%	\$1,201.6M 7%
Water Filtration Plants; Wastewater Treatment Plants; Pumping Stations; and Storage & Reservoirs <input checked="" type="checkbox"/>	Watermain and Sewer Replacement/Rehabilitation; Water Service Replacement; and New Connections <input checked="" type="checkbox"/>	Wet Weather Flow Projects (end of pipe, infrastructure erosion protection); Don River & Central Waterfront <input checked="" type="checkbox"/>	Engineering Studies; Implementation Basement Flooding Protection; Subsidy Program <input checked="" type="checkbox"/>	Engineering Support; Business & Technology; Yards & buildings; Water Efficiency & Metering <input checked="" type="checkbox"/>

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

*Information above includes full project / sub-project 2024-2033 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

- Toronto Water has successfully delivered on its capital commitments for several years, including three consecutive years of capital spending exceeding \$1 billion (2020, 2021 and 2022).
- In 2023, Toronto Water is forecasting the highest ever capital expenditures, at \$1.172 billion, or 84.3%, of the Approved 2023 Capital Budget.
- Local and global economic circumstances have resulted in high inflation rates along with rising costs for capital works. The forecasted increases in cost estimates for planned capital works would have resulted in drawing down Toronto Water’s Water & Wastewater Capital Reserve balances to below zero.
- In order to maintain healthy capital reserves balances in response to rising costs, Toronto Water has undertaken a review and reprioritization of the 10-Year Capital Plan to support Toronto Water’s high priority infrastructure needs. This review considered project priorities and focused on supporting investment into state of good repair, health and safety/legislated and growth needs. The proposed 3.25% rate increases from 2025 onwards are required to support the on-going cost escalations associated with Toronto Water’s capital program and help limit additional future deferrals.
- As a result of the above noted reprioritization exercise, the implementation of a number of projects has been deferred, with some projects being deferred to start or be completed beyond the 10 year planning horizon.
- Additionally, the 10-Year Capital Plan has been reviewed with a focus on readiness and capacity to deliver, including a consideration of project interdependencies and prerequisites. As a result, additional project schedules and cashflows have been revised across the 10 year plan to ensure that targets will be realistic and achievable. This review has also resulted in additional program changes and deferrals.

How the Capital Program is Funded

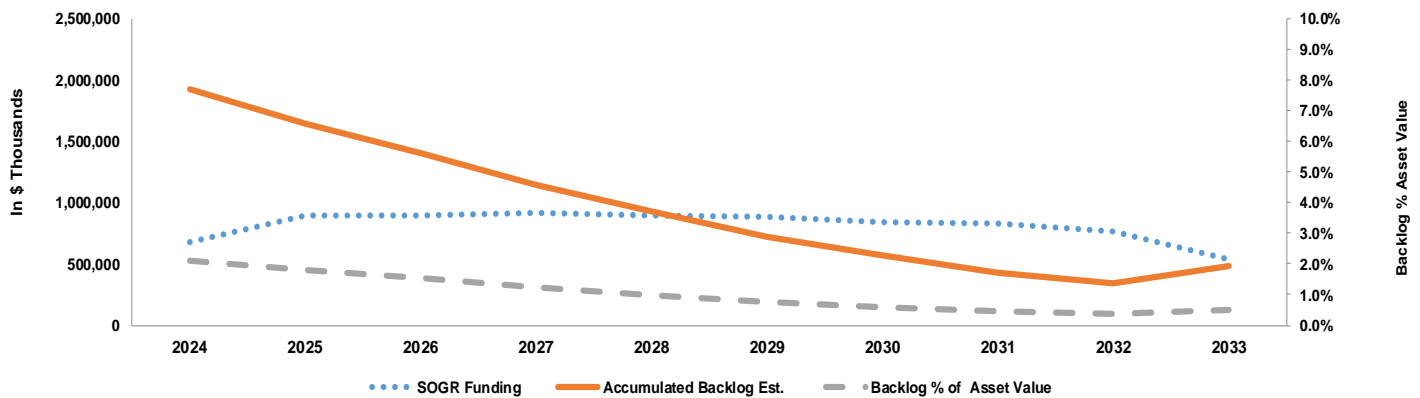
City of Toronto		Provincial Funding	Federal Funding	
\$ 16,036.6 M 99.1%		\$0.0M 0%	\$ 153.3M 0.9%	
Reserve Draws	\$ 14,750.9M		Disaster Mitigation and Adaptation Fund	\$ 153.3M
Development Charges*	\$1,248.5M			
Region of York	\$ 37.2M			

*Bill 23 impacts City's ability to recover the costs associated with growth-related infrastructure projects and to support complete higher density communities across Toronto. Should Toronto Water not be made whole, adjustments to Development Charges revenue forecast will result in deferral of projects in order to maintain positive reserve balances as reflected in [Appendix 10](#).

STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for key asset classes in Transportation Services: major and local roads, bridge rehabilitation and laneways.

Chart 2: Total SOGR Funding & Backlog



\$ Thousands	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
SOGR Funding	540,777	678,708	897,867	892,356	919,835	900,272	880,059	840,451	832,622	763,169	541,458
Accumulated Backlog Est.	1,997,354	1,922,710	1,644,096	1,402,413	1,148,533	925,926	726,294	570,444	426,748	346,357	482,468
Backlog % of Asset Value	2.3%	2.1%	1.8%	1.5%	1.2%	1.0%	0.8%	0.6%	0.4%	0.4%	0.5%
Total Asset Value	87,494,878	90,577,189	91,195,438	91,990,530	92,840,472	93,709,927	94,666,425	95,551,135	96,390,599	97,166,457	97,952,532

- Toronto Water’s infrastructure is aging with an accumulated SOGR backlog estimated at \$1.997 billion by the end of 2023, which includes both linear (watermains and sewers) and facility/plant infrastructure (water treatment plants, wastewater treatment plants, pumping stations). This represents 2.3% of the total replacement value of Toronto Water’s assets (estimated to be over \$87 billion at end of 2023).
- The 2024-2033 Capital Budget and Plan allocates a total of \$8.147 billion over 10 years, including \$678.708 million in 2024 (or 53.3%) to address the renewal needs of Toronto Water’s aging infrastructure. This significant investment ensures continued and reliable service to residents, businesses and visitors, reduces the SOGR backlog to \$482.5 million by 2033.
- Approximately 54.0% or \$1.078 billion of Toronto Water’s infrastructure backlog is associated with aging linear watermain and sewer infrastructure. The 2024-2033 Capital Budget and Plan allocates a total of \$4.861 billion to address deteriorated linear infrastructure.
- Approximately 46.0% or \$919.478 million of Toronto Water’s infrastructure backlog is associated with the facilities backlog. The 2024-2033 Capital Budget and Plan allocates a further \$3.286 billion for infrastructure renewal projects at water and wastewater treatment facilities (may include renewal of existing buildings, and process equipment and machinery, etc.). Stormwater management facilities (stormwater ponds and underground storage tanks), as well as watercourse restoration projects to address infrastructure impacts from erosion, are not currently included in the SOGR backlog analysis.
- Should trends of high rates of inflation and increasing costs for capital persist, this will continue to put pressure on Toronto Water’s Water & Wastewater Capital Reserve balances and may impact the timelines for addressing the SOGR backlog as projects continue to be reprioritized to address funding pressures.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

Approval of the 2024 Capital Budget will impact the 2024 Operating Budget by a total of \$0.176 million as shown in Table 6 below.

Table 6: Net Operating Impact Summary

Projects	2024 Budget		2025 Plan		2026 Plan		2027 Plan		2028 Plan		2024-2028		2024-2033	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved														
D Building Phase 2			350.0		108.8							458.8		458.8
Disinfection System Construction			663.8	2.00			996.0		(996.0)			663.8	2.0	663.8 2.0
Integrated Pumping Station (IPS) - Construction														2,200.0
Waste Activated Sludge Upgrade - Construction										1,500.0		1,500.0		1,500.0
Chemical & Residuals Management Construction					28.6	0.50	28.6					57.2	0.5	57.2 0.5
Plantwide HVAC Upgrades	(60.1)											(60.1)		(60.1)
Island Photovoltaic System							(242.0)					(242.0)		(242.0)
HVAC Rehab Construction	(150.0)											(150.0)		(150.0)
Standby Power - Phase 2 - ENG					82.0							82.0		232.0
Standby Power - Phase 2 - Construction			120.0		(2.0)							118.0		118.0
Source Water Protection - Lake Ontario Collaborative	92.0		262.0	1.00	133.3							487.3	1.0	487.3 1.0
Water Sustainability Program (Standby Power - Ellesmere)	59.6											59.6		59.6
Standby Power - Rosehill	15.0		30.0									45.0		45.0
Watermain Asset Planning			136.2	2.00	141.6							277.8	2.0	277.8 2.0
Scada Upgrades For WWT	58.1	1.00	238.5	3.00	193.4							490.0	4.0	490.0 4.0
Facility Renovation	46.7	1.00	47.6		0.9							95.2	1.0	95.2 1.0
Waterfront Sanitary Master Servicing Plan							717.0					717.0		717.0
Pump Replacements							28.0					28.0		28.0
Emergency Erosion Control			62.0	1.00	64.3							126.3	1.0	126.3 1.0
UV Disinfection - Island WTP Construction					673.6	0.50	215.0					888.6	0.5	888.6 0.5
Sub-Total: Previously Approved	61.3	2.0	1,910.1	9.0	1,424.5	1.0	1,742.6			504.0		5,642.5	12.0	7,992.5 12.0
New Projects - Future Years														
Storm Water Pond Assessment & Cleaning - 10 Year			133.1	2.00	140.0							273.1	2.0	273.1 2.0
Sub-Total: New Projects - Future Years			133.1	2.0	140.0							273.1	2.0	273.1 2.0
Sub Total (Net)	61.3	2.0	2,043.2	11.0	1,564.5	1.0	1,742.6			504.0		5,915.6	14.0	8,265.6 14.0
Infrastructure Expansion- Transfer of Assets														
East Bay Front Tank, West DonLANDS Stormwater Shaft, Cherry St. Storm Treatment Facility	114.7	2.0	243.1		111.0	1.0	200.0	2.0	200.0	2.0		868.8	7.0	1,468.8 13.0
Port Lands Flood Protection Plan			411.9	2.0	8.1	1.0	8.1			8.1		436.1	3.0	476.5 3.0
Sub-Total: Infrastructure Expansion- Transfer of Assets	114.7	2.0	655.0	2.0	119.1	2.0	208.1	2.0	208.1	2.0		1,304.9	10.0	1,945.3 16.0
Total (Net)	176.0	4.0	2,698.2	13.0	1,683.6	3.0	1,950.7	2.0	712.1	2.0		7,220.5	24.0	10,210.9 30.0

Previously Approved Projects

- The 2024 Operating Budget will increase by a total of \$0.176 million for salaries, benefits, utilities, and contracted services primarily resulting from the following completed capital projects: Scada Upgrades, Facility Renovations, Source Water Protection, Water Sustainability Program, construction of ultraviolet disinfection facilities, and new infrastructure expansion and transfer of assets to Toronto Water.

New Projects – Future Years

- Increase in operating costs for salaries, benefits, chemicals, utilities, and contracted services primarily for stormwater pond assessments.
- The 10-Year Capital Plan will impact future year Operating Budgets by \$10.211 million net over the 2024-2033 period and an increase of 30 positions for planned completion of new equipment and facilities.
- Any future operating impacts will be reviewed each year and be considered as part of future year budget processes.

APPENDICES

Appendix 1

2024 Operating Budget by Category

Category (In \$000s)	2021 Actual	2022 Actual	2023 Budget	2023 Projection*	2024 Budget	2024 Change from 2023 Budget		2024 Change from 2023 Projection	
	\$	\$	\$	\$	\$	\$	%	\$	%
Sale of Water and Other Revenues	1,301,792.3	1,402,256.3	1,402,540.0	1,427,638.8	1,467,394.8	64,854.8	4.6%	39,755.9	2.8%
User Fees	64,552.1	58,040.2	64,479.2	63,286.4	63,727.2	(752.0)	(1.2%)	440.8	0.7%
Transfers From Capital	9,773.0	10,699.1	12,194.9	11,505.2	14,094.0	1,899.1	15.6%	2,588.8	22.5%
Contribution From Reserves/Reserve Funds	6,814.3	4,351.0	2,250.7	1,216.1	2,253.2	2.6	0.1%	1,037.1	85.3%
Provincial Funding			4,258.7	4,147.7	504.0	(3,754.7)	(88.2%)	(3,643.7)	(87.8%)
Inter-Divisional Recoveries	320.4	308.5	353.0	353.5	360.2	7.2	2.0%	6.7	1.9%
Total Revenues	1,383,252.1	1,475,655.2	1,486,076.5	1,508,147.8	1,548,333.4	62,256.9	4.2%	40,185.6	2.7%
Salaries and Benefits	175,643.7	179,511.2	199,321.8	196,321.8	207,192.4	7,870.6	3.9%	10,870.6	5.5%
Materials & Supplies	95,508.4	104,651.0	114,824.4	120,798.6	121,207.9	6,383.6	5.6%	409.4	0.3%
Equipment	1,818.0	2,204.6	2,911.4	2,500.7	2,300.8	(610.7)	(21.0%)	(199.9)	(8.0%)
Service and Rent	62,788.4	67,661.9	75,963.0	71,700.1	77,731.1	1,768.1	2.3%	6,031.0	8.4%
Contribution To Reserves/Reserve Funds	10,690.2	12,397.8	11,985.5	11,985.5	11,595.2	(390.3)	(3.3%)	(390.3)	(3.3%)
Other Expenditures	17,306.0	19,017.4	18,749.0	18,782.5	19,438.8	689.7	3.7%	656.3	3.5%
Inter-Divisional Charges	65,014.6	61,286.3	66,098.7	65,290.5	68,483.2	2,384.5	3.6%	3,192.8	4.9%
Total Gross Expenditures	428,769.2	446,730.3	489,853.9	487,379.6	507,949.4	18,095.6	3.7%	20,569.8	4.2%
Capital Contribution	946,512.3	975,792.8	996,222.6	996,222.6	1,040,383.9	44,161.3	4.4%	44,161.3	4.4%
Surplus (2023 Projection)	7,970.6	53,132.1		24,545.5		N/A	N/A	(24,545.5)	(100.0%)
Capital Contribution	954,482.9	1,028,924.9	996,222.6	1,020,768.1	1,040,383.9	44,161.3	4.4%	19,615.8	1.9%

*Projection based on 9 Month Variance

Appendix 2

Summary of 2024 Service Changes

N/A

Appendix 3

Summary of 2024 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Summary of 2024 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2024 Capital Budget; 2025 - 2033 Capital Plan Including Carry Forward Funding

(In \$000s)	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2024 - 2033 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
Ashbridges Bay WWTP - Building Services & Site Dev	19	11	-	-	-	-	-	-	-	1,300	1,330			1,330
Ashbridges Bay WWTP - Effluent System	34,096	14,300	28,878	98	-	-	-	-	-	-	77,372	77,372		
Ashbridges Bay WWTP - Liquid Treatment & Handling	27,421	54,803	125,492	174,251	195,635	222,683	253,470	250,418	209,652	184,334	1,698,159		1,283,757	414,402
Ashbridges Bay WWTP - O&M Upgrades	2,211	2,211	2,316	2,422	2,530	2,643	2,763	2,887	3,017	3,152	26,152		26,152	
Ashbridges Bay WWTP - Solids & Gas Handling	33,015	39,648	53,944	74,025	49,483	44,737	38,773	28,575	40,865	400	403,465		403,072	393
Ashbridges Bay WWTP Rehab	35,292	66,465	54,973	70,566	60,082	50,638	39,304	40,201	33,870	15,795	467,186	3,360	462,300	1,526
Basement Flooding Relief	193,002	256,313	271,504	234,418	224,499	216,104	208,018	173,922	155,026	155,171	2,087,977			2,087,977
Business IT Projects	753	2,113	1,613	-	-	-	-	-	-	-	4,479			4,479
Business System Infrastructure - PW	22,737	21,031	12,601	8,448	8,766	4,189	3,796	3,784	3,823	3,699	92,874			92,874
Dist W/M Rehabilitation	48,350	52,120	49,130	47,158	47,074	48,317	47,271	49,171	53,371	47,871	489,833		489,833	
Dist W/M Replacement	116,463	135,707	103,856	111,288	113,473	107,475	108,450	105,850	102,150	23,850	1,028,562		891,321	137,241
Dist Water Service Repair	48,963	44,045	34,818	31,590	31,590	31,590	31,590	31,590	31,590	31,590	348,956	336,066	12,890	
District Watermains - New	10	500	500	500	500	500	500	500	500	500	4,510			4,510
Don & Waterfront Trunk CSO	52,159	59,993	29,303	15,930	16,360	159,091	186,807	214,969	267,829	353,700	1,356,141			1,356,141
Engineering	91,328	92,177	82,505	79,181	77,966	81,665	83,932	85,141	89,068	90,186	853,149		853,149	
Engineering Studies	156	530	385	120	120	70	70	70	70	370	1,961	250	1,410	301
Equipment Replacement & Rehabilitation	640	101	1,240	-	-	-	-	-	-	-	1,981		1,981	
FJ Horgan W.T.P. R&R	7,208	8,198	3,259	3,386	1,525	894	210	200	200	200	25,280	350	17,616	7,314
Harris W.T.P. R&R	5,859	4,257	6,435	4,541	3,405	12,321	12,975	12,775	12,775	7,850	83,193	350	72,413	10,780
Highland Creek WWTP - Building Serv & Site Dev	3,211	6,167	5,150	4,200	11,610	14,441	8,806	75	77	-	53,737		53,737	
Highland Creek WWTP - Odour Control	703	3,555	1,861	1,250	20	17	15	-	-	-	7,421	7,408		13
Highland Creek WWTP - Solids & Gas Handling	31,700	28,970	39,200	36,330	37,888	14,385	16,680	3,600	2,900	2,950	214,603		14,650	199,953
Highland Creek WWTP Upgrades	29,017	30,255	38,700	80,390	98,559	118,828	68,560	29,615	29,605	30,361	553,890	13,452	124,956	415,482
Horgan Trunk Main Expansion	23,600	7,074	4,968	38	-	-	-	-	-	-	35,680			35,680
Humber T.P.	-	-	-	-	-	-	-	-	-	-	-			-
Humber WWTP - Liquid Treatment & Handling	1,000	9,421	3,079	2,457	10,224	42,280	42,280	52,030	30,000	15,050	207,821		207,821	
Humber WWTP - Odour Control	3,872	5,745	2,517	290	2	128	273	-	128	273	13,228	13,228		
Humber WWTP Upgrades	31,281	42,930	72,402	50,491	44,829	26,360	30,644	25,695	10,525	725	335,882	4,697	243,534	87,651
Island W.T.P. R&R	5,395	23,938	29,319	42,670	33,009	12,880	1,603	4,210	5,786	2,750	161,560	95,144	41,718	24,698
Lawrence Allan Revitalization Plan	2,292	11,852	16,800	13,700	9,829	2,500	2,332	1,000	400	-	60,705			60,705
Metering & Meter Reading Sys	2,317	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,500	15,825			15,825
New Service Connections	43,057	45,295	44,041	43,283	43,356	43,432	43,510	43,590	43,673	43,758	436,995			436,995
New Sewer Construction	8,782	54,104	62,650	62,500	49,394	26,140	1,000	1,000	1,050	2,050	268,670			268,670
North Toronto WTP Upgrades	4,301	3,147	382	-	-	-	-	-	-	-	7,830	2,595		5,235
Operational Support	8,948	18,219	21,910	14,123	9,825	4,989	3,477	2,566	2,580	2,594	89,231		14,315	74,916
PW Engineering	8,664	8,895	9,157	4,493	3,190	2,995	3,026	3,057	3,350	3,384	50,211		21,536	28,675
RL Clark W.T.P. R&R	1,005	1,529	2,110	3,675	1,178	260	255	250	250	250	10,762		10,762	

Appendix 5 (con't)

2024 Capital Budget; 2025 - 2033 Capital Plan Including Carry Forward Funding

(In \$000s)	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2024 - 2033 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
Sewage Pumping Station Upgrades	15,132	22,896	25,256	25,987	13,494	11,090	8,555	6,750	5,670	8,520	143,350	100,788	36,567	5,995
Sewer Asset Planning	20,135	28,778	24,135	20,650	20,650	21,650	22,150	22,150	21,650	21,550	223,498		180,398	43,100
Sewer Replacement Program	39,484	40,256	34,671	31,121	35,680	31,750	27,750	25,366	34,350	36,250	336,678		336,678	
Sewer System Rehabilitation	79,227	116,040	144,241	128,850	123,615	124,790	125,985	129,165	125,085	123,315	1,220,313		1,220,164	149
Stream Restoration & Erosion Control	24,079	27,915	24,246	33,552	38,277	25,694	11,095	14,530	13,814	6,396	219,598		219,598	
Switch Gear Transformer	7,800	11,500	10,751	-	-	-	-	-	-	-	30,051		30,051	
SWM TRCA Funding	5,031	5,140	5,276	5,421	5,562	5,694	5,701	5,706	5,728	5,729	54,988			54,988
SWM End Of Pipe Facilities	663	1,875	2,330	3,650	2,508	100	100	2,000	2,000	-	15,226			15,226
Transmission R&R	40,094	39,476	16,721	23,624	33,063	54,841	70,345	67,110	38,560	19,415	403,249		394,204	9,045
TRCA Erosion Control	11,528	7,942	10,900	11,000	11,000	11,000	11,000	11,000	11,000	11,000	107,370			107,370
Trunk Sewer System	53,544	76,112	111,811	184,525	196,659	195,214	145,620	170,102	104,782	73,719	1,312,088		333,333	978,755
Trunk Watermain Expansion	92	-	-	700	1,000	300	1,000	1,000	1,000	10,250	15,342			15,342
W&WW Laboratories	3,685	452	210	210	210	210	510	1,360	1,960	3,210	12,017		2,090	9,927
Water Efficiency Program	574	531	538	561	552	560	568	576	585	593	5,638			5,638
Water Sustainability Program	1,468	885	13	-	-	-	-	-	-	-	2,366			2,366
Western Beaches Retrofit	2,077	15,814	16,007	15,000	10,040	50	25	-	-	-	59,013		59,013	
Wet Weather Flow MP	13,892	11,117	9,607	5,573	12,659	5,442	4,253	5,380	4,378	3,195	75,496		18,336	57,160
WT&S Plantwide	26,030	61,211	37,595	27,541	49,636	47,087	46,846	47,446	17,111	16,511	377,014		67,442	309,572
Total Expenditures (including carry forward from 2023)	1,273,362	1,625,060	1,692,807	1,737,278	1,742,027	1,829,525	1,723,394	1,677,883	1,523,304	1,365,266	16,189,906	654,710	8,146,797	7,388,399

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

*Information above includes full project / sub-project 2024-2033 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

Appendix 5a

2024 Cash Flow and Future Year Commitments Including Carry Forward Funding

(In \$000s)	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	Total 2024 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
Ashbridges Bay WWTP - Building Services & Site Dev	19	11									30	32	(2)	
Ashbridges Bay WWTP - Effluent System	34,096	14,300	28,878	98							77,372	73,910	3,462	
Ashbridges Bay WWTP - Liquid Treatment & Handling	27,421	54,803	125,492	174,251	195,635	222,683	253,470	250,418	209,337	184,019	1,697,529	1,251,978	435,471	10,080
Ashbridges Bay WWTP - O&M Upgrades	2,211	2,211	2,316	2,422							9,160	8,460	700	
Ashbridges Bay WWTP - Solids & Gas Handling	33,015	39,648	53,944	74,025	49,483	44,737	38,773	28,575	40,865	400	403,465	312,039	91,426	
Ashbridges Bay WWTP Rehab	35,292	66,465	54,973	69,266	58,782	49,338	38,004	38,901	32,570	14,495	458,086	421,002	37,084	
Basement Flooding Relief	193,002	226,651	201,206	139,689	129,994	130,190	124,668	63,795	57,244	15,446	1,281,885	1,364,637	(123,802)	41,050
Business IT Projects	753	2,113	1,613								4,479	2,614	1,865	
Business System Infrastructure - PW	22,737	19,872	11,177	5,300	4,233	486	250	200	200	200	64,655	39,305	13,137	12,213
Dist W/M Rehabilitation	48,350	51,005	46,588	14,691	5,342						165,976	91,501	74,475	
Dist W/M Replacement	116,463	78,902	17,176	5,073	3,373	2,325	1,500				224,812	220,104	(5,292)	10,000
Dist Water Service Repair	48,963	33,705	16,268	3,600	1,200						103,736	88,081	15,655	
District Watermains - New	10	500	500								1,010	1,000	10	
Don & Waterfront Trunk CSO	52,159	59,993	29,303	15,430	9,210	5,391	7,807	12,069	6,169	26,000	223,531	142,351	2,680	78,500
Engineering	91,328	59,473	38,674	6,162	2,462	830	1,417	840	90	50	201,326	147,409	53,917	
Engineering Studies	156	170	125	50	50						551	316	235	
Equipment Replacement & Rehabilitation	640	101	1,240								1,981	1,598	383	
FJ Horgan W.T.P. R&R	7,208	8,198	3,259	3,386	1,525	694	10				24,280	23,904	376	
Harris W.T.P. R&R	5,859	4,257	5,985	3,891	880	21					20,893	18,665	2,228	
Highland Creek Wwtp - Building Serv & Site Dev	3,211	6,167	5,150	4,200	11,610	14,441	8,806	75	77		53,737	53,300	437	
Highland Creek Wwtp - Odour Control	703	3,555	1,861	1,250	20	17	15				7,421	6,634	787	
Highland Creek Wwtp - Solids & Gas Handling	31,700	28,970	39,200	36,330	37,888	14,385	16,680	3,600	2,900	950	212,603	199,920	633	12,050
Highland Creek Wwtp Upgrades	29,017	30,005	38,700	80,265	98,309	114,838	65,835	27,615	25,165	27,211	536,960	137,533	26,946	372,481
Horgan Trunk Main Expansion	23,600	7,074	4,968	38							35,680	36,578	(898)	
Humber T.P.												67	(67)	
Humber WWTP - Liquid Treatment & Handling	1,000	9,421	3,079	2,457	4,224	5,280	5,280	5,030	5,000	550	41,321	8,361	210	32,750
Humber WWTP - Odour Control	3,872	5,745	2,517	290	2	128	273		128	273	13,228	11,313	1,915	
Humber WWTP Upgrades	31,281	41,630	68,502	44,991	33,859	16,740	23,729	24,800	10,000	350	295,882	295,585	297	
Island W.T.P. R&R	5,395	21,798	25,309	42,660	32,674	11,855	653	160	101		140,605	135,169	5,436	
Lawrence Allan Revitalization Plan	2,292	11,852	16,800	12,500	7,829	500	332				52,105	49,250	2,855	
Metering & Meter Reading Sys	2,317	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,500	15,825	14,497	1,328	
New Service Connections	43,057	45,295	14,588								102,940	61,768	41,172	
New Sewer Construction	8,782	54,104	61,650	61,500	48,394	25,140					259,570	41,573	217,997	
North Toronto WTP Upgrades	4,301	3,147	382								7,830	8,301	(471)	
Operational Support	8,948	18,004	15,060	11,409	7,099	2,250	925				63,695	49,306	8,474	5,915
PW Engineering	8,664	8,895	8,542	2,465	966	740	740	740	1,000	1,000	33,752	32,949	803	
RL Clark W.T.P. R&R	1,005	1,529	1,950	825	398	5					5,712	3,834	1,878	
Sewage Pumping Station Upgrades	15,132	22,596	25,156	25,747	12,034	10,220	8,545	6,745	5,670	8,520	140,365	97,656	34,109	8,600
Sewer Asset Planning	20,135	28,778	23,635	20,150	20,150	6,000					118,848	39,337	(2,089)	81,600
Sewer Replacement Program	39,484	29,256	16,821	6,721	11,130	5,100	1,600	16			110,128	93,138	10,990	6,000
Sewer System Rehabilitation	79,227	107,874	110,006	39,240	13,675	4,300	285	10			354,617	254,057	88,560	12,000

Appendix 5a (con't)

2024 Cash Flow and Future Year Commitments Including Carry Forward Funding

(In \$000s)	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	Total 2024 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
Stream Restoration & Erosion Control	24,079	23,586	14,694	15,304	15,171	11,580	1,186	947	278		106,825	62,510	22,487	21,828
Switch Gear Transformer	7,800	11,500	10,751								30,051	28,749	1,302	
SWM TRCA Funding	5,031										5,031		5,031	
SWM End Of Pipe Facilities	663	1,875	2,330	3,650	2,508	100	100	1,000	1,000		13,226	10,978	2,248	
Transmission R&R	40,094	39,076	14,676	2,424	1,873	506	105	50	20		98,824	95,091	(1,137)	4,870
TRCA Erosion Control	11,528	742									12,270	1,026	11,244	
Trunk Sewer System	53,544	76,007	107,256	162,005	175,699	171,332	131,595	156,712	81,027	60,777	1,175,954	958,544	127,093	90,317
Trunk Watermain Expansion	92										92	260	(168)	
W&WW Laboratories	3,685	452	210				300	1,150	1,750	3,000	10,547	40,916	(30,369)	
Water Efficiency Program	574	531	538	16							1,659	1,009	650	
Water Sustainability Program	1,468	885	13								2,366	2,383	(17)	
Western Beaches Retrofit	2,077	15,814	16,007	15,000	10,040	50	25				59,013	42,418	16,595	
Wet Weather Flow Mp	13,892	7,457	2,597	1,408	8,029	1,052	163	40			34,638	31,539	189	2,910
WT&S Plantwide	26,030	61,211	37,545	22,641	36,536	34,137	30,216	24,886	571	531	274,304	227,295	44,409	2,600
Total Expenditure (including carry forward from 2023)	1,273,362	1,448,710	1,330,711	1,134,321	1,053,787	908,892	764,788	649,875	482,663	345,272	9,392,381	7,341,750	1,244,867	805,764

Appendix 5b

2025 - 2033 Capital Plan

(In \$000s)	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2025 - 2033 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
Ashbridges Bay WWTP - Building Services & Site Dev									1,300	1,300			1,300
Ashbridges Bay WWTP - Liquid Treatment & Handling								315	315	630		630	
Ashbridges Bay WWTP - O&M Upgrades				2,530	2,643	2,763	2,887	3,017	3,152	16,992		16,992	
Ashbridges Bay WWTP Rehab			1,300	1,300	1,300	1,300	1,300	1,300	1,300	9,100		9,100	
Basement Flooding Relief	29,662	70,298	94,729	94,505	85,914	83,350	110,127	97,782	139,725	806,092			806,092
Business System Infrastructure - PW	1,159	1,424	3,148	4,533	3,703	3,546	3,584	3,623	3,499	28,219			28,219
Dist W/M Rehabilitation	1,115	2,542	32,467	41,732	48,317	47,271	49,171	53,371	47,871	323,857		323,857	
Dist W/M Replacement	56,805	86,680	106,215	110,100	105,150	106,950	105,850	102,150	23,850	803,750		678,350	125,400
Dist Water Service Repair	10,340	18,550	27,990	30,390	31,590	31,590	31,590	31,590	31,590	245,220	245,220		
District Watermains - New			500	500	500	500	500	500	500	3,500			3,500
Don & Waterfront Trunk CSO			500	7,150	153,700	179,000	202,900	261,660	327,700	1,132,610			1,132,610
Engineering	32,704	43,831	73,019	75,504	80,835	82,515	84,301	88,978	90,136	651,823		651,823	
Engineering Studies	360	260	70	70	70	70	70	70	370	1,410		1,410	
FJ Horgan W.T.P. R&R					200	200	200	200	200	1,000			1,000
Harris W.T.P. R&R		450	650	2,525	12,300	12,975	12,775	12,775	7,850	62,300		62,300	
Highland Creek WWTP - Solids & Gas Handling									2,000	2,000			2,000
Highland Creek WWTP Upgrades	250		125	250	3,990	2,725	2,000	4,440	3,150	16,930	4,500	12,430	
Humber WWTP - Liquid Treatment & Handling				6,000	37,000	37,000	47,000	25,000	14,500	166,500		166,500	
Humber WWTP Upgrades	1,300	3,900	5,500	10,970	9,620	6,915	895	525	375	40,000		37,600	2,400
Island W.T.P. R&R	2,140	4,010	10	335	1,025	950	4,050	5,685	2,750	20,955		18,065	2,890
Lawrence Allan Revitalization Plan			1,200	2,000	2,000	2,000	1,000	400		8,600			8,600
New Service Connections		29,453	43,283	43,356	43,432	43,510	43,590	43,673	43,758	334,055			334,055
New Sewer Construction		1,000	1,000	1,000	1,000	1,000	1,000	1,050	2,050	9,100			9,100
Operational Support	215	6,850	2,714	2,726	2,739	2,552	2,566	2,580	2,594	25,536		8,400	17,136
PW Engineering		615	2,028	2,224	2,255	2,286	2,317	2,350	2,384	16,459		1,750	14,709
RL Clark W.T.P. R&R		160	2,850	780	255	255	250	250	250	5,050		5,050	
Sewage Pumping Station Upgrades	300	100	240	1,460	870	10	5			2,985		1,600	1,385
Sewer Asset Planning		500	500	500	15,650	22,150	22,150	21,650	21,550	104,650		69,000	35,650
Sewer Replacement Program	11,000	17,850	24,400	24,550	26,650	26,150	25,350	34,350	36,250	226,550		226,550	
Sewer System Rehabilitation	8,166	34,235	89,610	109,940	120,490	125,700	129,155	125,085	123,315	865,696		865,696	
Stream Restoration & Erosion Control	4,329	9,552	18,248	23,106	14,114	9,909	13,583	13,536	6,396	112,773		112,773	
SWM TRCA Funding	5,140	5,276	5,421	5,562	5,694	5,701	5,706	5,728	5,729	49,957			49,957
SWM End Of Pipe Facilities							1,000	1,000		2,000			2,000
Transmission R&R	400	2,045	21,200	31,190	54,335	70,240	67,060	38,540	19,415	304,425		302,395	2,030
TRCA Erosion Control	7,200	10,900	11,000	11,000	11,000	11,000	11,000	11,000	11,000	95,100			95,100
Trunk Sewer System	105	4,555	22,520	20,960	23,882	14,025	13,390	23,755	12,942	136,134		136,134	
Trunk Watermain Expansion			700	1,000	300	1,000	1,000	1,000	10,250	15,250			15,250
W&WW Laboratories			210	210	210	210	210	210	210	1,470		1,470	
Water Efficiency Program			545	552	560	568	576	585	593	3,979			3,979
Wet Weather Flow MP	3,660	7,010	4,165	4,630	4,390	4,090	5,340	4,378	3,195	40,858		11,100	29,758
WT&S Plantwide		50	4,900	13,100	12,950	16,630	22,560	16,540	15,980	102,710			102,710
Total Expenditures	176,350	362,096	602,957	688,240	920,633	958,606	1,028,008	1,040,641	1,019,994	6,797,525	249,720	3,721,975	2,825,830

Appendix 6

Reporting on Major Capital Projects: Status Update

Division/Project name	2023 Cash Flow (Active Projects)			Total Project Cost (Active Projects)		Status	Start Date	End Date		On Budget	On Time
	Appr.	YTD Spend	YE Projec Spend	Appr. Budget	Life to Date			Planned	Revised		
Toronto Water											
* St Clair - Reservoir Rehabilitation (CPW060-07)	17	0	17	34,390	28,978	Completed	Jan-14	Dec-23	Dec-23	Ⓞ	Ⓞ
Comments:	Construction works have been completed.										
Explanation for Delay:											
* ROSEHILL PS REHAB (CPW060-11)	131	6	40	8,468	4,814	Completed	Jan-15	Dec-24	Dec-24	Ⓞ	Ⓞ
Comments:	Construction works have been completed.										
Explanation for Delay:											
DOWNSVIEW TRUNK SEWER (CPW041-06, CPW060-20)	35,691	28,622	38,386	84,169	15,235	On Track	Jan-23	Dec-25	Dec-25	Ⓞ	Ⓞ
Comments:	Contract was awarded in 2022, and transmission watermain works are proceeding ahead of the forecast in 2023.										
Explanation for Delay:											
ASHBRIDGES BAY (CWW019-34)	10,924	3,624	7,715	84,871	4,270	On Track	Mar-18	Dec-27	Dec-27	Ⓞ	Ⓞ
Comments:	Project was awarded in 2023, and is currently forecast to proceed on track in 2023.										
Explanation for Delay:											
OUTFALL CONSTRUCTION (CWW039-06)	30,551	14,330	24,902	281,356	226,626	On Track	Jan-18	Dec-25	Dec-25	Ⓞ	Ⓞ
Comments:	Construction started in early 2019, and is proceeding on track in 2023.										
Explanation for Delay:											
FAIRBANKS SILVERTHORNE (CWW421-22)	62,921	46,236	64,681	312,301	103,734	On Track	Oct-21	Dec-27	Dec-27	Ⓞ	Ⓞ
Comments:	Contract was awarded in 2021, and tunnelling activities started in 2023. Construction expenditures are proceeding ahead of the forecast for 2023.										
Explanation for Delay:											
DON & WATERFRONT - OFFLINE STORAGE TANK (CWW480-02)	2,964	1,398	2,192	49,602	6,019	Significant Delay	Sep-17	Dec-26	Dec-26	Ⓞ	Ⓞ
Comments:	Construction works for the first phase of the project are nearing completion.										
Explanation for Delay:	The start of the 2023 works have been delayed to address infrastructure requirements and to develop a new phasing plan for the remaining works.										
Don & Waterfront Trunk/CSO Const - PHASE 1 (CWW480-03)	52,100	31,153	52,090	453,833	340,320	On Track	Jan-18	Jan-25	Jan-25	Ⓞ	Ⓞ
Comments:	Coxwell Bypass Tunnel is approximately 80 per cent complete. Several of the five main shafts that are connected to this tunnel are scheduled to be completed in 2023.										
Explanation for Delay:											

On/Ahead of Schedule
 Minor Delay < 6 months
 Significant Delay > 6 months

Ⓞ	>70% of Approved Project Cost
Ⓞ	Between 50% and 70%
Ⓞ	< 50% or > 100% of Approved Project

Notes:

The St. Clair Reservoir (CPW060-07) and Rosehill PS Rehab (CPW060-11) projects will be removed from future variance reports as these projects have been completed.

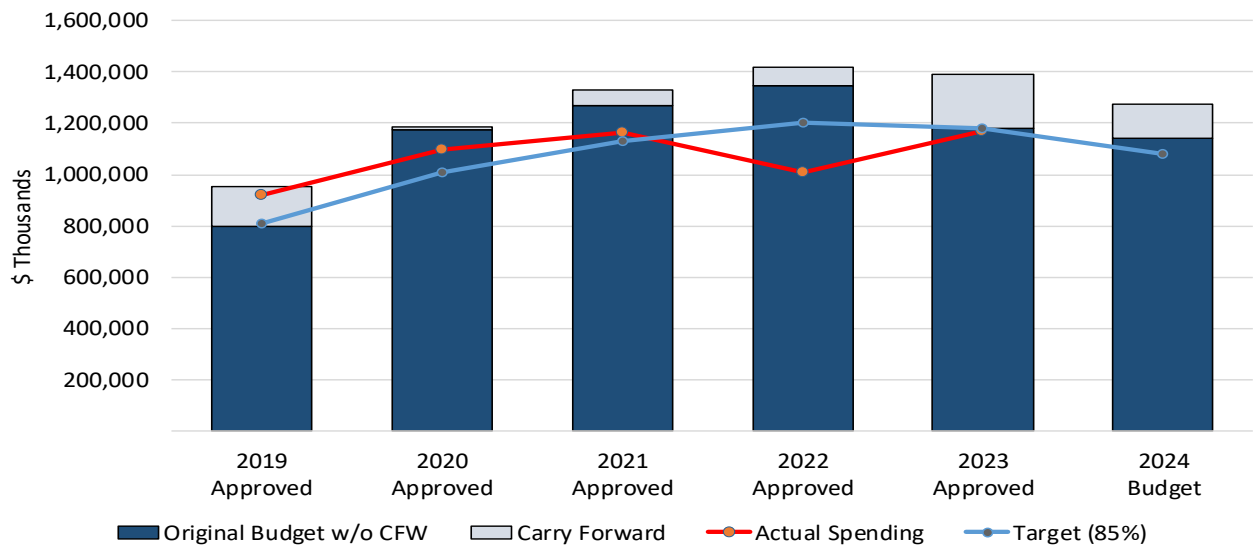
Appendix 7

Capacity to Spend Review

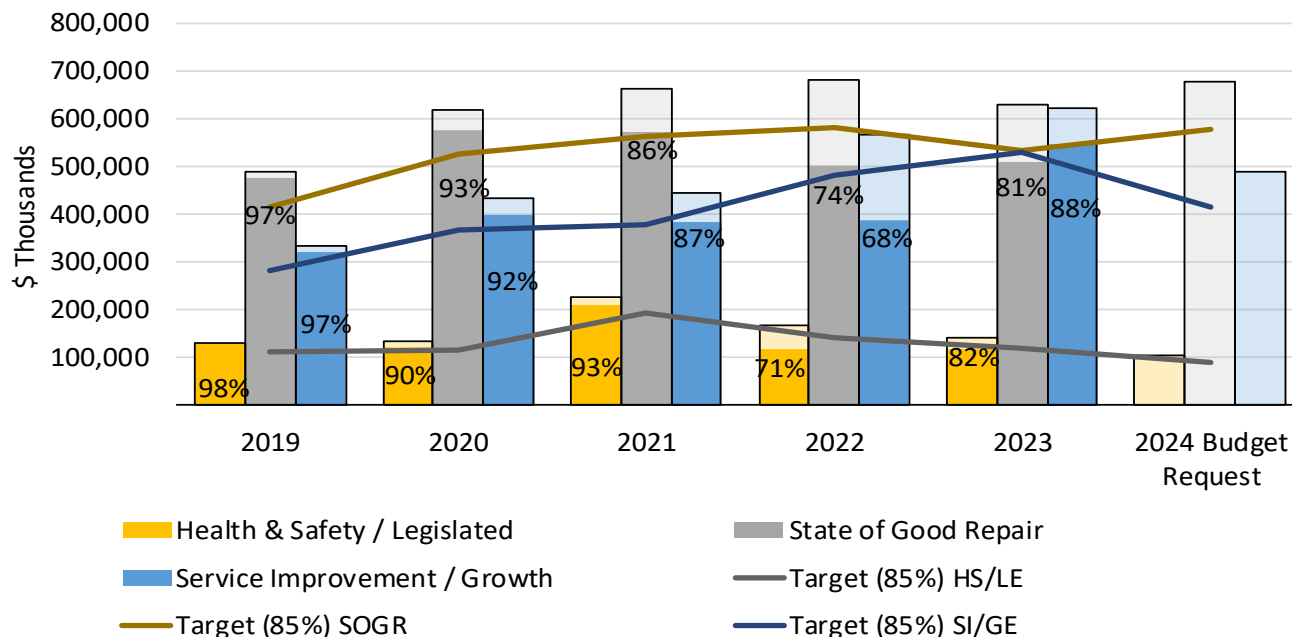
The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten-year capital plan. A review was undertaken to ensure budgets align with Toronto Water’s ability to spend and the markets capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 3 below) as well as the level of projected 2023 underspending that will be carried forward into 2024 to complete capital work.

Chart 3 – Capacity to Spend
Carry Forward Impact Vs. Capacity to Spend



Budget Vs. Actual Spending by Category



Capacity to Spend Review Impact on the 10-Year Plan

- The 2024-2033 Capital Budget and Plan represents Toronto Water's largest investment in infrastructure renewal totalling \$16.190 billion over 10 years. Toronto Water has successfully delivered on its capital commitments for several years, including three consecutive years of capital spending exceeding \$1 billion (2020, 2021 and 2022). In 2023, Toronto Water is forecasting the highest ever capital expenditures, at \$1.172 billion, or 84.3%, of the Approved 2023 Capital Budget.
- Global supply chain issues, market volatility, and staffing constraints for specialized labour have all impacted the ability to deliver on capital commitments. To mitigate these challenges, the 10 Year Capital Plan has been reviewed with a focus on readiness and capacity to deliver, including a consideration of project interdependencies and prerequisites. As a result of these reviews, and additional program prioritization exercises to address and mitigate increasing costs, the cash flow originally identified for 2024 Capital Budget has been reduced by approximately \$475 million to \$1.273 billion (including carry forward funding of \$130.334 million) in order to align with forecasted 2024 delivery.
- In recent years, Toronto Water has awarded a series of large-scale multi-year projects. As of November 2023, nearly \$2.2 billion is committed for already awarded works and approximately 59% of the 2024 cashflow will support the continued delivery of awarded or ongoing projects. In addition to regularly scheduled annual construction programs and the on-going multi-year projects, Toronto Water will be issuing more than \$900 million in additional works in late 2023 or 2024 to support the following large projects:
 - R.C. Harris Water Treatment Plant Zebra Mussel Control
 - Humber Wastewater Treatment Plant Substation HVAC & BAS Upgrades
 - Western Beaches Tunnel - Phase 2 work
 - Multi-year Sewer Inspection Contract 3
 - Fairbank Silverthorn Phase 2 Construction Contract 1
 - Fairbank Silverthorn Phase 2 Construction Contract 2
 - Island Water Treatment Plant Chemical and Residual Management Phase 2
 - Island Water Treatment Plant UV Disinfection Project
 - Highland Creek Wastewater Treatment Plant Firm Capacity upgrades

The 2024 Financial Model assumes that 85% of the net Capital Budget and Plan will be drawn from Toronto Water's Capital Reserve and Water, Sanitary and Stormwater Management Development Charge Reserves based on historical capital completion levels, so as not to overstate actual projected funding requirements.

Appendix 8

Summary of Capital Needs Constraints

- Toronto Water has not identified any unmet needs over the 10-year planning horizon.
- Due to financial pressures and increasing capital project costs resulting from local and global economic circumstances, Toronto Water has undertaken a prioritization of works across the 10 year plan, with a focus on allocating funding to address the highest priority infrastructure needs. As a result, the implementation of several projects has been delayed. Some projects have been delayed to start or be completed beyond the 10 year planning horizon.
- Some of these changes include delays to the following projects , whose deferral has resulted in an impact of approximately \$300 million to the nine common years:
 - Ashbridges Bay Wastewater Treatment Plant Fine Bubble Aeration – Deferred 5 years
 - Humber Wastewater Treatment Plant HTP Wet Weather Flow Eng & Construction – Deferred 1 year
 - Don River & Central Waterfront - Taylor Massey Tunnel – Deferred Construction Start 1 year
 - Don River & Central Waterfront - Coxwell Connections – Deferred 2 years**
 - Basement Flooding Protection Program - Refreshing Expired Environmental Assessments – Deferred 10 years
 - Pumping Station & Forcemain Group 8 Pumping Station Renewal Engineering & Construction – Deferred 3 years
 - Ashbridges Bay Wastewater Treatment Plant Operations Centre Engineering & Construction – Deferred 8 years

**Figures above represent the current estimated contract costs, and do not necessarily reflect the impact to the 2024-2033 capital program.*

*** Some project deferrals were driven by a combination of funding pressures and coordination issues.*

Appendix 9

Capital Program Provincial/Federal Funding Streams by Projects

(In \$000s)	Intergovernmental Funding Program	Provincial Funding	Federal Funding	Total Funding
Basement Flooding Design	Disaster Mitigation and Adaptation Fund		3,907	3,907
Midtown Tunnel	Disaster Mitigation and Adaptation Fund		29,525	29,525
Basement Flooding Tunnel - Construction	Disaster Mitigation and Adaptation Fund		44,563	44,563
Basement Flooding Tunnel - Contract Admin	Disaster Mitigation and Adaptation Fund		4,061	4,061
Lower Simcoe CSO	Disaster Mitigation and Adaptation Fund		5,920	5,920
Basement Flooding Design - Group 6	Disaster Mitigation and Adaptation Fund		10,243	10,243
Basement Flooding Relief - Group 4 (Const DC)	Disaster Mitigation and Adaptation Fund		52,284	52,284
Basement Flooding 45-48	Disaster Mitigation and Adaptation Fund		2,828	2,828
Total Funding			153,331	153,331

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds 2024 Operating Budget

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (in \$000s)	Reserve / Reserve Fund Name	Withdrawals (-) / Contribution (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		9,292	7,232	3,986
Vehicle Replacement Reserve	XQ1012			
Withdrawals (-)		(7,849)	(9,035)	(9,963)
Contribution (+)		5,789	5,789	6,789
Total Reserve / Reserve Fund Draws / Contribution		(2,060)	(3,246)	(3,174)
Balance at Year-End		7,232	3,986	812

Reserve / Reserve Fund Name (in \$000s)	Reserve / Reserve Fund Name	Withdrawals (-) / Contribution (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		48,281	32,148	16,131
Insurance Replacement Reserve	XR1010			
Withdrawals (-)				
Contribution (+)		5,806	5,806	5,806
Total Reserve / Reserve Fund Draws / Contribution		5,806	5,806	5,806
Other Programs Reserve / Reserve Fund Draws / Contribution		(22,239)	(22,003)	(22,344)
Interest Income		300	180	0
Balance at Year-End		32,148	16,131	(406)

(*) While some years are showing a negative ending balance, it is anticipated that one time funding injection / changing priorities and revised expenditures will adjust the balance.

Reserve / Reserve Fund Name (in \$000s)	Reserve / Reserve Fund Name	Withdrawals (-) / Contribution (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		73,858	41,767	9,526
Development Application Review	XR1307			
Withdrawals (-)		(2,058)	(2,061)	(2,071)
Contribution (+)				
Total Reserve / Reserve Fund Draws / Contribution		(2,058)	(2,061)	(2,071)
Other Programs Reserve / Reserve Fund Draws / Contribution		(30,464)	(30,372)	(29,853)
Interest Income		432	192	0
Balance at Year-End		41,767	9,526	(22,398)

(*) City Planning is undertaking a follow-on development application fee review and will report back to Council with recommendations by the fourth quarter of 2024. Once approved by Council, this will move eligible costs funded by this reserve fund to user fees. The table above reflects the current funding sources pending the Council approval.

Appendix 10, (con't)

Inflows and Outflows to/from Reserves and Reserve Funds 2024 – 2033 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (in \$000s)	Reserve / Reserve Fund Name	Contributions / (Withdrawals)										
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	Total
Beginning Balance		1,224,797	1,315,671	1,114,809	907,071	694,626	512,117	299,723	201,741	180,083	295,453	
Water & Wastewater Capital Reserves	XR6003 & XR6004											
Withdrawals (-)												
- TW Capital Program		(969,175)	(1,288,799)	(1,322,056)	(1,348,103)	(1,352,323)	(1,409,565)	(1,323,284)	(1,281,147)	(1,180,324)	(1,063,466)	(12,538,243)
- Others		(5,104)	(3,063)	(4,121)	(10,206)	(3,686)	(4,777)	(6,811)	(5,574)	(5,352)	(5,390)	(54,082)
Contribution (+)												
- From Operations		1,040,384	1,067,302	1,098,727	1,130,247	1,161,734	1,194,032	1,227,223	1,261,340	1,296,410	1,332,466	11,809,866
Total Reserve / Reserve Fund Draws / Contribution		66,104	(224,559)	(227,451)	(228,062)	(194,275)	(220,309)	(102,872)	(25,381)	110,734	263,611	(782,460)
Interest Income		24,770	23,697	19,713	15,617	11,766	7,915	4,889	3,723	4,636	8,414	125,140
Balance at Year-End		1,315,671	1,114,809	907,071	694,626	512,117	299,723	201,741	180,083	295,453	567,477	

* Based on the most recent estimates

Reserve / Reserve Fund Name (in \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	Total
Water Development Charges Reserve Fund XR2111 (in \$000s)	Beginning Balance	159,323	138,732	138,097	138,078	143,008	148,914	158,606	166,841	177,235	189,323	
	Withdrawals											
	Dist WM Replacement	(11,622)	(9,248)	(8,639)	(9,113)	(9,407)	(9,133)	(9,179)	(9,059)	(8,891)	(2,003)	(86,294)
	District Watermains - New	(10)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(2,710)
	Engineering	(2,401)	(1,524)	(960)	(257)	(93)	(26)	(39)	(26)	(5)	(3)	(5,334)
	Horgan Trunk Main Expansion	(23,600)	(4,244)	(2,981)	(23)	-	-	-	-	-	-	(30,848)
	Island W.T.P. R&R	(262)	(1,248)	(1,510)	(1,561)	(1,524)	(757)	(36)	(9)	(7)	-	(6,914)
	Lawrence Allan Revitalization Plan	(2,292)	(7,111)	(10,080)	(8,220)	(5,897)	(1,500)	(1,399)	(600)	(240)	-	(37,339)
	PW Engineering	(1,270)	(986)	(914)	(311)	(107)	(182)	(182)	(182)	(221)	(221)	(4,576)
	RL Clark W.T.P. R&R	(1)	(12)	-	-	-	-	-	-	-	-	(13)
	Transmission R&R	(3,750)	(1,286)	-	-	-	-	-	-	-	-	(5,036)
	Trunk Watermain Expansion	(48)	-	-	-	-	-	-	-	-	-	(48)
	Water Efficiency Program	(574)	(319)	(323)	(337)	(331)	(336)	(341)	(346)	(351)	(356)	(3,614)
	Water Sustainability Program	(175)	(63)	(1)	-	-	-	-	-	-	-	(239)
	WT&S Plantwide	(953)	(810)	(269)	(533)	(2,466)	(2,876)	(2,635)	(1,923)	(31)	(6)	(12,502)
	Total Withdrawals	(46,958)	(27,151)	(25,977)	(20,655)	(20,125)	(15,110)	(14,111)	(12,445)	(10,046)	(2,889)	(195,467)
	Contribution:											
	- Projected Contribution	25,348	25,577	25,022	24,535	24,941	23,653	21,130	21,553	20,764	20,764	233,288
	Total Contribution	25,348	25,577	25,022	24,535	24,941	23,653	21,130	21,553	20,764	20,764	233,288
	- Other Program/Agency Net Withdrawals and Contribution	(94)	(96)	(96)	-	-	-	-	-	-	-	(286)
	Interest Income	1,114	1,034	1,032	1,050	1,091	1,149	1,216	1,285	1,369	1,487	11,827
	Balance at Year-End	138,732	138,097	138,078	143,008	148,914	158,606	166,841	177,235	189,323	208,685	

* Based on the most recent estimates

Appendix 10, (con't)

Inflows and Outflows to/from Reserves and Reserve Funds 2024 – 2033 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	Total
Sanitary Development Charges Reserve Fund XR2112 (in \$000s)	Beginning Balance	149,040	150,243	156,307	133,831	87,253	33,730	(44,012)	(125,305)	(213,068)	(274,370)	
	Withdrawals											
	Ashbridges Bay WWTP - Effluent System	(4,067)	(1,023)	(2,068)	(7)	-	-	-	-	-	-	(7,165)
	Handling	(6,917)	(7,709)	(11,706)	(21,496)	(22,788)	(40,536)	(60,478)	(60,330)	(53,767)	(53,140)	(338,867)
	Ashbridges Bay WWTP - Solids & Gas Handling	(2,156)	(1,850)	(2,516)	(1,528)	(1,230)	(716)	-	-	-	-	(9,996)
	Ashbridges Bay WWTP Rehab	(3)	(20)	-	-	-	-	-	-	-	-	(23)
	Basement Flooding Relief	(13,809)	(8,150)	(8,531)	(6,519)	(6,396)	(6,922)	(6,611)	(6,076)	(6,038)	(5,702)	(74,754)
	Don & Waterfront Trunk CSO	(6,221)	(4,294)	(2,097)	(1,141)	(1,171)	(11,385)	(13,370)	(15,385)	(19,168)	(25,313)	(99,545)
	Engineering	(2,274)	(1,252)	(607)	(112)	(54)	(24)	(47)	(25)	(1)	-	(4,396)
	Highland Creek WWTP - Odour Control	(14)	(47)	-	-	-	-	-	-	-	-	(61)
	Highland Creek WWTP - Solids & Gas Handling	(3,757)	(2,026)	(2,787)	(2,600)	(2,711)	(987)	(972)	(7)	(7)	-	(15,854)
	Highland Creek WWTP Upgrades	-	-	-	(39)	-	-	(72)	(36)	(36)	-	(183)
	Humber WWTP - Liquid Treatment & Handling	(120)	(675)	(220)	(176)	(731)	(3,026)	(3,026)	(3,724)	(2,147)	(1,077)	(14,922)
	Humber WWTP - Odour Control	(462)	(411)	(180)	(21)	-	(9)	(20)	-	(9)	(20)	(1,132)
	New Sewer Construction	(6,237)	(17,555)	(19,095)	(19,050)	(15,118)	(8,142)	(600)	(600)	(615)	(915)	(87,927)
	Sewage Pumping Station Upgrades	(1,207)	(1,123)	(1,115)	(1,303)	(593)	(658)	(610)	(481)	(406)	(610)	(8,106)
	Sewer Asset Planning	(629)	(486)	(304)	(251)	(251)	(296)	(319)	(319)	(296)	(292)	(3,443)
	Sewer Replacement Program	(2,217)	(1,174)	(1,103)	(1,277)	(1,233)	(1,168)	(1,092)	(968)	(968)	(490)	(11,690)
	Sewer System Rehabilitation	(16)	(1)	-	-	-	-	-	-	-	-	(17)
	Trunk Sewer System	(10,509)	(4,836)	(27,082)	(49,813)	(60,605)	(59,590)	(43,561)	(50,316)	(26,909)	(22,376)	(355,597)
	Total Withdrawals	(60,615)	(52,632)	(79,411)	(105,333)	(112,881)	(133,459)	(130,778)	(138,267)	(110,367)	(109,935)	(1,033,678)
	Contribution:											
	- Projected Contribution	61,489	61,916	60,530	59,310	60,287	57,097	50,866	51,884	50,432	50,432	564,243
Total Contribution	61,489	61,916	60,530	59,310	60,287	57,097	50,866	51,884	50,432	50,432	564,243	
- Other Program/Agency Net Withdrawals and Contribution	(789)	(4,365)	(4,679)	(1,381)	(1,381)	(1,381)	(1,380)	(1,380)	(1,367)	(1,367)	(19,469)	
Interest Income	1,118	1,145	1,084	826	452	0	0	0	0	0	4,625	
Balance at Year-End	150,243	156,307	133,831	87,253	33,730	(44,012)	(125,305)	(213,068)	(274,370)	(335,239)		

* Based on the most recent estimates

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	Total
Stormwater Management Development Charges Reserve Fund XR2113 (in \$000s)	Beginning Balance	100,214	66,464	68,121	81,249	94,420	108,683	122,480	133,408	144,750	155,919	
	Withdrawals											
	Stream Restoration & Erosion Control	(140)	(159)	(181)	(213)	(147)	(96)	(96)	(37)	(39)	(40)	(1,148)
	SWM TRCA Funding	(600)	(368)	(378)	(388)	(398)	(407)	(408)	(408)	(410)	(410)	(4,175)
	SWM End Of Pipe Facilities	(79)	(135)	(167)	(261)	(180)	(7)	(7)	(144)	(144)	-	(1,124)
	TRCA Erosion Control	(111)	(425)	(637)	(644)	(644)	(644)	(644)	(644)	(644)	(644)	(5,681)
	Western Beaches Retrofit	(248)	(1,132)	(1,146)	(1,073)	(719)	(4)	(2)	-	-	-	(4,324)
	Wet Weather Flow Mp	(304)	(529)	(528)	(233)	(207)	(191)	(187)	(275)	(242)	(193)	(2,889)
	Total Withdrawals	(1,482)	(2,748)	(3,037)	(2,812)	(2,295)	(1,349)	(1,344)	(1,508)	(1,479)	(1,287)	(19,341)
	Contribution:											
	- Projected Contribution	29,344	29,547	28,886	28,305	28,771	27,250	24,279	24,765	24,063	24,063	269,275
	Total Contribution	29,344	29,547	28,886	28,305	28,771	27,250	24,279	24,765	24,063	24,063	269,275
	- Withdrawals - TW Operating	(195)	(195)	(195)	-	-	-	-	-	-	-	(585)
	- Other Program/Agency Net Withdrawals and Contribution	(62,040)	(25,450)	(13,084)	(12,978)	(12,973)	(12,968)	(12,963)	(12,955)	(12,538)	(12,532)	(190,480)
	Interest Income	623	503	558	656	759	864	956	1,039	1,123	1,208	8,289
	Balance at Year-End	66,464	68,121	81,249	94,420	108,683	122,480	133,408	144,750	155,919	167,371	

* Based on the most recent estimates

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority.

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes.

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).