

Board of Directors

Upper Thames River Conservation Authority



UTRCA booth at EarthFest 2022

Upper Thames River Conservation Authority Board of Directors'
Meeting Agenda
Tuesday May 24, 2022 at 9:30 A.M
Virtual Meeting due to COVID-19 Pandemic

- 1. Territorial Acknowledgement**
- 2. Modifications to the Agenda**
- 3. Declarations of Pecuniary Interest**
- 4. Presentations/Delegations**
- 5. Administrative Business**
 - 5.1. Approval of Minutes of Previous Meeting: Tuesday April 26, 2022
Mover: B.Petrie
Seconder: J.Reffle
THAT that the Upper Thames River Conservation Authority Board of Directors approve the Board of Directors' minutes dated April 26, 2022, including any closed session minutes, as posted on the Upper Thames River Conservation Authority web-site.
 - 5.2. Business Arising from Minutes
 - 5.3. Correspondence
- 6. Reports – For Consideration**
 - 6.1. Report from the Finance and Audit Committee - Approval of 2021 Audited Financial Statements
Finance and Audit Committee – FIN # 1278
Mover: J.Salter
Seconder: M.Schadenberg
THAT the Board of Directors approve the recommendations as presented in the report.

- 6.2. Provincial Offences Act Designations
J.Allain/B.Verscheure – ENVP #11777
Mover: A.Westman
Seconder: M.Blosh
THAT the Board of Directors approve the recommendations as presented in the report.

7. Reports – For Information

- 7.1. Administration and Enforcement – Section 28 Status Report
J.Allain – ENVP #11776
Mover: A.Hopkins
Seconder: T.Jackson
THAT the Board of Directors receive the report for information.
- 7.2. Bill 109 – More Homes for Everyone Act, 2022
J.Allain – Environmental Planning #11783
Mover: S.Levin
Seconder: M.Lupton
THAT the Board of Directors receive the report for information.
- 7.3. Conservation Authorities Act Update – Phase 2 Regulations
T.Annett – Admin #4509
Mover: N.Manning
Seconder: H.McDermid
THAT the Board of Directors receive the report for information.
- 7.4. May For Your Information Report
Mover: P.Mitchell
Seconder: A.Murray
THAT the Board of Directors receive the report for information.

8. Notices of Motion

9. Chair’s Comments

10. Member’s Comments

11. General Manager’s Comments

12. Reports – In Camera

Mover: J.Reffle

Seconder: B.Petrie

THAT the Board of Directors adjourn to Closed Session – In Camera, in accordance with Section C.13 of the UTRCA Administrative By-Law, to discuss labour relations.

12.1. Labour Relations – Compensation Review Presentations

Moved by: M.Schadenberg

Seconded by: J.Salter

THAT the Board of Directors Rise and Report progress.

Mover: M.Blosh

Seconder: A.Westman

THAT staff be instructed to proceed in accordance with direction issued in closed session.

13. Adjournment

Mover: A.Hopkins



Tracy Annett, General Manager

Minutes

Upper Thames River Conservation Authority (UTRCA)

Board of Directors Meeting

Tuesday, April 26, 2022

Virtual Meeting Due to COVID-19 Pandemic.

Alan Dale, UTRCA Board Chair, called the meeting to order at 9:49am.

Members Present:

M.Blosh	H.McDermid
A.Dale – Chair	P.Mitchell
A.Hopkins	B.Petrie
T.Jackson	J.Reffle
S.Levin	J.Salter
M.Lupton	M.Schadenberg
N.Manning	A.Westman

Regrets: A.Murray

Solicitor: G. Inglis

Staff:

J.Allain	T.Hollingsworth
T.Annett	B.Mackie
J.Bice	C.Saracino
A.Brooker	D.Schofield
E.Chandler	S.Singh
B.Dafoe	C.Tasker
K.Ebel	B.Verscheure
B.Glasman	M.Viglianti – Recorder
M.Helsten	J.Welker

1. Territorial Acknowledgement

The Chair read the territorial acknowledgement.

2. Modifications to the Agenda

The Chair inquired whether the members had any proposed modifications to the agenda. There were none.

3. Declarations of Pecuniary Interest

The Chair inquired whether the members had any Pecuniary Interests to declare. There were none.

4. Delegations/Presentations

There were no delegations or presentations.

5. Administrative Business

5.1. Approval of Minutes of Previous Meeting: March 22, 2022

The Chair confirmed the mover and seconder were willing to let their names stand.

Mover: T.Jackson

Secunder: S.Levin

THAT that the Upper Thames River Conservation Authority Board of Directors approve the Board of Directors' minutes dated March 22, 2022, including any closed session minutes, as posted on the Upper Thames River Conservation Authority web-site.

Carried.

5.2 Business Arising from the Minutes

5.2.1 Species at Risk Stewardship Program Funding Update

The Chair confirmed the mover and seconder were willing to let their names stand.

Members thanked the citizens, not for profit organizations, and businesses who donated money to the species at risk stewardship program.

Mover: M.Lupton

Secunder: N.Manning

THAT the report regarding the Species at Risk Stewardship program be received for information.

Carried.

5.2.2 Workplace Safety and Insurance Board (WSIB) Rebate

The Chair confirmed the mover and seconder were willing to let their names stand.

Staff noted that since the writing of the report, the rebate, which is a credit on the UTRCA account, has now been confirmed to be \$83,963.

Staff will look into whether or not the rebate is related to the UTRCA's claim history.

Mover: P.Mitchell

Secunder: H.McDermid

THAT the report regarding the Workplace Safety and Insurance Board rebate be received for information.

Carried.

5.2.3 Site Alteration By-Law Report

The Chair confirmed the mover and seconder were willing to let their names stand.

Staff will be communicating this information and provide a By-Law template to Municipalities, as indicated in the report. A Board member suggested directing staff to reach out to municipalities be added to the motion for discussion and consistency.

It was noted that Lucan-Biddulph also has a Site Alteration By-Law in progress. There was a discussion about staff appearing as a delegation to the member Municipalities without a Site Alteration By-Law to discuss and recommend the development of one.

Mover: A.Westman

Secunder: B.Petrie

THAT the report regarding Site Alteration By-Laws be received for information.

Mover: T.Jackson

Secunder: B.Petrie

THAT the motion be amended to add that staff will reach out to the municipalities identified in the above table that do not currently have a site-alteration by-law to recommend the development of one.

Carried.

THAT the report regarding Site Alteration By-Laws be received for information and that staff reach out to the municipalities identified in the above table that do not currently have a site-alteration by-law to recommend the development of one.

Carried.

5.2. Correspondence

There was no correspondence.

6. Reports – For Consideration

6.1. Provincial Offences Act Officer Designation for Aaron Brooker

The Chair confirmed the mover and seconder were willing to let their names stand.

Mover: J.Reffle

Secunder: J.Salter

THAT the Board of Directors approve the recommendation as presented in the report.
Carried.

7. Reports – For Information

7.1. Administration and Enforcement – Section 28 Status Report

(Report attached)

The Chair confirmed the mover and seconder were willing to let their names stand.

There was a discussion on communicating the information in the monthly section 28 status reports to Municipal Councils and partners in the industry in light of ongoing criticisms regarding permit delays. It was suggested that staff reach out to home builders associations and the London Development Institute to communicate this information and for educational purposes. It was note with new timelines coming through in Bill 109, this will be an important conversation to have across the watershed.

It was suggested that the monthly section 28 status report include the active applications to give the Members a more complete picture of the workload staff are dealing with, which would allow the Board to determine how to best support staff.

Mover: M.Schadenberg

Secunder: A.Westman

THAT the Board of Directors receive the report for information.
Carried.

7.2. Water Management Spring Update and Reservoir Status

Mover: B.Petrie

Seconder: J.Reffle

THAT the Board of Directors receives the report as presented.

Carried.

7.3. First Quarter 2022 Financial Update

The Chair confirmed the mover and seconder were willing to let their names stand.

Staff confirmed the compensation review would be presented at the May Board meeting.

Mover: M.Blosh

Seconder: A.Hopkins

THAT the Board of Directors receives the two financial statements as presented for review and discussion.

Carried.

7.4. April For Your Information Report

The Chair confirmed the mover and seconder were willing to let their names stand.

Members thanked all those who participated in the Thames River cleanup this past weekend.

Mover: S.Levin

Seconder: T.Jackson

THAT the Board of Directors receive the report for information.

Carried.

8. Notices of Motion

The Chair inquired whether any Board members had motions to bring to the floor for a future meeting. There were none.

9. Chair's Comments

The Chair informed the Board that two of the three finalists for the Oxford County Council Stewardship Award are in the UTRCA watershed and one is Scott Gillingwater, who was nominated for the extensive work undertaken on his property.

10. Member's Comments

The Board members congratulated Chair Alan Dale on being elected Vice-Chair of Conservation Ontario.

Members shared their appreciation for the new agenda format, specifically the member's comments section.

11. General Manager's Comments

The General Manager shared the sad news of the passing of Cameron Gorrie, who was a long time employee at Stantec. UTRCA staff are working with the City of London and Ro-Buck to plant a tree at the West London Dykes in his memory.

T.Annett noted the Province had recently released the Phase 2 regulations, which formalized processes that the UTRCA already has in place.

12. Reports – In-Camera

The Chair confirmed the mover and seconder were willing to let their names stand.

Mover: N.Manning

Secunder: M.Lupton

THAT the Board of Directors adjourn to Closed Session – In Camera, in accordance with Section C.13 of the UTRCA Administrative By-Law, to discuss a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the Authority.

Carried.

12.1 Plan and Instruction to be Applied to Negotiations

The Chair confirmed the mover and seconder were willing to let their names stand.

Moved by: H.McDermid

Seconded by: P.Mitchell

THAT the Board of Directors Rise and Report progress.

Carried.

The Chair confirmed the mover and seconder were willing to let their names stand.

Mover: B.Petrie

Secunder: J.Salter

THAT staff be instructed to proceed in accordance with direction issued in closed session.

Carried.

13. Adjournment

The Chair confirmed the mover was willing to let their name stand. There being no further business, the meeting was adjourned at 11:42 am on a motion by P.Mitchell.



Tracy Annett, General Manager

Att.

To: UTRCA Board of Directors
From: Alan Dale, Chair, Finance and Audit Committee
Date: May 16, 2022
Filename: FIN #1278
Agenda #: 6.1
Subject: Report from the Finance & Audit Committee – Approval of 2021 Audited Financial Statements

Recommendations

1. That the Board accepts and approves the Audited Financial Statements for 2021 prepared by Seebach & Company as attached.
2. That the Board direct staff to report at the next Board meeting with a timeline and budget for preparing an Asset Management Plan noting the new regulations require us to prepare one no later than December 2024.
3. That, in light of the auditor's recommendation for longer-term planning, the board requests staff to table a draft 5- year operating and capital budget in conjunction with the 2023 budget presentation this fall.

Background

The Finance & Audit Committee recently held a meeting on April 26th. It completed elections to appoint a committee Chair which resulted in Alan Dale accepting that appointment.

In addition, the committee received a presentation from PH&N describing the present status of the long-term investment portfolio. No changes are recommended.

A third matter was the review of the 2021 Draft Audited Financial Statements and the audit findings report with our auditor Paul Seebach. The auditor's report and subsequent discussion centered on:

1. The difficulty experienced in analytical review of the CAMIS system which generates revenue transactions for the parks. The auditor recognized that the reservation system was being substantially revised in 2022 and should allow for greater access to records crossing a year end. They will review the new system and report on any deficiencies after the 2022 audit. Seebach & Co. also made a recommendation to minimize the risk of accepting cash payments in the parks.
2. The inclusion in the statements of the additional investment made by the City of Woodstock at the Roth Park property and the implications on the financial statement, which are net zero.

3. A further matter of governance interest from the auditor's report is replicated below:

“During our review of accounting policies, we noted a lack of overall long-term planning at the Authority. This is important in terms of budgeting, reserves, capital assets, human resources, etc. Specifically, creating a long-term budget should be a priority. This means a financial statement that lists probable income and expenses for each year, over a 3 to 5-year period. Doing so will allow the Board to focus on long-term objectives, help identify potential risks, and create motivation. The budget should be reviewed on an annual basis and updated as needed or as regulations and/or your funding model change.”

There were no uncorrected misstatements found over the course of the audit and the auditors also had an opportunity to discuss matters with the committee without staff present, but declined.

Recommended by: Alan Dale, Chair, Finance and Audit Committee
Prepared by: Christine Saracino, Supervisor, Finance and Accounting

**UPPER THAMES RIVER
CONSERVATION AUTHORITY
FINANCIAL STATEMENTS
DECEMBER 31, 2021**

DRAFT

SEEBACH & COMPANY
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Upper Thames River Conservation Authority

Opinion

We have audited the accompanying financial statements of Upper Thames River Conservation Authority ("the Authority"), which are comprised of the statement of financial position as at December 31, 2021 and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

The financial statements of the Authority for the year ended December 31, 2020 were audited by another accountant who expressed an unqualified opinion on those statements on May 26, 2021.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
May 24, 2022

**UPPER THAMES RIVER CONSERVATION AUTHORITY
STATEMENT OF OPERATIONS**

For the year ended December 31	2021 Budget	2021 Actual	2020 Actual
Revenue			
Municipal general levy	4,981,774	3,914,382	3,780,151
Dam and flood control levy	3,555,096	3,530,072	3,464,672
Conservation areas	3,455,733	3,424,084	2,929,989
Land and asset management	2,418,680	2,370,960	2,074,798
Fees for service	1,194,376	1,300,283	1,215,694
Provincial transfer payments			
Ministry of Natural Resources Section 39 grants	181,213	181,213	181,213
Other provincial grants	1,233,595	1,219,727	2,968,572
Donations	27,006	33,083	52,944
Federal program funding	1,664,050	1,539,287	2,538,510
Other	969,179	534,188	334,313
	<u>19,680,702</u>	<u>18,047,279</u>	<u>19,540,856</u>
Expenditures			
Recreation	4,238,181	4,177,338	3,651,721
Flood control centre	6,249,488	5,324,998	8,092,352
Lands and facilities management	1,065,777	860,216	881,946
Watershed research, planning and monitoring	1,150,060	1,074,608	974,359
Community partnership program	1,765,700	1,258,250	1,090,885
Source water protection	553,135	551,169	544,427
Environmental planning & regulations	1,664,887	1,592,385	1,445,799
Soil and forestry programs	1,914,209	1,558,606	1,487,460
Environmentally significant areas	658,356	650,317	601,229
Service cost centres	410,671	457,817	143,086
	<u>19,670,464</u>	<u>17,505,704</u>	<u>18,913,264</u>
Annual surplus (deficit)	10,238	541,575	627,592
Accumulated surplus, beginning of year	<u>45,070,707</u>	<u>45,070,707</u>	<u>44,443,115</u>
Accumulated surplus, end of year (note 7)	<u><u>\$ 45,080,945</u></u>	<u><u>\$ 45,612,282</u></u>	<u><u>\$ 45,070,707</u></u>

The accompanying notes are an integral part of this financial statement

**UPPER THAMES RIVER CONSERVATION AUTHORITY
STATEMENT OF FINANCIAL POSITION**

As at December 31	2021	2020
FINANCIAL ASSETS		
Cash	2,371,028	2,692,506
Accounts receivable	1,591,108	2,950,538
Investments (note 4)	12,653,082	9,320,440
	<u>16,615,218</u>	<u>14,963,484</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,774,331	1,484,412
Deferred revenue	8,623,249	6,560,738
Government payable	-	632,224
	<u>10,397,580</u>	<u>8,677,374</u>
NET FINANCIAL ASSETS	6,217,638	6,286,110
NON-FINANCIAL ASSETS		
Tangible capital assets, net (note 6, schedule C)	39,233,003	38,660,703
Prepaid expenses and deposits	136,824	95,957
Inventories	24,817	27,937
	<u>39,394,644</u>	<u>38,784,607</u>
ACCUMULATED SURPLUS (note 7)	<u>\$ 45,612,282</u>	<u>\$ 45,070,707</u>

On behalf of the Board:

_____, Chair

_____, General Manager

_____, Supervisor of Finance

The accompanying notes are an integral part of this financial statement

**UPPER THAMES RIVER CONSERVATION AUTHORITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

For the year ended December 31	2021	2020
Annual surplus (deficit)	541,575	627,592
Amortization of tangible capital assets	1,174,780	1,160,733
Net acquisition of tangible capital assets	(1,749,560)	(329,876)
Loss (gain) on sale of tangible capital assets	(37,022)	(4,751)
Proceeds on sale of tangible capital assets	39,502	5,051
Decrease (increase) in prepaid expenses and deposits	(40,867)	12,272
Decrease (increase) in inventories	3,120	(1,653)
Increase (decrease) in net financial assets	(68,472)	1,469,368
Opening balance	6,286,110	4,816,742
Closing balance	<u>\$ 6,217,638</u>	<u>\$ 6,286,110</u>

The accompanying notes are an integral part of this financial statement

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**UPPER THAMES RIVER CONSERVATION AUTHORITY
STATEMENT OF CASH FLOWS**

For the year ended December 31	2021	2020
Operating activities		
Annual surplus (deficit)	541,575	627,592
Amortization expense not requiring cash outlay	1,174,780	1,160,733
Decrease (increase) in accounts receivable	1,359,430	2,134,438
Increase (decrease) in accounts payable and accrued liabilities	289,919	(1,465,680)
Increase (decrease) in deferred revenue	2,062,511	163,299
Increase (decrease) in government payable	(632,224)	632,224
Decrease (increase) in prepaid expenses and deposits	(40,867)	12,272
Decrease (increase) in inventories	3,120	(1,653)
Cash provided by (used for) operating activities	<u>4,758,244</u>	<u>3,263,225</u>
Capital activities		
Gain on sale of tangible capital assets	(37,022)	(4,751)
Proceeds on sale of tangible capital assets	39,502	5,051
Net disposals (purchases) of tangible capital assets	<u>(1,749,560)</u>	<u>(329,876)</u>
Cash provided by (used for) capital activities	<u>(1,747,080)</u>	<u>(329,576)</u>
Investing activities		
Disposal (purchase) of investments, net	<u>(3,332,642)</u>	<u>(2,089,335)</u>
Cash provided by (used for) investing activities	<u>(3,332,642)</u>	<u>(2,089,335)</u>
Increase (decrease) in cash position	(321,478)	844,314
Cash (overdraft) beginning of year	<u>2,692,506</u>	<u>1,848,192</u>
Cash (overdraft) end of year	<u><u>\$ 2,371,028</u></u>	<u><u>\$ 2,692,506</u></u>

The accompanying notes are an integral part of this financial statement

UPPER THAMES RIVER CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2021

1. Description of the business

The Upper Thames River Conservation Authority (the "Authority") is established under the Conservation Authority Act of Ontario to further the conservation, restoration, development and management of natural resources, other than gas, oil, coal and minerals for the watersheds within its area of jurisdiction.

2. Significant accounting policies

The financial statements have been prepared by the management of the Authority in accordance with generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of accounting policies adopted by the Authority are as follows:

a) Accrual basis of accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable, and recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

b) Investments

Investments are recorded at cost unless there is a reduction in market value that is determined to be other than temporary, at which time they would be written down to market.

c) Tangible capital assets

Tangible capital assets are recorded at historical cost. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Cost includes overheads directly attributable to construction and development.

The cost, less estimated residual value, of the tangible capital assets, except land, are amortized on a straight-line basis over the estimated useful lives as follows:

Category	Useful Life
Land	not applicable
Land improvements	10 - 30 years
Buildings	15 - 50 years
Infrastructure	15 - 50 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Flood control structures	20 - 80 years
Information technology	3 - 20 years

Amortization is charged in the year of acquisition and in the year of disposal. Construction in progress is not amortized until the asset is available for productive use.

(i) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(ii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

2. Significant accounting policies (continued)

d) Contributed capital assets

Contributed capital assets are recognized as assets and revenue, or deferred revenue, at fair value at the time they are received.

e) Contaminated sites

Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

f) Deferred revenue

Revenue restricted by legislation, regulation or agreement and not available for Authority purposes is reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of financial activities in the year in which it is used for the specified purpose.

g) Revenue recognition

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized in revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

h) Government transfers

Government transfer payments are recognized as revenue in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and a reasonable estimate of the amount can be made. Funding that is stipulated to be used for specific purposes is only recognized as revenue in the fiscal year that the related expenses are incurred or services performed. If funding is received for which the related expenses have not yet been incurred or services performed, these amounts are recorded as a liability at year end. To the extent that stipulations by the transferor give rise to an obligation that meet the definition of a liability, government transfers are recognized as revenue as the liability is extinguished.

i) Accumulated surplus and reserves

Appropriations are made from operations and accumulated surplus to reserves for future expenditures and contingencies for such amounts as required by various cost sharing arrangements, provincial restrictions and are deemed appropriate, and upon approval of the Board of Directors.

j) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenditures during the period, and the accompanying notes. Key components of the financial statements requiring management to make estimates include the amortization rates for tangible capital assets and the establishment of certain accruals. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

3. Restricted Cash

Restricted cash consists of funding received from the Ministry of Environment, Conservation and Parks that has been restricted in its use by the funding Agency for source water protection.

	2021	2020
Source water protection trust	\$ -	\$ -

4. Investments

Investments are comprised of the following:

	2021 Cost	2021 Market Value	2020 Cost	2020 Market Value
Fixed income	\$ 6,458,164	\$ 6,488,960	\$ 3,626,333	\$ 3,626,333
Equity investments	<u>6,194,918</u>	<u>7,171,385</u>	<u>5,694,107</u>	<u>6,417,392</u>
	<u>\$ 12,653,082</u>	<u>\$ 13,660,345</u>	<u>\$ 9,320,440</u>	<u>\$ 10,043,725</u>

Fixed income investments consist of term deposits and guaranteed investment certificates with maturities ranging from January 27, 2022 to September 9, 2026. Interest rates on the investments range from 0.45% to 2.45%. Fixed income and equity investments are recorded on the statement of financial position at cost.

5. Other liabilities

The Authority is the lead agency in the source water protection fund, whereby funds are received by the Authority for the other parties to the arrangement. Each party is entitled to its pro-rata share of funding which is for the purpose of source water protection.

Funds received by the Authority for the other parties to the arrangement which have not been dispersed at December 31, 2021 amount to \$Nil (2020: \$Nil). These amounts have been included in restricted cash.

6. Tangible capital assets

For additional information, see the Schedule of Tangible Capital Assets information on the tangible capital assets of the Authority by major class, as well as for accumulated amortization of the assets controlled.

7. Accumulated surplus

The accumulated surplus consists of individual fund surplus/(deficit) amounts and reserve and reserve funds as follows:

	2021	2020
Surplus		
Invested in tangible assets	\$ 39,233,003	\$ 38,660,702
Unrestricted net assets surplus (deficit)	<u>(1,160,594)</u>	<u>(750,357)</u>
	38,072,409	37,910,345
Reserves set aside for specific purposes of the Authority		
Operating and/or capital reserves (Schedule B)	3,739,188	3,237,955
Reserve funds set aside for specific purposes by the Authority		
Restricted reserves (Schedule B)	<u>3,800,685</u>	<u>3,651,137</u>
	<u>\$ 45,612,282</u>	<u>\$ 45,070,707</u>

For additional information, see the Schedule of Continuity of Reserves and Reserve Funds.

8. Pension plan agreements

The Authority makes contributions to a multi-employer pension plan on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed for 2021 was \$642,637 (2020 : \$634,247) for current services and is included as an expenditure on the statement of operations.

The contributions to the Ontario Municipal Employers Retirement System ("OMERS"), a multi-employer defined benefit pension plan, are expensed when contributions are due. Any pension surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension surplus or deficit.

9. Contingencies

There are certain claims pending against the Authority as at December 31, 2021. The final outcome of these claims cannot be determined at this time. In management's opinion, insurance coverage is sufficient to offset the costs of unfavourable settlements, if any, which may result from such claims.

10. Financial instrument risk management

Credit risk

The Authority is exposed to credit risk through its cash, trade and other receivables, and short-term investments. There is the possibility of non-collection of its trade and other receivables. The majority of the Authority's receivables are from users and government entities. For trade and other receivables, the Authority measures impairment based on how long the amounts have been outstanding. For amounts outstanding considered doubtful or uncollectible, an impairment allowance is setup.

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority has a planning and a budgeting process in place to help determine the funds required to support the Authority's normal operating requirements on an ongoing basis. The Authority ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Authority's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of temporary borrowings and long-term liabilities and the value of fixed rate long-term liabilities.

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure risks.

11. Budget amounts

Under Canadian public sector accounting standards, budget amounts are to be reported on the statement of operations for comparative purposes. The 2021 budget amounts for the Upper Thames River Conservation Authority approved by the Membership are unaudited and have been restated to conform to the basis of presentation of the revenues and expenditures on the consolidated statement of activities.

12. Financial impact of COVID-19 pandemic

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Authority in future periods.

DRAFT

UPPER THAMES RIVER CONSERVATION AUTHORITY
Schedule A - Service Cost Centres

For the year ended December 31	2021 Budget	2021 Actual	2020 Actual
Recoveries from mission cost centres	<u>4,093,873</u>	<u>3,484,794</u>	<u>3,210,223</u>
Expenditures			
Occupancy	610,307	511,299	495,612
Information systems	808,566	697,034	662,324
Administration	786,286	778,654	670,456
Finance	910,495	839,940	631,044
Marketing and communications	532,652	473,791	356,357
Vehicles and equipment	856,238	641,893	537,516
	<u>4,504,544</u>	<u>3,942,611</u>	<u>3,353,309</u>
	<u>(\$ 410,671)</u>	<u>(\$ 457,817)</u>	<u>(\$ 143,086)</u>

DRAFT

UPPER THAMES RIVER CONSERVATION AUTHORITY
Schedule B - Continuity of Reserves and Reserve Funds
For the Year Ended December 31, 2021

	Balance, beginning of year	Appropriations To (From) Reserves	Balance, end of year
Restricted reserves			
Flood control	3,513,876	84,272	3,598,148
Donor designated memorial forests	33,547	4,247	37,794
Harrington Grist Mill	37,737	(468)	37,269
Land disposition/acquisition reserve	65,977	-	65,977
	<u>3,651,137</u>	<u>88,051</u>	<u>3,739,188</u>
Operating and/or capital reserves			
Capital building, fleet and equipment replacement	751,493	100,000	851,493
General operating reserves	255,956	34,015	289,971
Defined purpose reserves	2,501,776	157,445	2,659,221
	<u>3,509,225</u>	<u>291,460</u>	<u>3,800,685</u>
	<u><u>\$ 7,160,362</u></u>	<u><u>379,511</u></u>	<u><u>\$ 7,539,873</u></u>

UPPER THAMES RIVER CONSERVATION AUTHORITY
Schedule C - Tangible Capital Assets
For the Year Ended December 31, 2021

	Land	Land Improvements	Buildings	Infrastructure	Furniture and Fixtures	Vehicles	Flood Control Structures	Information Technology Equipment	Construction in Progress	TOTAL Net Book Value 2021	TOTAL Net Book Value 2020
Cost											
Balance, beginning of year	15,088,602	1,519,714	15,417,275	7,700,801	760,102	2,062,005	22,410,915	613,854	53,192	65,626,460	64,250,285
Add: Additions during the year		1,171,853		44,075		175,045	250,326	52,477	53,304	1,747,080	133,109
Less: Disposals during the year			(507,900)			(131,473)		(14,122)		(653,495)	(237,288)
Reclassifications and adjustments										-	1,480,354
Balance, end of year	<u>15,088,602</u>	<u>2,691,567</u>	<u>14,909,375</u>	<u>7,744,876</u>	<u>760,102</u>	<u>2,105,577</u>	<u>22,661,241</u>	<u>652,209</u>	<u>106,496</u>	<u>66,720,045</u>	<u>65,626,460</u>
Accumulated Amortization											
Balance, beginning of year		1,153,582	4,960,618	6,903,855	577,993	1,403,652	11,433,954	532,103		26,965,757	24,758,425
Add: Amortization during the year		63,187	282,334	25,783	67,300	120,108	580,379	35,689		1,174,780	1,160,733
Less: Accumulated amortization			(507,900)			(131,473)		(14,122)		(653,495)	(236,990)
Reclassifications and adjustments										-	1,283,589
Balance, end of year on disposals	<u>-</u>	<u>1,216,769</u>	<u>4,735,052</u>	<u>6,929,638</u>	<u>645,293</u>	<u>1,392,287</u>	<u>12,014,333</u>	<u>553,670</u>	<u>-</u>	<u>27,487,042</u>	<u>26,965,757</u>
Net Book Value of Tangible Capital Assets	<u>15,088,602</u>	<u>1,474,798</u>	<u>10,174,323</u>	<u>815,238</u>	<u>114,809</u>	<u>713,290</u>	<u>10,646,908</u>	<u>98,539</u>	<u>106,496</u>	<u>\$ 39,233,003</u>	<u>\$ 38,660,703</u>

To: UTRCA Board of Directors
From: Brent Verscheure, Manager, Lands, Facilities and Conservation Areas
Jenna Allain, Manager, Environmental Planning and Regulations
Date: May 15, 2022
Filename: ENVP #11777
Agenda #: 6.2
Subject: Provincial Offences Act Designations

Recommendation

That the Board of Directors designate Hailey FitzGibbon as a Provincial Offences Act Officer for the purpose of enforcing the *Trespass to Property Act* and the Conservation Authority Regulations on UTRCA property, provided confirmation of successful compliance training is provided, and further,

That the Board of Directors designate Michael Funk as Provincial Offences Act Officers pursuant to Section 28 of the *Conservation Authorities Act* for the purpose of administering and enforcing the Ontario Regulation 157/06, Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation, provided that confirmation of successful compliance training is provided.

Background

The Board of Directors appoints as Provincial Offences Act (POA) Officers those full time staff whose responsibilities include performing regulatory enforcement duties associated with Ontario Regulation 136: Conservation Areas – Upper Thames River (to be amended to O.Reg. 688/21 once proclaimed) and Ontario Regulation 157/06 made under the Conservation Authorities Act. Prior to the appointment, the individual being considered must provide proof of a clear criminal record (immediately prior to the appointment) and complete training in the POA process.

Hailey FitzGibbon, a Land Management Technician at UTRCA, is responsible for daily management of the City of London's Environmentally Significant Areas (ESA) including enforcement of Section 29 of the Conservation Authorities Act. Hailey participated in the Conservation Authority Compliance Training Level 1 from April 25 – May 6, 2022 (confirmation of successful completion is expected by the end of May). Hailey began as a Land Management Assistant with the ESA unit in 2021, demonstrating her abilities throughout the year. Hailey was the successful candidate for the position of Land Management Technician in April, 2022. Along with several years of experience Hailey has diplomas in Forest Conservation Technician and Fish and Wildlife Technician from Sault College.

Michael Funk, a Land Use Regulations Officer at UTRCA, is responsible for the administration and enforcement of the Authority's *Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation* under Section 28 of the *Conservation Authorities Act*. Mike also

participated in the Level 1 Conservation Authority Compliance training held online from April 25 – May 6, 2022 (confirmation of successful completion is expected by the end of May).

Mike had been working as an Agricultural Soil and Water Quality Technician for the UTRCA since 2015 until he switched roles in April to join the Environmental Planning and Regulations Unit as a Regulations Officer. Mike was hired to fill the vacancy left by Brent Verscheure when he changed positions, and has been assigned as one of our two Regulations Officers covering the City of London. Mike holds a Bachelor of Science degree in Environmental Science and a Masters of Science in Geography, both from the University of Waterloo.

Recommended and Prepared by:

Brent Verscheure, Manager, Lands, Facilities and Conservation Areas

Jenna Allain, Manager, Environmental Planning and Regulations

To: UTRCA Board of Directors
From: Jenna Allain, Manager, Environmental Planning and Regulations
Date: May 16, 2022
Filename: ENVP #11776-1
Agenda #: 7.1
Subject: Administration and Enforcement – Section 28 Status Report – *Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation (O.Reg157/06)*

Section 28 Report

The attached tables are provided to the Board as a summary of staff activity related to the Conservation Authority's *Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation* (Ontario Regulation 157/06 made pursuant to Section 28 of the Conservation Authorities Act). The summary covers reports for April 1, 2022 to April 30, 2022.

Recommended by:

Jenna Allain, Manager, Manager, Environmental Planning and Regulations

Prepared by:

Jessica Schnaithmann, Land Use Regulations Officer
Karen Winfield, Land Use Regulations Officer
Ben Dafoe, Land Use Regulations Officer
Cari Ramsey, Land Use Regulations Officer
Sarbjit Singh, Environmental Regulations Assistant

SECTION 28 STATUS REPORT
SUMMARY OF APPLICATIONS FOR 2021

DEVELOPMENT, INTERFERENCE WITH WETLANDS AND ALTERATIONS TO SHORELINE AND WATERCOURSES REGULATION
ONTARIO REGULATION 157/06

Report Date: April 2022

[Client Service Standards for Conservation Authority Plan and Permit Review \(CO, Dec 2019\)](#)

Permit #	Municipality	Location/Address	Category	Application Type	Project Description	Application Received	Notification of Complete Application	Permit Required By	Permit Issued On	Comply with Timelines	Staff
60-22	Stratford	29 Findlay Place	Minor	Development	Pool Installation	4-Mar-2022	1-Apr-2022	22-Apr-2022	4-Apr-2022	YES	Dafoe
55-22	London	2235 Scanlan Street	Minor	Development	Proposed Construction of Warehouse Addition to Existing Warehouse Building	26-Jan-2022	29-Mar-2022	19-Apr-2022	8-Apr-2022	YES	Schnaithmann
122-21	London	111 Horton Street	Minor	Development	Proposed Replacement Fuel System	11-Aug-2021	18-Mar-2022	8-Apr-2022	12-Apr-2022	NO	Schnaithmann
48-22	London	1455 Hamilton Road	Routine	Municipal Project	Proposed Removal of Sediment from Stormwater Management Facility	26-Jan-2022	21-Mar-2022	4-Apr-2022	12-Apr-2022	NO	Schnaithmann
49-22	London	3355 White Oak Road	Routine	Municipal Project	Proposed Removal of Sediment from Stormwater Management Facility	26-Jan-2022	21-Mar-2022	4-Apr-2022	12-Apr-2022	NO	Schnaithmann
50-22	London	1620 Wilton Grove Road	Routine	Municipal Project	Proposed Removal of Sediment from Stormwater Management Facility	26-Jan-2022	21-Mar-2022	4-Apr-2022	12-Apr-2022	NO	Schnaithmann
118-21	London	45 Hampton Crescent	Minor	Development	Proposed Replacement of Existing Retaining Wall and Installation of In-Ground Pool	21-Jan-2022	7-Apr-2022	28-Apr-2022	21-Apr-2022	YES	Schnaithmann

Permit #	Municipality	Location/Address	Category	Application Type	Project Description	Application Received	Notification of Complete Application	Permit Required By	Permit Issued On	Comply with Timelines	Staff
61-22	London	1420 Crumlin Side Road	Minor	Development	Proposed Construction of a Building Addition with Associated Parking and Driveway	28-Mar-2022	29-Mar-2022	19-Apr-2022	21-Apr-2022	NO	Schnaithmann
67-22	London	William Street and Huron Street	Minor	Municipal Project	Proposed Removal and Replacement of Existing Storm Sewer Outfall Structure Including Downstream Channel Works	26-Jan-2022	18-Mar-2022	8-Apr-2022	27-Apr-2022	NO	Schnaithmann
71-22	Ingersoll	103 Merritt St.	Minor	Development	Concrete Repairs/Replacement to home foundation	28-Apr-2022	29-Apr-2022	20-May-2022	29-Apr-2022	YES	Dafoe

To: UTRCA Board of Directors
From: Jenna Allain, Manager, Environmental Planning and Regulations
Date: May 17, 2022
Filename: ENVP #11783-1
Agenda #: 7.2
Subject: Bill 109 – *More Homes for Everyone Act, 2022*

Background

Bill 109 (the 'Bill') was introduced on March 30, 2022 and received Royal Assent on April 14th, 2022. The purpose of the Bill is to amend various statutes with respect to housing, development and various other matters – most notably, Schedule 5 of the Bill which relates to proposed amendments to the *Planning Act*. Some of these amendments came into effect on the day Bill 109 received Royal Assent. Most others will come into effect on either July 1, 2022 or January 1, 2023.

Proposed *Planning Act* Amendments

The Bill proposes to make amendments to the *Planning Act* with the intention of making housing options more equitable and allowing for faster construction by further streamlining the approvals processes. In this initial step to implement some of the recommendations from the Housing Affordability Task Force, the Bill builds upon recent changes made to the *Planning Act* and other related legislation consistent with direction provided by the *More Homes, More Choice Act* under Bill 108 that was passed in 2019.

Key amendments to the *Planning Act* that are of most interest to UTRCA include:

Development application specific

- Requirements for municipalities to ensure decisions on *Planning Act* applications are made within the existing prescribed timelines through a requirement to refund application fees (on a graduated scale) where a lack of decision exists;
- A requirement that municipalities delegate the authority to approve site plans from municipal Council to an authorized staff;
- Instill complete application rules for site plan applications, similar to existing rules for Official Plan Amendments (OPAs) and Zoning By-law Amendments (ZBAs);
- Additional powers given to the Minister to make regulations prohibiting certain matters from being the subject of conditions of draft plan approval; and,
- Increased powers for municipalities to extend draft plan approvals for plans of subdivision that have lapsed.

General

- Discretion of the Minister to refer Municipal Comprehensive Review OPAs, or new Official Plans (OPs), to the Ontario Lands Tribunal (OLT) for either a recommendation on whether the

Minister should approve or modify the OPA, or for a final decision from the OLT on whether the OPA/new OP should be approved or modified;

- A new process (the “Community Infrastructure and Housing Accelerator Order (CIHAO)”) for municipalities to follow in requesting what amounts to further enhancements to existing Minister Zoning Orders (MZO). While the Minister’s existing MZO powers remain unchanged – this new CIHAO process formalizes requirements for municipalities when exercising this new power (proposed Community and Housing Accelerator Guideline – ERO posting 019-5285); and,
- The ability of the province to declare land in ‘transit-oriented communities’ that have easements or below-grade infrastructure as being “encumbered”, with the effect that the land must be conveyed for parkland (with full credit for parkland dedication).

Analysis

The following provides a summary of the potential impacts of the amendments to the *Planning Act* under Bill 109 to the delivery and performance of UTRCA’s Environmental Planning and Regulations Unit.

Application Fee Refunds

As described, the province’s proposed amendments to the *Planning Act* include provisions that municipalities refund applicants (based on a graduated scale) where decisions on applications are not made within the prescribed timelines. The table below illustrates the proposed graduated application fee rebate scale.

Amount of Refund	Days following failure to make a decision
50%	60 days (site plan), 90 days (ZBA), 120 days (ZBA/OPA)
75%	90 days (site plan), 150 days (ZBA), 180 days (ZBA/OPA)
100%	120 days (site plan), 180 days (ZBA), 240 days (ZBA/OPA)

UTRCA staff actively participate in the municipal plan review process to ensure matters of provincial interest associated with natural hazards are appropriately addressed, and subsequently coordinate and integrate UTRCA permit requirements under Section 28 of the *Conservation Authorities Act*. While UTRCA staff participate in the municipal plan review process, timelines for approvals are established by the *Planning Act* and are implemented through the municipality circulation process. In other words, UTRCA does not have any direct control over the timeframe in which a municipality provides final approvals for *Planning Act* or other development related applications.

In keeping with the UTRCA Fees Policy, UTRCA charges plan review fees based on a 50-50 user fee to levy ration. This includes charging fees for UTRCA’s review of *Planning Act* applications. Currently, it is unclear how (or if) the proposed graduated application refund provision for applications are applicable to external agencies charging review fees for these types of applications – or if they are exempt, recognizing it is the municipality that is the approval authority.

Despite the uncertainty on the impacts to UTRCA plan review revenue, it is expected that municipalities will be working diligently to ensure that timelines are met and refunds are not required. As a commenting agency through this process, UTRCA staff strive to ensure that our interests are met within this process and the associated timelines. Discussions with municipal staff have already begun and will continue to advance to ensure that our staff are able to deliver our services and address our interests within the established timelines.

Draft Plan of Subdivision – Conditions of Approval

The province also proposed to amend the *Planning Act* to give the Minister the power to establish regulations restricting certain types of conditions of draft approval for draft plans of subdivisions. While it is unclear at this time what the nature of these restrictions may be (to be determined through future regulations), it should be noted that UTRCA staff often recommend specific conditions of draft approval to municipalities that are associated with natural hazard and water resource management, and natural heritage protection. This is done to ensure UTRCA's interests in the development application are adequately addressed, as well as to facilitate an expeditious approvals process where outstanding issues may be best addressed through the subsequent detailed design phases of the process (i.e., post draft approval).

It is hoped that any future regulations released by the province do not limit UTRCA's ability to recommend specific draft conditions related to our interests as outlined above, or that may have the unintended consequence of delaying draft approvals by not allowing municipalities to impose conditions for items that are best dealt with through the detailed design stages of the process (e.g. details of engineering drawings (erosion and sediment control, stormwater management facilities, etc.), restoration/enhancement plans, hazard mitigation plans (e.g. floodproofing, stream erosion protection, slope stabilization works, etc.)).

Community Infrastructure and Housing Accelerator Orders

The CIHAO process is proposed as a tool to further expedite and improve transparency for what amounts to further enhancements to the MZO process – however, CIHAOs may only be considered by the Minister at the request of a municipality. Proposed requirements for municipalities to follow have been outlined in the provinces proposed CIHA guidelines.

Of most interest to UTRCA are the following provisions:

- The Minister may make a CHIAO to expedite the following types of priority developments:
 - Community infrastructure that is subject to *Planning Act* approvals (note: orders will not address environmental assessment matters related to infrastructure);
 - Any type of housing, affordable housing, and market-based housing;
 - Buildings that would facilitate employment and economic development; and,
 - Mixed-use developments.
- When making CIHAOs, the Minister is empowered to require that specific subsequent approvals (including the CIHAO itself) are not subject to provincial plans, the Provincial Policy Statement, and municipal OPs.

Similar to UTRCA staff's concern with recent (previous) amendments to the *Planning Act* that gave enhanced powers to the Minister for MZOs, it is not clear if further empowering the Minister to provide that CIHAOs and 'subsequent approvals' not be subject to provincial plans, the PPS, and municipal OPs, requires further amendments to Section 28 of the *Conservation Authorities Act (CAA)* to coordinate CHIAO related permit approvals (similar to recent changes made to Section 28.0.1 of the CAA for applications on lands subject to MZOs).

It continues to be UTRCA staff's position that issuing *Planning Act* and development related approvals that are inconsistent with provincial plans, the PPS, and municipal OPs does not appropriately represent the public interest – in particular, on issues related to public health and safety.

Next Steps

The approval of Bill 109 makes amendments to the *Planning Act* to further streamline the approval process and allow for more equity in housing options and faster construction. UTRCA staff will continue to review any further proposed amendments and regulations related to Bill 109 as they become available and will provide further updates to the Board of Directors accordingly.

As outlined in previous reports to the Board, UTRCA's planning and regulations staff have been facing increased workload challenges and capacity issues as a result of high development pressures throughout the watershed – demands which have been increasingly evident since the recognition of the Upper Thames as a high-growth Conservation Authority back in 2019. It is anticipated that the changes made to the *Planning Act* under Bill 109 will further compound the workload and timeline pressures staff are already facing. Additional capacity is currently being sought in order to meet these increasing pressures and demands. As noted in previous reports, a comprehensive review of our planning and permit fees is currently being undertaken to offset the costs of this additional capacity. A report will be presented at the June Board of Directors meeting outlining and seeking approval for the proposed changes to our fee schedules.

Recommended by:

Jenna Allain, Manager, Environmental Planning and Regulations

Prepared by:

Jenna Allain, Manager, Environmental Planning and Regulations

Stefanie Pratt, Planning Coordinator, Environmental Planning and Regulations

To: UTRCA Board of Directors
From: Tracy Annett, General Manager
Date: May 12, 2022
Filename: Admin # 4509
Agenda #: 7.3
Subject: Conservation Authorities Act Update – Phase 2 Regulations

Recommendation

That the staff report be received for information.

Purpose

To provide for information to the Board on the Phase 2 Regulations: ERO Posting #019-4610.

Report Summary

On April 22, 2022 the Province posted the decision on the Environmental Registry of Ontario (ERO). The decision outlined “Regulatory and policy changes under the *Conservation Authorities Act* were finalized to improve Conservation Authority (CA) governance, oversight, transparency, and accountability. They provide the flexibility needed to effectively develop budgets to deliver programs and services and were developed with the Conservation Authorities Working Group”. The posting can be found on the [Environmental Registry of Ontario](#) website.

The Phase 2 regulations represent the second of two phases of regulatory and policy proposals to implement the legislative changes previously made to the Conservation Authorities Act. They focus on regulatory and policy changes, which provide direction to Conservation Authorities (CA) as they transition to the new CA – municipal funding framework by January 1, 2024.

Background

Conservation Authorities are currently transitioning to a new funding framework that will begin on January 1, 2024. In February, a report was provided to the board outlining the four components of the next phase of regulations related to municipal levy, budget, fees and transparency. To implement recent amendments to the *Conservation Authorities Act*, the following regulations and a policy, as listed below, have been finalized under the Act:

1. **Budget and Apportionment Regulation** [Ontario Regulation 402/22: Budget and Apportionment](#). This regulation details CA budget process and municipal

apportionment methods and requirements and includes revocation of the current regulations that govern levies.

1.1 Budget

- CAs can determine their own start and end dates for the budgetary process.
- General operating expenses or capital costs (formerly referred to as 'corporate administrative costs') can be levied without agreement and must be identified in the budget as such.
- Draft and final budgets must be circulated to member municipalities and posted on the Governance section of the CA website.

1.2 Apportionment

- CAs are able to apportion costs for all category 1 (mandatory) programs and services and can only apportion costs for category 2 and 3 programs and services with agreements in place with the municipality(ies).
- Apportionment can be by the MCVA method or benefit-based apportionment method.
- This regulation applies to the 2024 budget process and onward.

2. **Municipal Levies Regulation** [Ontario Regulation 401/22: Determination of Amounts Under Subsection 27.2 \(2\) of the Act](#). This regulation details the methods available to CAs to determine amounts owed by their specified municipalities for CA programs and services provided in respect of the *Clean Water Act, 2006* and *Lake Simcoe Protection Act, 2008*.

- This regulation enables CAs that have 'specified' municipalities designated under the Clean Water Act (CWA) and/or the Lake Simcoe Protection Act (LSPA) to determine amounts owed by those 'specified' municipalities. Specified municipalities are municipalities that are not a 'participating municipality' of a CA under the Conservation Authorities Act (CAA) but are designated under the regulations made under the CWA or LSPA.

3. **Minister's Fee Classes Policy**. This policy is a published list of the classes of programs and services for which a CA may charge a fee.

- This policy is a published list of the classes of programs and services for which a CA may charge a fee.
- A fee policy which includes a fee schedule that lists the programs and services for which an authority charges a fee and the amount to be charged must be developed.
- A fee may only be applied when the User-Pay Principle is considered appropriate – when people directly benefit from a program or service delivered by the CA.
- Category 2 and 3 agreements/MOUs with a municipality will need to include provisions permitting the CA to charge user fees.
- Policy/Fee Schedule to be in place by January 1, 2023.

4. **Complementary Regulation to increase CA Transparency** [Ontario Regulation 400/22: Information Requirements](#). This regulation increases transparency of CA operations by requiring the public posting of prescribed information on a Governance section of a CA's website.

- This regulation sets out that CAs are to maintain a Governance section on their website that must include items such as:
 - information about the CA members
 - Annual meeting schedule
 - Meeting agendas and minutes
 - Category 2 and 3 agreements/MOUs
 - CA bylaws
 - annual auditors report
 - Draft and final budgets will also need to be posted on this section of the CA's website.
 - The CA may also post other information on this section of the website as they deem appropriate, such as a strategic plan.
 - CAs are required to include a notice on their website and notify the Minister when it amends or enters into a new agreement. New or amended agreements must be posted within 30 days.
 - Must be completed by January 1, 2023.
5. **Amending the Transition Plans and Agreements for Programs and Services Regulations** [Ontario Regulation 399/22: Amendment under Section 21.1.2 of the Act \(Ontario Regulation 687/21\)](#). This regulation increases transparency regarding the use of user fees for category 3 programs and services (those that a CA determines are advisable to provide in its jurisdiction), where a cost apportioning agreement is in place.
- The amendment to this regulation sets out that cost apportioning agreements between CAs and participating municipalities for category 3 programs and services are to include provisions regarding the charging of fees, if the parties agree that fees may be charged by the CA for the program and service.

Requirements to increase transparency of CA operations and those related to fees that CAs may charge will be in place by January 1, 2023, while those related to budget and municipal levy apportionment processes will be in place by July 1, 2023, to align timing with CA 2024 budgets. Overall the proposed regulations seem flexible and in most instances reflect what is already practiced by UTRCA and its member municipalities.

Prepared by:

Tracy Annett, General Manager

Attachment: Email from Ministry of Environment, Conservation and Parks sent April 22, 2022.

Email from: Ministry of the Environment, Conservation and Parks

Sent: April 22, 2022

Subject: Regulations and Policy under the Conservation Authorities Act – Ministry of the Environment, Conservation and Parks

**Ministry of the Environment,
Conservation and Parks**
Conservation and Source Protection
Branch
14th Floor
40 St. Clair Ave. West
Toronto ON M4V 1M2

**Ministère de l'Environnement, de la
Protection de la nature et des Parcs**
Direction de la protection de la nature et
des sources
14^e étage
40, avenue St. Clair Ouest
Toronto (Ontario) M4V 1M2



Good afternoon:

We are moving forward with Phase 2 regulations to improve the governance, oversight, transparency and accountability of conservation authority (CA) operations. These new regulations and provincial policy build on the [first phase of regulations](#) put in place in October 2021 and support [amendments to the Conservation Authorities Act](#) that focus CAs on their core mandate:

- Ontario Regulation 402/22: Budget and Apportionment. This regulation details CA budget and municipal apportionment methods and requirements.
- Ontario Regulation 401/22: Determination of Amounts Under Subsection 27.2 (2) of the Act. This regulation details the methods available to CAs to determine amounts owed by their specified municipalities for CA programs and services provided in respect of the *Clean Water Act, 2006* and *Lake Simcoe Protection Act, 2008*.
- Policy: Minister's Fee Classes Policy. This policy is a published list of the classes of programs and services for which a CA may charge a fee.
- Ontario Regulation 400/22: Information Requirements. This regulation increases transparency of CA operations by requiring the public posting of prescribed information on a Governance section of a CA's website.
- Ontario Regulation 399/22: Amending the Minister's Transition Plans and Agreements for Programs and Services Under Section 21.1.2 of the Act regulation (Ontario Regulation 687/21). This regulation increases transparency of user fees for programs and services that a CA determines is advisable to provide in its jurisdiction, where a cost apportioning agreement is in place.

The regulations and policy build on current CA budgetary practices with updates to align the levy apportionment methods and budget processes with the new funding framework and categories of programs and services established by recent amendments to the *Conservation Authorities Act* and first phase of regulations. The changes will ensure a smooth transition by January 1, 2024 of CAs to the new funding framework and three categories of programs and services.

The regulations and policy were consulted on through the Environmental Registry of Ontario from January 26 to February 25, 2022. We held webinars on the proposals in which over 400 people attended, and we received 24 submissions from municipalities, conservation authorities, environmental non-government organizations, community groups, industry, agricultural sector, and individuals. A decision notice with links to the final regulations and policy is available on the Environmental Registry of Ontario ([notice number 019-4610](#)), which includes a summary of the feedback received and how it was considered.

Thank you again for your input. You can reach the Conservation Authority Office at ca.office@ontario.ca if you have any questions. We will have information on training webinars in the near future.

Sincerely,

Kirsten Corrigan
Director, Conservation and Source Protection Branch

fyi

May 2022



Palm Warbler

www.thamesriver.on.ca Twitter [@UTRCMarketing](https://twitter.com/UTRCMarketing)
Facebook [@UpperThamesRiverConservationAuthority](https://www.facebook.com/UpperThamesRiverConservationAuthority)

Happy to be back at Public Events!

The Fanshawe Community Education Team is excited to be back working in the local community and participating in public events this spring. During April and May, staff participated in EarthFest, the City of London's Emergency Preparedness Open House, and Western University's Science Rendezvous.



The UTRCA booth at London EarthFest

London's first ever EarthFest was held at Victoria Park on Earth Day. The event featured activities, booths, live music, and a Climate March around the downtown core. The UTRCA booth focused on climate change and flooding, and showcased how Low Impact Development (LID) features can help reduce flooding in our local communities.

At the Emergency Preparedness Open House, young families came out to learn about the various organizations in London that help keep citizens safe as well as what to do in different emergency situations. The UTRCA



UTRCA staff at the Emergency Preparedness Open House

booth focused on flooding and how flood structures (e.g., dams, dykes) and natural areas (e.g., wetlands, parks, LIDs) can help protect us from flooding. Kids walked away with a River Safety activity booklet and bookmark reminding them how to stay safe near rivers, creeks, and streams.

The Science Rendezvous at Western University was extremely busy this year, with more than 3,000 people in attendance. The UTRCA booth was once again a huge hit with an interactive flood plain model and a flood hazards puzzle.

Staff are very happy to be back in-person and interacting with the public at these events.

It's clear to see how valuable the UTRCA's presence is as staff are able to make connections with residents and spread the conservation message.



Contact:
Karlee Flear, Community Education Supervisor (Fanshawe)
 UTRCA booth at Western's Science Rendezvous

River Safety 2022

This spring Fanshawe Community Education staff were very excited to have permission to go back into TVDSB classrooms and teach grade 2 students how to be safe around rivers, creeks and streams!

With generous funding from TVDSB and local Optimist and Lions groups, staff visited 19 schools and reached approximately 900 students.



River Safety at John Dearness Public School

Students hear the story of "The Journey of Splish and Splash," about a couple children who encounter two water droplets that share

their tale of navigating their way through the water cycle. They encounter dams, frozen ponds, and waterfalls and alert us all how to stay safe near all types of water.

Students participate in putting together a large wooden puzzle. Each puzzle piece has a clue attached that refers to topics such as flood water awareness near stormwater management ponds, dams, local streets, and parks. Some puzzle pieces are pictures of local species of fauna that depend on our local fresh water for survival.

Lastly, a slide show presentation promotes discussion using measurement by asking students questions such as, "How much water does it take to be swept off your feet?" and "How much water does it take to make a car float?" Photos of local parks and other flood plains in the London area in various stages of flooding are viewed and explored as to how we can stay safe in these areas.

Students and teachers are engaged and excited to be involved in this important flood awareness program! The message has been the same for over two decades, but the value of the message is as important as ever.

Thank you to the following sponsors of the 2022 River Safety program:

- Thames Valley District School Board
- Byron Optimist Club
- East London Optimist Club
- London Carling Heights Optimist Club
- London Oakridge Acres Optimist Club
- Arva and District Optimist Club
- Thorndale Optimist Club
- Byranston-Birr Optimist Club
- Thamesford Lions Club

Contact: Kim Gilbert, Community Education Technician

STEM Programs

Fanshawe Community Education staff were delighted to return to classrooms in March and April, to deliver the flood-focused STEM programs. After a long COVID break from team-based activities and guest presenters,

students and teachers were eager to participate in the hands-on experiments, demonstrations, and model building that are the core of these unique programs. Students learned about the local problem of flooding in London, made predictions and engineering decisions, and suggested improvements to the landscape to reduce flooding and erosion.



Students explore how to reduce flooding and erosion.

In addition to being curriculum-connected and interdisciplinary, the STEM programs encourage students to practice valuable global competency skills such as critical thinking, problem solving, communication, and collaboration. In total, nine Grade 5 classes and four Grade 3 classes participated, totalling approximately 280 students. The STEM programs were funded by the Thames Valley District School Board.

Contact: Fiona Navickas, Community Education Specialist

Award-winning Author joins UTRCA for Nature Nearby

It was a pleasure and an honour to have Jon-Erik Lappano, Governor General Literary Award recipient and author of the book, *Martin and the River*, join the Nature Nearby events offered in Mitchell and St. Marys on May 7. The inspiration for the programs and Jon-Erik's participation was sparked by his



Author Jon-Erik Lappano read his book to the young audience, with the North Thames River behind him.

book's message that meaningful connections to nature can be found anywhere and everywhere. This message fits perfectly with the purpose and intent of the Nature Nearby program and was a natural fit.

"From a young age, I have found meaning and connection in nature, and I continue to have a curiosity and wonder for the world around me, which is reflected in my work as a writer. *Martin and the River*, specifically, is dedicated to the North Thames River, a natural space where I spent some of the fondest hours of my childhood," said Jon-Erik.

Residents from across the watershed listened as Jon-Erik read his book on the banks of the North Thames, and celebrated connections to nature and the river. Everyone, including the author, participated in the activities that accompanied the reading in both communities.

The UTRCA launched the family friendly Nature Nearby program in the fall of 2021. The program is provided free of charge, thanks to sponsorship by the Rotary Clubs of Mitchell and St. Marys, as well as the Festival City Rotary Club of Stratford.

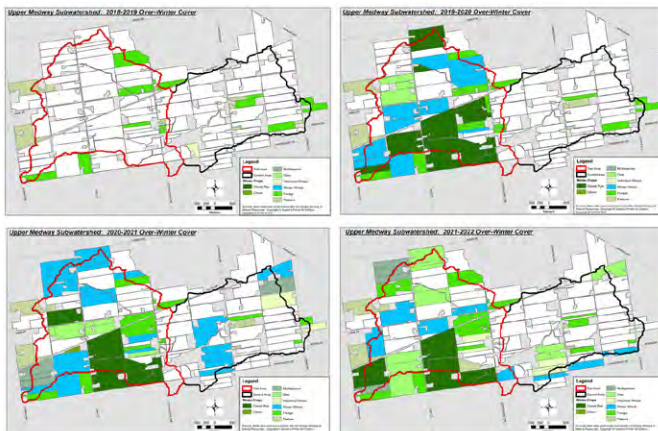
Contact: Maranda MacKean, Community Education Specialist

Upper Medway Cover Crop Project wraps up

The UTRCA has been monitoring the upper Medway Creek since 2016 to study how phosphorus moves through the landscape and how farm practices may affect the movement of this nutrient. In 2018, the upper Medway became Ontario's first subwatershed-scale testing grounds for cover crops. The project wrapped up in March 2022 after a very successful four years, thanks in large part to the great group of farmers involved, and their interest and willingness to participate.

The project goal was to have at least 75% of the watershed's west "test" area planted each year with cover crops that would keep at least 60% residue cover through the non-growing season. The water quality in this area was then compared to the water quality in the east "control" area, where there was no extra incentive provided to plant cover crops.

The project achieved approximately 75% ground coverage over the winter for three straight winters, as shown in the maps. Data analysis from the water samples collected over the four year period is currently underway and will be useful to inform interested groups, including the agricultural community, environmental organizations, government, and academia, on how adopting cover crops may support water quality targets for Lake Erie.



Four years of overwinter cover crops in the test (red boundary) and control (black boundary) watersheds. The coloured areas indicate various types of winter crops.

The project also looked at possible differences in soil moisture, temperature, and residue between areas of the field with and without a cover crop, as well as whether the presence of a cover crop impacted the crop yield in the following growing season. Data collected to date has not shown a difference in yield from the following crop, even under conditions where temperature and moisture varied within the field. This information is important in addressing common concerns with cover crop adoption.



Comparing spring temperature, moisture, and residue, before soybean planting, between areas with (background) and without (foreground) a cereal rye cover crop.

Contact: Tatianna Lozier, Conservation Services Specialist (acting)

20 Years of Watershed Report Cards

The 2022 Upper Thames River [Watershed Report Cards](#) are scheduled for publication this fall. This marks the 20th year of the UTRCA delivering state of the environment information to watershed residents through these reports.

The UTRCA has published report cards every five years beginning with the first set in 2001. It takes a team of staff to compile the extensive environmental information, data, and mapping that go into the report card for each of the 28 watersheds in the Upper Thames. Staff grade surface water quality and forest conditions, and summarize watershed features, including valuable features in

need of protection such as wetlands, natural areas, fish, species at risk, and groundwater resources.

The report cards also track environmental and other changes impacting the watershed. For example, recent census data shows the watershed's human population has increased by 54,000 in the past five years. Much work is being done locally to protect the environment. Staff gather this information for each watershed to highlight some actions of the many partners, municipalities, groups, and industry.



Looking back: Staff launch the 2012 Upper Thames River Watershed Report Cards.

Since 2012, all the other Conservation Authorities across Ontario have also been producing watershed report cards every five years, using standardized grading and information modelled after the UTRCA's early report cards. These documents, which are summarized by Conservation Ontario, have become widely recognized, and create awareness of the value of the Conservation Authorities' on-going environmental monitoring programs.

The report cards give municipalities, the public, and other partners a look at the health of their local watersheds and what actions to take, while enabling comparisons to be made across watershed boundaries and across the province.

Contact: Cathy Quinlan, Terrestrial Biologist, and Karen Maaskant, Water Quality Specialist

On the Board Agenda

The next Board of Directors meeting will be held virtually on May 24, 2022. The following items are on the draft agenda:

- Report from the Finance and Audit Committee: Approval of Audited Financial Statements for 2021
- Provincial Offences Act Designations
- Administration and Enforcement: Section 28 Status Report
- Bill 109 Update
- Conservation Authorities Act Update: Phase 2 Regulations

Visit the "Board Agendas & Minutes" page at www.thamesriver.on.ca for agendas, reports, audio/video links and recordings, and approved minutes.

Contact: [Michelle Viglianti](#), Administrative Assistant