

Water rate breaks attacked

City's auditor general finds seven industrial users granted \$330,000 in discounts are not eligible

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PAUL MOLONEY
CITY HALL BUREAU

Some large industrial water users have been enjoying discounted water rates that they don't deserve, the city's auditor general has found – at the same time residential customers are facing a 9 per cent hike in their water rate for next year.

Under a city council policy passed in 2007, about 350 large water users get a 20 per cent break on their rate if they comply with the sewer use bylaw governing discharges and pollution prevention plans. They must also submit water conservation plans.

A review of seven companies on the discount list showed none had complied with the bylaw, "and therefore were not eligible for the reduced water rate," Auditor General Jeff Griffiths said in a report to council's audit committee. The firms' names weren't released.

"On an annual basis, the reduced water rates provided to these seven companies amounted to \$330,000," the report said.

The big users were granted reduced rates Jan. 1 – shaving a total of \$12 million off their water bills in the first six months of 2008. "(But), as of June 2008, the revenue services division had not been advised of any violations under the (sewer use) bylaw, and therefore all companies initially receiving reduced water rates continued to receive reduced rates," the report said.

Griffiths recommended the water department immediately cut off ineligible participants.

Toronto Water general manager Lou Di Gironimo said eligibility varies because a company may comply after one inspection but not the next, and users are given a chance to remedy the problem.

The water department is being too lenient, says a group that had pushed for the clean water measures. "Why do they still get a break when they're out of compliance?" wonders Katrina Miller, of Toronto Environmental Alliance. "That makes absolutely no sense to me."

In addition, only about 80 of the 350 users had filed water conservation plans by the July 1 deadline.

"Companies received the lower rate (on Jan. 1) and they had up until July 1 to submit a conservation plan to us," Di Gironimo said.

Those that didn't make the deadline will have their discounts rescinded from July 1 until they do file conservation plans, he said.

City council approved the discounts to encourage businesses to stay in Toronto and in hopes of reducing the load on the sewer and water systems, said audit committee chair Councillor Doug Holyday.

The audit committee will discuss the report at its Thursday meeting.