VOLUME 4

PROGRAM BUDGET SUMMARIES

Non-Levy Operations

Toronto Parking Authority

Toronto Water

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TORONTO PARKING AUTHORITY

Mission Statement

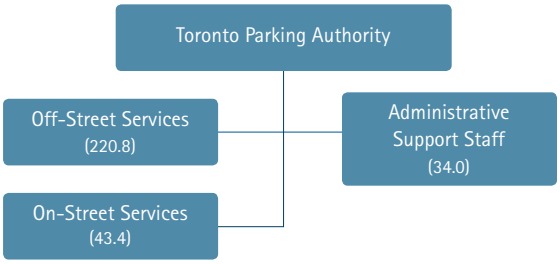
The Toronto Parking Authority (TPA) exists to provide safe, attractive, self-sustaining, conveniently located and competitively priced off-street and on-street parking as an integral component of Toronto's transportation system.

PROGRAM OBJECTIVES

- Short-Term Parking: Satisfying the short-term parking needs identified within the various business areas of Toronto.
- Supporting Local Business: Achieved by the following:
  a) satisfying short-term parking needs
  b) providing alternative payment options for customers
  c) constantly enhancing customer service
  d) innovative solutions to specific parking problems
- Innovative and Economic Expansion of Services: examine/utilize new technology to enhance services and reduce operating costs; expansion via joint partnerships with the private sector which reduces capital costs
- Self-Funding: Constantly seeking ways to enhance revenue and provide services at lower costs through technology (solar power) and automation

PROGRAM MAP

The TPA is comprised of two services with a total of 298.2 approved positions.



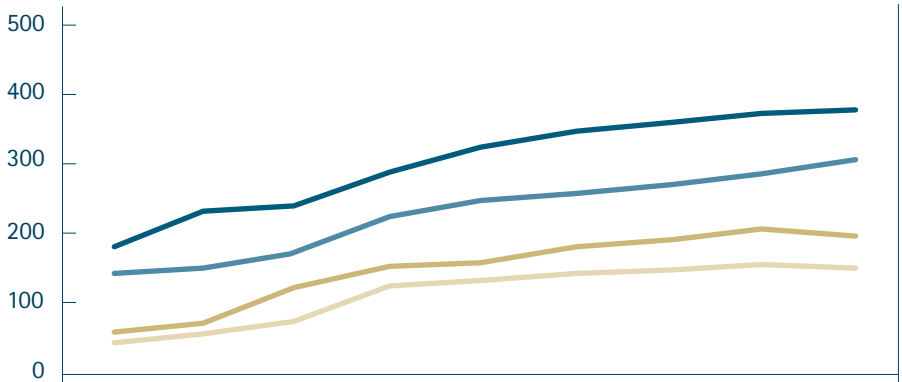
2005 ACHIEVEMENTS

- Addressed off-street parking shortfall in 7 new neighbourhoods
- Continuing development of e-commerce payment options
- Completed all major maintenance projects that were planned
- Contributed $30.6 million to the City in 2005

TORONTO PARKING AUTHORITY

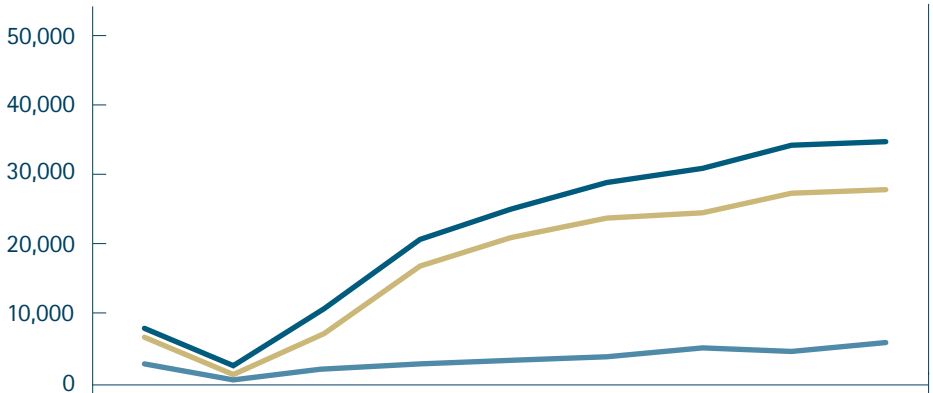
PERFORMANCE MEASURES

Labour Force Productivity



	1997	1998	1999	2000	2001	2002	2003	2004	2005
Revenue/Full Time Employee	189	234	242	296	321	347	364	378	383
Revenue/Full Time Equivalent	150	168	181	223	247	263	278	293	302
Net Profit/ Full Time Employee	66	83	109	157	165	188	195	204	199
Net Profit/ Full Time Equivalent	53	60	81	118	127	143	149	158	157

Revenue and Expenses



	1997	1998	1999	2000	2001	2002	2003	2004	2005
Revenue	9,920	3,884	10,851	21,793	25,990	29,562	31,939	34,534	35,413
Net Profit	7,030	2,993	8,453	18,708	21,440	24,623	25,868	28,164	28,325
Expenses	2,890	891	2,398	3,085	4,550	4,939	6,071	6,370	7,088

TORONTO PARKING AUTHORITY

2006 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- Continued focus on satisfying short-term parking shortfalls while increasing net profits
- Continued expansion and promotion of the TPA corporate convenience card
- Examine additional automation opportunities
- Continued conversion of on-street meters to "pay-and-display" technology in areas where a reasonable payback is obtainable
- Continuing focus on opportunities to satisfy urgent parking needs in areas that have identified parking shortfalls. Particular focus has been placed on St. Clair Avenue between Yonge Street and Gunn Avenue for additional off-street spaces to replace spaces that will be lost on-street due to the Toronto Transit Commission (TTC) street car right of way

2006 OPERATING BUDGET BY SERVICE

The 2006 Approved Operating Budget for the TPA included revenues of $95.185 million, expenses of $54.801 million and a budgeted net income of $40.383 million. The budget is broken down further as follows:

Services	Approved Budget ($000s)						Change over 2005			
	2004		2005		2006		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	$	%	$	%
On-Street Parking	9,490	(23,878)	10,333	(25,989)	10,935	(25,065)	602	5.8	923	(3.6)
Off-Street Parking	42,833	(19,134)	43,949	(16,899)	43,866	(15,318)	(83)	(0.2)	1,581	(9.4)
Total Program Budget	**52,323**	**(43,012)**	**54,282**	**(42,887)**	**54,801**	**(40,383)**	**520**	**1.0**	**2,504**	**(5.8)**

2006 BUDGET HIGHLIGHTS

- Payroll savings of $0.309 million due to a proposed reduction in the approved complement by 16.9 positions to 298.2 through increased automation of parking facilities, representing a decrease of 5.4% compared to the 2005 approved complement of 315.1
- Reduction in material and supplies expenses of $0.187 million primary a result of a new credit card processing agreement

2006 CAPITAL BUDGET

2005 Major Accomplishments

- Converted approximately 1,100 on-street spaces to "pay-and-display" machines from old-style meters to improve customer service and enhance revenue generation
- Successfully concluded a joint venture development project with the private sector to provide needed short-term parking spaces at minimal cost to the TPA
- Converted 7 facilities to automated "pay-on-foot" technology to improve service and reduce costs

2006 Capital Budget Highlights

Total 2006 Gross Budget is $33.796 million [2004 Budget – $24.191 million]:

- $1.886 million for continued replacement of single space meters with "pay-and-display machines"
- $6.500 million for construction and operation of a new parking facility at the Opera House under development at Queen and University Avenue to satisfy additional parking demand
- $4.000 million increase in short and long-term parking capacity in the Entertainment District

TORONTO PARKING AUTHORITY

Five-Year Capital Plan

	2006 Cash Flow and Future Year Commitments					
($000s)	2006	2007	2008	2009	2010	Total
Previously Approved						
Spadina/Thelma	42	0	0	0	0	42
Yorkville - Property Acquisition	1,535	0	0	0	0	1,535
Lakehore/29th Street	200	0	0	0	0	200
Queen Street East Carpark (East of Woodbine)	250	0	0	0	0	250
Eglinton Ave. East of Dufferin	750	0	0	0	0	750
Hillcrest Village	500	0	0	0	0	500
Mt. Pleasant/Hillsdale Joint Venture	965	0	0	0	0	965
Total Previously Approved	4,242	0	0	0	0	4,242
New and Change in Scope						
Upgrade to HVAC Mall	100	0	0	0	0	100
Lighting Upgrades - CP 116, 15, 26, 36	800	0	0	0	0	800
Queen/Spadina (Opera House)	6,500	0	0	0	0	6,500
Stair Repairs at CP 43	500	0	0	0	0	500
Rehabilitation of C2 of St. Lawrence Garage	500	0	0	0	0	500
Concrete Repairs at CP 404	1,000	0	0	0	0	1,000
Major Paving at CP 11, 508	250	0	0	0	0	250
Electronic Parking Equipment	1,886	0	0	0	0	1,886
CP 52 Major Repairs	400	0	0	0	0	400
Spadina/Thelma - Forest Hill Village	58	0	0	0	0	58
Davisville/Yonge	3,000	0	0	0	0	3,000
Willowdale/Sheppard	1,000	0	0	0	0	1,000
Lakeshore/29th Street	100	0	0	0	0	100
Mt. Pleasant Joint Venture	460	0	0	0	0	460
King E of Spadina - Revitalization	4,000	0	0	0	0	4,000
Hillcrest Village	1,100	400	0	0	0	1,500
Bloor West	2,000	0	0	0	0	2,000
St. Clair/Oakwood	600	0	0	0	0	600
Eglinton Ave. East of Dufferin	750	0	0	0	0	750
Queen/Ossington to Dufferin	1,400	0	0	0	0	1,400
Yonge/North of Finch	1,500	0	0	0	0	1,500
CP 104 Expansion	400	0	0	0	0	400
Queen/Dovercourt	600	0	0	0	0	600
Ossington	400	0	0	0	0	400
Drainage System at CP 11	250	0	0	0	0	250
Total New	29,554	400	0	0	0	29,954
Total Toronto Parking Authority	**33,796**	**400**	**0**	**0**	**0**	**34,196**

TORONTO PARKING AUTHORITY

Incremental Operating Impact of the 2006 Capital Budget

- Incremental operating revenue generated from additional user fees of $0.0 million for 2006, $2.282 million for 2007, $0.0 million for 2008, $0.0 million for 2009, and $0.0 million for 2010

Asset Inventory

On-Street Facilities:

- Over 18,000 metered parking spaces
- Inventory of 2,000 "old style" meters and 2,400 "pay-and-display" machines

Off-Street Facilities:

- Over 20,000 spaces in 173 parking lots
- 18 attended lots
- 6 fully automated garages
- 22 garages in total
- 142 unattended facilities ("Pay and Display")

TORONTO WATER

Mission Statement

The Toronto Water Program is committed to providing its customers with quality water services through supplying drinking water and treating wastewater essential for protecting public health and safety, in an environmentally responsible manner. By providing superior water quality and sewage services at reasonable prices, the Program will become the service provider of choice, and renowned worldwide as a centre of expertise.

PROGRAM OBJECTIVES

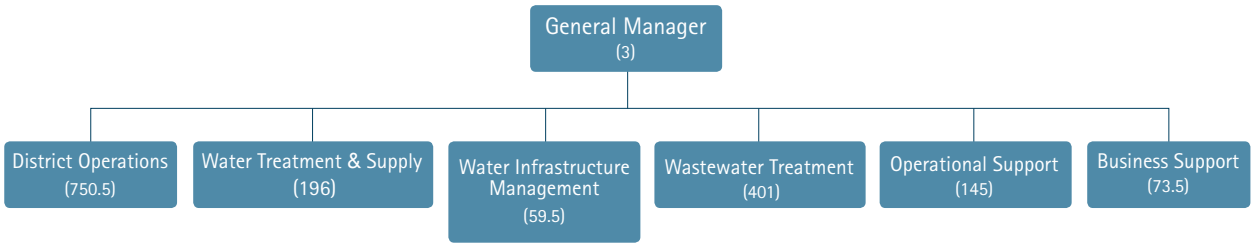
The theme of the 2006 Operating Budget is "Building a Better Tomorrow" and reflects the level of investment that is required to meet the needs of the community. The Toronto Water program objectives for 2006 and beyond have been extensively documented in the Toronto Water Multi-Year Business Plan adopted in 2005. The Business Plan identifies long-term themes for Toronto Water that specifically meets identified Council priorities. Toronto Water will achieve their mission through the following major program objectives:

- planning for the necessary investment to ensure our drinking water quality continues to exceed the Provincial legislative requirements
- renew and rehabilitate ageing infrastructure — this is a recognized problem around the world requiring significant long-term infrastructure investment
- establish a rate structure that would enable the City to finance the accelerated capital investment needed to address the system's significant infrastructure deficit
- respond effectively to recent and anticipated changes in the legislative environment, many of which result from the Walkerton tragedy
- provide adequate and effective attention to source water protection as a key component of water system to protect the quantity and quality of surface and ground water supplies before they are captured for human use
- meet stringent new provincial reporting requirements, including the pending full cost accounting, reporting of said costs, and full recovery
- improve capacity of our current system to provide water and wastewater services to meet projected population growth
- standardize and harmonize processes and practices, both in the plants and in the district operations areas of the Division, with continuous improvement initiatives, some of which require implementation of appropriate, updated technology infrastructure and replacement of outdated aging assets, with all of these changes ultimately having an impact on customer service delivery

PROGRAM MAP

The Program Map provides a summary of programs and activities of the Toronto Water. Toronto Water is requesting 1,628.5 approved positions for 2006. This represents an increase of 3 approved positions compared to the approved 2005 budget.

TORONTO WATER



2005 ACHIEVEMENTS

The following highlights Toronto Water's achievements for 2005:

Stewardship of the Environment

- In 2005, staff to conducted in excess of 85,000 tests on wastewater samples collected from the four wastewater treatment plants and industrial sectors around the City
- Completion of a Divisional Spills Response Plan that outlines staff responsibilities when dealing with a spill in order to minimize the impact of a spill on the public, properties and the environment — the division responded to 285 spill events in 2004 which represents a decline from prior years to due to our environment first philosophy and enforcement activities
- Toronto Water's Sewer Use Bylaw has won awards and is recognized as one of the most restrictive of its type in Canada.
- Provided assistance to approximately 3,600 homeowners to disconnect their downspouts from the sewer system

Increase Capacity for Growth

- Winner of the American Water Works Association Public Achievement Award for educating the public, promoting awareness of water issues and engaging residents and businesses in model behaviour regarding water usage and source protection (Water Efficiency Program and Downspout Disconnection Program)
- Awarded a silver award in the Public Service Quality Fair for our promotion and delivery of the City of Toronto's Toilet Replacement Program in the Multi-Residential and Single Family sectors as part of the Water Efficiency Program
- Continuing in 2005 to exceed the targeted water saving anticipated from the Water Efficiency Program

Water Quality

- Managed the largest drinking water treatment system in Canada and at the same time, have consistently had a record for water quality with standards above those required by provincial regulations — Toronto Water was in compliance with provincial standards 100% of the time
- Completed licensing of staff that test drinking water as Water Quality Analysts and increased the scope of the City's laboratory accreditation

Customer Service Delivery

- Effectively managed the realignment of our staffing resources to improve system performance and enhance customer service
- Responded to an estimated 10,000 water meter complaints
- Trenchless rehabilitation techniques were enhanced to extend the useful life of the City's Sewer Infrastructure and minimize the impact on adjacent homes and businesses

TORONTO WATER

- Anticipated to repair and respond to the levels experienced during 2004. Repaired 1,562 broken water mains in 2004; investigated 3,026 low pressure complaints in 2004; responded to 1,024 rusty water complaints in 2004 and relined 147 km of watermains in 2004

Optimizing Our Work Process and Workforce

- Continued the role out of numerous continuous improvement projects
- Silver awards of recognition from the Public Sector Quality Fair for the following initiatives:
  - Succession Planning in a Unionized Environment
  - Water Services Repair Program
- Process Control System improvements continued and the Process Control System will be substantially implemented at the Ashbridges Bay Treatment Plant by the end of 2005
- Provided Toronto Water staff with numerous training and development opportunities to ensure staff are retained and exceed the Provincial mandated training and certification regulations
- Reviewed and standardized the work practices to optimize efficiency in our field operations

Technology Efficiencies & Improvements

- Enhanced our Laboratory Information Management System (LIMS) to improve lab staff efficiency in managing day-to-day work
- New technology was put to work and efficiencies improved by installing combination sewer cleaners, vacuum excavation equipment, and closed circuit camera equipment for sewer inspections to lower our costs
- Continued the focus on strategic planning and long-term management of all Toronto Water physical assets
- Began odour control and heating system improvements at the Ashbridges Bay Treatment Plant

Service Level Indicators

There are a number of key performance measures used by Toronto Water to ensure that customers receive efficient and effective service. Currently Toronto Water actively participates in the provincial Municipal Performance Measurement Program (MPMP), Ontario Municipal CAO's Benchmarking Initiative (OMBI) and the National Water and Wastewater Benchmarking Initiatives with the purpose of enhancing accountability in the municipal sector, sharing best practices within and among municipalities, and increasing taxpayer awareness. The measurements are consistent with provincial and water industry standards. They demonstrate commitment to accountability, service excellence and good governance.

There are two ways in which performance measures can be used to evaluate Toronto Water's performance:

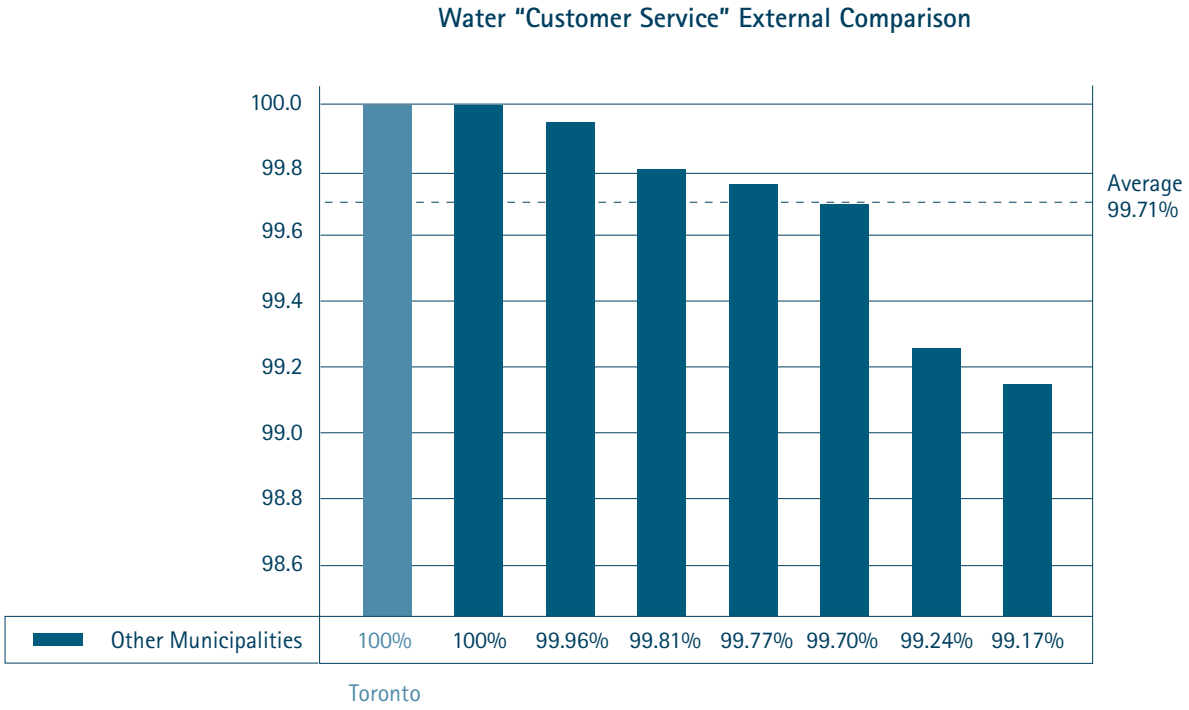
- internally through comparing the City's own year-over-year results
- externally by comparing Toronto's results with the trends of other Ontario municipalities while taking into consideration factors unique to Toronto that influence the City's results

The following series of figures provide both types of comparisons. They include year-over-year comparison of Toronto's results for the period of 2001 through 2003, as well as 2003 comparative data from other OMBI municipalities in Ontario.

TORONTO WATER

Figure 1 – Water "Customer Service" External Comparison

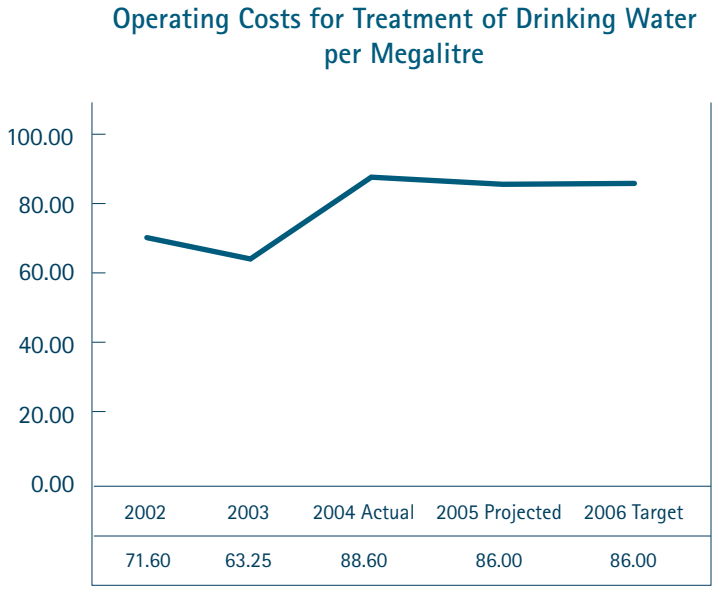
Percentage of Compliance with Drinking Standards



The City of Toronto regards the provisions of the Ontario Drinking Water Protection Regulation and Ontario Drinking Water Standards as a minimum to be met rather than a goal. Where feasible and desirable, the City's standards are more stringent than the regulation. As an example, the City's target for finished water turbidity (a measure of the cloudiness of water) is 10 times lower than the Provincial standard.

Figure 2 – Water "Efficiency" Internal Comparison

Operating Costs for Treatment of Drinking Water per Megalitre



TORONTO WATER

Figure 2 (previous page) shows that the operating costs for treatment of drinking water per magelitre has increased by 21.6 per cent in 2004 primarily due to 17.3 per cent increase in costs, mostly for hydro, and a 3.5 per cent decrease in water treated. In 2005 and 2006, the projected volume water to be treated will increase compared to 2004 and costs will reflect the increase in economic factors.

Figure 3 – Water "Efficiency" Internal Comparison
Operating Costs for Distribution of Drinking Water per Kilometre Of Water Distribution Pipe

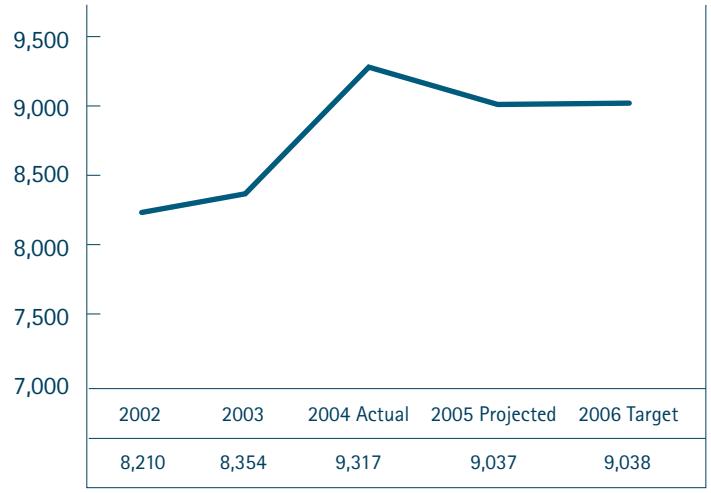
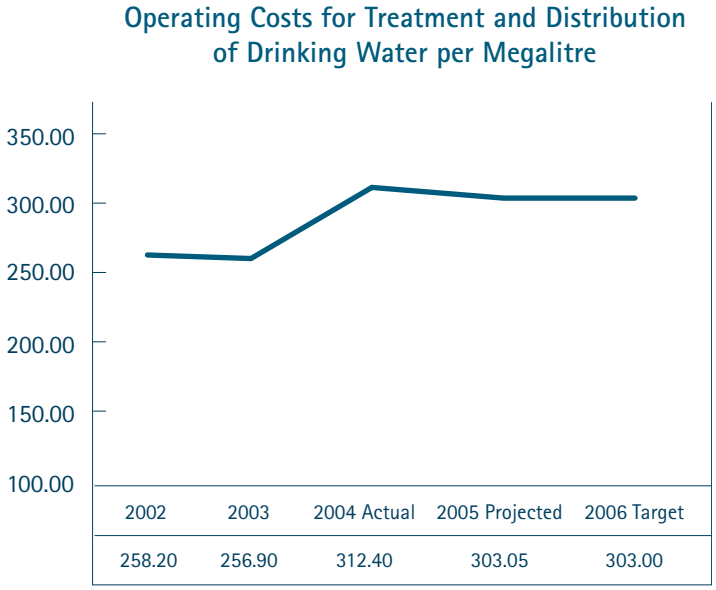


Figure 3 shows that the operating costs for distribution of drinking water per kilometer of water distribution pipe is projected to be slightly lower than 2004 which included a year end adjustment for overpayment of Hydro rebates. The 2006 projected will be slightly higher to include economic factors.

Figure 4 – Water "Efficiency" Internal Comparison
Operating Costs for Treatment and Distribution of Drinking Water per Megalitre



TORONTO WATER

In summary, operating cost for the treatment and distribution of drinking water per magelitre has increased by 21.6 per cent in 2004. This increase has arisen from a combination of a 17.3 per cent increase in costs, primarily due to higher hydro costs including an adjustment for prior years usage. The 2005 projection and 2006 Target is expected to remain relatively smooth.

Figure 5 – Water "Efficiency" External Comparison

2004 Operating Cost for Treatment of Drinking Water per Megalitre in Comparison with Other OMBI Municipalities

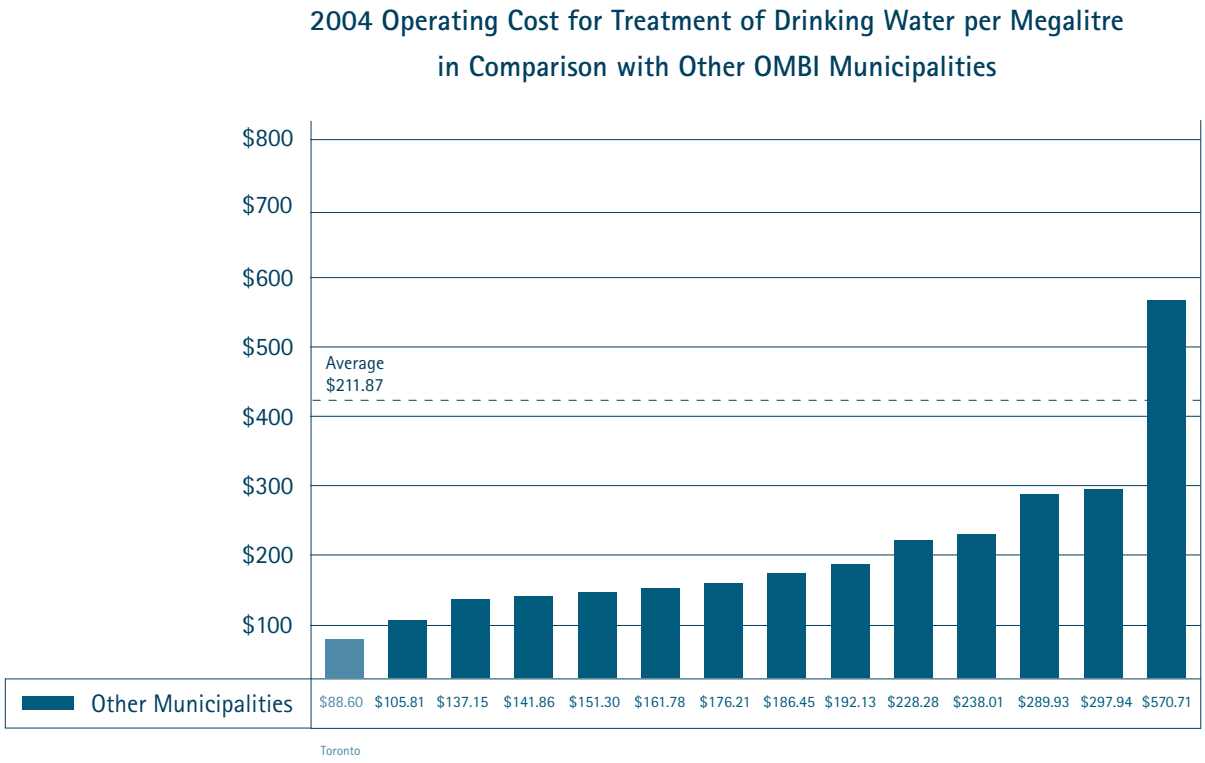


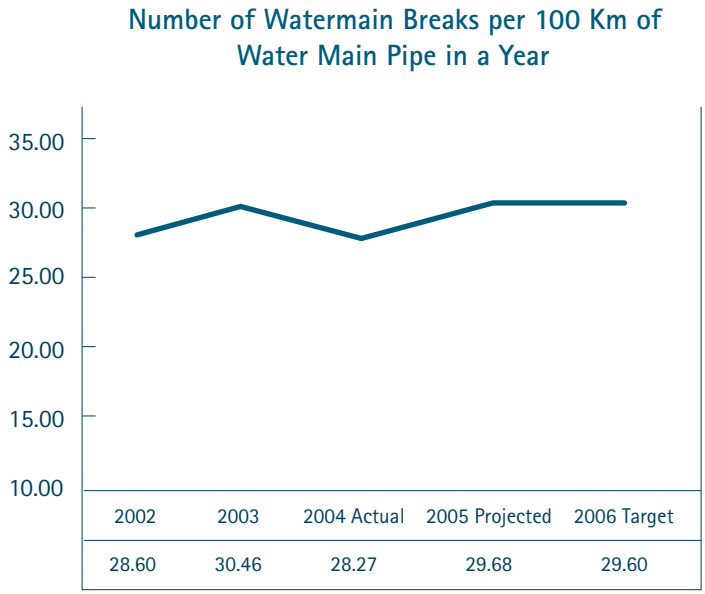
Figure 5 illustrates that Toronto has the lowest cost of water treatment of the OMBI municipalities in 2004 and is well below the average of $212. Key factors influencing Toronto's result in relation to other municipalities include:

- Economies of Scale - Toronto's water treatment plants are large and there can be a benefit from economies of scale
- Water Source - above ground water sources such as lakes and rivers tend to be less costly to use than below ground sources (wells). Toronto's source of drinking water is Lake Ontario

TORONTO WATER

Figure 6 – Water "Customer Service" Internal Comparison

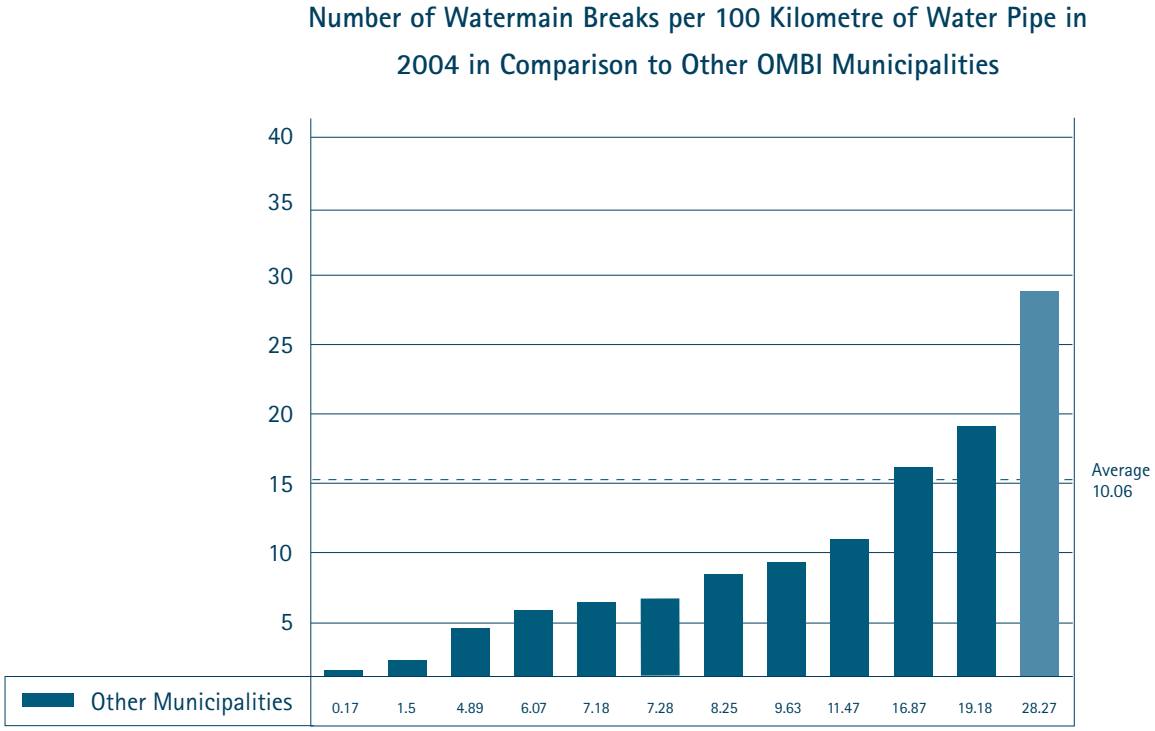
Number of Watermain Breaks per 100 Km of Water Main Pipe in a Year



The number of breaks in water mains per 100 kilometers of water main pipe has increased compared to 2004. This increase is attributable mainly to weather conditions.

Figure 7 – Water Customer Service External Comparison

Number of Watermain Breaks per 100 Kilometre of Water Pipe in 2004 in Comparison to Other OMBI Municipalities



TORONTO WATER

Figure 7 illustrates that Toronto has the highest rate of watermain breaks of the OMBI municipalities, well above the average of 10.0 breaks per 100 km of watermain pipe. Toronto's result is significantly higher due to the following factors:

- Age of infrastructure - Toronto's system of watermains is fairly old which can lead to a higher rate of watermain breaks than municipalities with newer infrastructure
- Urban form - stray currents from the vast number of other co-located utilities as well as subway and streetcars, accelerate electrostatic pipe corrosion
- Type of pipe materials – Toronto suburbs used ductile iron pipe and these are very susceptible to corrosion.
- Although the Toronto rate is high, it is down slightly from the 2003 rate of 30.46 breaks per 100 kilometres

Figure 8 – Wastewater "Efficiency" Internal Comparison
Cost of Flow Collected per Kilometre of Wastewater Main

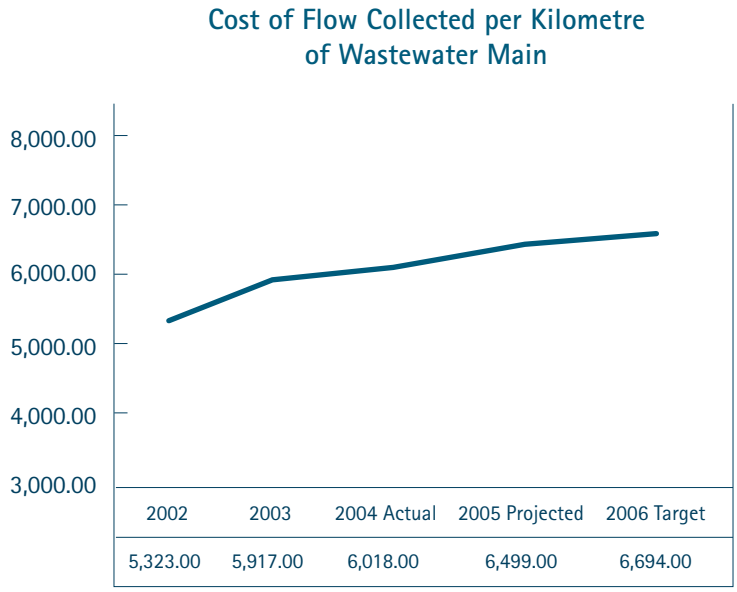
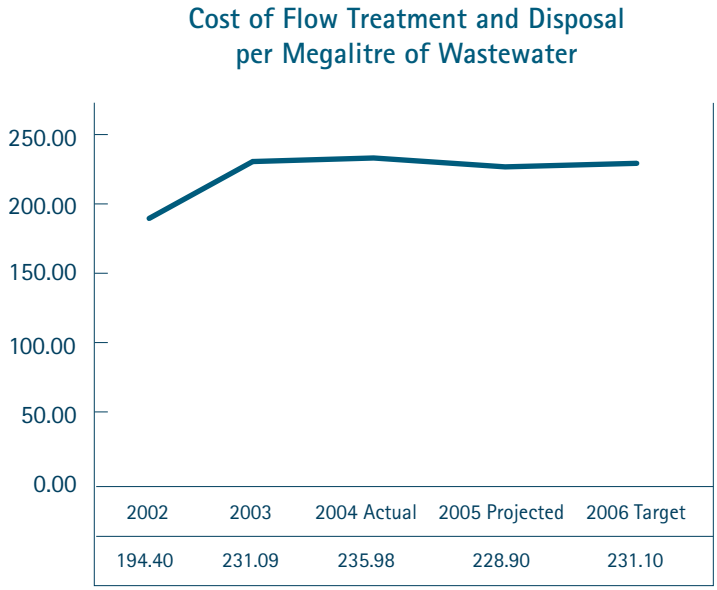


Figure 8 shows that the costs of wastewater collection per km of sewer have been increasing. This increase has been attributable to wage increases, modifications to control centres at pumping stations (2002), increased energy costs, increased costs of haulage and disposal of catch basin material (due to closure of the Keele Valley Landfill Site) in 2003, cut repair costs for permanent road restoration and an increased level of service for maintenance hole inspection and repair in 2003. Operating costs for the collection of wastewater per kilometre of wastewater main has increased by 1.7 per cent in 2004. This increase is attributable to general wage increases and other economic factors which will continue in 2005 and 2006.

TORONTO WATER

Figure 9 – Wastewater "Efficiency" Internal Comparison

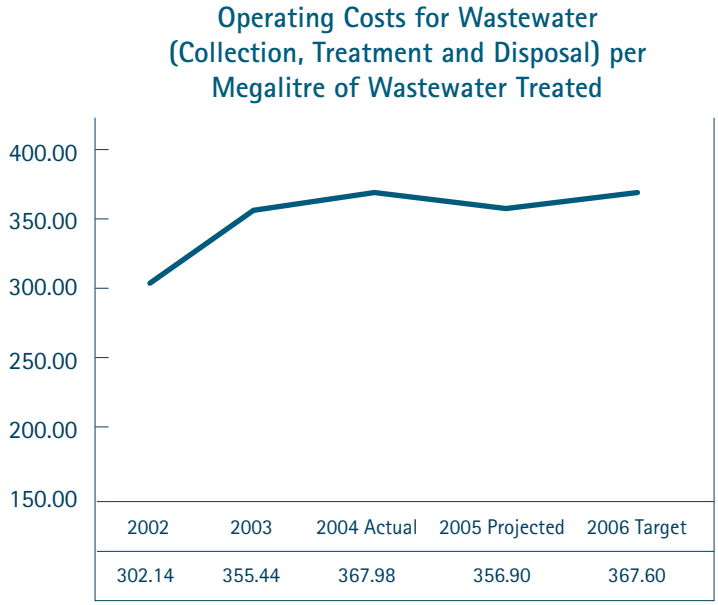
Cost of Flow Treatment and Disposal per Megalitre of Wastewater



Operating costs for wastewater treatment and disposal per megalitre of wastewater treated has increased by 2.1 per cent in 2004 and is attributable primarily to a 2.1 per cent increase in costs and combined with a decrease of 4.1 per cent in the volume of wastewater treated due to reduced water consumption as a result of wet weather conditions during the summer months. The 2005 projected and 2006 target is not expected to change for the wastewater treated but the cost will be increasing for projected inflationary increases.

Figure 10 – Wastewater "Efficiency" Internal Comparison

Operating Costs for Wastewater (Collection, Treatment and Disposal) per Megalitre of Wastewater Treated



TORONTO WATER

Operating costs for wastewater collection, treatment and disposal per megalitre of wastewater treated has increased by 3.5 per cent in 2004. This relates to a 0.7 per cent decrease in costs and a 4.1 per cent reduction in the number of megalitres collected and treated. The projected 2005 and 2006 Target is not expected to change in wastewater collection and treated but the costs will be increasing due to inflationary impacts.

Figure 11 – Wastewater "Efficiency" External Comparison

2004 Operating Costs for Wastewater Collection per Kilometre of Sewer in Comparison to OMBI Municipalities

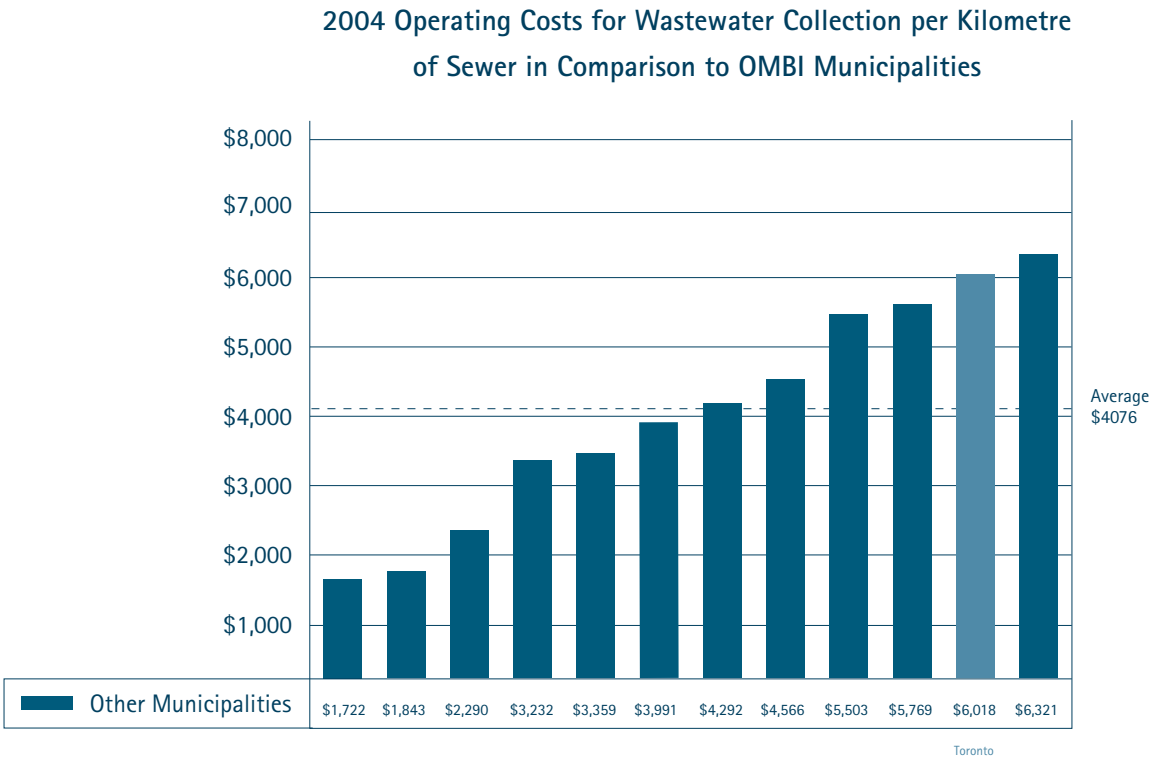


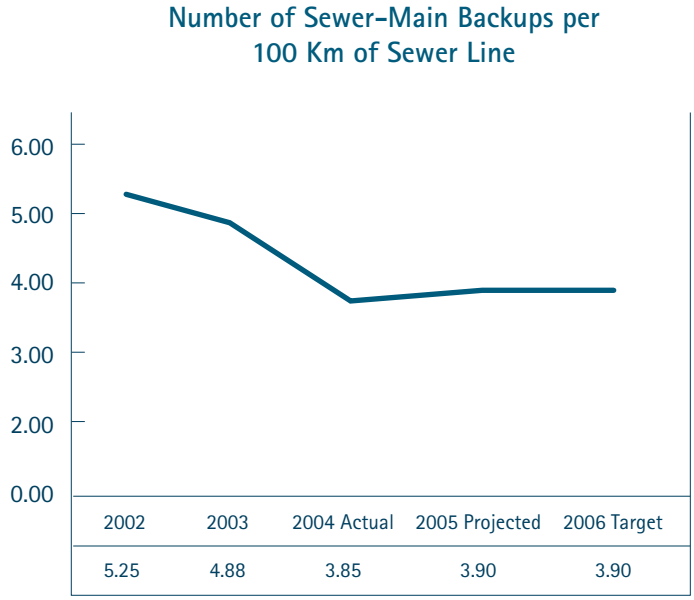
Figure 11 shows that Toronto's cost of wastewater collection per km of pipe is above the OMBI municipal average of $4,076 per km. The key factors influencing Toronto's result in relation to others are:

- Combined sewers - Toronto has an extensive combined sanitary and storm sewer system (over 24%)
- Urban form - Toronto's sewer system is located in highly urbanized areas with extensive utility services in the same vicinity as well as on-street parking and narrow streets in some areas — these factors make the system more difficult and costly to maintain
- Age of system - more than 30% of the Toronto sewer system is over 50 years old and is more costly to maintain while many other municipalities have newer infrastructure

TORONTO WATER

Figure 12 – Wastewater "Customer Service" Internal Comparison

Number of Sewer-Main Backups per 100 Km of Sewer Line



A 21.1 per cent decrease in the rate of sewer main backups was experienced in 2004 which is attributable to sewer cleaning, CCTV inspections and visual inspection activities. The projection for 2005 and Target for 2006 will remain relatively the same.

2006 STRATEGIC DIRECTION AND SERVICE PRIORITIES

Toronto Water is responsible for the distribution and supply of drinkable water, the collection and treatment of wastewater and stormwater management. The strategic directions for 2006 and beyond are summarized as follows:

- deliver excellence in environmental stewardship
- to achieve ongoing financial vitality and sustainability as a world leader in the Water business
- to enhance service delivery to meet and exceed client expectations
- addressing renewal needs of ageing and deteriorating infrastructure
- increasing total system capacity to keep pace with population growth

2006 OPERATING BUDGET BY SERVICE

Services	Approved Budget ($000s)						Change over 2005			
	2004		2005		2006		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	$	%	$	%
Water Production	58,003	-	57,364	-	62,926	-	5,562	9.7	-	-
WW Treatment	80,641	-	84,246	-	88,540	-	4,294	5.1	-	-
District Operations	107,353	-	107,167	-	106,099	-	(1,068)	(1.0)	-	-
Water Infrastructure	4,600	-	5,413	-	5,637	-	224	4.1	-	-
Capital Financing	221,117	-	240,717	-	248,441	-	7,724	3.2	-	-
Business Unit Support	3,664	-	6,023	-	11,484	-	5,461	90.7	-	-
Program Support	72,103	-	72,508	-	72,330	-	(178)	(0.2)	-	-
Operational Support	7,705	-	12,613	-	14,993	-	2,380	18.9	-	-
Total Program Budget	**555,186**	**-**	**586,051**	**-**	**610,451**	**-**	**24,400**	**4.2**	**-**	**-**

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2006 BUDGET HIGHLIGHTS

- The 2006 Approved Base Budget reflects the continued implementation of the Multi-Year Business Plan. The theme of the submission is "Building a Better Tomorrow" and reflects the level of investment that is required to meet the needs of the community. The guiding principles in the preparation of this budget may be summarized as follows:
- Align with and support Council's Priorities
- Support and advance the Toronto Water Multi-Year Business Plan
- Address the renewal needs of aging and deteriorating infrastructure
- Continuous improvements in service delivery
- The Ashbridges Bay Treatment Plant pelletizer has not been operational since a fire in August of 2003, repairs are underway and it is anticipated that the equipment will be operational in 2006. Operation of the pelletizer in 2006 will reduce the amount of biosolids that are currently disposed at the Michigan landfill site. This investment to enhance environmental stewardship will result in increased operational costs of approximately $3.2 million in 2006.
- Co-Generation of Waste Gas at the Humber Wastewater Treatment Plant demonstrates our commitment to green energy. Co-Generation burns methane gas produced during the actual wastewater processing cycle to generate heat and electricity. The long-term environmental and financial benefits of Co-Generation are significant. During 2005 the plant commenced rehabilitation of its digesters; this work will not be completed until late 2008. In the interim the level of waste gas which can be Co-Generated will be reduced and the heating requirements of the plant will have to utilize increased conventional heating (natural gas). This results in an additional pressure of $1.8 million for the purchase of natural gas.
- The 2006 budget submission has adjusted the revenue for water sales to reflect the success of the Water Efficiency Program, the declining persons per unit forecasted for households in Toronto and the anticipated loss of customers. The cumulative impact 2004 - 2006 translates into an annual revenue reduction of approximately $25.0 million.

2006 CAPITAL BUDGET

2005 Major Accomplishments

Some of the activities accomplished by the Unit in 2005 were:

- 2005 represents the first full year of the first five-year block of the Wet Weather Flow Management Master Plan and has seen the completion of the Class Environment Assessment study to address chronic flooding problems in the Hoggs Hollow area permitting design and construction to proceed in the coming years. The Class EA study is expected to be completed for the stormwater management facility at Earl Bales Park which will see the use of treated stormwater to be used for irrigation of the Don Valley Golf Course in the summer and for snow making at the Earle Bales Park Ski Hill in the winter. A geomorphological study has been initiated for the Highland Creek watershed, directed at developing a long term restoration plan to reduce stream erosion (and the risk to infrastructure) and improve fish habitat.
- Construction has commenced on Residue Management Facilities at the R.C. Harris Water Treatment Plant and the R.L. Clark Water Treatment Plant to effectively deal with wastes generated through the water treatment processes.
- Provided assistance to approximately 3,500 homeowners to disconnect their downspouts from the sewer system
- Winner of the American Water Works Association Public Achievement Award for educating the public, promoting awareness of water issues and engaging residents and businesses in model behaviour regarding

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water usage and source protection (Water Efficiency Program and Downspout Disconnection Program)

- Awarded a silver award in the Public Service Quality Fair for our promotion and delivery of the City of Toronto's Toilet Replacement Program in the Multi-Residential and Single Family sectors as part of the Water Efficiency Program
- Began odour control and heating system improvements at the Ashbridges Bay Treatment Plant

2006 Capital Budget Highlights

Total 2006 Gross Budget is $317.500 million [2005 Budget - $338.5 million]

- $5.3 million is allocated to the Water Efficiency Program in 2006. The aim of the program is to reduce water demand by 15% by 2011, freeing up capacity to accommodate some of the growth and offsetting or delaying costly infrastructure expansions. The total cost to implement the program over 11 years is $74.3 million.
- Continual partnership with York Region to increase capacity to keep pace with population growth to meet accessed projected water demands. Projects include the Horgan Water Treatment Plant expansion and the McNicoll/Warden and Markham/Sheppard watermain construction. The 2006 gross budget of $394.5 million includes $55.6 million of York Region partnership projects of which $18.4 million is fully recoverable from York Region.
- A priority of the 2006 Toronto Water budget is to address renewal needs of aging and deteriorating infrastructure. $279.1 million or 71% of the total 2006 gross budget of $394.5 is allocated to State of Good Repair projects. The $279.1 million budgeted amount provides for such projects as: the replacement of 34,700 m of watermains, the cleaning and relining of 114,000 m of watermains and the replacement of aging or obsolete process and electrical and mechanical equipment at the Treatment Facilities.
- $27.4 million is allocated to the repairs of digesters at Ashbridges Bay and Humber wastewater treatment plants.

Five-Year Capital Plan

- The five-year capital plan is fully funded through water and sewer rates, sale of water to the York Region, reserve funds including development charges, and other revenues. It is a significant undertaking that requires capital investments in the maintenance of the City's water and sewage ageing and deteriorating infrastructure and in infrastructure replacement and expansion for new development. It should be noted that 50% of the water network is at least 50 years old and 30% of the sewage network is also at least 50 years old.
- The issue is Program's ability to complete the work according to this ambitious plan. It is estimated that the Program will invest $2,610.200 million (including 2005 carryforward funding into 2006) over the next five years to address the City's water and sewage infrastructure through rehabilitation, replacement and expansion.
- The future year commitments arising from the 2006 Capital Budget for Toronto Water are outlined in the table below. These projects will be fully funded from user fee revenues, Water and Wastewater reserve funds including development charge reserve funds and other revenues.

2005 Recommended Capital Budget and Future Year Commitments (In $Millions)

2006	2007	2008	2009	2010	Total
394.5	248.2	161.9	97.0	42.8	944.4

Note: Includes 2005 76.898 million C/Fwd

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Projected Capital Budget Requirements

	2006	2007	2008	2009	2010	Total
Category						
Health & Safety						
Legislative	82,100	107,647	174,910	192,458	173,004	730,119
SOGR	217,635	305,650	334,681	347,719	373,652	1,579,337
Service Improvement	17,522	26,306	42,690	36,063	46,215	168,796
Growth Related	313	2,028	22,533	13,000	17,176	55,050
Funding Sources						
Reserves/Reserve Funds	297,689	410,715	479,697	504,692	571,412	2,264,205
Development Charges	8,453	13,960	17,446	17,062	19,853	76,774
Federal						
Provincial Funding						
Other Revenue (York Region)	11,428	16,956	77,671	67,486	18,782	192,323
Total Funding Needs	317,570	441,631	574,814	589,240	610,047	2,533,302
Incremental Operating Budget Impact	**300**	**400**				**700**

Asset Inventory

Water

- 4 water filtration plants
- 10 reservoirs and 4 elevated storage tanks
- 5,015km of distribution watermains and 510km of trunk watermains
- 52,900 valves and 40,460 hydrants
- 470,202 water service connections, plus York Region (population served 400,000)
- 18 water pumping stations
- 1 water laboratory
- 9 maintenance yards

Wastewater

- 4 wastewater treatment plants
- 5 storage and detention tanks
- 4,397km of sanitary, 1,301km of combined and 358km of trunk sewer
- 4,305 km of storm sewers and 546km of roadside ditches
- 120,000 maintenance holes
- 463,300 sewer service connections
- 82 wastewater pumping stations
- 371km of watercourses, 43 stormwater management ponds serviced and 3 facilities
- 1 wastewater laboratory
- 8 maintenance yards
- 2,300 outfalls & 122,500 catchbasins