

2025 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 approximately 4.0 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.

For further information about Toronto Water, please visit: <https://www.toronto.ca/city-government/accountability-operations-customer-service/city-administration/staff-directory-divisions-and-customer-service/toronto-water/>

Toronto Water:

Lou Di Gironimo

General Manager, Toronto Water

Tel: (416) 392-8200

Email: Lou.DiGironimo@toronto.ca

Corporate:

Mervyn Mendonca

Manager, Financial Planning

Tel: (416) 397-4297

Email: Mervyn.Mendonca@toronto.ca

What Service We Provide

Water Treatment and 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 kilometers of watermain and City-owned water services.

How Much Resources (gross 2025 operating budget): \$215.0 million

Wastewater Collection and Treatment

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

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

How Much Resources (gross 2025 operating budget): \$260.6 million

Stormwater Management

Who We Serve: Public and private landowners.

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

How Much Resources (gross 2025 operating budget): \$50.4 million

Budget at a Glance

2025 OPERATING BUDGET

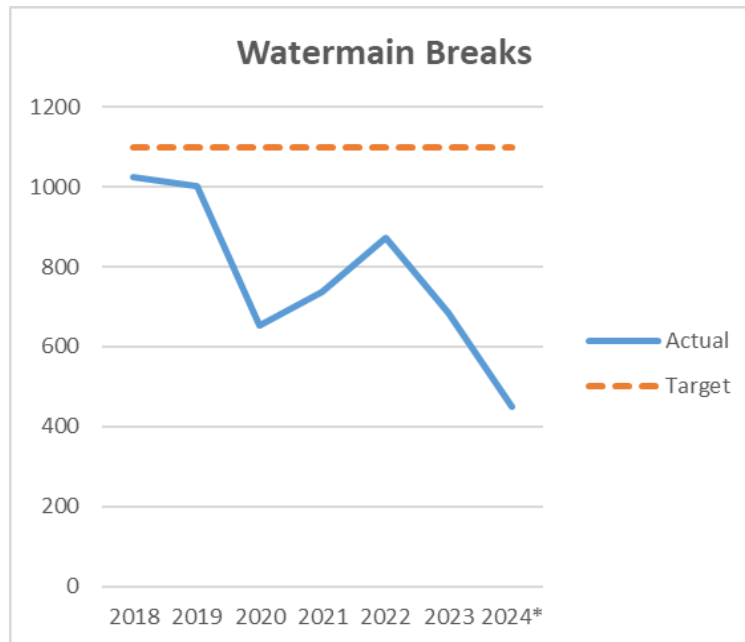
\$Billion	2025	2026	2027
Revenues	\$1.611	\$1.662	\$1.715
Gross Expenditures	\$0.526	\$0.539	\$0.550
Capital Contribution	\$1.085	\$1.123	\$1.165
Approved Positions	1,937.3	1,947.3	1,951.3

2025 - 2034 10-YEAR CAPITAL PLAN

\$Billion	2025	2026-2034	Total
Gross Expenditures	\$1.283	\$16.458	\$17.741
Debt	\$0.000	\$0.000	\$0.000

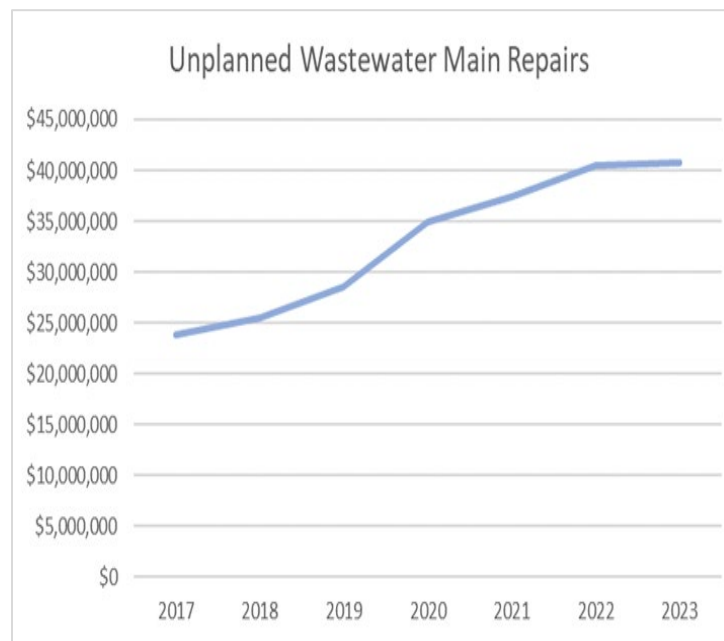
Note: Includes 2024 carry forward funding

How Well We Are Doing – Behind the Numbers



- 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 significant 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 2025-2034 Capital Budget and Plan proposes a \$2.0 billion investment to maintain the water distribution network in a state of good repair and address forecasted growth. The proposed 2025 annual investment of \$204.7 million is a 16.7% increase over what was proposed in 2024.
- 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 2025-2034 Capital Budget and Plan proposes a \$3.3 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 \$172.4 million in 2025 for replacement and renewal, is consistent with the level of investment planned for 2024.
- 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.

How Well We Are Doing

Service	Measure	2022 Actual	2023 Actual	2024 Target	2024 Projection	Status	2025 Target	2026 Target
Outcome Measures								
Water Treatment and Supply	Water Treatment Non-Compliance Events	0	2	0	0	●	0	0
Water Treatment and Supply	Target Pressure Limits (Pressure Maintenance)	99.5%	99.4%	99.5%	99.5%	●	99.5%	99.5%
Wastewater Collection and Treatment	Pumping Station Outages	0	0	0	0	●	0	0
Wastewater Collection and Treatment	Wastewater Treatment Non-Compliance Events	6	1	0	0	●	0	0
Stormwater Management	Number stormwater ponds inspected/maintained	1,180	1,574	990	1,260	●	1,080	1,080
Service Level Measures								
Water Treatment and Supply	Electrical kWh per ML of Water Pumped	320 kWh per ML	316 kWh per ML	330 kWh per ML	318 kWh per ML	●	330 kWh per ML	330 kWh per ML
Wastewater Collection and Treatment	Percent Biosolids Beneficially Used (ABTP)	100%	100%	100%	100%	●	100%	100%
Stormwater Management	Water Course Inlet/Outlet Inspections	5,210	4,324	3,000	3,000	●	3,000	3,000

2024 Projection to 2024 Target Comparison

● 80%-100% (MET TARGET) ● 70 - 79% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

Service	Measure	2022 Actual	2023 Actual	2024 Target	2024 Projection	Status	2025 Target	2026 Target
Other Measures								
Water Treatment and Supply	Watermain Breaks per 100 km of Water Distribution Pipe	15.11	10.33	22	22	●	22	22
Water Treatment and Supply	Drinking Water Non-Compliance	0	2	0	0	●	0	0
Water Treatment and Supply	Percent Time Operating Within 276 kPA to 793 kPA Requirements	99.5%	99.4%	99.5%	99.5%	●	99.5%	99.5%
Wastewater Collection and Treatment	Non-Compliance Events (Wastewater Treatment)	6	1	0	0	●	0	0
Wastewater Collection and Treatment	Mainline Backups per 100 km of Pipe	2	1.3	4	4	●	4	4

2024 Projection to 2024 Target Comparison

● 80%-100% (MET TARGET) ● 70 - 79% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success



Resiliency

2024 was a year that saw severe storms throughout the summer, causing flooding and other major impacts across the city. Toronto Water has several projects and initiatives underway to help address basement flooding, the impacts of wet weather flow, improve water quality and build resiliency in our system.

Basement Flooding Protection Program (BFPP)

- The BFPP program continues to see advancement on key projects but also faces challenges.
 - As of December 2024, all 67 Basement Flooding Study Areas have been completed.
 - By the end of 2024, approximately \$1.15 billion is projected to have been spent on construction and related activities within the BFPP. In the last 6 years (2019 to the end of 2024), BFPP construction has mitigated basement flooding risks for more than 13,700 benefitting properties.
 - Based on cost information provided by completed BFPP studies, it is estimated that the program identifies over \$18 billion in improvement projects across the city.
- The Fairbank-Silverthorn Trunk Sewer Project, one of the largest projects that is part of the BFPP, achieved an important project milestone in 2024. The Tunnel Boring Machine finished its journey and was extracted in October 2024 after successfully completing the tunnelling of a new three-kilometre-long storm trunk sewer.
 - Phase 1, which includes construction of the new storm trunk sewer and a portion of the new local storm sewers, was initiated in October 2021 and will be substantially completed in 2025.
 - Phase 2 consists of constructing the remaining approximately 17 kilometers of new storm sewers and installing inlet control devices. Design work for this phase is complete, and construction is expected to begin in 2025.
 - Once finished, this critical infrastructure will hold and gradually release stormwater during major rain events, significantly reducing basement flooding risks for approximately 4,645 homes and enhancing surface flood protection across a 140-hectare area.

Don River and Central Waterfront and Connected Projects

- The Don River and Central Waterfront and connected projects, including critical upgrades to the Ashbridges Bay Treatment Plant (ABTP), help improve water quality, and also support future growth by helping to increase system capacity.
- The new ABTP outfall is being built to improve capacity and better convey and disperse fully treated wastewater to Lake Ontario. This project is over 90% 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. The UV Disinfection construction is over 92% complete.
- The new Integrated Pumping Station (IPS) will move raw sewage from underground sewers into ABTP, and eventually, the additional flows from the Don River and Central Waterfront Tunnel System.
 - The phasing of the works will use a multi-tender delivery model, which will help reduce anticipated spending over the 10-Year Plan for the engineering and construction of the IPS.
 - Overall construction progress on the project is approximately 33% complete.

Supporting Growth

Toronto Water's 10-Year Capital Plan invests \$2.4 billion to facilitate future growth. Some key projects include:

Black Creek Sanitary Trunk Sewer Relief System (formerly known as the Keele Relief Trunk Sewer)

- The Black Creek STS project is an extensive and complex project that traverses across a large area in the City. The Black Creek STS services over 350,000 people and represents a sanitary drainage area of 5,500 hectares, the equivalent of 4,000 soccer fields.
- At an estimated cost of more than \$1 billion, this integrated system of sanitary sewers and wet weather flow control upgrades includes a network of more than 20 kilometres of Trunk Sewers varying in size from 1.5 to up to 3 metres, flow diversion structures, a combined sewer overflow (CSO) storage tunnel and CSO storage tank and real time control infrastructure.
- Once finished, these infrastructure upgrades will provide additional sanitary trunk sewer capacity to support population and employment growth beyond 2041. This project will provide capacity for a projected 130,000 additional population and 65,000 jobs in the Downsview area.
- Phase 1 of the project includes the southern section of the Keele Relief Trunk Sewer (11.3km of 3 metres diameter sewer), the Jane Relief Sewer (3.4km of 1.8 metres diameter sewer), flow diversion structures, and real time monitoring and control systems. Phase 1 construction is planned from 2026 - 2031.

Port Lands Pumping Station and Forcemain

- In 2018, Toronto Water completed the Toronto Waterfront Sanitary Servicing Master Plan Update ([WSSMP 2017](#)) and recommended a preferred strategy to provide sanitary servicing for current and future development along the City's waterfront to 2041.
- In response to these recommendations, Toronto Water is investing more than \$219.6 million into the construction of a new pumping station and forcemain to support planned growth in the Port Lands and along Toronto's waterfront. The Port Lands area is projected to be home to nearly 40,000 people and 30,000 jobs in the future.

Key Challenges and Risks

- **Capital construction costs are increasing above inflation** - Cost escalations caused by high rates of inflation and global supply chain issues. There is improved predictability in costs for linear infrastructure projects, but volatility and unpredictability in costs related to infrastructure projects continues. Year-over-year increases in tender costs across Toronto Water projects will continue to impact capital affordability. Continued need to reprioritize planned capital projects that are necessary to address critical infrastructure needs.
- **Inadequate reserve balances to fund state-of-good-repair program** - 10-year capital plan relies on a 3.75% annual water rate increase critical to maintaining 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.
- **Inadequate capacity to deliver on capital commitments** - Significant increases in operational costs and indications there may be reduced capacity to deliver (impacts from inflationary increases above budget, fewer bids, resource, and readiness challenges, etc.). Advancing projects and achieving capital spending rates relies on support from internal city partners and external capacity. A greater portion of rate increases may be needed to sustain operations.
- **Operating costs remain unpredictable** - Cost escalations caused by inflation, supply chain issues, market volatility are resulting in increases in expenditures in multiple areas (commodities, materials, etc.). Significant portion of the operational budget are expenditures highly susceptible to market fluctuations, and there are expenditures that are critical to service delivery (e.g., chemicals for water and wastewater treatment). In-year, unexpected cost increases have occurred and continue to be possible.

Priority Actions

- **Resiliency:** Continue to invest in strengthening resiliency to the impacts of climate change in our infrastructure.
 - Making significant investments in stormwater management and water quality, including \$2.1 billion for the Basement Flooding Protection Program and \$1.7 billion to implement the Don River and Central Waterfront project.
 - Identifying opportunities to mitigate stormwater impacts on residential and non-residential properties to reduce the risk of flooding and protect infrastructure. Toronto Water's 10-Year Capital Plan includes a \$44.8 million investment to implement green infrastructure projects, supporting the city's resiliency objectives.
 - Investing nearly \$59.2 million in rainfall and flow monitoring services and equipment across the 10-Year Capital Plan will also help strengthen system resiliency. This investment will help track, monitor, and analyse flow data to provide better quality data on how our system reacts to rainfall and storm events, supporting a more efficient and resilient system.
 - **Supporting Growth:** Support growth by investing and prioritizing necessary critical infrastructure. Manage pressure on linear infrastructure in growth areas, and ensure investment aligns with planned growth and development. Toronto Water's 10-Year Capital Plan includes \$2.4 billion investment to facilitate future growth.
 - **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 to reduce the SOGR backlog by more than 50% by the end of the 10-Year Plan.
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CITY STAFF PREPARED BUDGET

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

1. The 2025 Operating Budget for Toronto Water of \$525.997 million gross, \$1,610.763 million revenue and \$1,084.766 million net for the following services:

Service:	Gross Expenditures (\$000s)	Revenue (\$000s)	Capital from Current Contribution (\$000s)
Water Treatment and Supply	215,007.4	703,211.3	488,203.9
Wastewater Collection and Treatment	260,634.4	895,476.9	634,842.5
Stormwater Management	50,355.1	12,074.7	(38,280.4)
Total Program Budget	525,996.9	1,610,762.9	1,084,766.0

- The 2025 staff complement for Toronto Water of 1,937.3 positions comprised of 141.0 capital positions and 1,796.3 operating positions.
2. The 2025 Capital Budget for Toronto Water with cash flows and future year commitments totaling \$9,914.224 million as detailed by project in [Appendix 5a](#).
 3. The 2026-2034 Capital Plan for Toronto Water totalling \$7,826.830 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 2025 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

2025
OPERATING BUDGET

2025 OPERATING BUDGET OVERVIEW

Table 1: 2025 Operating Budget by Service

(In \$000s)	2023 Actual	2024 Budget	2024 Projection*	2025 Base Budget	2025 New / Enhanced	2025 Budget	Change v. 2024 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Water Treatment & Supply	643,474.7	676,038.3	678,335.3	703,211.3		703,211.3	27,173.1	4.0%
Wastewater Collection & Treatment	851,843.6	859,646.2	864,356.0	895,476.9		895,476.9	35,830.7	4.2%
Stormwater Management	8,038.0	12,717.1	10,535.1	12,074.7		12,074.7	(642.4)	(5.1%)
Total Revenues	1,503,356.3	1,548,401.5	1,553,226.4	1,610,762.9		1,610,762.9	62,361.3	4.0%
Expenditures								
Water Treatment & Supply	208,677.7	215,300.0	203,986.9	215,007.4		215,007.4	(292.6)	(0.1%)
Wastewater Collection & Treatment	236,058.5	255,334.9	251,362.6	260,634.4		260,634.4	5,299.5	2.1%
Stormwater Management	41,528.7	48,814.8	48,645.3	50,355.1		50,355.1	1,540.3	3.2%
Sub-Total - Total Expenditures	486,264.9	519,449.7	503,994.8	525,996.9		525,996.9	6,547.2	1.3%
Capital Contribution	996,222.6	1,028,951.9	1,028,951.9	1,084,766.0		1,084,766.0	55,814.2	5.4%
Surplus (2024 Projection)	20,868.8		20,279.7					
Sub-Total - Capital Contribution	1,017,091.4	1,028,951.9	1,049,231.6	1,084,766.0		1,084,766.0	55,814.2	5.4%
Total Gross Expenditures	1,503,356.3	1,548,401.5	1,553,226.4	1,610,762.9	0.0	1,610,762.9	57,536.5	3.7%
Approved Positions**	1,912.3	1,921.3	N/A	1,937.3		1,937.3	16.0	0.8%

*2024 Projection based on 9 Month Variance

**Year-over-Year comparison based on approved positions

KEY DRIVERS

Total 2025 Budget expenditures of \$525.997 million gross (prior to capital contribution) reflects an increase of \$6.547 million in spending above 2024 budget, predominantly arising from:

- Salary and benefits adjustments 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.
- Cost escalations for utilities, chemicals, materials, and contract services caused by inflation, supply chain issues, and market volatility resulting in increases in expenditures in multiple areas.
- Operating costs for sixteen net new positions in the base, primarily arising from the completion of capital projects to operate new facilities and infrastructure, and the delivery of ongoing capital projects.

The 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 revenues. The 2024 consumption for sale of water volume was adjusted to align with 2023 actuals and 2024 projections while still maintaining a moderate annual decrease of 0.5% starting in 2026 and beyond.

The 2025 Operating Budget includes a 3.75% rate increase, effective January 1, 2025. As illustrated in Table 1 above, approximately \$1.085 billion or 67% of Toronto Water's 2025 Operating Budget will go towards the annual capital reserve contribution to fund the 10-Year Capital Plan for Toronto Water, representing a 5.4% increase from the 2024 approved contribution.

The rate increase of 3.75% on an average home consuming 230 cubic metres a year will be \$39.0 increase (from \$1,039 in 2024 to \$1,078 in 2025). Together, drinking water, wastewater and stormwater services cost the average residential household in Toronto \$2.95 per day.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Toronto Water's 2025 Operating Budget do not have any significant equity impacts.

2025 OPERATING BUDGET KEY COST DRIVERS

The 2025 Operating Budget for Toronto Water of \$525.997 million gross (prior to capital contribution) or 1.3% higher than the 2024 Budget. Table 2 below summarizes the key cost drivers for the 2025 Budget.

Table 2: 2025 Key Cost Drivers

(In \$000s)	2025				2026 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
2024 Projection*	1,553,226.4	503,994.8	1,049,231.6	N/A	N/A
2024 Adjusted Budget	1,548,401.5	519,449.7	1,028,951.9	1,921.3	N/A
Key Cost Drivers:					
Prior Year Impacts					
Annualization of in year position additions	234.0	290.3	(56.3)		(3.7)
Contribution to Fleet Reserve		(8,000.0)	8,000.0		
Salary & Benefits					
Salaries and Benefits Adjustment	592.5	984.9	(392.5)	(1.0)	(3,486.1)
Non-Salary Inflation					
Economic Factors - Inflation		7,792.3	(7,792.3)		(5,733.3)
Economic Factors - above CPI		2,038.0	(2,038.0)		(300.3)
Operating Impacts of Capital					
Operating Impact of Capital		3,153.8	(3,153.8)	12.0	(4,014.8)
Support Growth and Delivery of Capital	1.1	282.0	(280.8)	4.0	
Revenue Changes					
Sale of water - Rate Increase	53,349.9		53,349.9		55,008.0
Sale of water - Volume Adjustments	10,533.3		10,533.3		(7,556.7)
User Fee Inflationary Changes	3,797.6		3,797.6		2,353.8
User Fee & Other Volume Changes	(6,151.1)		(6,151.1)		836.8
Other Changes	4.1	3,677.2	(3,673.2)	1.0	(866.5)
Sub Total Key Cost Drivers	62,361.3	10,218.5	52,142.8	16.0	36,237.1
Affordability Measures:					
Realignment to Actuals - Line by Line		(1,540.4)	1,540.4		(52.1)
Efficiencies - Water & Wastewater		(2,131.0)	2,131.0		2,208.9
Sub Total Affordability Measures		(3,671.3)	3,671.3		2,156.8
Total 2025 Budget	1,610,762.9	525,996.9	1,084,766.0	1,937.3	38,393.9
Change from 2024 Budget (\$)	62,361.3	6,547.2	55,814.2	16.0	N/A
Change from 2024 Budget (%)	4.0%	1.3%	5.4%	0.8%	N/A

*Based on 9 Month Variance

**Year-over-Year comparison based on approved positions

Key Base Drivers:**Prior Year Impacts:**

- The 2025 Operating Budget accounts for a reversal of a one-time in-year additional fleet reserve contribution from prior year based on existing annual contributions and planned fleet purchases.

Non-Salary Inflation:Materials and Supplies:

- Toronto Water is experiencing significant increases in costs associated with hydro, natural gas, and chemical inflationary increases higher than general Consumer Price Index and inflationary increases on existing materials contracts. This is partially offset by ongoing hydro efficiencies. The 2025 budget also includes provisions for contingencies and estimates based on fluctuating weather conditions.

Services and Rents:

- Toronto Water is also experiencing inflationary increases on existing contracted services. As a result, the 2025 Operating Budget has included provisions for contingencies based on emergency or unplanned events (e.g., weather-related impacts to services).

Operating Impacts of Capital:

- The increase includes twelve positions to operate new facilities and infrastructure following the completion of facility renovations and other upgrades, including Ashbridges Bay Treatment Plant Disinfection System, Watermain and Sewer Asset Planning, and new infrastructure expansion and transfer of assets to Toronto Water.
- Additional four positions to support growth and delivery of ongoing capital projects.

Revenue Changes:

- The 2025 Operating Budget includes rate increase of 3.75% on sale of water, user fee inflationary rate increases, anticipated volume changes for sale of water and other user fee volume adjustments. The 2025 consumption of water was adjusted to align with 2023 actuals and 2024 projections while still maintaining a moderate annual decrease of 0.5% starting in 2026 and beyond.
- Revenue changes also include the removal of one-time funding received in 2024 from the Ministry of the Environment, Conservation and Parks linked to improving wastewater and stormwater discharges in Lake Ontario, as this provincial funding ended in the first quarter of 2024.

Contributions to Capital:

- Approximately \$1.085 billion or 67% of the 2025 Operating Budget will go towards the capital reserve contribution to fund the 10-Year Capital Plan.

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

(In \$000s)									
Recommendation	Savings Type	Equity Impact	2025				2026 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net	Positions
Realignment to Actuals - Line by Line	Line By Line	No Impact		(1,540.4)	1,540.4		52.1	(52.1)	
Efficiencies - Water & Wastewater	Efficiencies	No Impact		(2,131.0)	2,131.0		(2,208.9)	2,208.9	
Total Affordability Measures				(3,671.3)	3,671.3	-	(2,156.8)	2,156.8	-

Realignment to Actuals (Line by Line):

- A reduction in base expenditures in materials and supplies and other non-salary costs as part of the expenditure line-by-line review contributes to Toronto Water's efforts to manage continuous cost increases from internal and external sources.

Efficiencies – Water and Wastewater:

- Efficiency measures are specific actions taken by Toronto Water to achieve cost reductions without impacting service levels for customers. 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 efficiency in contract administration and estimates, contributing to savings in contracted service costs.

2025 and 2026 OUTLOOKS**Table 5: 2026 and 2027 Outlooks**

(In \$000s)	2025 Budget	2026 Incremental Outlook	2027 Incremental Outlook
Revenues			
Sale of Water		47,451.3	48,976.4
User Fees Inflation		2,353.8	2,415.6
Other Revenue Changes		1,350.3	1,266.1
Total Revenues	1,610,762.9	51,155.4	52,658.2
Gross Expenditures			
Salaries and Benefits Inflationary Impacts		1,438.0	1,288.2
Non-Salary Inflationary Impacts		6,033.6	6,338.8
Operating Impacts of Capital		4,014.8	1,916.7
Support Growth and Delivery of Capital		294.7	3.5
Other Expenditures		980.2	1,755.0
Total Gross Expenditures	525,996.9	12,761.4	11,302.2
Capital Contribution	1,084,766.0	38,393.9	41,356.0
Approved Positions	1,937.3	10.0	4.0

Key Outlook Drivers

The 2026 Outlook with a capital contribution of \$1.123 billion reflects an anticipated \$38.394 million or 3.5% above the 2025 Operating Budget. The 2027 Outlook expects a further increase of \$41.356 million or 3.7% above the 2026 Outlook.

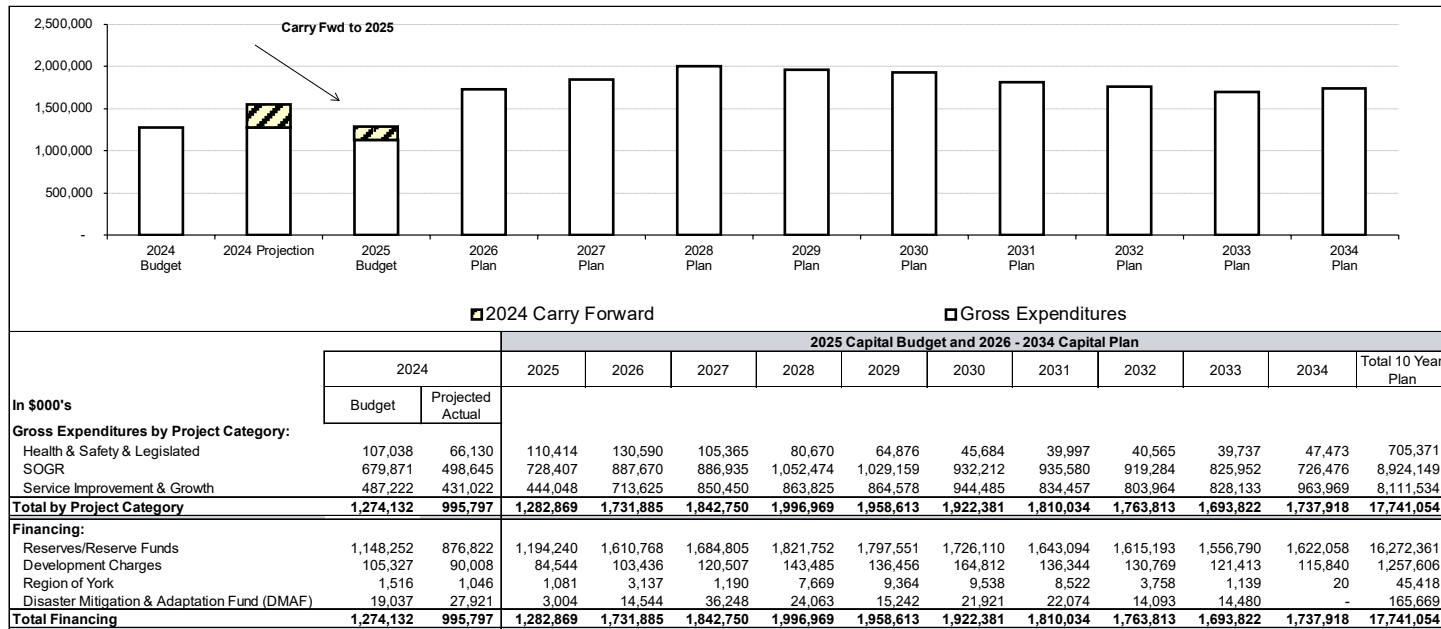
These changes arise from the following:

- Higher revenues primarily from 3.75% water rate increases in both 2026 and 2027, offset by a moderate annual consumption decrease of 0.5%.
- Annualized impact of 2025 added positions 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 anticipated additional positions; ten for 2026 and four for 2027, primarily required to operate new facilities and infrastructure and deliver capital projects.

2025 – 2034 CAPITAL BUDGET AND PLAN

2025 – 2034 CAPITAL BUDGET AND PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



*2024 Projection based on 9 months Variance Report.

Project Updates (\$461.315 Million)

The 2025-2034 Capital Budget and Plan reflects the following major changes to existing projects over the nine common years (2025-2033):

- \$95.000 million in additional funding to support expanding existing Basement Flooding Protection incentives and implementing new incentive programs, inclusive of 2034.
- Increased funding of \$93.502 million to support Toronto Water's emergency response to the premature failure of meter transmission units as well as an increase in funding allocation for the installation and replacement of water meters across the 10-year plan.
- Increased funding of \$272.813 million to support continued investment in Toronto Water Wastewater and Water facilities.

New Projects (\$0 Million)

The 2025-2034 Capital Budget and Plan does not include any new programs.











The following key new sub-projects have been incorporated into the 2025-2033 Capital Budget and Plan:

- \$21.170 million allocated to support the implementation of Green Infrastructure in the Mimico Creek Watershed, in alignment with Council Directive [2021.IE23.14](#)
- \$187.517 million allocated to support the renewal of five Trunk Sewers, required to maintain the infrastructure in a state of good repair.

Note:

For additional information, please refer to [Appendix 5](#) for a more detailed listing of the 2025 and 2026-2034 Capital Budget and Plan by project; [Appendix 6](#) for Reporting on Major Capital Projects – Status Update; [Appendix 7](#) for Capacity to Deliver Review; and [Appendix 8](#) for Capital Delivery Constraints, [Appendix 9](#) for Capital Program Provincial/Federal Funding Streams by Projects, respectively.

2025 – 2034 CAPITAL BUDGET AND PLAN**\$17.741 Billion 10-Year Gross Capital Program**

				
Plant and Facilities	Underground Infrastructure	Stormwater Management	Basement Flooding Protection Program	Engineering, Yard and Network Improvements
\$5,011.1M 28%	\$6,324.8M 36%	\$2,815.3M 16%	\$2,149.5M 12%	\$1,440.4M 8%
Water Filtration Plants; Wastewater Treatment Plants; Pumping Stations; and Storage and Reservoirs 	Watermain and Sewer Replacement/Rehabilitation; Water Service Replacement; and New Connections 	Wet Weather Flow Projects (end of pipe, infrastructure erosion protection); Don River and Central Waterfront 	Engineering Studies; Implementation Basement Flooding Protection; Subsidy Program 	Engineering Support; Business and Technology; Yards and Buildings; Water Efficiency and Metering 

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

*Information above includes full project / sub-project 2025-2034 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

Climate Resiliency and Greenhouse Gas Reduction (GHG)

- Toronto Water is currently developing a divisional Greenhouse Gas Mitigation Strategy to help guide its future work, and currently has several projects and partnerships that will support the City's broader goals under TransformTO and the Resiliency Strategy:
 - **Island Water Treatment Plant:** a Residuals Management Facility and Ultraviolet Treatment Facility will be constructed as part of this project, and the installation of solar panels, and a Battery Energy Storage System will help offset between 57% to 70% of the plant's existing annual power consumption from the grid.
 - **Highland Creek Wastewater Treatment Plant:** a project to move from the existing antiquated multiple hearth furnace technology to new Fluidized Bed Incinerators technology will reduce the use of natural gas by the plant and remove a significant amount of GHG emissions and improve overall environmental emissions.
 - **Deep Lake Water Cooling System:** Toronto Water also partners with other organizations to enable or support projects that result in significant GHG reductions, including Enwave Energy Corporation and the City's Deep Lake Water Cooling System agreement. In Fall 2024, a fourth intake at the Island Water Treatment Plant was commissioned to be used primarily as a separate raw water (i.e., non-treated water) source of cold water for Enwave's use in a dedicated raw water bank of heat exchangers. This fourth intake supports resiliency to climate change by adding cooling capacity to Enwave's cooling system (which further reduces electrical demand from the grid and water use) and by serving as a redundancy to the plant in the event of a failure of any of the existing three intakes. .

Capital Expenditures and Prioritization

- In 2024, Toronto Water is forecasting capital expenditures of \$995.795 million, or 78.2%, of the 2024 Capital Budget of \$1.274 billion.
- Local and global economic circumstances have resulted in high inflation rates along with rising costs for capital projects. The forecasted increases in cost estimates for planned capital projects would have resulted in drawing down Toronto Water's Water and Wastewater Capital Reserve balances to below zero.
- 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 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 3.75% 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 several projects has been deferred, with some projects being deferred to start or be completed beyond the 10-year planning horizon.

Basement Flooding Protection Initiatives

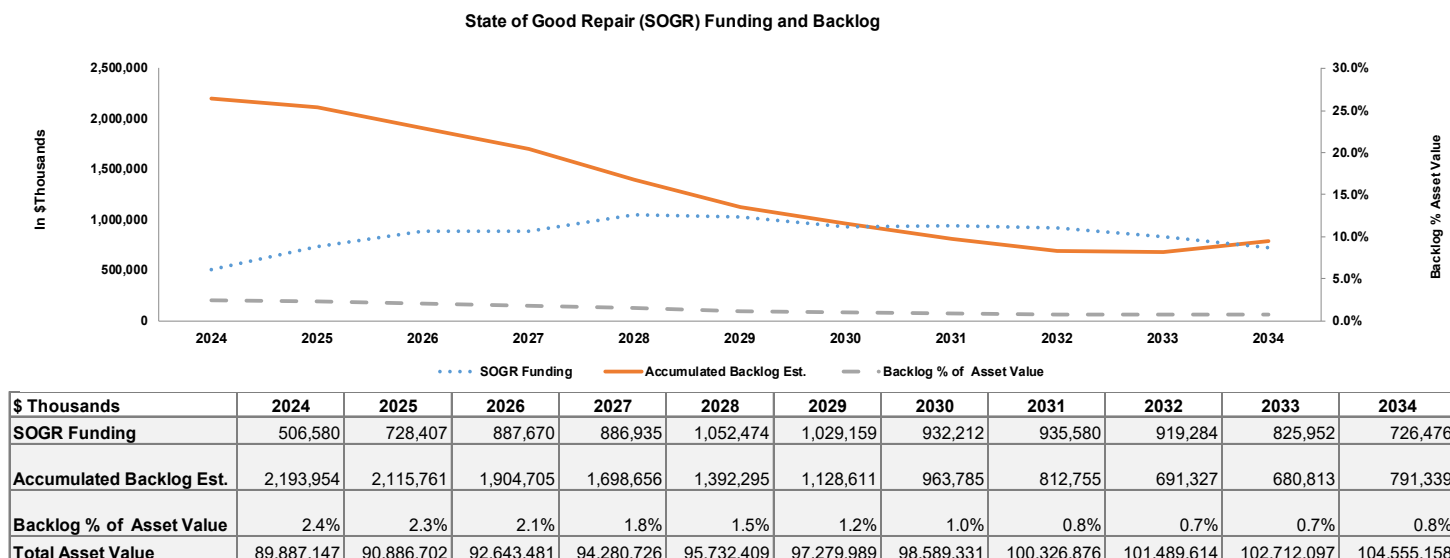
- The Basement Flooding Protection Program (BFPP) delivery model is one that is currently being reviewed, particularly as the Environmental Assessment studies are concluding in 2024. Based on estimates from completed BFPP studies to date, the program identifies:
 - approximately \$18.6 billion in improvement projects across the city
 - \$5.5 billion BFPP projects that meet the Council approved \$68,000 cost-per-benefitting-property threshold.
- Toronto Water's 10-Year Capital Plan allocates \$1.636 billion from 2025 to 2034 for construction. The remaining \$3.8 billion in projects below the \$68,000 cost-per-benefitting-property have not yet been programmed.
- Once all the projects that meet the \$68,000 cost-per-benefitting-property threshold are constructed, it is estimated that over \$12.1 billion of deferred BFPP projects from completed BFPP studies need to be constructed. These are the projects that exceeded the \$68,000 cost-per-benefitting-property threshold.
- The costs for all the BFPP projects that are awaiting construction could rise further when adjusted to reflect market rates and construction costs in the years to come. Cost escalation adjustments can impact program outcomes, with fewer Basement Flooding Projects constructed per year, and challenges forecasting the projects that can be constructed each year within available budget envelopes. This is why Toronto Water is prioritizing a review of this program's capital delivery approach to ensure these projects can be implemented faster and more efficiently.

How the Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding	
\$ 17,575.4M 99.1%		\$0.0M 0%	\$ 165.7M 0.9%	
Reserve Draws	\$ 16,272.4M		Disaster Mitigation and Adaptation Fund	\$165.7M
Development Charges	\$1,257.6M			
Region of York	\$ 45.4M			

STATE OF GOOD REPAIR (SOGR) FUNDING and BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for key asset classes in Toronto Water.

Chart 2: Total SOGR Funding and Backlog

- Toronto Water's infrastructure is aging with an accumulated SOGR backlog estimated at \$2.194 billion by the end of 2024, which includes both linear (watermains and sewers) and facility/plant infrastructure (water treatment plants, wastewater treatment plants, pumping stations). This represents 2.4% of the total replacement value of Toronto Water's assets (estimated to be approximately \$89.887 billion at end of 2024).
- The 2025-2034 Capital Budget and Plan allocates a total of \$8.924 billion over 10 years, including \$728.407 million in 2025 (or 56.8% of the 2025 Budget) to address the renewal needs of Toronto Water's aging infrastructure. This significant investment ensures continued and reliable service to residents, businesses, and visitors, and reduces the SOGR backlog by more than 50% by the end of the 10-year plan.
- The substantial state of good repair investment incorporated into Toronto Water's 2025-2034 Capital Budget and Plan will reduce the infrastructure backlog to less than 1% of the overall value of Toronto Water's assets.
 - Approximately 54.1% of Toronto Water's infrastructure backlog is associated with aging linear watermain and sewer infrastructure. The 2025-2034 Capital Budget and Plan allocates a total of \$5.429 billion to address deteriorated linear infrastructure.
 - Approximately 45.9% of Toronto Water's infrastructure backlog is associated with the facilities backlog. The 2025-2034 Capital Budget and Plan allocates a further \$3.495 billion for infrastructure state of good repair renewal projects at water and wastewater treatment facilities (which may include renewal of existing buildings, and process equipment and machinery, etc.).
- Should trends of high rates of inflation and increasing costs for capital projects persist, this will continue to put pressure on Toronto Water's Water and Wastewater Capital Reserve balances and may impact the timelines for addressing the SOGR backlog as projects continue to be reprioritized to address funding pressures. Toronto Water will continue to refine these estimates based on planned condition assessments of its asset infrastructure inventory and SOGR backlog analysis including asset values.
- 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.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

Approval of the 2025 Capital Budget will impact the 2025 Operating Budget by a total of \$3.154 million net as shown in Table 6 below.

Table 6: Net Operating Impact Summary

Projects	2025 Plan		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2025-2029		2025-2034	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved														
D Building Phase 2	350.0										350.0		350.0	
Disinfection System Construction	405.3	2.00	725.0		193.8		96.2		86.4		1,506.6	2.0	1,666.1	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			56.7	0.50	0.3						57.0	0.5	57.0	0.5
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	197.4	1.00	156.5		0.5						354.4	1.0	354.4	1.0
Water Sustainability Program (Standby Power - Ellesmere)	30.0										30.0		30.0	
Standby Power - Rosehill	30.0										30.0		30.0	
Watermain Asset Planning	74.2	1.00	354.1	2.00	501.4						929.7	3.0	929.7	3.0
Scada Upgrades For WWT			376.7	3.00	12.4						389.1	3.0	389.1	3.0
Uv Disinfection - Construction			701.7	0.50	215.3						917.0	0.5	917.0	0.5
Black Creek Sts Design & Construction									100.0	1.00	100.0	1.0	400.0	4.0
Don & Waterfront Trunk/CSO Construction - Phase 1	107.5	2.00	152.4	1.00							259.9	3.0	259.9	3.0
Sewer Asset Planning	597.2	1.00	109.9		7.0		6.5				720.5	1.0	720.5	1.0
Scada Upgrades For WWT - II	40.0		40.0		40.0						120.0		120.0	
Technology Improvements	170.0		176.6		183.4						530.0		530.0	
Automated Meter Reading System	85.0		85.0		85.0						255.0		255.0	
Digital Twin			200.0								200.0		200.0	
Basement Flooding Relief - Tunnel Project					103.9	1.00	100.0	1.00			203.9	2.0	203.9	2.0
Ps Rehab - Phase 2 - Construction	30.0										30.0		30.0	
PCS Upgrades 2017	67.9	1.00	70.5		0.5						138.9	1.0	138.9	1.0
Trunk Sewer Rehabilitation - 2016	67.9	1.00	70.5		0.5						138.9	1.0	138.9	1.0
Asset Mgmt System Implementation	67.9	1.00	70.5		0.5						138.9	1.0	138.9	1.0
Sub-Total: Previously Approved	2,440.3	10.0	3,426.0	7.0	1,344.4	1.0	1,702.7	1.0	186.4	1.0	9,099.8	20.0	11,909.2	23.0
New Projects - Future Years														
DCW - Coxwell Connections			152.4	1.00	103.9	1.00	100.0	1.00			356.3	3.0	356.3	3.0
Don & Waterfront Trunk/CSO Construction - PHASE 3 - Inner Harbour									100.0	1.00	100.0	1.0	400.0	4.0
Don & Waterfront Trunk/CSO Construction - PHASE 2 - Taylor Massey													200.0	2.0
Sub-Total: New Projects - Future Years			152.4	1.0	103.9	1.0	100.0	1.0	100.0	1.0	456.3	4.0	956.3	9.0
Sub Total (Net)	2,440.3	10.0	3,578.4	8.0	1,448.3	2.0	1,802.7	2.0	286.4	2.0	9,556.1	24.0	12,865.5	32.0
Infrastructure Expansion- Transfer of Assets														
East Bay front Tank, West Donlands Stormwater shaft, Cherry St. Storm Treatment Facility	713.6	2.00	218.3	1.00	355.8	1.00	150.0	1.00	294.0	2.00	1,731.7	7.0	2,340.7	11.0
Port Lands Flood Protection Plan			218.1	1.00	112.6	1.00	108.1	1.00	8.1		446.9	3.0	479.2	3.0
Sub-Total: Infrastructure Expansion- Transfer of Assets	713.6	2.0	436.4	2.0	468.4	2.0	258.1	2.0	302.1	2.0	2,178.5	10.0	2,819.8	14.0
Total (Net)	3,153.8	12.0	4,014.8	10.0	1,916.7	4.0	2,060.7	4.0	588.5	4.0	11,734.6	34.0	15,685.3	46.0

Previously Approved Projects

- The completion of previously approved capital projects will result in an overall operating impact of \$3.154 million for salaries and benefits associated with twelve (12) positions to operate new facilities and infrastructure, utilities, and contracted services primarily resulting from the following completed capital projects: Disinfection System Construction at Ashbridges Bay, Watermain and Sewer Asset Planning, Stormwater Pond Assessments, Source Water Protection, and new infrastructure expansion and transfer of assets to Toronto Water, including Port Lands Flood Protection, Cherry St. Storm Treatment Facility, East Bay Front Tank, and West Don Land Stormwater Shaft. The 2025 operating impact of \$3.154 million, as shown in Table 6, has been included in the Toronto Water's 2025 Operating Budget.

New Projects and Future Years

- The 10-Year Capital Plan will impact future year Operating Budgets by \$15.685 million net over the 2025-2034 period and an increase of 46 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

2025 Operating Budget by Category

	2022 Actual	2023 Actual	2024 Budget	2024 Projection*	2025 Budget	2025 Change from 2024 Budget	
	\$	\$	\$	\$	\$	\$	%
Sale of Water and Other Revenue	1,402,256.3	1,421,009.2	1,466,845.3	1,473,553.4	1,529,700.4	62,855.1	4.3%
User Fees	58,040.2	66,245.1	63,727.2	63,492.5	63,296.4	(430.7)	(0.7%)
Transfers From Capital	10,699.1	11,709.8	14,711.6	13,484.9	15,015.6	303.9	2.1%
Contribution From Reserves/Reserve Funds	4,351.0	1,211.6	2,253.2	2,058.3	2,386.1	132.9	5.9%
Provincial Funding		2,824.0	504.0	305.6		(504.0)	(100.0%)
Inter-Divisional Recoveries	308.5	356.6	360.2	331.6	364.3	4.1	1.1%
Total Revenues	1,475,655.2	1,503,356.3	1,548,401.5	1,553,226.4	1,610,762.9	62,361.3	4.0%
Salaries and Benefits	179,511.2	196,397.9	210,692.7	208,520.8	213,187.4	2,494.7	1.2%
Materials & Supplies	104,651.0	119,478.8	121,207.9	115,899.7	128,118.6	6,910.7	5.7%
Equipment	2,204.6	2,024.4	2,300.8	2,177.8	2,357.4	56.7	2.5%
Service and Rent	67,661.9	72,268.7	77,731.1	71,576.1	78,382.7	651.7	0.8%
Contribution To Reserves/Reserve Funds	12,397.8	11,985.5	19,595.2	19,595.2	11,421.4	(8,173.8)	(41.7%)
Other Expenditures	19,017.4	18,468.4	19,438.8	17,342.0	20,369.6	930.8	4.8%
Inter-Divisional Charges	61,286.3	65,641.2	68,483.2	68,883.2	72,159.7	3,676.4	5.4%
Total Gross Expenditures	446,730.3	486,264.9	519,449.7	503,994.8	525,996.9	6,547.2	1.3%
Capital Contribution	975,792.8	996,222.6	1,028,951.9	1,028,951.9	1,084,766.0	55,814.2	5.4%
Surplus (2024 Projection)	53,132.1	20,868.8		20,279.7			
Capital Contribution	1,028,924.9	1,017,091.4	1,028,951.9	1,049,231.6	1,084,766.0	55,814.2	5.4%

*Projection based on 9 Month Variance

Appendix 2

Summary of 2025 Service Changes

N/A

Appendix 3

Summary of 2025 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Operating Program Provincial/Federal Funding Streams by Program

N/A

Appendix 5

**2025 Capital Budget;
2025 - 2034 Capital Plan Including Carry Forward Funding**

(In \$000s)	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2025 - 2034 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
Ashbridges Bay WWTP - Building Services & Site Dev	73	-	-	-	-	-	-	-	-	1,000	1,073			1,073
Ashbridges Bay WWTP - Effluent System	26,321	34,688	26,402	3,300	10	10	-	-	-	-	90,731	82,461		8,270
Ashbridges Bay WWTP - Liquid Treatment & Handling	26,179	56,562	51,991	189,480	213,645	254,251	243,903	244,186	232,460	237,028	1,749,685		1,300,831	448,854
Ashbridges Bay WWTP - O&M Upgrades	2,211	2,316	2,422	2,495	2,569	2,647	2,726	2,808	2,892	2,979	26,065		26,065	
Ashbridges Bay WWTP - Solids & Gas Handling	28,011	36,627	34,036	92,141	61,134	48,985	55,467	44,471	35,435	400	436,707		436,617	90
Ashbridges Bay WWTP Rehab	43,903	42,552	78,165	75,853	77,505	53,897	42,226	36,275	15,600	16,650	482,626	2,980	478,050	1,596
Basement Flooding Relief	189,194	259,471	273,937	235,024	219,491	204,636	203,013	182,504	179,613	202,578	2,149,461			2,149,461
Business IT Projects	5,200	4,919	3,693	2,388	200	-	-	-	-	-	16,400			16,400
Business System Infrastructure - PW	17,966	16,182	13,880	13,312	7,080	5,111	4,496	3,927	3,792	3,646	89,392			89,392
Dist W/M Rehabilitation	42,976	43,567	60,690	46,126	47,413	46,327	48,228	52,430	46,932	46,534	481,223		481,223	
Dist W/M Replacement	133,308	129,838	126,841	118,189	109,066	110,250	108,250	103,350	102,150	102,150	1,143,392		994,995	148,397
Dist Water Service Repair	54,353	47,843	38,285	31,498	31,060	31,068	31,077	31,085	31,094	31,103	358,466	342,967	15,499	
District Watermains - New	10	500	500	500	500	500	500	500	500	500	4,510			4,510
Don & Waterfront Trunk CSO	24,745	37,135	26,078	37,129	109,950	184,990	210,920	273,860	342,650	450,350	1,697,807			1,697,807
Engineering	97,423	106,883	96,701	89,575	90,534	91,953	92,719	96,065	96,954	94,095	952,902		952,902	
Engineering Studies	140	535	380	125	125	70	70	70	70	70	1,655	275	990	390
Equipment Replacement & Rehabilitation	40	869	23	-	-	-	-	-	-	-	932		932	
FJ Horgan W.T.P. R&R	6,822	6,304	1,946	2,770	1,594	215	200	200	200	200	20,451	335	13,646	6,470
Harris W.T.P. R&R	3,777	9,988	9,012	9,409	16,300	13,400	13,190	13,175	8,250	1,050	97,551		85,763	11,788
Highland Creek WWTP - Building Serv & Site Dev	5,150	5,250	4,200	10,700	11,750	7,640	75	77	-	-	44,842		44,842	
Highland Creek WWTP - Odour Control	422	3,110	3,010	1,506	1,110	15	20	17	-	-	9,210	9,200		10
Highland Creek WWTP - Solids & Gas Handling	21,995	39,375	38,330	37,888	18,311	14,375	4,405	3,650	3,940	30,250	212,519		10,655	201,864
Highland Creek WWTP Upgrades	15,745	36,932	95,719	96,650	102,450	101,959	50,032	46,395	44,146	42,546	632,574	23,045	128,798	480,731
Horgan Trunk Main Expansion	4,718	6,765	38	-	-	-	-	-	-	-	11,521			11,521
Humber WWTP - Liquid Treatment & Handling	2,903	9,390	2,607	11,665	47,272	48,206	46,309	38,335	15,284	15,341	237,312		237,312	
Humber WWTP - Odour Control	4,770	4,036	1,143	25	128	273	-	128	273	-	10,776	10,776		
Humber WWTP Upgrades	24,152	69,100	72,977	71,233	51,400	48,889	35,187	14,279	5,477	498	393,192	3,701	287,617	101,874
Island W.T.P. R&R	19,310	41,838	49,317	43,924	31,347	2,248	3,448	4,048	8,931	3,000	207,411	129,796	53,827	23,788

Appendix 5 (con't)

**2025 Capital Budget;
2025 - 2034 Capital Plan Including Carry Forward Funding**

(In \$000s)	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2025 - 2034 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
Lawrence Allan Revitalization Plan	2,642	7,150	13,850	13,000	10,079	3,600	2,000	2,000	-	-	54,321			54,321
Metering & Meter Reading Sys	27,478	25,352	25,622	5,651	5,904	4,501	4,501	4,501	4,500	4,500	112,510			112,510
New Service Connections	43,184	43,712	44,431	44,073	44,143	44,214	44,287	44,362	44,439	44,783	441,628			441,628
New Sewer Construction	10,803	67,484	60,629	60,629	24,151	2,615	1,135	1,050	2,050	1,100	231,646			231,646
North Toronto WTP Upgrades	808	1,912	300	-	-	-	-	-	-	-	3,020			2,088
Operational Support	5,809	9,951	5,792	8,331	21,432	17,236	9,881	3,369	2,702	2,611	87,114	932	15,515	71,599
PW Engineering	8,150	11,461	10,665	5,465	4,986	3,013	2,792	3,068	3,085	3,103	55,788		28,536	27,252
Regent Park Capital Contribution	2,172	621	855	156	1,678	457	229	-	-	-	6,168			6,168
RL Clark W.T.P. R&R	1,640	4,852	2,893	3,003	261	256	250	250	250	250	13,905		13,905	
Sewage Pumping Station Upgrades	12,167	15,475	17,586	20,527	13,280	14,025	14,600	17,135	11,965	7,805	144,565	98,903	40,812	4,850
Sewer Asset Planning	24,184	30,507	26,049	26,096	22,790	21,150	22,150	21,650	21,550	21,700	237,826		185,033	52,793
Sewer Replacement Program	39,551	50,376	33,529	37,280	37,022	34,654	28,770	36,300	47,000	46,750	391,232		391,232	
Sewer System Rehabilitation	95,879	130,736	140,752	134,790	124,332	127,396	128,448	126,025	128,359	127,786	1,264,503		1,264,377	126
Stream Restoration & Erosion Control	24,702	31,966	34,689	40,561	47,251	24,942	24,341	28,819	21,940	12,754	291,965		291,965	
Switch Gear Transformer	1,853	3,850	8,200	12,600	9,561	8,717	6,400	6,900	4,400	1,450	63,931		63,931	
SWM TRCA Funding	5,165	5,318	5,474	5,651	5,792	5,816	5,856	5,879	5,905	5,948	56,804			56,804
SWM End Of Pipe Facilities	100	2,076	4,700	1,600	-	-	2,000	2,000	-	-	12,476			12,476
Transmission R&R	54,390	33,109	20,836	30,618	51,918	64,242	74,496	45,627	34,617	27,950	437,803		432,549	5,254
TRCA Erosion Control	7,941	10,900	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	106,841			106,841
Trunk Sewer System	37,132	122,891	199,756	225,369	196,990	198,539	158,436	164,959	129,268	87,126	1,520,466		513,309	1,007,157
Trunk Watermain Expansion	455	1,430	1,000	1,000	1,000	2,000	2,000	500	11,500	17,200	38,085			38,085
W&WW Laboratories	1,265	210	210	210	210	579	2,238	3,473	4,242	18,209	30,846		2,402	28,444
Water Efficiency Program	531	538	549	552	560	568	576	585	593	595	5,647			5,647
Water Sustainability Program	251	1,374	63	-	-	-	-	-	-	-	1,688			1,688
Western Beaches Retrofit	10,706	19,535	19,440	15,412	50	25	-	-	-	-	65,168		65,168	
Wet Weather Flow MIP	11,561	15,871	11,330	11,856	10,980	5,732	6,806	8,483	6,359	3,270	92,248		20,335	71,913
WT&S Plantwide	50,533	30,653	30,227	58,634	61,299	55,189	60,381	34,043	21,455	10,060	412,474		44,516	367,958
Total Expenditures (including carry forward from 2024)	1,282,869	1,731,885	1,842,750	1,996,969	1,958,613	1,922,381	1,810,034	1,763,813	1,693,822	1,737,918	17,741,054	705,371	8,924,149	8,111,534

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

*Information above includes full project / sub-project 2025-2034 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

Appendix 5a

2025 Cash Flow and Future Year Commitments Including Carry Forward Funding

(In \$000s)	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	Total 2025 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
Ashbridges Bay WWTP - Building Services & Site Dev	73										73	67	6	
Ashbridges Bay WWTP - Effluent System	26,321	34,688	26,402	3,300	10	10					90,731	52,851	29,610	8,270
Ashbridges Bay WWTP - Liquid Treatment & Handling	26,179	56,562	51,991	189,480	213,645	254,251	243,903	243,871	232,145	236,878	1,748,905	1,677,566	71,339	
Ashbridges Bay WWTP - O&M Upgrades	2,211	2,316	2,422								6,949	6,949		
Ashbridges Bay WWTP - Solids & Gas Handling	28,011	36,627	34,036	92,141	61,134	48,985	55,467	44,471	35,435	400	436,707	375,700	61,007	
Ashbridges Bay WWTP Rehab	43,903	42,552	78,165	74,553	76,205	52,597	40,926	34,975	14,300	15,350	473,526	428,130	45,396	
Basement Flooding Relief	189,194	242,769	206,912	172,507	133,281	88,870	62,677	43,846	29,626	57,057	1,226,739	1,114,032	97,707	15,000
Business IT Projects	5,200	4,919	3,693	2,388	200						16,400	3,000	13,400	
Business System Infrastructure - PW	17,966	15,608	13,000	8,636	3,243	1,440	797	200	200	200	61,290	48,953	12,337	
Dist W/M Rehabilitation	42,976	43,325	35,998	11,727	6,042	200	100				140,368	125,404	14,964	
Dist W/M Replacement	133,308	129,838	48,541	18,089	2,916	1,400					334,092	149,104	24,905	160,083
Dist Water Service Repair	54,353	47,843	26,835	10,716							139,747	69,352	25,395	45,000
District Watermains - New	10	500	500								1,010	1,000	10	
Don & Waterfront Trunk CSO	24,745	37,135	25,578	26,979	12,650	10,140	12,070	7,050	7,150	27,350	190,847	157,047	33,800	
Engineering	97,423	68,230	51,258	25,550	15,638	2,709	2,178	100	50		263,136	135,077	60,600	67,459
Engineering Studies	140	235	180	55	55						665	395	270	
Equipment Replacement & Rehabilitation	40	869	23								932	1,092	(160)	
FJ Horgan W.T.P. R&R	6,822	6,304	1,946	2,770	1,594	15					19,451	15,114	4,337	
Harris W.T.P. R&R	3,777	9,238	7,562	3,584	426	420	400	400	400	400	26,607	18,088	5,244	3,275
Highland Creek Wwtp - Building Serv & Site Dev	5,150	5,250	4,200	10,700	11,750	7,640	75	77			44,842	45,634	(792)	
Highland Creek Wwtp - Odour Control	422	3,110	3,010	1,506	1,110	15	20	17			9,210	6,954	2,256	
Highland Creek Wwtp - Solids & Gas Handling	21,995	39,375	38,330	37,888	18,311	14,375	4,405	3,650	1,240	2,250	181,819	177,797	4,022	
Highland Creek Wwtp Upgrades	15,745	36,667	95,719	96,365	97,900	98,934	47,587	40,850	40,181	27,801	597,749	513,292	84,457	
Horgan Trunk Main Expansion	4,718	6,765	38								11,521	11,253	268	
Humber WWTP - Liquid Treatment & Handling	2,903	9,390	2,607	4,445	5,221	5,221	5,193	5,162	800	670	41,612	39,904	1,708	
Humber WWTP - Odour Control	4,770	4,036	1,143	25	128	273		128	273		10,776	10,535	241	
Humber WWTP Upgrades	24,152	68,677	71,237	68,415	46,035	43,374	34,204	13,734	5,093	113	375,034	276,653	57,229	41,152

Appendix 5a (con't)

2025 Cash Flow and Future Year Commitments Including Carry Forward Funding

(In \$000s)	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	Total 2025 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
Island W.T.P. R&R	19,310	41,838	46,667	41,499	30,697	1,266	866	720	3,930	20	186,813	136,207	50,606	
Lawrence Allan Revitalization Plan	2,642	7,150	13,850	12,500	8,079	1,500					45,721	51,557	(5,836)	
Metering & Meter Reading Sys	27,478	25,352	25,622	5,651	5,904	4,501	4,501	4,501	4,500	4,500	112,510	14,508	98,002	
New Service Connections	43,184	43,712	44,431	36,415							167,742	60,697	107,045	
New Sewer Construction	10,803	67,484	60,629	59,629	23,151	1,615	135				223,446	249,291	(25,845)	
North Toronto WTP Upgrades	808	1,912	300								3,020	3,077	(57)	
Operational Support	5,809	9,656	3,692	5,644	18,737	14,733	7,370	850	175	75	66,741	59,178	7,563	
PW Engineering	8,150	11,346	10,107	3,460	2,965	977	740	1,000	1,000	1,000	40,745	29,116	2,929	8,700
Regent Park Capital Contribution	2,172	621	855	156	1,678	457	229				6,168			6,168
RL Clark W.T.P. R&R	1,640	4,650	1,105	583	255						8,233	4,883	3,350	
Sewage Pumping Station Upgrades	12,167	15,475	17,586	20,527	13,280	14,025	14,600	17,135	11,965	7,805	144,565	118,606	19,509	6,450
Sewer Asset Planning	24,184	30,007	25,549	25,596	21,140						126,476	109,211	17,265	
Sewer Replacement Program	39,551	50,376	20,429	18,430	7,222	5,704	20				141,732	83,597	8,020	50,115
Sewer System Rehabilitation	95,879	111,428	66,789	30,871	6,285	2,020	125				313,397	284,738	28,659	
Stream Restoration & Erosion Control	24,702	29,266	23,574	23,239	22,104	1,099	1,152	414	201	150	125,901	97,657	27,214	1,030
Switch Gear Transformer	1,853	3,850	8,200	12,000	8,711	7,917					42,531	26,052	16,479	
SWM TRCA Funding	5,165										5,165		5,165	
SWM End Of Pipe Facilities	100	2,076	4,700	1,600			1,000	1,000			10,476	12,563	(2,087)	
Transmission R&R	54,390	30,638	8,124	2,583	1,476	1,009	112	77	25		98,434	88,075	10,359	
TRCA Erosion Control	7,941										7,941	1,341	6,600	
Trunk Sewer System	37,132	122,445	184,208	194,860	170,286	167,614	116,805	85,940	64,037	41,015	1,184,342	1,132,517	51,825	
Trunk Watermain Expansion	455	1,430									1,885	6	1,879	
W&WW Laboratories	1,265	210	210			369	2,028	3,263	4,032	17,992	29,369	7,720	21,649	
Water Efficiency Program	531	538	549								1,618	1,085	533	
Water Sustainability Program	251	1,374	63								1,688	1,278	410	
Western Beaches Retrofit	10,706	19,535	19,440	15,412	50	25					65,168	58,736	6,432	
Wet Weather Flow Mp	11,561	14,258	7,314	2,841	1,204	201	91				37,470	24,929	8,041	4,500
WT&S Plantwide	50,533	30,598	28,137	49,094	49,324	31,226	24,640	289	223	125	264,189	243,150	21,039	
Total Expenditure (including carry forward from 2024)	1,282,869	1,630,053	1,453,456	1,424,409	1,100,042	887,127	684,416	553,720	456,981	441,151	9,914,224	8,360,718	1,136,304	417,202

Appendix 5b

2026 - 2034 Capital Plan

(In \$000s)	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2026 - 2034 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
Ashbridges Bay WWTP - Building Services & Site Dev									1,000	1,000			1,000
Ashbridges Bay WWTP - Liquid Treatment & Handling							315	315	150	780		780	
Ashbridges Bay WWTP - O&M Upgrades			2,495	2,569	2,647	2,726	2,808	2,892	2,979	19,116		19,116	
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	16,702	67,025	62,517	86,210	115,766	140,336	138,658	149,987	145,521	922,722			922,722
Business System Infrastructure - PW	574	880	4,676	3,837	3,671	3,699	3,727	3,592	3,446	28,102			28,102
Dist W/M Rehabilitation	242	24,692	34,399	41,371	46,127	48,128	52,430	46,932	46,534	340,855		340,855	
Dist W/M Replacement		78,300	100,100	106,150	108,850	108,250	103,350	102,150	102,150	809,300		681,500	127,800
Dist Water Service Repair		11,450	20,782	31,060	31,068	31,077	31,085	31,094	31,103	218,719	218,719		
District Watermains - New			500	500	500	500	500	500	500	3,500			3,500
Don & Waterfront Trunk CSO		500	10,150	97,300	174,850	198,850	266,810	335,500	423,000	1,506,960			1,506,960
Engineering	38,653	45,443	64,025	74,896	89,244	90,541	95,965	96,904	94,095	689,766		689,766	
Engineering Studies	300	200	70	70	70	70	70	70	70	990		990	
FJ Horgan W.T.P. R&R					200	200	200	200	200	1,000		1,000	
Harris W.T.P. R&R	750	1,450	5,825	15,874	12,980	12,790	12,775	7,850	650	70,944		70,944	
Highland Creek WWTP - Solids & Gas Handling								2,700	28,000	30,700			30,700
Highland Creek WWTP Upgrades	265		285	4,550	3,025	2,445	5,545	3,965	14,745	34,825	19,760	15,065	
Humber WWTP - Liquid Treatment & Handling			7,220	42,051	42,985	41,116	33,173	14,484	14,671	195,700		195,700	
Humber WWTP Upgrades	423	1,740	2,818	5,365	5,515	983	545	384	385	18,158		15,644	2,514
Island W.T.P. R&R		2,650	2,425	650	982	2,582	3,328	5,001	2,980	20,598		19,628	970
Lawrence Allan Revitalization Plan			500	2,000	2,100	2,000	2,000			8,600			8,600
New Service Connections			7,658	44,143	44,214	44,287	44,362	44,439	44,783	273,886			273,886
New Sewer Construction			1,000	1,000	1,000	1,000	1,050	2,050	1,100	8,200			8,200
Operational Support	295	2,100	2,687	2,695	2,503	2,511	2,519	2,527	2,536	20,373		9,600	10,773
PW Engineering	115	558	2,005	2,021	2,036	2,052	2,068	2,085	2,103	15,043		2,000	13,043
RL Clark W.T.P. R&R	202	1,788	2,420	6	256	250	250	250	250	5,672		5,672	
Sewer Asset Planning	500	500	500	1,650	21,150	22,150	21,650	21,550	21,700	111,350		69,050	42,300
Sewer Replacement Program		13,100	18,850	29,800	28,950	28,750	36,300	47,000	46,750	249,500		249,500	
Sewer System Rehabilitation	19,308	73,963	103,919	118,047	125,376	128,323	126,025	128,359	127,786	951,106		951,106	
Stream Restoration & Erosion Control	2,700	11,115	17,322	25,147	23,843	23,189	28,405	21,739	12,604	166,064		166,064	
Switch Gear Transformer			600	850	800	6,400	6,900	4,400	1,450	21,400		21,400	
SWM TRCA Funding	5,318	5,474	5,651	5,792	5,816	5,856	5,879	5,905	5,948	51,639			51,639
SWM End Of Pipe Facilities						1,000	1,000			2,000			2,000
Transmission R&R	2,471	12,712	28,035	50,442	63,233	74,384	45,550	34,592	27,950	339,369		337,134	2,235
TRCA Erosion Control	10,900	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	98,900			98,900
Trunk Sewer System	446	15,548	30,509	26,704	30,925	41,631	79,019	65,231	46,111	336,124		334,724	1,400
Trunk Watermain Expansion		1,000	1,000	1,000	2,000	2,000	500	11,500	17,200	36,200			36,200
W&WW Laboratories			210	210	210	210	210	210	217	1,477		1,477	
Water Efficiency Program			552	560	568	576	585	593	595	4,029			4,029
Wet Weather Flow MP	1,613	4,016	9,015	9,776	5,531	6,715	8,483	6,359	3,270	54,778		11,350	43,428
WT&S Plantwide	55	2,090	9,540	11,975	23,963	35,741	33,754	21,232	9,935	148,285			148,285
Total Expenditures	101,832	389,294	572,560	858,571	1,035,254	1,125,618	1,210,093	1,236,841	1,296,767	7,826,830	238,479	4,219,165	3,369,186

Appendix 6

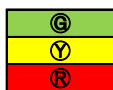
Reporting on Major Capital Projects: Status Update

Division/Project name		2024 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												
DOWNSVIEW TRUNK WATERMAIN (CPW041-06, CPW060-20)		23,083	15,522	23,831	84,763	55,326	On Track	Jan-23	Dec-25	Dec-25	Ⓞ	Ⓞ
	Comments:	Contract was awarded in 2022, and transmission watermain works are proceeding on track in 2024.										
	Explanation for Delay:											
ASHBRIDGES BAY D BUILDING (CWW019-34)		24,620	16,838	27,300	91,083	28,937	On Track	Mar-18	Dec-27	Dec-27	Ⓞ	Ⓞ
	Comments:	Project was awarded in 2023, and is currently proceeding on track in 2024.										
	Explanation for Delay:											
OUTFALL CONSTRUCTION (CWW039-06)		13,935	6,550	10,138	281,899	250,136	On Track	Jan-18	Dec-26	Dec-26	Ⓞ	Ⓞ
	Comments:	Construction started in early 2019, and is proceeding on track in 2024. The project is approximately 90% completed										
	Explanation for Delay:											
FAIRBANKS SILVERTHORNE (CWW421-22)		65,807	25,217	56,663	315,252	175,620	On Track	Oct-21	Dec-28	Dec-28	Ⓞ	Ⓞ
	Comments:	The main tunnel contract was awarded in 2021. The tunnelling component of the project started in 2023 and was completed in 2024. Construction expenditures are proceeding on track for 2024.										
	Explanation for Delay:											
DON & WATERFRONT - OFFLINE STORAGE TANK (CWW480-02)		1,388	155	1,250	52,773	8,251	On Track	Sep-17	Dec-28	Dec-29	Ⓞ	Ⓞ
	Comments:	Construction works for the first phase of the project are nearing completion.										
	Explanation for Delay:											
Don & Waterfront Trunk/CSO Const - PHASE 1 (CWW480-03)		35,519	19,318	35,519	453,947	392,336	On Track	Jan-18	Dec-25	Dec-25	Ⓞ	Ⓞ
	Comments:	Coxwell Bypass Tunnel is approximately 90 per cent complete. Three of the five main shafts that are connected to this tunnel are scheduled to be completed in 2024.										
	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

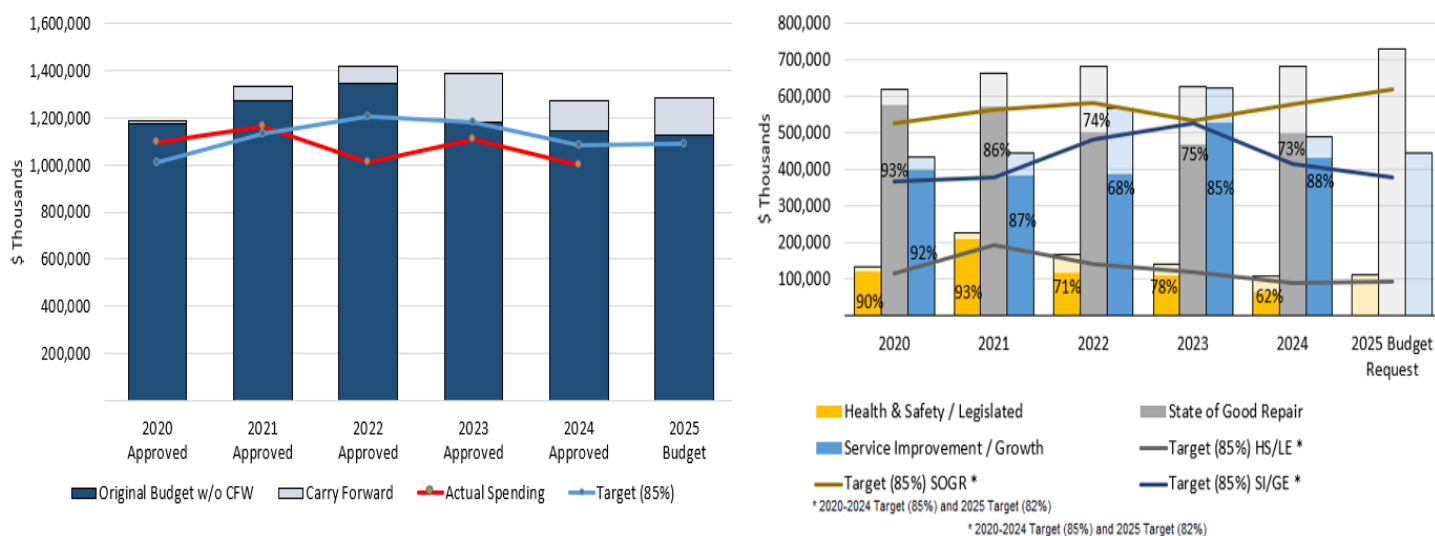
Appendix 7

Capacity to Deliver 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 market's capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to deliver reviews by project categories (Chart 3 below) as well as the level of projected 2024 underspending that will be carried forward into 2025 to complete capital work.

Chart 3 – Capacity to Deliver



Capacity to Deliver Review Impact on the 10-Year Plan

Historical Expenditures

- The 2025-2034 Capital Budget and Plan represents Toronto Water's largest investment in infrastructure renewal totalling \$17.741 billion over 10 years. Toronto Water has successfully delivered on its capital commitments for several years, including four consecutive years of capital spending exceeding \$1 billion (2020 to 2023). In 2024, Toronto Water is forecasting expenditures of \$995.795 million, or 78.23%, of the 2024 Capital Budget.
- The 2025 Capital Budget of \$1.283 billion represents a modest increase in spending of only \$10 million from the 2024 Capital Budget to the 2025 Capital Budget.

Capacity to Deliver in 2025 and across 10-Year Plan

- In recent years, Toronto Water has awarded a series of large-scale multi-year projects. As of November 2024, nearly \$2.0 billion is committed for already awarded works and approximately 47% of the 2025 cashflow will support the continued delivery of awarded or ongoing projects.
- In addition to regularly scheduled annual construction programs as well as nearly \$2.0 billion in existing commitments supporting on-going multi-year projects, Toronto Water will be issuing nearly \$769.048 million in additional works in late 2024 or 2025 to support the following large projects:
 - Western Beaches Tunnel – Phase 2 Construction
 - High Rate Treatment Facility Engineering to support the Don River and Central Waterfront program.

- Port Lands Pumping Station and Forcemain
- Island Water Treatment Plant Chemical and Residual Management Phase 2, UV Disinfection Project and Photovoltaic System Construction
- Integrated Pumping Station Phase 3 Construction Contract
- Ashbridges Bay Wastewater Treatment Plant Digesters 1-4 Renewal Construction
- Humber Wastewater Treatment Plant North Plant Secondary Treatment Engineering
- Offline Storage Tank Construction (Phase 2)
- These large-scale projects, as well as other works forecasted for award beyond 2025, will support the forecasted growth and ramp up in Toronto Water's Capital Program expenditures from 2025 to 2028.
- 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, the cash flow originally identified for 2025 Capital Budget has been reduced by approximately \$415.176 million to \$1.283 billion (including carry forward funding of \$156.448 million) to align with forecasted 2025 delivery. Additional project schedules and cashflows have been revised across the 10-year plan to ensure that annual targets will be realistic and achievable.

Capital Delivery Review

- Toronto Water is reevaluating its approach to tendering for larger infrastructure projects and programs to address inflationary impacts, capacity challenges and readiness to deliver. Working closely with other divisions, agencies, and service areas, as applicable, to identify and prioritize capital works, increase efficiency in capital coordination and delivery while supporting growth and development, and continue to monitor capacity to deliver.
- Additional reviews are on-going with other applicable divisions to assess capital delivery models for existing projects and programs to ensure they are still effective to advance capital delivery.
- In 2024, a new Strategic Capital Coordination Office (SCCO) was established within the office of the Deputy City Manager, Infrastructure Services. The creation of this office will strengthen and expand current coordination activities supporting Toronto Water's five-year capital works program, as well as expanding coordination activities to support the coordination of longer-term projects in the 5 to 10-year plans. These enhancements to the coordination process will help ensure that projects are effectively planned and scheduled, thereby increasing reliability of project delivery.

Delivery Assumptions

- The financial model assumes that 82% of the net Capital Budget (after grants, subsidies, and other capital contributions) will be drawn from Toronto Water's Capital Reserve and Water, Sanitary and Stormwater Management Development Charge Reserves during 2025 - 2027 period, followed by 85% in 2028 and forward, based on the anticipated capital completion level for the Program, so as not to overstate actual projected funding requirements.
- In addition, staff will seek City Council authority for the General Manager, Toronto Water, in consultation with the Chief Financial Officer and Treasurer, to accelerate necessary cash flows funding included in the 2025-2034 Capital Budget and Plan, as operationally required to enable project delivery and implementation, consistent with direction communicated in the 2025 Mayor's Proposed Budget for Toronto Water through the 2025 Budget process.

Appendix 8

Summary of Capital Delivery 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.
- The 2025-2034 Capital Budget and Plan allocates funding to support Toronto Water's emergency response to the premature failure of meter transmission units across the City of Toronto. Toronto Water continues to assess the strategy for long term sustainment of water meters and meter transmission units. Subject to Council direction regarding next steps, additional funding may be incorporated into future budget submissions to address this on-going issue.
- Based on proposed annual rate increases of 3.75% and 2025-2034 Capital Plan, Toronto Water is forecasting that reserve balances will drop to less than 1.4% of the value of Toronto Water's Capital Investment over the next 10 years. This will provide Toronto Water with limited capacity to respond to fluctuations in market pricing or to address unplanned or emerging infrastructure needs.

Appendix 9

Capital Program Provincial/Federal Funding Streams by Projects

Program Name	Federal / Provincial	Budget (in 000,s)		
		2025	2026-2034	Total
Basement Flooding Design	Federal - Disaster Mitigation and Adaptation Fund	182	1,662	1,844
Midtown Tunnel	Federal - Disaster Mitigation and Adaptation Fund	1,750	29,742	31,492
Basement Flooding Tunnel - Construction	Federal - Disaster Mitigation and Adaptation Fund		18,013	18,013
Basement Flooding Tunnel - Contract Admin	Federal - Disaster Mitigation and Adaptation Fund		305	305
Lower Simcoe CSO	Federal - Disaster Mitigation and Adaptation Fund		5,920	5,920
Basement Flooding Predesign 45-48	Federal - Disaster Mitigation and Adaptation Fund	1,072	1,003	2,075
Basement Flooding Design - 45-48	Federal - Disaster Mitigation and Adaptation Fund		14,868	14,868
Rockcliffe Contribution	Federal - Disaster Mitigation and Adaptation Fund		39,903	39,903
Basement Flooding 45-48 Construction	Federal - Disaster Mitigation and Adaptation Fund		51,249	51,249
Total Funding		3,004	162,665	165,669

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2025 Operating Budget

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals () / Contributions (+)		
		2025	2026	2027
		\$	\$	\$
Beginning Balance		14,706	17,423	17,453
Vehicle Replacement Reserve	XQ1012			
Withdrawals (-)		(3,072)	(5,759)	(10,170)
Contribution (+)		5,789	5,789	6,789
Total Reserve / Reserve Fund Draws / Contributions		2,717	30	(3,380)
Balance at Year End		17,423	17,453	14,073

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals () / Contributions (+)		
		2025	2026	2027
		\$	\$	\$
Beginning Balance		49,057	35,117	19,252
Insurance Replacement Reserve	XR1010			
Withdrawals (-)		(2,191)	(2,290)	(2,393)
Contribution (+)		5,632	5,632	5,632
Total Reserve / Reserve Fund Draws / Contributions		3,441	3,342	3,239
Other Programs Reserve / Reserve Fund Draws / Contribution		(17,800)	(19,477)	(21,491)
Interest Income		419	270	101
Balance at Year End		35,117	19,252	1,102

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2025	2026	2027
		\$	\$	\$
Beginning Balance		39,296	9,044	(20,990)
Development Application Review	XR1307			
Withdrawals (-)		(2,191)	(2,290)	(2,393)
Contribution (+)				
Total Reserve / Reserve Fund Draws / Contributions		(2,191)	(2,290)	(2,393)
Other Programs Reserve / Reserve Fund Draws / Contribution		(28,301)	(27,744)	(27,826)
Interest Income		241	0	0
Balance at Year-End		9,044	(20,990)	(51,209)

* The division's reliance on this reserve fund in future years is anticipated to be reduced through a combination of corporate financial strategies and the implementation of the new Development Review Fee model to recover costs of providing planning and development review services.

Appendix 10, (con't)

Inflows and Outflows to/from Reserves and Reserve Funds 2025 – 2034 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Name	Contributions / (Withdrawals)										Total
		2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	
XR6003 & XR6004 Water & Wastewater Capital Reserves	Beginning Balance	1,507,793	1,607,908	1409663.1	1183706.4	822140.95	526826.99	332299.88	254270.66	247061.73	339099.55	
	Withdrawals (-)											
	- TW Capital Program	(979,277)	(1,320,830)	(1,381,540)	(1,548,489)	(1,527,918)	(1,467,194)	(1,396,630)	(1,372,914)	(1,323,272)	(1,378,749)	(13,696,812)
	- Others	(20,874)	(15,588)	(21,834)	(7,393)	(1,393)	(3,335)	(2,000)	(2,000)	(2,000)	(2,000)	(78,417)
	Contribution (+)											-
	- From Operations	1,084,766	1,123,160	1,164,516	1,184,337	1,227,286	1,271,727	1,317,682	1,365,211	1,414,393	1,465,293	12,618,371
	Total Reserve / Reserve Fund Draws / Contribution	84,615	(213,258)	(238,859)	(371,545)	(302,025)	(198,801)	(80,947)	(9,703)	89,122	84,544	(1,156,858)
	Interest Income	15,501	15,013	12,902	9,979	6,711	4,274	2,918	2,494	2,916	3,814	76,523
Balance at Year End		1,607,908	1,409,663	1,183,706	822,141	526,827	332,300	254,271	247,062	339,100	427,457	

* Based on the most recent estimates

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										Total
		2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	
Water Development Charges Reserve Fund XR2111	Beginning Balance	144,076	141,422	142,775	144,622	147,325	151,035	157,215	165,259	174,387	186,078	
	Withdrawals (-)											
	Dist W/M Replacement	(12,141)	(8,372)	(9,837)	(8,962)	(8,899)	(8,952)	(8,864)	(8,648)	(8,595)	(8,595)	(91,865)
	District Watermains - New	(10)	(290)	(290)	(290)	(290)	(290)	(290)	(290)	(290)	(290)	(2,620)
	Engineering	(2,200)	(1,321)	(487)	(171)	(58)	(52)	(33)	(4)	(3)	-	(4,329)
	Horgan Trunk Main Expansion	(4,718)	(3,924)	(22)	-	-	-	-	-	-	-	(8,664)
	Island W.T.P. R&R	(2,025)	(1,984)	(2,075)	(2,230)	(1,463)	(42)	(9)	(3)	-	-	(9,831)
	Lawrence Allan Revitalization Plan	(2,642)	(4,147)	(8,033)	(7,540)	(5,846)	(2,088)	(1,160)	(1,160)	-	-	(32,616)
	PW Engineering	(1,154)	(1,146)	(884)	(250)	(176)	(176)	(176)	(214)	(214)	(214)	(4,604)
	Transmission R&R	(1,225)	(509)	-	-	-	-	-	-	-	-	(1,734)
	Trunk Watermain Expansion	(236)	(431)	-	-	-	-	-	-	-	-	(667)
	Water Efficiency Program	(531)	(312)	(318)	(320)	(325)	(329)	(334)	(339)	(344)	(345)	(3,497)
	Water Sustainability Program	(30)	(95)	(4)	-	-	-	-	-	-	-	(129)
	WT&S Plantwide	(621)	(331)	(353)	(2,174)	(2,749)	(3,099)	(2,772)	(1,223)	(371)	(7)	(13,700)
	Total Withdrawals	(27,533)	(22,862)	(22,303)	(21,937)	(19,806)	(15,028)	(13,638)	(11,881)	(9,817)	(9,451)	(174,256)
	Contribution:											
	- Projected Contribution	23,551	22,894	22,814	23,187	22,032	19,674	20,078	19,319	19,715	19,202	212,466
	Total Contribution	23,551	22,894	22,814	23,187	22,032	19,674	20,078	19,319	19,715	19,202	212,466
	- Other Program/Agency Net Withdrawals and Contribution	(93)	(93)	(93)	-	-	-	-	-	-	-	(279)
	Interest Income	1,420	1,414	1,430	1,452	1,484	1,534	1,604	1,690	1,793	1,910	15,732
Balance at Year End		141,422	142,775	144,622	147,325	151,035	157,215	165,259	174,387	186,078	197,739	

* Based on the most recent estimates

Appendix 10, (con't)

Inflows and Outflows to/from Reserves and Reserve Funds 2025 – 2034 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										
		2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	Total
Sanitary Development Charges Reserve Fund XR2112	Beginning Balance	151,659	151,528	126,613	86,909	23,542	(39,533)	(141,573)	(215,490)	(287,023)	(350,493)	
	Withdrawals (-)											
	Ashbridges Bay WWTP - Effluent System	(3,063)	(2,439)	(1,624)	-	-	-	-	-	-	-	(7,126)
	Ashbridges Bay WWTP - Liquid Treatment & Handling	(9,141)	(5,897)	(8,969)	(23,779)	(26,556)	(64,143)	(57,405)	(60,067)	(52,861)	(52,632)	(361,450)
	Ashbridges Bay WWTP - Solids & Gas Handling	(2,399)	(2,007)	(2,181)	(1,378)	(1,047)	(9)	(9)	-	-	-	(9,030)
	Ashbridges Bay WWTP Rehab	(3)	(18)	-	-	-	-	-	-	-	-	(21)
	Basement Flooding Relief	(11,771)	(7,379)	(6,181)	(5,074)	(5,492)	(6,803)	(7,495)	(4,883)	(6,813)	(1,562)	(63,453)
	Don & Waterfront Trunk CSO	(2,950)	(2,658)	(1,866)	(2,658)	(7,868)	(13,240)	(15,093)	(19,599)	(24,523)	(32,230)	(122,685)
	Engineering	(2,295)	(1,179)	(337)	(152)	(25)	(38)	(26)	(2)	-	-	(4,054)
	Highland Creek WWTP - Odour Control	-	(1)	-	-	-	-	-	-	-	-	(1)
	Highland Creek WWTP - Solids & Gas Handling	(2,543)	(2,787)	(2,743)	(2,711)	(1,260)	(764)	(7)	(7)	-	-	(12,822)
	Highland Creek WWTP Upgrades	-	-	(43)	-	-	(86)	(44)	(45)	-	-	(218)
	Humber WWTP - Liquid Treatment & Handling	(346)	(672)	(186)	(835)	(3,383)	(3,450)	(3,315)	(2,743)	(1,094)	(1,098)	(17,122)
	Humber WWTP - Odour Control	(569)	(289)	(82)	(2)	(9)	(20)	-	(9)	(20)	-	(1,000)
	New Sewer Construction	(5,485)	(20,678)	(18,489)	(18,489)	(7,545)	(1,085)	(641)	(615)	(915)	(630)	(74,572)
	Sewage Pumping Station Upgrades	(1,221)	(873)	(951)	(1,225)	(822)	(918)	(509)	(793)	(853)	(554)	(8,719)
	Sewer Asset Planning	(522)	(513)	(371)	(323)	(305)	(365)	(365)	(342)	(337)	(342)	(3,785)
	Sewer Replacement Program	(2,170)	(1,705)	(1,189)	(1,341)	(1,318)	(1,224)	(1,077)	(1,023)	(968)	(968)	(12,983)
	Sewer System Rehabilitation	(1)	(9)	-	-	-	-	-	-	-	-	(10)
	Trunk Sewer System	(9,797)	(28,211)	(49,761)	(60,978)	(59,557)	(56,183)	(35,191)	(27,268)	(21,911)	(15,066)	(363,923)
	Total Withdrawals	(54,276)	(77,315)	(94,973)	(118,945)	(115,187)	(148,328)	(121,177)	(117,396)	(110,295)	(105,082)	(1,062,974)
	Contribution:											
	- Projected Contribution	57,010	55,382	55,149	56,048	53,184	47,360	48,332	46,921	47,884	46,608	513,878
	Total Contribution	57,010	55,382	55,149	56,048	53,184	47,360	48,332	46,921	47,884	46,608	513,878
	- Other Program/Agency Net Withdrawals and Contribution	(4,374)	(4,366)	(942)	(1,019)	(1,072)	(1,072)	(1,072)	(1,059)	(1,058)	(1,052)	(17,086)
	Interest Income	1,508	1,384	1,062	550	0	0	0	0	0	0	4,504
Balance at Year End		151,528	126,613	86,909	23,542	(39,533)	(141,573)	(215,490)	(287,023)	(350,493)	(410,018)	

* Based on the most recent estimates

** 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)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										
		2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	Total
Stormwater Management Development Charges Reserve Fund XR2113	Beginning Balance	82,054	65,896	20,219	31,523	43,972	55,952	65,273	75,087	84,771	95,211	
	Withdrawals (-)											
	Stream Restoration & Erosion Control	(208)	(156)	(64)	(104)	(208)	(204)	(47)	(41)	(41)	(42)	(1,115)
	SWM TRCA Funding	(616)	(381)	(392)	(404)	(415)	(416)	(419)	(421)	(423)	(426)	(4,313)
	SWM End Of Pipe Facilities	(12)	(148)	(336)	(115)	-	-	(144)	(144)	-	-	(899)
	TRCA Erosion Control	(88)	(637)	(644)	(644)	(644)	(644)	(644)	(644)	(644)	(644)	(5,877)
	Western Beaches Retrofit	(1,277)	(1,398)	(1,391)	(1,103)	(4)	(2)	-	-	-	-	(5,175)
	Wet Weather Flow Mp	(534)	(539)	(404)	(233)	(192)	(190)	(275)	(242)	(193)	(195)	(2,997)
	Total Withdrawals	(2,735)	(3,259)	(3,231)	(2,603)	(1,463)	(1,456)	(1,529)	(1,492)	(1,301)	(1,307)	(20,376)
	Contribution:											
	- Projected Contribution	27,206	26,429	26,319	26,748	25,383	22,606	23,070	22,388	22,848	22,239	245,236
	Total Contribution	27,206	26,429	26,319	26,748	25,383	22,606	23,070	22,388	22,848	22,239	245,236
	- Withdrawals - TW Operating	(195)	(195)	(195)	-	-	-	-	-	-	-	(585)
	- Other Program/Agency Net Withdrawals and Contribution	(41,170)	(69,080)	(11,846)	(12,072)	(12,437)	(12,432)	(12,425)	(12,008)	(12,003)	(11,953)	(207,426)
	Interest Income	736	428	257	376	497	603	698	795	895	997	6,284
Balance at Year End		65,896	20,219	31,523	43,972	55,952	65,273	75,087	84,771	95,211	105,187	

* 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 in annual budget.

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 Deliver: Ability to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget and Plan: A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.

Capital Delivery Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency has 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 Service Priorities: 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 provide services.

Operating Impact of Completed Capital Projects: The Operating Budget Impact of Capital is the change in operating expenditure and / or revenue, which is projected to occur during the implementation of a capital project and / or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

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

Salary and Benefits Adjustment: General increases related to contractual obligations, such as cost of living, step increases, performance for pay and progression pay.

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

Tax Supported Budget: Budget funded by property taxes.

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