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Builders group urges user-pay system for water

By JENNIFER LEWINGTON

Toronto-area residents should pay the full cost of water, so they feel it in the wallet when they take a long shower or leave on the garden sprinkler.

That is one recommendation from a construction industry alliance that urged "innovative" action yesterday by local and provincial governments, and a bigger role for the private sector, to replace aging water mains and sewer pipes.

Subsidizing the cost of water gives residents a false impression of the true price and puts needless pressure on local governments to expand their network of water and sewer pipes, said Prof. Harry Kitchen, author of a report for the Residential and Civil Construction Alliance of Ontario.

A second report by University of Toronto professor Tamer El-Diraby said municipalities should look for savings by setting up water utilities with the private sector.

The alliance's call for an increased role for the private sector in managing city water systems echoed similar suggestions in a report by TD Bank released last week.

But it is the alliance's recommendations on pricing that hit closest to home for consumers.

"If you undercharge for water, which is happening everywhere, people over-consume ... and if you over-consume you have to have larger treatment plants," said Prof. Kitchen, urging city governments to charge water prices that vary during the day, or the season, to reduce peak demand.

Toronto officials say the city is already moving to full pricing for water, although "smart meters" that have technology embedded to vary the price through the day are likely 10 years down the road.

The city has raised water rates by 9 per cent a year in four of the past seven years, with further annual increases of 9 per cent set through 2013.

Within four years, all Toronto households are expected to have meters that charge a fee based on consumption.

The city plans to experiment with "smart meters" in two wards later this year with residents charged

variable rates to encourage non-peak use, said Lou Di Gironimo, general manager of Toronto Water. Such a system, not yet in use by other municipalities, would take at least 10 years to apply across the city, he said.

But the idea of the private sector taking more of a role in managing water systems was branded "absolute insanity" by the chairman of council's public works committee, Councillor Glenn De Baeremaeker.

"It is a disguise for the private sector taking it over," he said.

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