Summary of Major Changes to Toronto/York Water Supply Agreement

Clause	Description	Existing Agreement	New Agreement	Comment
2.1	Allowable maximum day flow	440 ML/d (original)	• 500 ML/d year 2011 • 530 ML/d projected to 2031.	• Formalizes increased supply to meet York's needs to at least 2031.
4	Facility cost sharing	Schedule "B" (specific percentages for each facility based on a previous joint study with York)	Treatment Plants: York pays percentage share of expansion based on 2031 flow ratio. Pumping Stations: York pays percentage share of expansion or new construction based on 2031 flow ratio. Water Mains: York pays percentage share based on maximum flow ratio.	• New cost sharing formulas easier to apply, fair basis, more flexible if flows change.
5.4	Notice of New Rate	Toronto must notify York by November 1, 2005 of new rate for following calendar year.	Toronto must notify York by July 1st of new rate for following calendar year.	• Earlier notification is easier for York's budget cycle.
5.6	Demand Forecasts	York must provide 5 year demand forecast to Toronto on October 1st of each year.	York must provide 5 year demand forecast to Toronto on June 1st of each year.	• Earlier notification provides Toronto more time to respond to demand changes.

7.3	Water Quality	Both parties to comply with Ontario Drinking Water Objectives.	Both parties to comply with Safe Drinking Water Act.	• Updated to current legislation.
N/A	Limitation on Commissioner's Agreement	Commissioners of York and Toronto may not agree to additional supply (Clause 8.2 of existing agreement)	Clause removed.	Permits Commissioners of Toronto and York to jointly agree to additional supply to York.
13	Term of Agreement	20 years	20 years; with provision for amendments at 5 year intervals	• Guarantees long term supply; introduces flexibility to amend.
	Schedules A,B,C	Cost shared works, flows, schedule for construction.	Cost shared works, flows, schedule for construction	• Amended to reflect recent Joint Optimization Study.
	Schedule D – Water Rate Calculation	Return on Investment = 8%	Return on Investment = 5 year rolling average of Toronto's cost of capital (5.73% for 2004)	• Reflects current interest rates.