City of Toronto Water Fees, Charges & Programs Consultation

Round One Consultation Report

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Introduction

Toronto Water and Economic Development and Culture, as directed by City Council, are undertaking consultation with water users on water fees, charges, programs and other measures designed to support business retention, economic growth, investment and employment ("Consultation").

The purpose of the Consultation is to receive stakeholder feedback on options being explored by the City of Toronto (City) with respect to water fees, charges and current programs to further support the economic competitiveness of the City's industrial and commercial businesses and the objectives of the <u>City's</u> <u>Resilience Strategy</u>.

The Consultation process comprises two rounds of stakeholder consultation in Fall 2020 and Spring 2021.

The scope of consultation topics includes:

- Current Toronto Water support programs for industrial, commercial and institutional (ICI) customers
- Current policies and practices under Municipal Code Chapter 681, Sewers, with a view to identifying potential opportunities for administrative efficiencies
- Water fees and charges including:
 - The possible decoupling of industrial and commercial (I&C) customers' water rate from costs associated with stormwater management services
 - A potential dedicated stormwater management charge (SW Charge) for owners of commercial parking lots
- Possible incentives for industrial and commercial businesses to undertake sustainable stormwater and flood management solutions, including stormwater management charge credits and green infrastructure funding

Purpose of this Report

This report presents a summary of notification and consultation activities, and feedback on the consultation topics and options noted above from the first round (Round 1) of the Consultation which took place between October 2020 and January 2021. Detailed participant comments, and questions and responses from City staff, from the Round 1 consultation are presented by topic area in the Appendix to this report (Round 1 Consultation Report).

This Round 1 Consultation Report is intended solely for general information reporting purposes and is being made available as part of the consultation process to provide an overview of Round 1, and for consultation purposes only. The views expressed reflect the feedback received by the City and the related discussion among participants of consultation topics and options during Round 1 of the Consultation.

A second round of Consultation (Round 2) is planned for the end of mid/late April 2021, followed by a report back to the City's Infrastructure and Environment Committee on the outcomes of the consultation expected by mid-2021.

Round 1 Notification Activities

In an effort to notify water users and interested persons of the opportunities to become engaged and provide feedback in the consultation process, a number of activities were undertaken during Round 1 as follows:

- emails and/or letters to industrial, commercial, institutional water users and associations, commercial parking lot companies, not-for-profit environmental sector, City and external agencies, and the consulting sector
- creation of a consultation webpage on the City's website: Water Fees, Charges & Programs Consultation (toronto.ca/waterconsultation)
- a consultation email account <u>waterconsultation@toronto.ca</u>

Round 1 Consultation Activities

This section outlines the consultation activities undertaken in the Round 1 consultation from October 2020 to January 2021.

These activities included three virtual sessions with water users and other interested persons at which City staff presented the options being explored with respect to water fees, charges and current Toronto Water support programs for industrial, commercial and institutional customers, the Sewers By-law and stormwater management incentives for industrial and commercial customers. An opportunity was provided for participant questions and comments.

The virtual consultation sessions were as follows:

- **Toronto Industry Network Virtual Session** on October 29, 2020. Fourteen (14) people participated in the session.
- Multi-Stakeholder Virtual Session on December 4, 2020. Seventy-one (71) people participated in the session representing industrial and commercial, institutional, environmental not-for-profit and consulting sectors.
- **City and External Agencies Virtual Session** on January 22, 2021. Staff from the Toronto Parking Authority and Metrolinx participated in the session.

In addition to the virtual consultation sessions, **two discussion guides and an on-line survey** for feedback were posted on the consultation webpage from December 4, 2020 to January 8, 2021. There were twenty-three (23) respondents to the on-line survey. These respondents did not comment on all questions in the survey. In addition, two submissions were received separately from the Toronto Industry Network and the Toronto Environmental Alliance.

The respondents were made up of:

 22% commercial; 22% institutional, 4% industrial, 52% other (consulting sector, environmental not-forprofit organizations) Commercial and industrial respondents were made up of: 50% large-sized business (500 employees or more), 17% medium-sized businesses (100 to 499 employees), and 33% small-sized businesses (less than 100 employees)

The topics of interest to respondents were as follows:

- 78 % of respondents were interested in commenting on stormwater incentives for industrial and commercial businesses
- 67 % of respondents were interested in commenting on water fees and charges
- 61 % of respondents were interested in commenting on the Sewers By-law
- 39 % of respondents were interested in commenting on Toronto Water Support Programs for industrial, commercial and institutional customers

Summary of Round 1 Consultation Feedback

This section provides a high-level summary of stakeholder feedback by topic area from the Round 1 consultation including advantages and disadvantages, and suggestions concerning the options being explored by City staff. Detailed comments, suggestions, comments and City staff responses are presented in the Appendix.

Toronto Water Support Programs for Industrial, Commercial and Institutional Customers

Industrial Water Rate (IWR) Program

- Option: Lowering the 5,000 m3 threshold for IWR eligibility
 - A few participants expressed support for this option to support smaller and medium-sized industrial customers
- Option: Changes to IWR Program Removing the Requirement for Water Conservation Plans
 - Concerns and lack of support for eliminating the requirement for water conservation plans which benefit water conservation and provide cost savings for facilities that implement identified water efficiency measures
- Other comments and suggestions
 - o IWR Program is worthwhile and beneficial for industrial customers
 - Lack of industry awareness of the IWR Program may contribute to low participation; the City should consider ways to increase awareness
 - The City should consider more support for the implementation of water conservation measures by facilities
 - The City should review the Water Conservation Plan template to align with other City strategies and objectives (e.g. TransformTO, Resilience Strategy, reduction in energy costs and GHG emissions, etc.)

Capacity Buyback (CBB) Program

- Option: Changes to Free Water Efficiency Audit Desktop audit option
 - Different perspectives on this option with respect to advantages (e.g., streamling the CBB Program application process and simplifying the review would facilitate more participation) and disadvantages (e.g., value to program participants of a site visit by a knowledgeable expert would be lost)
- Option: Expanding Eligibility to industrial customers
 - This option would be beneficial in supporting water efficiency and provide potential cost savings to smaller and medium-sized industrial customers
 - The financial incentive (\$0.30/litre of water saved) should also apply to larger water volume industrial customers (those consuming greater than 15,000 m3 annually)
 - The City should provide for more comprehensive audits for smaller and medium sized industrial businesses if the program is expanded
 - The City should add Sewers By-law compliance as an eligibility requirement for the CBB program if it is expanded to industrial customers

Sewer Surcharge Rebate (SSR) Program

- Option: Extending the SSR Program Renewal Period and adding a requirement for process metering to be eligible for the extended renewal period (e.g. every 3 years)
 - Renewal period extension will reduce engineering report costs for SSR Program participants; 3 year renewal seems appropriate
 - Process meter addition requirement will provide more accurate data but concerns about cost implications and technical challenges to implement, which may limit participation by customers
 - The City should explore options to help SSR Program participants address upfront costs for process metering installation
 - Other SSR Program comments and suggestions:
 - also consider measures when a user implements effluent quality improvements discharging to the sanitary sewer, rather than focus on volume
 - eligibility should be tied to Sewers By-law compliance

Municipal Code Chapter 681 ("Sewers By-law")

- Option: Development of a Toronto Sewers By-law Navigation Guide
 - A Sewers By-law Navigation Guide that provides information on the City's Sewers By-law will support facilities in complying with requirements
 - $\circ\;$ Key suggestions for the development of the Guide:
 - include examples and case scenarios of ways to reduce and eliminate contaminants
 - coordinate with Toronto Public Health's ChemTRAC Program so that the guide provides industry specific information on safe chemical substitutions that could be explored to maintain compliance and reduce environmental, health and safety risks
 - Guide should be released when a subject pollutant review is completed
- <u>Option</u>: Industrial Waste Surcharge Agreements (IWSA) Increasing 3 IWSA exceedances to 4 or 5
 - Support from industrial stakeholders as it recognizes the operational realities of facilities and will provide more operational flexibility for IWSA participants without compromising the purpose of the Sewers By-law
 - Environmental organizations expressed opposition and concerns with this option and suggested any changes to Sewers By-law be undertaken after a subject pollutant review and examination of risk-based thresholds is completed by Toronto Water
 - o Additional exceedances should only be allowed with increased monitoring/testing
- Option: Establish Risk-based Reporting Thresholds for trace amount of subject pollutants
 - Support from industrial stakeholders and consulting sector for establishing risk-based reporting thresholds and reducing P2 Plan submission requirements for trace pollutants
 - Opposition and concerns from other stakeholders about environmental impacts and changes to Sewers By-law preceding a subject pollutant review being undertaken by the Toronto Water
 - o The City needs to provide guidance on how risk-based thresholds would be established

- Option: Self-Monitoring and Reporting allow companies to self-report effluent sampling, testing and analysis to the City
 - Interest and support from industrial stakeholders as a measure that would allow companies to receive sample results and take corrective actions if needed sooner
 - Concerns about cost impacts to smaller and medium-sized industrial facilities associated with conducting their own sampling and analysis
 - Environmental organizations expressed opposition to this option and that sampling and analysis work should continue to be undertaken by Toronto Water's Environmental Monitoring and Protection Unit.
 - Suggestions for establishing a framework for this option:
 - Tiered structure with baseline monitoring remaining free; if more monitoring is required due to a NOV, could be billed by City to facility to keep costs low for complaint facilities
 - Establishing required parameter tests and frequencies. These could be individualized for different companies and then added as an appendix to the surcharge agreement (much like the parameter thresholds are now)
 - The role of the City would still maintain oversight and vigilance, but with a different auditing function
- Other Comments and Suggestions
 - Establish a Low Volume Threshold which would set a minimum threshold of water use before a Notice of Violation (NOV) would be issued
 - Provide more technical assistance and financial support to companies to prevent pollution through better control technology, more efficient processes, and product/chemical substitution
 - Some of the revenues generated from Sewers By-law fines and other charges could be invested into a **pollution prevention fund or program** that assists companies who wish to improve compliance through innovation and chemical substitution
 - Updating the compliance agreement template to include retaining a P2 Consultant to assess and help implement upstream process changes (water use reduction, ingredient or product recovery, material substitution, etc.)
 - 'Private water'' and harvested rainwater re-use the City restricts the discharge of 'private water' and harvested rainwater is classified as 'private water' under 681-2 c. The Sewers By-law should be amended to permit a wider use of harvested rainwater.

Water Fees and Charges

- Option: Administrative Water Fee contemplates a fixed charge for the administration of water and sewer services portion of the utility bill and other Toronto Water "overhead" operating expenditures which are irrespective of water consumption and would be removed from the water rate
 - This option is fairer for larger water users, makes the water bill more transparent and shares costs more fairly for all users
 - Need to ensure protections are in place so that this option does not unreasonably increase fees for small volume water costumers.
 - Unit prices should apply to things customers have control and concerns that this option will reduce incentive for customers to conserve water

- Option: Decoupling stormwater costs for industrial and commercial customers (I&C) through a stormwater charge (SW Charge)
 - \circ $\;$ Strong support for this option from a broad range of stakeholders
 - SW Charge will provide for a sustainable and fair financing strategy for rising stormwater costs and needs
 - SW Charge is a common best practice across jurisdictions in North America
 - Provides for the adoption of green infrastructure solutions to mitigate flood risks
 - Makes sense to implement for IC&I given they represent 78% of 1 hectare or large properties
 - Supports City's resilience objectives
 - SW Charge should be applied to all property classes or be phased in for all property classes over time starting with industrial and commercial customers which would addresses challenge of having to figure out how to separately apply to I&C customers and simplify how to apply this option to mixed-use properties
 - SW Charge for I&C properties and SW Charge credits program should be implemented at the same time to help reduce costs and incentivize improved stormwater management and implementation of green infrastructure on these properties, which will provide many benefits (environmental, economic, social, etc.)
 - SW Charge based on impervious area should consider properties, especially new developments that meet Tier 1 or higher of the Toronto Green Standard and include stormwater retention and treatment on-site for credits

• Option: Stormwater Charge for Commercial Parking Lots (lots without a water account that generate stormwater) to recover the serviceable costs of stormwater services for these properties

- Provides for fairness and cost recovery from properties that are contributing stormwater to the sewer system but not currently paying for stormwater management services through the water rate
- Would encourage installation of green infrastructure to reduce stormwater volumes and improve stormwater quality (e.g. particulate settlement from automobile contaminants)
- Should be paired with SW charge incentives (e.g. permeable pavers, underground cisterns for water re-use)
- Concerns about significant financial impact on parking lot property owners and operators and timing in light of Covid-19
- Seems to be administratively burdensome to implement compared to revenues that would be generated

Stormwater Management Incentives for Industrial and Commercial Businesses

- General Comments
 - Implementation of measures to improve stormwater quality on property is a consideration for industrial and commercial properties - Yes 71.4%, No 14.3%, Unsure 14.3% (based on six responses to survey)
 - Challenges or constraints for industrial and commercial businesses to implement improved stormwater management on a property include significant upfront capital costs, e.g. retrofits for older buildings and ongoing maintenance costs
 - The value of incentives related to retrofitting of SWM controls does not often correlate to an acceptable return on investment period (e.g. 10 years or more).

- Importance and benefits of green infrastructure solutions for incentives must be considered in addition to stormwater benefits (e.g. reducing pollution, beautification, green space, public health, socio-economic, etc.)
- Green infrastructure incentives require a City-wide approach and collaboration with other divisions to fully assess and realize benefits
- Consider prioritizing area for incentives that are within or upstream of areas that are at high risk of flooding
- Option: Stormwater Charge Credits would provide a credit or discount on a SW Charge as an incentive to I&C property owners to implement sustainable stormwater management measures (e.g., green infrastructure) on their properties
 - Strong support from a broad range of participants for stormwater charge credits as part of a SW Charge program to motivate property owners to implement improved stormwater management practices and help address costs
 - Stormwater charge credits program should be implemented at the same time as a stormwater charge
 - Suggestions and considerations for developing a framework for stormwater charge credits program:
 - Prioritize credits for stormwater management solutions such as green infrastructure that can simultaneously address stormwater volumes and water quality
 - Different municipalities focus on peak flow reduction versus water quality versus infiltration as priorities for these schemes according to their local hydrogeology
 - Rooftop controlled flow inlets have the best cost/benefit ratio to realize peak flow reductions in a widespread fashion.
 - SW Charge based on impervious area must consider properties, especially new developments, that meet Tier 1 or higher of the Toronto Green Standard and include stormwater retention and treatment on-site for credits; should consider retroactive measures
 - Ensure credit value is high enough to balance against a reasonable return on investment period
 - Must include verification and long-term monitoring of performance, e.g. retrofit of green roofs
 - Consider credit sharing but may be challenged by significant costs to neighbouring property to take on the initial risk in dense commercial areas with smaller property sizes
 - Requires provision of information/guidance to applicants (especially small-medium sized companies) as per other municipal programs
- Option: Grants and Rebates Provide lump sum funds for the implementation of stormwater solutions by industrial and commercial properties for stormwater management
 - Support for grants and rebates (in addition to SW Charge credits) from all participant sectors, that would provide upfront financial assistance to reduce significant upfront capital costs for the implementation of green infrastructure
 - The City should consider grants to off-set the initial costs and assess return on investment over a 10 or 20 year period
 - Grant program could prioritize certain types of solutions in specific areas of the city that require more immediate attention, such as areas with active combined sewer overflows (CSOs), areas contributing to system overloads or overland flooding risks, and identified flood protection areas.
 - $\circ~$ Consider grants for smaller properties that may not be eligible for SW Charge credits

- Grant program could leverage resources from other City strategies (and divisions) that may have funding to increase biodiversity, increase the urban tree canopy, and address green space gaps
- May not be practical to provide 'retroactive' grants to properties that have already invested in stormwater solutions. Credits program should address this
- Option: Awards and Recognition Programs showcase exemplary stormwater management projects for companies that have implemented sustainable practices on their properties
 - Different perspectives on the effectiveness of this option to incentivize stormwater management solutions on I&C properties
 - Important to celebrate leadership and recognize best practices implemented by individual properties
 - Does not address costs for SWM implementation; many other such programs already exist to which property owners can apply
 - Consider collaborations with Live Green Toronto, the Resilience Office, Green Sector team in Economic Development and Culture and external partnerships with Toronto and Region Conservation Authority and other organizations

• Other Comments and Suggestions

- Offer low-interest loans for capital investments in sustainable stormwater management, much like how the City currently provides energy retrofit financing. This financing could also support stormwater audits (if not provided for free) the same way retrofit financing covers before and after energy audits of building
- Provide free or subsidized stormwater assessments or audits to ensure most effective solutions are being implemented
- Include urban food production in the incentive programs for I&C properties e.g. offering a greater incentive to those who plant fruit or nut trees compared to regular trees, rooftops food producing gardens.
- Stormwater harvesting and re-use constraints in the Sewers Bylaw must be addressed to permit the use of SWM best practices including stormwater harvesting and re-use (e.g. for washing applications, evaporative cooling tower HVAC systems, etc.)

Appendix: Round 1 Consultation Comments, Questions and Suggestions

This Appendix presents a compilation of comments, suggestions and questions received by the City in the Round 1 consultation, as well as responses from City staff to questions.

Toronto Water Support Programs for Industrial, Commercial and Institutional Customers

Round 1 Comments and Questions	Round 1 City Staff Responses
Industrial Water Rate (IWR) Program	
Option: Lowering the 5,000 m3 threshold	
Lowering the threshold would be more fair to smaller customers	Comment noted
Given the significant water rate discount provided by the IWR Program, lowering the threshold should only be considered if the current eligibility requirements to develop a water conservation plan and compliance with the Sewers By-law are maintained.	Comment noted
Option: Changes to IWR Program Requirements - Removin	g Water Conservation Plan
Water conservation plans should remain as a requirement for the IWR Program. Sewers By-law compliance should always be tied to any rebates or other incentive programs.	Comment noted
The current IWR program requires water conservation plans as a condition of the heavily discounted water rate for large industrial water users. Do not agree with the proposal to remove the water conservation plan requirement. Given the environmental benefits and cost saving potential of water efficiency and conservation measures, both for the customer and the City of Toronto, it is counterintuitive to remove this requirement.	Comment noted
Given the option to expand the Capacity Buyback Program and the services of the free water audit, there should be sufficient support for IWR Program customers to develop the mandatory water conservation plans.	
Some water conservation plans may include multi-benefit sustainable solutions such as rainwater harvesting or wastewater recycling, which serve to reduce flood risks and improve water quality. In order to better align with the City of Toronto's climate action plan, TransformTO, and the Resilience Strategy, Toronto Water should work with the Environment and Energy Division to redesign the Water Conservation Plan template to incorporate the additional cost savings and climate benefits of reducing water consumption (e.g. reduction in energy costs and GHG emissions, reduction in stormwater volume, increased water quality).	Comment noted

Round 1 Comments and Questions	Round 1 City Staff Responses
Independent assessment of water conservation plans is necessary. For example, one IWR application reviewed by a consulting firm would have saved <2% of water use. Feedback from consultant of facility production processes identified practical affordable measures for the facility to save 9%.	Comment noted
Is the City concerned that the removal of the water conservation plan requirement for the IWR program could lead to some industries losing out on opportunity for water savings?	The loss of identifying water conservation opportunities and of capital investments into the economy that customers make when implementing those opportunities is something City staff will consider in the evaluation of this option going forward.
How would a company would apply to the IWR Program if no water conservation plan is required? The savings from the Block 2 rate and water reductions more than pay for the engineering assessment.	The concept behind this option is that the Block 2 rate would be based strictly on consumption, bylaw compliance and tax class but Toronto Water appreciates that the water conservation plan is also of value to the program participants.
Other Comments and Suggestions	
Program is beneficial and worthwhile to industrial customers.	Comment noted
Industrial Water Rate Program uptake rate is low, I believe	Comment noted
that this is primarily due to lack of awareness.	O successful and a second seco
Seems to be overly generous to larger consumers. Once completed measures, nothing more is required and they continue to receive a large price discount that is not available to their smaller competitors. Suggest having them to commit to reinvesting at least part of their annual discount in implementing further improvements each year.	Comment noted
Consider more implementation support. A strength of Toronto's existing Block 2 program is the annual checkups for implementation measures under the water conservation plans submitted. If support were more intentional, the selected consultant could help keep momentum and provide advice needed to overcome implementation roadblocks at the facilities. The consultant's liability insurance would cover any risk exposure.	Comment noted
Selection of service provider based on 100% lowest bid automatically skews towards providers who do not find water savings (because it is less expensive to provide the service if you do not find water savings). Therefore, selection process requires weighting based on the magnitude of savings the vendor has secured in similar circumstances.	Comment noted

Round 1 Comments and Questions	Round 1 City Staff Responses
Capacity Buyback (CBB) Program	
Option: Changes to Free Water Efficiency Audit - Desktop	Audit
Encourage changes to the free water audit to help simplify the	Comment noted
process. Identification of practical & economically viable water savings	Comment noted
measures requires a site visit by a knowledgeable expert.	
Option: Expanding Eligibility to Industrial Customers	
Expanding the CBB Program to small and medium sized	Comment noted
industrial customers is a good idea.	
Support the CBB Program expansion (i.e. to industrial customers) and supportive programs and tools that increase sustainability such as the free water audit. If industrial customers are added to the CBB Program, they must be required to remain in compliance with the Sewers By-law, as is currently in place for IWR Program beneficiaries. If industrial customers are added to the CBB Program will they be required to be in compliance with the Sewers By-law?	The CBB program does not currently include compliance with Sewers By-law as an eligibility requirement. However this could be looked at in the future with program updates.
The Capacity Buyback financial incentive would be a favorable option for industrial customers >15,000 m3 to fund capital investments. Is this being considered?	This hasn't been considered in the current option. These large volume water customers would continue to be eligible for the IWR Program. Discussion needs to be had with regards to offering multiple incentives to the same water customers under different programs.
Consider more comprehensive water conservation assessments at the small & medium sized industrial facilities under the option being explored to expand eligibility to industrial customers for the CBB Program.	Comment noted
For example, when our company completed 60 of these for York Region, we found an average of 36% water savings per facility. However, if we had merely used a checklist for common replacement technologies, only a small fraction of these savings would have been secured.	
Other Comments, Suggestions and Questions	
We encourage changes to the Capacity Buyback Program that will facilitate participation in the program and simplify the review. Increasing eligibility and simplifying process will help properties participate in the program.	Comment noted
How does a institutional low volume water user apply for the free water audit under the CBB Program?	If referring to the CBB Program as it exists now, information is available on the City's website at

ps://www.toronto.ca/services- yments/water-environment/how-to-use- ss-water/water-efficiency-for- siness/capacity-buyback-program ternatively, companies may contact pronto Water Business Support staff at 6-392-7000 or at vewater@toronto.ca, or call 311.
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ty staff will look at options for companies at don't have the ability to install a eter.
stallation of meters would not be andatory for participation in the Sewer ircharge Rebate Program. This option ntemplates that customers who are able install a meter would be eligible for less quent renewal submissions.
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Round 1 Comments and Questions	Round 1 City Staff Responses
Other SSR Program Comments and Suggestions	
Is the SSR Program considering measures when a user implements improvements to the quality of the effluent discharging to the sanitary sewer, rather than a focus on volume?	This is not within the bounds of the SSR Program. Under the Sewers By-law, Toronto Water has nothing like that in place but City staff can take this back for consideration.
Companies would appreciate details from the City when receiving the SSR approval letter as to why their rebate report was not approved or was approved for a different percentage. The approval letters currently don't include those details.	City staff have incorporated this feedback into Sewer Surcharge Rebate administration and program participants can expect to see, going forward, additional information on application decisions and rebate value revisions.
General Comments, Suggestions and Questions	
Will the City potentially go ahead with all ICI support program options or only a certain number of options? Are any of the options currently considered to be favoured? How will the City's decisions about ICI program changes be communicated to customers?	At this time, the evaluation of options is in the early stages and this work will inform which options may be recommended for implementation. The City is seeking feedback from customers during this round of consultation on the advantages and disadvantages of the options to inform the City's consideration of the options. A staff report will go to Committee and Council in 2021. Feedback will be presented to stakeholders. Any changes
Are there considerations to allow exceptions for companies with sewer surcharge non-compliance to participate in the	implemented to existing ICI support programs would be communicated by TW to water customers. This has not been considered in the options being presented for consultation at
industrial and commercial support programs? This would be a proactive way for companies to improve vs. paying fines.	this time.
Sewers By-law compliance should remain tied to any rebates or other incentive programs provided to industrial and commercial customers. Customers who have an Industrial Waste Surcharge Agreement (IWSA), which allows them to surpass the parameter limits set in the Sewers By-law, should not be allowed to receive the Block 2 rate if they exceed the IWSA limits more than three times because we do not agree with the proposal to increase the number of permitted IWSA exceedances to 4 or 5. Companies that violate the Sewers By-law repeatedly and/or are fined or brought to court for their water pollution activities should not continue to benefit from a	Comment noted

Round 1 Comments and Questions	Round 1 City Staff Responses
subsidized water rate. The City of Toronto must leverage rebates and incentives like Block 2 to increase compliance with municipal by-laws.	
Technical support is a challenge for most end users. Companies don't know where to find trusted advice/support to implement best practices identified. Is Toronto Water willing to provide resources for regional/domestic vendors that could assist?	Companies can contact/join Partners in Project Green if looking for contacts in consulting industry. Financial resources are not being considered by the City at this time.
Is it in the possible to have an Industrial/Block 2 meter after an existing institutional meter?	Yes, a deductive meter can be installed and will only measure industrial flow. If participant shares their contact information, TW will reach out to that customer directly to discuss further.

Municipal Code Chapter 681 ("Sewers By-law")

Round 1 Comments and Questions	Round 1 City Staff Responses	
Option: Development of a Sewers By-law Navigation Guide		
A Sewers By-Law Guide is a good idea. Would the navigation guide include examples and case scenarios of ways to reduce and eliminate contaminants?	Yes, that is the intent. The Guide would include some examples that have been successful for other proponents.	
The guide should also be made available in multiple languages and formats to increase access. Given the outstanding decisions still to be made regarding adding new chemicals of concern to the subject pollutant list and determining any risk-based thresholds that could be introduced for the mandatory pollution prevention planning, this guide should not be published until these matters are resolved. Toronto Water should coordinate with Toronto Public Health's ChemTRAC Program so that the guide provides industry specific information on safe chemical substitutions that could be explored to maintain compliance and reduce environmental, health and safety risks.	Comments noted. If this option is recommended, City staff will consider language requirements (based on industry needs) and timing of the Guide's development, release and updates to reflect any updated requirements. Toronto Water would coordinate the development of the Guide with Toronto Public Health's ChemTRAC Program as has been done in previous consultations.	
Option: Industrial Waste Surcharge Agreements - Increase number of exceedances (e.g., to 4 or 5) of the parameter limits (less than 20%) per Term of the Agreement		
Support increasing the number of exceedances under the Sewers By-law from 3 to 5 for the reasons stated by City staff. This option does not subtract from the purpose of the By-law but rather recognizes the daily realities of operating a manufacturing facility.	Comment noted	
Do not agree with proposal to increase the number of permitted IWSA exceedances beyond the current three (e.g.	Comments noted	

Round 1 Comments and Questions	Round 1 City Staff Responses
to four or five).	Toronto Water would continue to closely monitor facilities on an IWSA. This option provides for more appropriate actions (e.g. assist company towards compliance or escalate enforcement) and resources to be allocated towards systemic and/or severe discharges, for those treatable parameters.
Strongly oppose any changes to the Sewers By-law including P2 plan requirements until consultation on a chemicals review (adding chemicals of concern to the Great Lakes to the list of Sewers By-law subject pollutants, and risk-based thresholds) is undertaken by Toronto Water. This was a direction by City Council in 2016 and a report back to Infrastructure and Environment Committee is overdue. We understand that a consultant was hired by the City. What is the status of this review?	The City hired a consultant to inform the chemical review and assessment of risk- based thresholds. Stakeholders will be informed of consultation on the review once the timing and approach has been determined.
Increasing the amount of discharges will cost all users more as a result of increased treatment costs, so I do not agree with this.	Comment noted. The cost of treating discharge exceedances (over the limit set in the IWSA) is currently covered by the facility and this option contemplates that this would remain in place.
Allow additional number of exceedances only with increased monitoring/testing. For example, an exceedance triggers automatic reporting but also re-testing to be completed. This will provide more data for businesses to understand when exceedances occur and for how long; which they can use in the future to mitigate the exceedance during a certain activity.	Comment noted. The City could look at reassessing a facility's IWSA and sampling frequency when it has demonstrated an additional number of exceedances.
How would the option work concerning changes to the IWSA allowing a discharger up to 3 exceedances (of less than 20%) of the parameter limits in the Agreement/Permit per Term of the IWSA?	Some of the limits of IWSAs may have been set lower than they should have been set for an industry or perhaps there has been a large change in company production. There is currently no way of changing the 3 "strike" procedure in the Agreement. This option would provide more flexibility for agreement holders so they don't go into IWSA default.
When a facility with an IWSA exceeds their treatable parameter limits, does Toronto Water charge the company extra to recover the additional pollution treatment costs? What happens if they exceed a non-treatable parameter?	Yes, there is a formula for calculating the fee, which is based on volume of water a company consumes multiplied by the concentration limits. The company is billed for their IWSA based on an average of

Round 1 Comments and Questions	Round 1 City Staff Responses
	sampling data and the company will be charged for any exceedances. Any exceedance for a non-treatable parameter would result in Toronto Water sending a notice of violation asking the company to respond with what remedy was implemented to fix the issues.
Option: Establishing Risk-Based Reporting Thresholds for	
Strongly support subject pollutant reporting thresholds for trace amounts of subject pollutants.	Comment noted
Risk-based threshold limits for the reporting of trace amounts of subject pollutants for businesses in lieu of the specific threshold makes sense. The City should consider who will propose the new threshold, what criteria is being used and will have to review and determine if they agree with that revision. If the City is completing a risk based threshold for each parameter or is each business going to review and propose one for their site based on site activities?	Comments noted. City staff will has and will continue to work with consultants to assist with such a review, incorporating a risk-based analysis for each individual subject pollutant.
A chemical review of priority substances and proposed risk- based thresholds for each subject pollutant must be provided before stakeholders can agree or disagree with the proposal to eliminate P2 plan requirements when any amount of a subject pollutant is discharged. Strongly oppose any changes to the Sewers By-law including P2 plan requirements until these overdue steps are taken. If the administrative costs of pollution prevention enforcement and oversight are not sufficient to cover these activities, Toronto Water should achieve cost recovery by increasing the cost of rates, fees and fines. If Notices of Violation do not currently carry financial charges, this should be explored.	Comments noted. The thresholds and emerging pollutants are being looked at and an update to stakeholders and next steps for consultation will be provided to stakeholders.
I think this is a dangerous start. Trace contaminants of emerging concern are already starting to build in Lake Ontario, and with allowing further trace contaminant discharges that cannot be treated by Toronto Water, this would increase their accumulation in Lake Ontario. The City needs to think cumulatively and holistically and though the amount coming from one discharger may not be significant enough to cause risk, cumulatively it could be detrimental.	Comment noted. The Pollution Prevention Program proactively asks industry to investigate ways to reduce, eliminate, substitute, or prevent the discharge of subject pollutants and has shown a noticeable decrease in subject pollutant discharge throughout the years. The Pollution Prevention Program will continue to focus on the reduction and ultimately, where feasible, elimination of subject pollutants.

Round 1 Comments and Questions	Round 1 City Staff Responses
Will the City provide guidance/procedures on how to establish risk-based threshold limits?	Yes. At this time, the City is exploring and seeking feedback on the option of establishing risk-based thresholds for the reporting of trace amount of certain subject pollutants with the objective of having companies avoid submitting a P2 plan for trace amounts of certain subject pollutants. This option requires further study, analysis and stakeholder consultation to determine the risk-based threshold values for individual subject pollutants.
Option: Self-Monitoring and Reporting - allow companies to and analysis to the City	o self-report effluent sampling, testing
What are the City's thoughts on self-reporting? It is permitted by other jurisdictions, e.g. the Province.	The self-monitoring and reporting option is in the early stages of investigation and requires further evaluation (e.g.
Stakeholders would like to meet with staff to discuss a protocol that would replace the need for Toronto Water to test the effluent of Block 2 users in particular and allow for testing by City-approved independent labs. To be discussed would be required parameter tests, frequencies. These could be individualized for different companies and then added as an appendix to the surcharge agreement (much like the parameter thresholds are now). This individualized testing delineation is already being done in some surrounding municipalities and promotes a more unified partnership between the company and the municipality in terms of meeting the desired goal (of best water treatment possible). The role of the City would still maintain oversight and vigilance, but with a different auditing function. Self- monitoring is a great idea. Many industrial facilities already conduct their own self-monitoring and use the results as feedback for their own treatment system.	 enforcement and compliance impacts, bylaw changes) and consultation. City staff are open to further discussion with stakeholders on this option and looking at approaches in other jurisdictions. City staff have reached out to other municipalities and found that this option may be difficult for small and medium size companies because it would present extra costs and they may not have the expertise to understand the sampling protocols. The City could consider developing a self- reporting pilot project for larger industries. However, the City foresees it would maintain its role in sampling, e.g., perhaps at the same time as a facility from the maintenance access hole, and oversight.
Are you suggesting the self-monitoring take place at the maintenance access hole? Agree that self-monitoring and reporting is the best approach - this is currently implemented by the City with respect to Private Water Discharge Agreements (yearly sampling and reporting). Similar language in this agreement would be necessary (i.e., specific time, location, qualified person etc).	

Round 1 Comments and Questions	Round 1 City Staff Responses
Do not support self-monitoring and reporting of effluent discharges. Test sampling and analysis work should continue to be undertaken by Toronto Water's Environmental Monitoring and Protection unit. This would be acceptable only if tightly regulated and enforced	
Suggest a tiered structure with baseline monitoring remaining free. If monitoring is increased due to a Notice of Violation, etc. and additional testing is performed then this could be billed for to keep administrative costs low for compliant businesses.	Comment noted
Small businesses should not incur self-monitoring costs. What will the City do to ensure costs don't rise for small businesses?	City staff recognize self-monitoring costs could be a concern for smaller or medium size business and this will be considered. The City could consider applying this option for larger industries only and/or on a volunteer basis.
I'm happy with the City sampling my facility. What is the need for self-monitoring and reporting and why is it being considered by the City?	Larger-sized industries have expressed interest in this option in order to receive their results sooner. As noted above, the City could look at a self-monitoring and reporting pilot project for large industries only.
Other Comments, Suggestions and Questions	
The City should consider a low volume threshold option, which would be beneficial to most companies as companies can easily have exceedances just from bathroom facilities at a site. Low water usage can lead to high concentrations which may not be very impactful because it is such a small contribution to sewer system. In strong support of subject pollutant reporting thresholds.	The Sewers By-law is modeled after the Provincial model and any amount of subject matter over the limit is a violation. Moving towards a concentration limit would require significant changes to the Sewers By-law.
Toronto Water should establish a Low Volume Threshold which would set a minimum threshold of water use before a Notice of Violation (NOV) would be issued. Since bylaw adherence is measured on a concentration basis, when there is little water flow, even a minor amount of effluent such as from a facility's washrooms, would show a high concentration. However, the total effluent amount is very low, and this is in fact what the sanitary system is designed to handle. A threshold for a minimum water flow would eliminate NOV's that are not representative of the real conditions and also reduce staff time to measure and follow up.	
that require changes to the By-law or could the City enforce the Bylaw differently than it currently does?	

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To increase Sewers By-law compliance, industries need access to more technical assistance and financial support to prevent pollution through better control technology, more efficient processes, and product/chemical substitution. Unfortunately, Ontario has lost nearly all P2 technical support initiatives in the last decade with the closure of the Canadian Centre for Pollution Prevention, BLOOM Centre for Sustainability and the elimination of the provincially mandated Toxics Reduction Program. Some of the revenues generated from Sewers By-law fines and other charges could be invested into a pollution prevention fund or program that assists companies who wish to improve compliance through innovation and chemical substitution.	Comments noted
The Sewer Bylaw allows for Compliance Agreements with industry, for non-surchargeable wastewater parameters. The Agreements set out the steps the facility must implement, with a schedule, to return to regular discharge compliance. The first step is to retain an engineering firm to assess and design and a treatment system. P2 is often a better (and cheaper) solution for the facility. Can the Compliance agreement template be updated, to include retaining a P2 Consultant to assess and help implement upstream process changes (water use reduction, ingredient or product recovery, material substitution, etc.)? Then only move to engineering design of end-of-pipe treatment solutions if P2 isn't sufficient.	There are a variety of tools/approaches available to companies when working towards compliance. Toronto Water's EM&P unit strongly proposes and encourages the pollution prevention (P2) approach, advising companies to identify ways to reduce, substitute, eliminate or prevent pollution at the source. This is a cost-effective approach but when all avenues are exhausted or when an immediate solution cannot be implemented (pollution prevention or otherwise), a Compliance Plan is an available tool.
	The Sewers Bylaw Navigation Guide option being explored presents an opportunity to potentially expand on the tools/approaches currently available, such as the GUIDE TO COMPLIANCE PROGRAM AGREEMENT APPLICATION and clarify the options that assist companies with compliance and/or rectify non-compliance.
Toronto's IWSA surcharge rates for overstrength parameters (BOD, etc.) are quite different than other jurisdictions. Has Toronto undertaken a recent financial/engineering assessment of our true cost of water supply (treatment, conveyance, etc.) and wastewater treatment, (conveyance, WWTP capex and opex, hauled waste, etc.), to help inform	The City has been implementing a move to a full cost recovery method for the IWSA Program as of April 2019. This is being phased in over a six year period (with the use of incremental annual adjustment factors) and the Program will reach full cost recovery on April 1, 2025.

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pricing? Similar to what York Region and others have done.	Please reference Table 4 (Surcharge Fee Calculation Formula) in the Sewers Bylaw for the formula details and breakdown: https://www.toronto.ca/legdocs/municode/ 1184_681.pdf
	Toronto Water has undertaken assessments of the City's surcharge rates to ensure the fees, which comprise capital costs, operating and maintenance costs, as well as an admin fee, are reflective of true costs.
	In 2012, a review was completed by Stantec in 2012 and the report can be found at https://www.toronto.ca/legdocs/mmis/2012 /bu/bgrd/backgroundfile-51677.pdf.
	Stantec's review included a comparison Toronto's surcharge fees with surrounding municipalities. It can be found in Section 4.3.4 of the Stantec Report. Please note that Peel Region uses a different formula for their surcharge billing than Toronto. Peel's formula is based on the cost to treat a unit of wastewater (in m ³) while Toronto's is based on a unit cost per kg of parameter. In 2015, an additional review was conducted and the surcharge fees were updated on April 1, 2016.
What are the recent controls put in place with regard to the discharge of groundwater into the City?	At a high level, the City is concerned with the quality and quantity of any groundwater going into the sewer. A site requires a sanitary discharge agreement and is required to pay associated fees. Groundwater may also go to the storm sewer with a permit, but quality needs to meet by-law stormwater parameter limits.

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Regarding: Clause 681-2. Sanitary and combined sewer requirements. C. Discharge of private water. (a) 'The discharge is in accordance with a sanitary discharge agreement or permit entered into in accordance with § 681-6 which is in good standing; provided, however, that this requirement shall not apply to rainwater used for washroom facilities'. This clause is unnecessarily stringent with regard to the potential valuable and sustainable uses of harvested rainwater.	Comments noted for future policy consideration pertaining to re-use of 'private water'.
The City restricts the discharge of 'private water' and harvested rainwater is classified as 'private water' under 681- 2 c. The Sewers By-law requires amendment to permit a wider use of harvested rainwater.	
Updates to the Private Water Discharge Application. More clear timing and steps for securing various agreements with the City. Short-term discharge permits (i.e., pumping tests) need to be streamlined and not treated the same as long-term construction dewatering. Better collaboration/communication is required between City divisions.	Comment noted. City staff can explore clarifying the Private Water Discharge Application steps further, particularly those involving various Toronto Water Units or City Divisions.

Water Fees and Charges

Round 1 Comments and Questions	Round 1 City Staff Responses
Option: Administrative Water Fee	
Agree that administering water accounts should be separated from the cost of water charge. This is fairer for larger water users and makes the water bill more transparent.	Comments noted
This option would distribute and share these costs more fairly for all users.	
This option seems fair and all encompassing.	
Ensure protections are in place so administrative water fee option does not unreasonably increase fees for small volume water costumers. Encourage change that would decrease costs for large volume water customers.	Comment noted
Whenever possible, leave the unit price of things that customers have control over high. For example, if you remove an administrative cost from the water rate, you reduce incentive for customers to conserve water.	Comment noted

Round 1 Comments and Questions	Round 1 City Staff Responses
How would the administrative water fee option be applied in tenants in condo buildings?	The administrative water fee would appear on the utility bill so it would depend on who receives the utility bill, e.g. tenant, landlord, condo property owner, condo building management. If water usage is included in tenants' rent, tenants' would be billed using the current billing method for their unit. Some condos have one account for one building and water bills are included in the maintenance fees. It would depend on the owner/tenant agreement as to how the administrative water fee would be paid.
Do you have an example of what the administration water fee would be for a large user (5,000 cubic metre)?	City staff have not developed a framework at this time as to how this option would be applied. Other municipalities apply administration fees according to water meter size, which is an approach the City could look at. Impacts of this option to small, medium and large volume water users will be assessed.
Option: Decoupling Stormwater Costs for Industrial and Co Stormwater Charge for Industrial and Commercial Propertie	-
Supportive of the concept of a Stormwater Management Charge instead of having this cost buried in the water purchase price. It is important that the City not implement any changes to the charging for stormwater management until a system of "equivalency to permeable" has been established wherein companies and organizations that have installed storm water management features to control runoff be given credit for this in the determination of their impermeable area. How was the \$1.50/sq. m charge and its companion reduction in water costs were determined – particularly as the Institutional sector appears to have been excluded from the analysis?	Comment noted. The \$1.50 sq. metre SW charge is a preliminary estimate based the capital and operating costs for Toronto Water's stormwater program in 2020, from the approved 2020 Toronto Water Capital and Operating Budgets. The estimate of \$1.50 sq/m is based on dividing the total stormwater program operating and capital costs of \$315 million in 2020 with the total impervious area across the city (21,025 hectares or 210,250,000 sq m).
Strongly support decoupling water rates from stormwater charges, starting with industrial and commercial properties, with the intention of including Institutional and Residential property classes in future years.	Comments noted

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Toronto Water needs a sustainable and fair financing strategy for these rising stormwater management costs and needs to proactively increase the adoption of green infrastructure solutions on both public and private property that can help mitigate flood risks.	
Toronto Water identified 78% of the 1 hectare or larger properties are IC&I so it makes sense to get moving on stormwater charges with these property types immediately while still planning to phase in stormwater charges to all property classes over time.	
Toronto Water should consider applying stormwater charges to additional I&C properties including vacant lots and transportation sector sites (e.g. airports, rail yards), if these are not already included.	
Strongly support decoupling water rates from stormwater charges, starting with I&C properties given that they represent 36% of the impervious surface in the city. This is a best practice in cities across North America that are serious about creating climate resilience and removing the market distortions that exist when stormwater charges are tied to water rates. A separate stormwater charge is a necessary step towards creating a resilient city and it removes an existing market distortion that discourages the use of green infrastructure.	Comments noted
Agree with the option. It will reduce initial water rate costs while providing incentive for I&C properties to implement green infrastructure, so long as incentives are also implemented. Capital costs for implementing green infrastructure may be the biggest hurdle.	Comment noted
Support a SW Charge for I&C customers as a mechanism to decouple stormwater costs from the water rate for I&C customers	Comment noted
This seems well reasoned and necessary. I would welcome a stormwater charge. I think the stormwater charge should also be applied to residential water bills as well.	Comment noted
Decoupling stormwater costs from the water rate for Industrial and Commercial customers is a great idea to help highlight stormwater management as a large aspect of the water rate distinct from drinking water consumption and wastewater treatment. I believe it would be best to apply this stormwater charge to all customers including residential as all customers can have impervious areas that contribute to flooding and related water quality issues. Also by applying the charge at a	Comments noted

Round 1 Comments and Questions	Round 1 City Staff Responses
scaled rate to all customers (e.g. by tax bracket, property size and percentage of impervious areas), this eliminates the disadvantages of having to figure out how to separately apply the charge to only I&C customers and could simplify how to handle mix use properties (e.g. residential and commercial).	
If decoupling is to be pursued, consider other parameters for informing SW Charge, especially for new developments that that meet Tier 1 or higher of Toronto Green Standard (TGS) and include stormwater retention and treatment on-site. These sites may have higher impervious surface area, but better stormwater performance. Additionally, consider impact to I&C properties and how to ensure owners are not faced with unreasonable costs.	Comment noted
A properly allocated SW Charge provides the potential for customers to work together towards reducing their stormwater contributions. There are advantages to moving forward with something. The City should keep looking at what can be done and reach out to stakeholders for their opinions.	Comment noted
A stormwater charge is common practice in the United States. This option isn't something that hasn't been done many times elsewhere and there is a lot of data available (e.g. economic impacts). I think it is a long time coming that Toronto moves down this road.	Comment noted
Supportive of both decoupling stormwater charges from fees based on consumption for I&C properties and a stormwater charge for commercial parking lots.	Comment noted
Appreciate how complex the stormwater charge is and understand that applying it for certain sectors only is a challenge. Could the City look at the general city water profile and put a resiliency fee for those areas of the city that need more help?	The challenge would be on what basis such as fee would be charged for different areas of the City. There may also be legal issues with charging some areas and not others.
How does this stormwater charge option differ from the one not implemented in 2017?	In 2017, Council requested staff to develop a stormwater charge implementation plan for all customer classifications. That work was much more detailed than this current concept and presented a structure for a SW Charge. For the current consultation, City staff are exploring a stormwater charge for I&C properties and will be evaluating this option to determine if it is practical and should be recommended for implementation.

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For the stormwater charge option, only industrial and commercial users are being considered. Would the charge be paid by institutional and other users?	Council directed staff to look at the possible decoupling for I&C only and not institutional or other property classes. Therefore, staff will be responding back to Council on the feasibility of decoupling stormwater costs from the water rate for I&C water customers only through a stormwater charge option. Other property classes would continue to
	pay for stormwater services through the water rate, i.e. based on their water consumption.
Do other jurisdictions apply a stormwater charge for only I&C customers?	In the early 2000s, the City of Philadelphia applied a SW Charge starting with I&C properties only then expanded it to residential in later years. City staff have not found other examples of municipalities applying a SW Charge to I&C properties only and then expanding it to additional property classes later on.
I believe that the City of Ottawa implemented a stormwater	City staff will review the City of Ottawa's
charge on a rolling basis to different property types.	implementation of a stormwater charge.
How would you account for mixed use properties that are both residential and commercial?	How to apply a stormwater charge to mixed-use properties is one of the challenges with a SW Charge only for I&C properties. Under the 2017 stormwater charge proposal, all properties would have been charged a SW Charge and there wasn't a need to separate out mixed-use properties (i.e. complexity to determine if the property pays for stormwater services through the water rate or a stormwater charge).
What is the anticipated growth rate of an I&C stormwater charge option year over year?	A stormwater charge would need to be reviewed annually to calculate the rate to fund the Toronto Water's stormwater services capital and operating costs for I&C properties. This would be done through the preparation and submission of the Toronto Water Capital and Operating Budgets to City Council for approval.
Have other factors been considered for calculation of a SW	No. The preliminary analysis presented
charge, other than the percentage of impervious area? For	was based on the percentage of
instance, new construction projects achieving TGS Tier 1 or	impervious area to identify stormwater
higher must incorporate stormwater retention/runoff features,	program funding allocations for I&C

Round 1 Comments and Questions	Round 1 City Staff Responses
which should be considered for SW charge reductions.	properties.
	The City is also consulting on stormwater management incentives including a stormwater charge credit option, which will consider the implementation of stormwater retention/runoff features on a property.
Does the impervious area quoted for the city also include roads and sidewalks?	The preliminary analysis of impervious area is based on public and private properties and does not include roads and right-of-way. This is consistent with the GIS methodology used for the 2017 Stormwater Charge analysis.
Would permeable paving solutions be considered differently for calculating a stormwater charge on a property (e.g. commercial parking lots)?	The GIS data needs to be looked at to confirm if permeable vs. impermeable pavement can be distinguished. This is would be something that would then need to be calculated and refined if City staff recommend implementation of a SW Charge as well as incentives options (i.e., SW charge credits).
How would the stormwater charge option consider industrial and commercial properties that implement low impact development controls?	The implementation of LID controls could be considered as part of a SW Charge credit option to reduce the stormwater charge on a property.
Would the stormwater charge option for industrial and commercial properties be charged annually or monthly?	Some municipalities apply a stormwater charge as a monthly charge and others as an annual charge. Different approaches could be considered.
How have the I&C sectors been impacted by flooding in recent years? How is the City mitigating flooding risks for I&C sectors?	Under the Basement Flooding Protection Program, the City undertakes studies that identify infrastructure studies to reduce flooding risks for all properties within the study area.
To reduce administrative needs, why not add the SW charge to the annual business license fee (as a zoning review is needed on initial issuance).	This may not be feasible and/or administratively efficient as the annual business license fee is separate from the utility bill.
Don't emphasize the one-time cost of implementing the modified billing system for a stormwater charge option.	Initial and ongoing operating costs are important considerations for implementing a stormwater charge program for I&C properties.

Round 1 Comments and Questions	Round 1 City Staff Responses
Option: Stormwater Charge for Commercial Parking Lots	
Strongly support introducing stormwater charges for commercial parking lots. Currently parking lot properties that are not Toronto Water customers are getting a free ride, contributing large volumes of stormwater to the system and paying nothing for stormwater management. By decoupling water rates from stormwater charges, Toronto Water will be able to more fairly recover costs from all stormwater contributors in the city.	Comments noted
Stormwater charge credits for parking lots could encourage the installation of green infrastructure to reduce stormwater volumes as well as reduce water pollution. It is likely that parking lots are generating potentially harmful stormwater due to the presence of chemical particulates that have settled from vehicle exhaust and other automotive contaminants.	
Strongly support introducing stormwater charges for commercial parking lots. Doing this would eliminate yet another market distortion that undermines building a resilient Toronto and that puts yet more strain on an already over- burdened stormwater system. Moreover, it makes no economic sense and no business sense to offer a free service to commercial parking lot owners (who do not have a water account) that provides no incentive to do less harm.	Comments noted
Strongly in favor of this policy. Single storey parking is a terribly wasteful land use.	Comment noted
Commercial parking lots should certainly be charged a stormwater fee as large impervious areas that contribute to flooding and related water quality impacts. These fees should be paired with incentives to improve stormwater management in the area of these parking lots such as reduced fees for green infrastructure like permeable pavement or underground cisterns that can utilize runoff for water reuse (e.g. flushing toilets) in nearby buildings.	Comment noted
Support, however, the timing of such a decision, in light of covid should be considered. Signal this for future.	Comment noted
Concerns about the stormwater charge for commercial parking lots. This option would have a significant financial impact. Parking facilities (e.g. Toronto Parking Authority) are continuing to implement green initiatives over time.	Comments noted
The parking lot-only SW charge seems like it would be administratively burdensome and costly compared to the funds that would be brought in.	Comment noted

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Do the commercial parking lots you assessed include existing commercial water customers (e.g. a shopping mall) or is this just assessing parking lots who are not currently customers?	The SW Charge option for commercial parking lots contemplates application of the SW charge to parking lots that do not have a water account.
	The preliminary GIS analysis presented is a partial analysis and only includes Toronto Parking Authority lots and privately-owned commercial parking lots. Data is pending on which of these parking lots have a water account so the estimates of revenue of this options is expected to change pending confirmation of customer account data for these properties.

Stormwater Management Incentives for Industrial and Commercial Businesses

Round 1 Comments and Questions	Round 1 City Staff Responses
General Comments	
Challenges or constraints to implement improved stormwater management on a property.	Comments noted
 Capital costs will be the biggest factor - these could range from a few thousand to hundreds of thousands depending upon the best management practice and size of property. The City should consider grants to off-set the initial costs and review or provide an analysis on the return on investment over a 10 or 20 year period (i.e. how long will it take for the capital costs to be offset by the grant, lower water consumption rate and stormwater credit). Financial costs can be a significant deterrent, especially with older buildings that may not have structural capacity for rooftop SWM storage or other SWM features. Incentives and education program would encourage participation. Challenges with implementing improved stormwater management are often largely financially based such as funding for capital costs and ongoing maintenance. The value of incentives related to retrofitting of SWM controls does not often correlate to an acceptable return on investment period for anything more complex than bandaid solutions. There is also a 	

Round 1 Comments and Questions	Round 1 City Staff Responses
major revenue hit from operation downtime if construction impacts operations (such as digging up parking areas). Grant programs should be considered to compensate for those one-time costs if the objective is to actually incentivize the installation of stormwater infrastructure.	
Strongly support both credits and grants for the I&C sectors to implement stormwater management systems especially green infrastructure solutions that provide many other benefits, e.g., reducing pollution, beautification, green space, etc.	Comment noted
A stormwater charge should be paired with rebates and other incentives to implement green infrastructure solutions to improve on-site stormwater management. The additional benefits of green infrastructure should be considered (economic, other environmental benefits, mental and physical health), and Toronto Water should consider partnerships with other City divisions to fully realize these benefits.	Comment noted
Cost benefit analysis of providing credits and grants shouldn't just be on Toronto Water's shoulders. Should assess, value, and incentivize the range of co-benefits	Comment noted
that green infrastructure investments would realize by collaborating with other departments such as Public Health, Office of Emergency Mgt, Economic Dev. and Culture, Planning, Parks Forestry and Recreation.	
Has consideration been given to prioritizing areas for incentives that are within or upstream from areas that are at high risk of flooding?	This could be considered. Other municipalities have targeted grants and other incentive programs to specific areas (e.g. City of Philadelphia combined sewer service area to achieve EPA consent requirements). The City of Mississauga is reviewing its stormwater charge credits program and is looking at targeting specific areas within the municipality.
Option: Stormwater Charge Credits	
A SW charge credit program is important to motivate property owners. Many municipalities found it important to offer guidance to applicants. Larger corporations have a good idea but small and medium size may not have stormwater expertise and require support.	Comment noted
Many cities in Ontario and other jurisdictions provide stormwater management incentive options such as credits and grants, and some provide both as they can work in tandem to increase the cost-benefit ratio. These incentives	Comments noted

Round 1 Comments and Questions	Round 1 City Staff Responses
serve to increase adoption of stormwater management solutions on private property.	
Strongly support the inclusion of a stormwater charge credit program to incentivize stormwater management on-site, particularly green infrastructure solutions. While the amount of the credit may not always be enough to financially motivate capital expenditures if the return on investment is not high, it will serve to create a partial incentive and prompt stormwater management solutions to be incorporated more often.	
Toronto Water's past consultation considered a 1 hectare or larger property threshold for stormwater management credits, even though London (Ontario) uses a 0.4 hectare threshold. Toronto Water should provide a clear rationale for why they recommend setting the threshold at 1 hectare and why London set theirs lower during the next phase of consultation. Toronto Water should also explore ways to incentivize green infrastructure on smaller properties through grants, a one-time rebate, or a credit program that can be introduced at a later phase.	
During the virtual consultation, questions arose about which performance target would be prioritized for stormwater management (peak flow / volume or water quality) and at this time Toronto Water is undecided. Different jurisdictions prioritize different performance measures based on the risks and challenges they face such as flooding or combined sewer overflows. Mississauga credits program may start to target areas with higher benefit potential (e.g. greater need for stormwater management) and that Philadelphia focuses this on their CSO areas.	
Recommend that Toronto Water prioritize stormwater management solutions such as green infrastructure that can simultaneously address stormwater volumes and water quality. Both performance measures must be considered since the urban environmental challenges of preventing flooding and water pollution are both part of Toronto Water's mandate.	
Providing credits also serves to acknowledge and reward properties that proactively adopted stormwater management solutions prior to the introduction of the stormwater charge.	

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When coupled with the installation of natural infrastructure that reduces stormwater runoff, this is a great idea that has been adopted in many jurisdictions across North America. In calculating the credit, it is important to capture other benefits that flow from natural infrastructure that may reduce other city expenditures from other divisions.	Comment noted
Encourage a SW charge credit program.	Comments noted
A credits program is a great idea to provide on-going incentives for customers to improve their stormwater management and reward them for improved management	
Analysis on the long-term return on investment should be reviewed and explored.	Comment noted
Different municipalities focus on peak flow reduction versus water quality versus infiltration as priorities for these schemes according to their local hydrogeology. Is there a sense of which stormwater management performance targets might be a focus for Toronto?	Not at this point in the process. Performance targets applied other municipalities provides a starting point for the City to look at developing a framework for this option.
Rooftop controlled flow retrofits are likely to be the most cost effective measure to implement to reduce peak flow rates. Please consider incentivizing roof structural analyses to clear a major expense and risk item for I&C property owners.	Comments noted and will be shared with Environment and Energy Office staff that manage the Eco-Roof Incentive Program.
Rooftop controlled flow inlets have the best cost/benefit ratio to realize peak flow reductions in a widespread fashion. There is risk however in the ability of existing roof stock to accommodate these controls, with the potential for leaks or structural issues from detaining water longer than they currently do. How can the City support the remedial effort needed on I&C properties to confirm that retrofitted SWM controls can pay for themselves over time?	
The biggest issue is monitoring the long-term performance of the installation. How will maintenance of the systems be checked? How frequently? etc. The City already has trouble keeping track of how often green roofs are being removed from buildings where they were initially mandated. This scheme makes the capital investment e.g. for retrofits quite difficult for some companies, so uptake could remain very low. I like the 'Drainage Act' approach being used by CVC/Mississauga.	Comments noted
A verification process to confirm proper installation of green infrastructure (as part of a SW Charge credit) as well as ongoing maintenance is a great idea. Consider incorporating regular performance monitoring of GI solutions.	Comments noted

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Credit sharing programs are likely to be a positive incentive, but may require a deep pocketed neighbor to take on the initial risk in dense commercial areas with smaller property sizes.	Comment noted
Consider incentives for commercial parking lots and potential for permeable pavers.	Comment noted
Option: Grants and Rebates	
Strongly support the introduction of both credits and grants for the I&C sectors to implement stormwater management systems especially green infrastructure solutions that provide many other benefits: reducing pollution, beautification, green space, and stimulating local economic opportunities.	Comments noted
A grant program is needed to help properties who need upfront financial assistance but it is also essential for providing technical guidance on what types of solutions are best for reducing stormwater volumes as well as improving water quality. More so than with the credit program, it makes sense to explore how a grant program could be used to prioritize certain types of solutions in specific areas of the city that require more immediate attention, such as areas with active CSOs, areas contributing to system overloads or overland flooding risks, and identified flood protection areas.	
There are many benefits to stormwater management, and green infrastructure solutions in particular, that relate to housing preservation, local economic development, climate resilience, biodiversity, and public health. It is important to assess, value, and incentivize the range of co-benefits that flood prevention, water quality improvements and green infrastructure investments would realize in certain neighbourhoods by collaborating with other departments such as Parks, Forestry & Recreation, Environment & Energy Division, Toronto Public Health, Office of Emergency Management, Economic Development & Culture, and City Planning.	
For instance, Toronto Water could partner with Economic Development & Culture to create grant criteria or added incentives to promote the adoption of local green sector solutions and services, contributing to local economic development and job creation. Perhaps this grant program could leverage resources from other City strategies (and divisions) that may have funding to increase biodiversity, increase the urban tree canopy, and address green space	

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gaps.	
Given the number of properties that may rely on a grant program to implement stormwater management solutions, it would not be practical to provide 'retroactive' grants to properties that have already invested in solutions. The provision of a credit program will help to reward these proactive properties.	
As capital costs can be large barriers for implementing stormwater management systems like green infrastructure among others, grant programs would be highly useful to overcome these barriers and promote more widespread adoption of improved stormwater management. They may help improve stormwater management not only with large organizations but also for small and medium sized organizations.	Comments noted
Grant programs to offset costs for remedial on-site investigations would remove a significant burden to implementing retrofitted SWM controls onto existing sites. They would also be a significant benefit to reducing the return on investment period to acceptable levels. Often the Return on Investment (ROI) period extends for greater than 10 years on certain complex sites, diminishing the appetite for a lengthy and costly program.	Comment noted
This should also be applied for some customers to increase overall LID adoption. What has been learned from the Eco- Roof incentive program? I know it was reviewed in the past few years. I think the review found that initially the grants being offered were too low? Has participation increased since the review and recommendations were adopted?	Comment noted. Toronto Water staff will discuss changes and participation in the Eco-Roof Incentive Program with staff in Environment and Energy Division.
Grant programs that support natural infrastructure that reduces stormwater runoff is a great idea. It is important to capture other benefits that flow from natural infrastructure that may reduce other city expenditures from other divisions.	Comment noted
Option: Awards and Recognition Programs	
Awards and recognition for green infrastructure leaders are worth considering, as it can increase uptake of solutions and demonstrate leadership in ways that support local and regional economic development in emerging green sectors.	Comments noted
While this may be challenging for Toronto Water to take on independently, awards or recognition programs could be facilitated by other City of Toronto units such as Live Green	

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Toronto, the Resilience Office, or the Green Sector team in Economic Development & Culture. These programs could also be developed in partnership with - or led by - external non-profit organizations such as Toronto & Region Conservation Authority, Partners in Project Green (PPG), Green Infrastructure Ontario, Canadian Green Building Council (CaGBC) Toronto Chapter, Ryerson University's Urban Water collective. Toronto Water could also collaborate with existing initiatives such as the Grey to Green Conference, PPG's Natural Infrastructure and Climate Resiliency program, or ReNew Canada magazine.	
This is a great idea. Milwaukee has a great Awards program that is worth looking at. Highly support. This will generate a culture of care and innovation which is the kind of culture this City wants to	Comment noted. City staff will look at Milwaukee's program. Comment noted
embody. Celebrate leadership! This may be useful to highlight stormwater management achievements to the public if the city uses existing building recognition programs such as LEED.	Comment noted
It can be a useful took in certain circumstances and there will be some companies that will use this to their advantage but overall it is not likely to be the most effective as an incentive tool for implementing stormwater practices.	Comment noted
These are relatively low impact for the amount of administration required. Also there are already myriad schemes to which developer can apply.	Comment noted
Nice to have, but I'm not sure if these would be as effective as credit programs or grants.	Comment noted
Other Comments, Suggestions and Questions	
Have you considered additional incentives such as free or subsidized stormwater assessments or audits? This process could ensure that the most effective solutions are being implemented.	City staff have not looked at developing a program for free or subsidized stormwater assessments or audits. This suggestion has been noted for future consideration.
The City could also consider offering low-interest loans for capital investments in sustainable stormwater management, much like how the City currently provides energy retrofit financing. This financing could also support stormwater audits (if not provided for free) the same way retrofit financing covers before and after energy audits of buildings.	Comments noted

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There is an opportunity for food-producing GSI strategies to be included in Toronto's new stormwater plan. For example: Offering a greater incentive to those who plant fruit or nut trees compared to regular trees. Both trees manage stormwater and address the urban heat island but only the fruit and nut trees provide additional services. Organizations like Not Far From the Tree (NFFT) in Toronto actually collect and distribute the harvests from fruit and nut trees in the city. This creates more food produced locally and has the potential to create more jobs through NFFT. There are various food applications for industrial and commercial sites and these sites can often work best for rooftop gardens due to the size. As long as they are constructed with this additional loading capacity in mind. Cities are fairly siloed in their approach and I think we need to change this if we want to improve our resilience. Ideally, the City would create a holistic eco-systems service approach to stormwater.	Urban food production is not historically part of Toronto Water's mandate. These comments and resources will be shared and discussed with Parks, Forestry and Recreation which has a Community Planting and Stewardship Grant Program, City Planning, and Environment and Energy Division for broader City consideration.
An ecosystem services approach helps the city address numerous issues at the same time. Stormwater, urban heat island, cleaner air, biophilic benefits, increased property values, job creation, and in some cases food production. Urban food production supports food justice, mental health, access to.	
Resources for the City to consider:	
 GrowTo an urban agriculture action plan for the City of Toronto Urban Agriculture as a Green Stormwater Management Strategy New York City's First Stormwater Management Park Is there an opportunity for food to be included in the stormwater incentive options being explored? 	
The cost and benefit analysis for green infrastructure on private property should include environmental, social and other outcomes as measures. While a stormwater credit alone may not be enough of a financial incentive for a private property owner, there may be significant co-benefits realized	Comments noted

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that should lead to a different type of 'return on investment' analysis. This may mean that Toronto Water and other City departments (or other levels of government) should support green infrastructure investments on private property through grants or other programs that increase the conversion of grey to green infrastructure in our city.	
City staff should look at Green Infrastructure Ontario's (GIO) report that provides an economic impact assessment of green infrastructure that is worth reviewing. GIO identifies multiple co-benefits to green infrastructure stormwater systems including: climate change adaptation, flood mitigation, ecosystem health, public health, community aesthetics, and multiple economic benefits including capital and lifecycle cost savings, flood cost prevention, and green job creation. The US EPA also has information on cost benefit analyses for green infrastructure that could be helpful.	
Is the City leaning towards one option over others?	Not at this time stage in the process. At this time, the City is seeking feedback from stakeholders and that feedback will be reported back to City Council. City staff may have recommendations in that report, which will be informed by the consultation feedback.

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More harvested rainwater applications should be supported as part of a site-wide SWM plan (albeit secondarily to the promotion of green infrastructure). 1. Ontario Building Code permits harvested rainwater to be applied to a number of low hazard applications. See O. Reg. 332/12: Article 7.1.5.3. (3). 2. The Canadian Standards Agency provides an excellent list of risk versus opportunities for reusing harvested rainwater. CSA B805-18/ICC 805-2018 3. LEED promotes the reuse of harvested rainwater in applications which produce sewer discharge e.g. Credit WE5. 4. Toronto's own Green Standard v3. Tier 2. promotes the reuse of harvested rainwater, and in our most hyper- urbanized locations rainwater reuse is the only option for SWM available to developers. But none of these SWM best practices are being supported for I&C clients, as long as the following clause in the Sewer Use By-Law remains as is: 681- 2. C. (a). If yet another City initiative (after TGS) is going to request/require more SWM by I&C clients, then rainwater harvesting absolutely must be permitted (even if not actively supported) for industrial and commercial processes, including various washing applications and evaporative cooling tower HVAC systems.	The scope of this consultation does not include an examination of rainwater harvesting and specific stormwater management technologies. Any proposal that goes before Council should align with City requirements (e.g., health and safety, Bylaws, Wet Weather Flow Management Guidelines). Comments noted for future policy consideration.
stormwater management? If so, how will the City permit new rainwater harvesting technologies in light of the aforementioned bylaw restrictions?	
Municipalities are mandated provincially to move toward full cost recovery. Toronto's \$4.07/m3 base water rate is about 35% higher than in neighbouring Peel Region. Has Toronto undertaken a recent financial/engineering	Peel Region's water and wastewater rate does not include stormwater costs, which is included in Toronto's water and wastewater rate.
assessment of our true cost of water supply (treatment, conveyance, etc.) and wastewater treatment, (conveyance, WWTP capex and opex, hauled waste, etc.), to help inform pricing? Similar to what York Region and others have done.	In addition, Toronto Water's Capital Plan, which is currently the largest it in its history is making significant investments in State of Good Repair to address aging infrastructure. Toronto Water is currently working on a asset management plan for critical infrastructure (water and wastewater) which is required to be submitted to the Province by July 1, 2021. A report is expected to be presented to Council in advance of that deadline.