
2008 BUDGET BRIEFING NOTE

Impact of Changes to Provincial Regulations on the Toronto Water Capital and Operating Budgets and the Related Water Rate Impact

Issue/Background:

- There have been a number of changes in Provincial Legislation affecting the operations of Water and Wastewater Systems in the Province of Ontario.
- Funding for these legislative changes has come from the users of the Water and Wastewater systems and impacts the rates which are charged to the municipal residents.
- Key acts and regulations that impact the water and wastewater services industry in Ontario are:
 - Ontario Water Resources Act;
 - Bill 195, Safe Water Drinking Act;
 - Ontario Regulation 169/03 - Ontario Drinking-Water Quality Standards
 - Ontario Regulation 170/03 - Drinking-Water Systems
 - Bill 81, Nutrient Management Act;
 - Bill 43, Clean Water Act;
 - NFPA 70E, Standards for Electrical Safety in the Workplace
 - Occupational Health and Safety Act
 - Ontario Regulation 278/05, Designated Substance — Asbestos on Construction Projects and in Buildings And Repair Operations

Key Points:

- For the years 2004 through 2008, the impact on the Toronto Water capital and operating budgets resulting from Provincial Regulations have been \$237 M and \$14 M respectively.
- The largest capital expenditures are as follows:
 - \$117.4 M is related to the construction of new Residue Management Facilities at the R.C. Harris and R.L. Clark Water Treatment Plants in order to comply with regulations relating to the Safe Drinking Water Act and the Ontario Water Resources Act.

- \$66.9 M for implementing projects under the Wet Weather Flow Master Plan as part of the new Clean Water Act and the Ontario Water Resources Act.
- \$50.9 M for the Lead Services Repair Program under the Safe Drinking Water Act.
- The impact on the operating and capital budgets for 2008 is \$70 M which represents 11% of total water rate revenues.
- The forecasted impact for capital and operating budgets for the years 2009-2012 resulting from Provincial Regulations is estimated at \$260 M and \$20 M respectively.

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