

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

Date: September 12, 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.

Additional reallocations to project cashflows and project costs are requested where project expenditures exceed the current approved cashflows and project costs. These reallocations will allow Toronto Water to continue to deliver projects within its 10-Year Capital Plan.

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.

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 \$38.720 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 authorize the reallocation of project costs, cashflows and corresponding funding in Toronto Water's 2025 Capital Budget and 2026-2034 Capital Plan in the amount of \$7.870 million from projects that have been awarded under budget or completed to those requiring additional funding in the same amount as presented in Schedule A (Part C), with a zero Budget impact.

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 \$38.720 million. The report also recommends the reallocation of 2025-2034 project costs and cash flows in the total amount of \$7.870 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 will not result in any changes to total project cost for each project.

As outlined in Part C of Schedule A, additional funding is required for several projects in order to support increased infrastructure renewal needs, to provide on-going contract administration services, and to align project costs with actual bid pricing. The additional costs for these projects are to be offset from funds available from projects which have been completed with commitments released.

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 July 23 and 24, 2025 (EX25.21 - Toronto Water 2025 Capital Budget and 2026-2034 Capital Plan Adjustments) with a zero dollar impact on 2025 Capital Budget and 2026-2034 Capital Plan. The City Council decision can be found at:

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX25.21>

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 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 or strong consultant/contractor performance.

Project underspending, as listed in Part B of Schedule A, can be attributed to project delays. Project delays may result from delays in completing designs or studies due to complexities within the infrastructure or site conditions, revisions to project scope or delivery models, unforeseen ground/site conditions, delays to coordinate with other projects, 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 outlined in Part C of Schedule A, additional funding is required to support additional Process and Equipment renewal works to be coordinated with ongoing works at the Ashbridges Bay Wastewater Treatment Plant, and to align project costs with the bid prices received for Emergency Standby Power at the R.C. Harris Water Treatment Plant and Plant Studies. Additional funding is also required to support ongoing contract administration services required for the Sewer Pumping Station Upgrades – Group 6 project and Pelletizer Truck Loading Facility projects. An increased volume of substandard water services are forecast to require replacement in coordination with planned capital works, resulting in increased costs (Water Service Replacement – Tunnel).

The additional costs for these projects are to be offset from funds available from projects which have been completed with commitments released as outlined in Part C of Schedule A.

CONTACT

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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 2025-2027 Budget Adjustments Reallocations

Toronto Water 2025-2027 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
HARRIS WATER TREATMENT PLANT	HVAC REHAB CONSTRUCTION	CPW061-11	16,983,780	265,000	(265,000)			
				(265,000)	265,000		R-Funds	XR6003
WTP - PLANTWIDE	STANDBY POWER - PHASE 2 - CONSTRUCTION	CPW070-10	125,026,051	1,100,000	(500,000)	(600,000)		
				(835,501)	382,981	452,520	R-Funds	XR6003
				(32,570)	11,502	21,068	DC	XR2111
				(231,929)	105,517	126,412	Other	ROY
TRANSMISSION WATERMAINS	TRANSMISSION WATERMAIN ABANDONMENT	CPW058-20	4,140,938	600,000		(600,000)		
				(600,000)		600,000	R-Funds	XR6003
ASHBRIDGES BAY TREATMENT PLANT	D BUILDING PHASE 2	CWW019-34	93,955,149	275,000		(275,000)		
				(275,000)		275,000	R-Funds	XR6004
ASHBRIDGES BAY TREATMENT PLANT	M & T PUMPING STATION REBUILD	CWW040-08	1,319,956,620	15,000,000	(15,000,000)			
				(13,926,580)	13,926,580		R-Funds	XR6004
				(1,073,420)	1,073,420		DC	XR2112
HIGHLAND CREEK WASTEWATER TREATMENT PLANT	CEPA COMPLIANCE - CL NOTICE - HCTP	CWW036-10	36,112,889	395,000	(395,000)			
				(395,000)	395,000		R-Funds	XR6004
HIGHLAND CREEK WASTEWATER TREATMENT PLANT	HCTP - BIOSOLIDS IMPLEMENTATION	CWW047-02	30,684,205	235,000	(235,000)			
				(218,175)	218,175		R-Funds	XR6004
				(16,825)	16,825		DC	XR2112
HIGHLAND CREEK WASTEWATER TREATMENT PLANT	BMP IMPLEMENTATION - CONSTRUCTION	CWW047-03	207,162,149	2,100,000	(2,100,000)			
				(1,949,719)	1,949,719		R-Funds	XR6004
				(150,281)	150,281		DC	XR2112
BASEMENT FLOODING PROTECTION PROGRAM	BASEMENT FLOODING STUDIES & EA'S - CITY WIDE IMPLEMENTATION	CWW421-14	63,549,898	520,000	(520,000)			
				(482,784)	482,784		R-Funds	XR6004
				(37,216)	37,216		DC	XR2112

*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.

Toronto Water 2025-2027 Budget Adjustments

Schedule A

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

Program Area	Account Name	Account Number	Total Project Cost*	2025	2026	2027	FUNDING SOURCE	
							Type	Details
WATER SERVICE REPLACEMENT	WATER SERVICE REPAIR - WM REHAB PROGRAM	CPW544-15	96,694,952	510,000		(510,000)		
				(510,000)		510,000	R-Funds	XR6003
WATERMAIN C&L	WATERMAIN STRUCTURAL LINING	CPW543-04	794,392,061	11,490,000	(10,145,000)	(1,345,000)		
				(11,490,000)	10,145,000	1,345,000	R-Funds	XR6003
PUMPING STATIONS & FORCEMAINS	FORCEMAIN REPLACEMENT - PHASE 2	CWW472-23	65,054,906	2,325,000	(2,325,000)			
				(2,325,000)	2,325,000		R-Funds	XR6004
ASHBRIDGES BAY TREATMENT PLANT	PROCESS AND EQUIPMENT	CWW019-25	18,442,864	700,000	(700,000)			
				(700,000)	700,000		R-Funds	XR6004
WATER SERVICE REPLACEMENT	WATER SERVICE REPLACEMENT - TUNNEL	CPW544-22	2,274,426	1,625,000	(1,625,000)			
				(1,625,000)	1,625,000		R-Funds	XR6003
YARDS & FACILITIES	LAB EQUIPMENT	CWW021-04	5,056,282	320,000	(320,000)			
				(320,000)	320,000		R-Funds	XR6004
YARDS & FACILITIES	NEW FLEET PURCHASES	CWW034-21	4,138,421	1,260,000	(1,260,000)			
				(1,260,000)	1,260,000		R-Funds	XR6004
	SUBTOTAL - PART A			38,720,000	(35,390,000)	(3,330,000)		

*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
WTP - PLANTWIDE	UV DISINFECTION - ISLAND WTP - CONSTRUCTION	CPW070-12	90,668,000.00	(4,750,000)	4,750,000			
				4,750,000	(4,750,000)		R-Funds	XR6003
HUMBER TREATMENT PLANT	DIGESTER CLEANING & REHAB - PHASE 2	CWW037-26	29,925,000.00	(1,600,000)	1,600,000			
				1,600,000	(1,600,000)		R-Funds	XR6004
SEWER REHABILITATION	SEWER REHABILITATION - CWD	CWW465-09	397,875,816.28	(9,000,000)	9,000,000			
				9,000,000	(9,000,000)		R-Funds	XR6004
WATERMAIN REPLACEMENT	2022-2024 WATERMAIN REPLACEMENT	CPW542-27	325,070,845.36	(15,000,000)	11,670,000	3,330,000		
				13,869,509	(10,790,478)	(3,079,031)	R-Funds	XR6003
				1,130,491	(879,522)	(250,969)	DC	XR2111
WATERMAIN REPLACEMENT	2025-2026 WATERMAIN REPLACEMENT	CPW542-31	143,585,000.00	(8,370,000)	8,370,000			
				7,734,410	(7,734,410)		R-Funds	XR6003
				635,590	(635,590)		DC	XR2111
	SUBTOTAL - PART B			(38,720,000)	35,390,000	3,330,000		

*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 2025-2027 Budget Adjustments Reallocations

Program Area	Account Name	Account Number	Total Project Cost	2025	2026	2027	Revised Project Cost	COMMENTS	FUNDING SOURCE	
									Type	Details
ASHBRIDGES BAY TREATMENT PLANT	PROCESS AND EQUIPMENT	CWW019-25	18,442,864		700,000		19,142,864	Increased project costs to coordinate additional infrastructure renewal work on-going works at the facility.		
					(700,000)				R-Funds	XR6004
HARRIS WATER TREATMENT PLANT	EMERGENCY STANDBY POWER	CPW061-21	5,152,936		1,745,000		6,897,936	Proejct cost increased to align with bid prices.		
					(1,745,000)				R-Funds	XR6003
WTP - PLANTWIDE	PLANT STUDIES	CPW070-14	810,000		265,000	600,000	1,675,000	Increasing project costs to align with bid prices for 2025 study.		
					(265,000)	(600,000)			R-Funds	XR6003
WATER SERVICE REPLACEMENT	WATER SERVICE REPLACEMENT - TUNNEL	CPW544-22	2,274,426		3,000,000		5,274,426	Higher than forecasted volume of substandard water services require replacement in coordination with planned capital works.		
					(3,000,000)				R-Funds	XR6003
PUMPING STATIONS & FORCEMAINS	SPS UPGRADES - GROUP 6	CWW476-05	33,615,201		1,200,000		34,815,201	Increased contract administration services required to support on-going construction works.		
					(1,114,069)				R-Funds	XR6004
ASHBRIDGES BAY TREATMENT PLANT	PELLETIZER TRUCK LOADING FACILITY UPGRADES	CWW043-05	13,671,057	200,000	160,000		14,031,057	Increased contract administration services required to support on-going construction works.		
				(200,000)	(160,000)				R-Funds	XR6004
	SUBTOTAL - PART C			200,000	7,070,000	600,000				
WT - STORAGE & PS	ROSEHILL PS REHABILITATION	CPW060-11	7,044,750	(200,000)	(1,000,000)		5,844,750	Main construction project has been completed, and commitments released. Funds are available for reallocation.		
				200,000	1,000,000				R-Funds	XR6003
TRUNK WATERMAINS	JOS - WM FROM SCAR PS TO ST. CLAIR AND MIDLAND (CONSTRUCTION)	CPW066-07	38,157,226		(1,340,000)		36,817,226	Project has been completed, and commitments released. Funds are available for reallocation.		
					632,000				R-Funds	XR6003
					404,000				DC	XR2111
					304,000				Other	ROY
HUMBER TREATMENT PLANT	SECONDARY TREATMENT UPGRADES - SOUTH - ENGINEERING	CWW052-01	46,683,009		(3,700,000)		42,983,009	One project has been completed, and commitments released. Funds are available for reallocation.		
					3,435,315				R-Funds	XR6004
					264,685				DC	XR2112
HARRIS WATER TREATMENT PLANT	HARRIS FILTERS REHABILITATION - PILOT	CPW061-15	12,630,438		(700,000)		11,930,438	Main construction project has been completed, and commitments released. Funds are available for reallocation.		
					700,000				R-Funds	XR6003
TRUNK SEWERS	TRUNK SEWER REHABILITATION - 2016	CWW014-16	33,253,687			(600,000)	32,653,687	Main construction project has been completed, and commitments released. Funds are available for reallocation.		
						600,000			R-Funds	XR6004
WT - STORAGE & PS	STANDBY POWER - ROSEHILL	CPW069-03	10,262,500		(330,000)		9,932,500	Main construction project has been completed, and commitments released. Funds are available for reallocation.		
					306,977				R-Funds	XR6003
					23,023				DC	XR2111
	SUBTOTAL - PART C			(200,000)	(7,070,000)	(600,000)				

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.