

Toronto Water 2025 Capital Budget and 2026-2034 Capital Plan Adjustments

Date: June 24, 2025

To: Executive Committee

From: General Manager Toronto Water

Wards: All

SUMMARY

This report requests City Council's authority to amend Toronto Water's 2025 Capital Budget and 2026-2034 Capital Plan by adjusting project cash flows contained within the 10-Year Capital Budget and Plan, respectively, to align forecasted project accelerations and deferrals. The adjustments will have a zero dollar impact on the 2025 Capital Budget and 2026-2034 Capital Plan and will align the budget and plan with Toronto Water's capital project delivery schedule and program requirements.

In addition, this report requests City Council's authority to amend Toronto Water's Approved 2025 Capital Budget and 2026-2035 Capital Plan by converting already approved future year cost estimates contained within the 10-Year Capital Budget and Plan and increasing project costs and cashflow commitments for one approved project in order to proceed with contract award, ahead of schedule, in late 2025 or early 2026.

RECOMMENDATIONS

The General Manager of Toronto Water recommends that:

1. City Council authorize the reallocation of cashflows and corresponding funding within Toronto Water's 2025 Capital Budget and 2026-2034 Capital Plan in the amount of \$15.166 million, for acceleration and deferral of projects, as presented in Schedule A (Part A and B) to the report, with a zero Budget impact.
2. City Council amend the 2025-2034 Capital Budget and Plan for Toronto Water by converting previously approved future year estimates for projects outlined in Schedule A (Part C) to the report and increasing total project costs by \$2.514 million and cash flow commitments by \$0.150 million, \$1.346 million, \$1.018 million in 2026, 2027 and 2028 respectively, funded by Toronto Water Capital Financing reserve (\$2.514 million) as

presented in Schedule A (Part C) to the report, all consistent with the 10-Year Capital Budget and Plan.

FINANCIAL IMPACT

The approval of this report will authorize the acceleration and deferral of cashflows in Toronto Water's 2025 Capital Budget and 2026-2034 Capital Plan in the total amount of \$15.166 million as detailed in Schedule A (attached).

A number of multi-year projects are projected to proceed ahead of the approved annual cash flows. The accelerated spending of these projects is offset by delays in other projects as outlined in Schedule A (Part A and B). These changes result in no changes to total project cost for each project.

In addition, the conversion of previously approved future year cost estimates to approved cashflow commitments in the 2025-2034 Capital Budget and Plan is required in order to support the delivery of planned Plant Studies at the Humber Wastewater Treatment Plant which are currently expected to be awarded ahead of schedule in late 2025 or early 2026. These studies will assess process and sustainability improvements through technology reviews, evaluation of alternatives, and preliminary design to inform future capital upgrades.

There are no additional costs to the City as a result of the approval of this report. The recommended adjustments will align the 2025 Capital Budget and 2026-2034 Capital Plan with Toronto Water's capital project delivery schedule and program requirements.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Toronto Water's 2025 Capital Budget and 2026-2034 Capital Plan was adjusted by City Council on May 21, 22 -and 23, 2025 (EX23.10 - Toronto Water 2024 Year End Capital Budget and 2025-2034 Capital Plan Adjustments) with a zero-dollar impact on the 2024 Approved Capital Budget and 2025-2034 Capital Plan. The City Council decision can be found at:

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX23.10>

Toronto Water's 2025 Capital Budget and 2026-2034 Capital Plan, through adjustment to the carry-forwards, was amended by City Council on May 21, 22 and 23, 2025 (EX23.9 - Adjustments to Capital Budget, Carry Forward Funding and Future Year Commitments) resulting in an overall budget decrease in 2025 of \$58.657 million. The City Council decision can be found at:

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX23.9>

City Council at its meeting of February 11, 2025 - considered and debated the Mayor's Proposed Budget which was deemed adopted as amended by Council, including Toronto Water's 2025 Capital Budget and 2026-2034 Capital Plan, with a 2025 Capital Budget cash flow of \$1,282.869 million. The Council Decision Document can be found at:

<https://secure.toronto.ca/council/agenda-item.do?item=2025.MPB27.1>

COMMENTS

Toronto Water is seeking to amend the 2025 Budget and 2026-2034 Capital Plan to better align the cash flows with capital project delivery and program requirements, to address accelerated delivery for a number of Toronto Water projects

The majority of capital projects being delivered for Toronto Water are multi-year complex infrastructure projects. Accelerated spending as listed in Part A of Schedule A can be attributed to site conditions, favourable weather and/or site conditions, equipment deliveries ahead of schedule, resolution of claims and final project costs, extended working hours, revised project phasing to address operational requirements, accelerated project delivery to coordinate with other planned works and strong consultant/contractor performance.

Project under-spending, as listed in Part B of Schedule A, can be attributed to project delays. Project delays can be attributed to delays in completing designs or studies due to complexities within the infrastructure or site conditions, revisions to project scope, unforeseen ground/site conditions, delays resulting from inclement weather, delays resulting from technical coordination to maintain operations or address operational requirements or to coordinate with other projects, delays in obtaining required permits or easements, delays resulting from revised project phasing, resource constraints, consultant/contractor performance issues, and extended procurement phases.

The funding adjustment for projects being delivered ahead of schedule is to be offset by projects that are behind schedule.

As part of the 2025-2034 Capital Budget and Plan, \$2.514 million in future year estimates were allocated for Plant Studies at the Humber Wastewater Treatment Plant with the work identified to start in 2026. However, this work will now be bundled with another study and accelerated to be awarded earlier than originally forecast. Due to the anticipated timelines for the 2026 Capital Budget Process, the conversion of future year estimates to approved project costs and cash flow commitments as outlined in Part C of Schedule A is required in order to support the award of the planned study in late 2025 or early 2026.

CONTACT

Richard Noehammer, Director, Capital Planning and Implementation, Toronto Water,
Telephone: (416) 397-7296, E-mail: Richard.Noehammer@toronto.ca

Katherine Crowther, Manager, Capital Planning, Capital Planning and Implementation,
Toronto Water, Telephone: (416) 392-7695, E-mail: Katherine.Crowther@toronto.ca

SIGNATURE

Lou Di Gironimo
General Manager, Toronto Water

ATTACHMENTS

Schedule A – Part A - Toronto Water 2025-2027 Budget Adjustments Reallocations due to Accelerations

Schedule A – Part B - Toronto Water 2025-2027 Budget Adjustments Reallocations due to Deferrals

Schedule A – Part C Toronto Water 2025-2028 Budget Amendments: Conversion of 2025-2034 Estimates to Commitments

Toronto Water 2024-2026 Budget Adjustments

Schedule A

Part A - Toronto Water 2025-2027 Budget Adjustment Reallocations due to Accelerations

Program Area	Account Name	Account Number	Total Project Cost*	2025	2026	2027	FUNDING SOURCE	
							Type	Details
ISLAND TREATMENT PLANT	PLANTWIDE HVAC UPGRADES	CPW064-22	7,003,168	312,000	(312,000)	0		
				(312,000)	312,000	0	R-Funds	XR6003
TRUNK SEWERS	TRUNK SEWER REHABILITATION - 2018	CWW014-17	122,331,597	477,000	(477,000)	0		
				(477,000)	477,000	0	R-Funds	XR6004
HIGHLAND CREEK WASTEWATER TREATMENT PLANT	CEPA COMPLIANCE -HCTP	CWW036-10	36,112,889	1,081,000	(1,081,000)	0		
				(1,081,000)	1,081,000	0	R-Funds	XR6004
HUMBER TREATMENT PLANT	BLOWER REPLACEMENT	CWW037-14	75,509,271	390,000	(390,000)	0		
				(390,000)	390,000	0	R-Funds	XR6004
ASHBRIDGES BAY TREATMENT PLANT	OUTFALL ENGINEERING	CWW039-04	34,305,708	363,000	(363,000)	0		
				(337,132)	337,132	0	R-Funds	XR6004
				(25,868)	25,868	0	DC	XR2112
ASHBRIDGES BAY TREATMENT PLANT	OUTFALL CONSTRUCTION	CWW039-06	277,378,681	1,660,000	0	(1,660,000)		
				(1,554,045)	0	1,554,045	R-Funds	XR6004
				(105,955)	0	105,955	DC	XR2112
ASHBRIDGES BAY TREATMENT PLANT	WASTE ACTIVATED SLUDGE UPGRADE - CONS	CWW043-06	148,981,830	5,600,000	(2,000,000)	(3,600,000)		
				(5,199,150)	1,856,829	3,342,321	R-Funds	XR6004
				(400,850)	143,171	257,679	DC	XR2112
BASEMENT FLOODING PROTECTION PROGRAM	BASEMENT FLOODING DESIGN - GROUP 5	CWW421-24	88,766,000	513,000	(300,000)	(213,000)		
				(513,000)	300,000	213,000	R-Funds	XR6004
PUMPING STATIONS & FORCEMAINS	SPS UPGRADES - GROUP 7	CWW476-06	90,346,904	1,500,000	(750,000)	(750,000)		
				(1,392,614)	696,299	696,315	R-Funds	XR6004
				(107,386)	53,701	53,685	DC	XR2112
PUMPING STATIONS & FORCEMAINS	SUNNYSIDE SPS - WETWELL	CWW476-11	1,702,615	709,000	(709,000)	0		
				(643,593)	643,593	0	R-Funds	XR6004
				(65,407)	65,407	0	DC	XR2112
WT - STORAGE & PS	INDOOR/OUTDOOR SWITCHGEAR (PHASE 4)	CPW067-05	48,868,422	2,561,000	(1,000,000)	(1,561,000)		
				(2,561,000)	1,000,000	1,561,000	R-Funds	XR6003
	SUBTOTAL - PART A			15,166,000	(7,382,000)	(7,784,000)		

*No change in approved project costs.

Note: For each project (account) requested adjustments to cash flows are shown in the top line, while the bottom line(s) reflect corresponding adjustments to funding sources.

Schedule A

Part B - Toronto Water 2025-2027 Budget Adjustment Reallocations due to Deferrals

Program Area	Account Name	Account Number	Total Project Cost*	2025	2026	2027	FUNDING SOURCE	
							Type	Details
NEW SEWERS	WATERFRONT SANITARY MASTER SERVICING PLA	CWW453-03	245,258,206.93	(4,181,000)	3,517,000	664,000		
				2,071,108	(1,742,187)	(328,920)	R-Funds	XR6004
				2,109,892	(1,774,813)	(335,080)	DC	XR2112
WET WEATHER FLOW	WESTERN BEACHES RETROFIT	CWW457-01	93,280,093.25	(6,500,000)	1,780,000	4,720,000		
				5,709,928	(1,563,642)	(4,146,286)	R-Funds	XR6004
				790,072	(216,358)	(573,714)	DC	XR2113
WET WEATHER FLOW	DCW- PH1-OFFLINE STORAGE TANK SHEPPARD/L	CWW480-02	69,706,881.35	(4,485,000)	2,085,000	2,400,000		
				3,949,803	(1,836,196)	(2,113,607)	R-Funds	XR6004
				535,197	(248,804)	(286,393)	DC	XR2112
	SUBTOTAL - PART B			(15,166,000)	7,382,000	7,784,000		

*No change in approved project costs.

Note: For each project (account) requested adjustments to cash flows are shown in the top line, while the bottom line(s) reflect corresponding adjustments to funding sources.

Schedule A

Part C - Toronto Water 2025-2028 Budget Amendments: Conversion of 2025-2034 Estimates to Commitments

Approved CAPTOR Number/New WBS Element to be Assigned	Sub-Project Description	WBS ELEMENT	Approved Estimates to be Converted to Commitments			Total Project Cost	FUNDING SOURCE		COMMENTS
			2026	2027	2028		Type	Details	
WAS906982-218	Approved Cost Estimate								The conversion of future year cost estimates already included in the 2025-2034 Capital Budget and Plan to commitments is required to support the delivery of planned Plant Studies at the Humber Wastewater Treatment Plant which are currently forecast to be awarded ahead of schedule in late 2025 or early 2026. These studies will assess process and sustainability improvements to inform future capital upgrades.
	PLANT STUDIES	CWW037-H	150,000	1,346,000	1,018,000	2,514,000			
			(150,000)	(1,346,000)	(1,018,000)		R-Funds	XR6004	
	Recommended Conversion to Commitments		150,000	1,346,000	1,018,000	2,514,000			
CWW037-29	PLANT STUDIES		150,000	1,346,000	1,018,000	2,514,000			
			(150,000)	(1,346,000)	(1,018,000)		R-Funds	XR6004	
	Amended Commitments After Conversion		150,000	1,346,000	1,018,000	2,514,000			

Note: For each project (account) requested adjustments to cash flows are shown in the top line, while the bottom line(s) reflect corresponding adjustments to funding sources.