

Board of Directors

Upper Thames River Conservation Authority



UPPER THAMES RIVER
CONSERVATION AUTHORITY

Upper Thames River Conservation Authority Board of Directors' Meeting Agenda – **Amended***

Date: October 22, 2024

Time: 9:30am

Place: Watershed Conservation Centre Board Room, Fanshawe Conservation Area –
1424 Clarke Road, London, ON

1. Territorial Acknowledgement

2. Modifications to the Agenda

3. Declarations of Pecuniary Interest

4. Presentations/Delegations

- 4.1. Environment and Climate Change Program

5. Administrative Business

- 5.1. Approval of Minutes of Previous Meeting: September 24, 2024
- 5.2. Business Arising from Minutes
- 5.3. Correspondence
 - 5.3.1. Correspondence sent to Minister Smith
 - 5.3.2. Correspondence from Mayor Josh Morgan

6. Reports – For Consideration

- 6.1. Budgetary and Reserves Policy Report – BoD-10-24-77
- 6.2. 2025 Draft Budget for Circulation – BoD-10-24-78

6.3. UTRCA Administrative Review Policy Under Section 8 of O.Reg. 41/24 – BoD-10-24-79

6.4. Lands Strategy & Acquisition and Disposition Policy – BoD-10-24-80

7. Reports – In Camera

7.1. Pending Acquisition or Disposition of Land – UTRCA Lands Inventory Report – BoD-10-24-88

7.2. *Advice that is Subject to Lawyer Client Privilege – Land Lease Negotiations – BoD-10-24-89

8. Reports – For Information

8.1. Administration and Enforcement – Section 28 Status Report – BoD-10-24-81

8.2. Project Status Update – BoD-10-24-82

8.3. 2024 Provincial Planning Statement – Summary of Changes Related to Conservation Authorities – BoD-10-24-83

8.4. 2025 Rental House Rates – BoD-10-24-84

8.5. Hydro Plant Update – BoD-10-24-85

8.6. Strategic Plan Update – BoD-10-24-86

8.7. [Thames River Current October Edition](#)

9. Reports – Committee Updates

9.1. Finance and Audit Committee – September 2024 Decisions – BoD-10-24-87

9.2. Hearing Committee

10. Notices of Motion

11. Chair's Comments

12. Member's Comments

13. General Manager's Comments

14. Adjournment

Tracy Annett, General Manager



October 10, 2024

Hon. Graydon Smith
Minister of Natural Resources
Whitney Block
Room 6630
99 Wellesley St. W
Toronto, ON M7A 1W3

Minister Smith,

We, the elected leaders of the municipalities of the Upper Thames River watershed are requesting your help in addressing budget pressures that all municipalities are facing. We ask that you do so through rescinding your direction to conservation authorities to freeze fees associated with planning, development, and permitting.

This freeze on fees has led to every resident in our municipalities having to pay more property taxes to cover the increased level of service that is required to meet the timelines enacted through Bill 108 and 109.

The inability of the conservation authorities to increase fees to offset the costs required to meet demand and increased service levels requires that the authorities increase the levy to their member municipalities. This in turn requires the municipalities to increase property taxes to our residents.

While the need for increased housing is understood the cost associated with that development should not be placed on current residents through increased property taxes.

Conservation authorities are partners in ensuring that development can happen in a timely, safe manner. We need them to be able to provide the services required to meet the province's goals without increasing the burden of current rate payers. The use of fees to fund this type of program ensures that those benefiting from development are paying for it (growth paying for growth). This is the fairest funding system for this type of program.

We support conservation authorities offsetting program costs through fees as much as possible and request that you grant them the ability to do so. Failing that, we request the Ministry to increase the transfer payments to conservation authorities to replace the lost income that the freeze has created.

Sincerely,

Mayor Josh Morgan, City of London

Warden Marcus Ryan, County of Oxford, Mayor, Township of Zorra

Mayor Martin Ritsma, City of Stratford

Mayor Jerry Acchione, City of Woodstock

Mayor Al Strathdee, Town of St.Marys

Mayor Brian Petrie, Town of Ingersoll

Mayor Cathy Burghardt-Jesson, Township of Lucan Biddulph

Mayor Walter McKenzie, Municipality of West Perth

Mayor Sharron McMillan, Municipality of Thames Centre

Mayor Aina DeViet, Municipality of Middlesex Centre

Mayor Philip Schaefer, Township of East Zorra-Tavistock

Mayor David Mayberry, Township of South-West Oxford

Mayor Mark Peterson, Township of Blandford-Blenheim

Mayor Jim Palmer, Township of Norwich

Attachment: Council Resolutions from the Municipalities listed above



London
CANADA

P.O. Box 5035
300 Dufferin Avenue
London, ON
N6A 4L9

August 28, 2024

Mayor J. Morgan,

I hereby certify that the Municipal Council, at its meeting held on August 27, 2024, resolved:

That the Mayor BE ASKED to write a letter requesting the decision of the Minister of Natural Resources and Forestry of Ontario, Graydon Smith, to reverse the decision to freeze the fees conservation authorities can charge in regard to planning, development, and permitting fees;

it being noted that the Planning and Environment Committee heard a verbal presentation from B. Petrie, Chair, Upper Thames River Conservation Authority Board of Directors, with respect to these matters. (4.1/12/PEC)

M. Schulthess
City Clerk
/ec

cc: N. Marjanovic Buranyi, Office Administrator, Mayor's Office
List of external cc's on file in the City Clerk's Office

Municipal Council of the County of Oxford
Council Meeting - Oxford County

Date: Wednesday, August 14, 2024

Moved By: Brian Petrie

Seconded By: David Mayberry

Resolved that correspondence Item 7.1 on the Open meeting agenda of August 14, 2024 be received;
And further, that Council authorize the Warden to sign the draft letter addressed to the Minister of Natural Resources and Forestry requesting that the Direction to conservation authorities to freeze the fees associated with planning, development and permitting be rescinded.

DISPOSITION: Motion Carried

Chloe Senior



City of Stratford
Office of the Mayor
His Worship Martin Ritsma
City Hall, P. O. Box 818
Stratford, Ontario N5A 6W1
Tel: 519-271-0250, ext. 5234
Email: mritsma@stratford.ca
Website: www.stratford.ca

September 17, 2024

Sent via email: Graydon.Smith@pc.ola.org

The Hon. Graydon Smith, Minister of Natural Resources,
Ministry of Natural Resources
Whitney Block, Room 6630
99 Wellesley St. W
Toronto, ON M7A 1W3

Dear Minister Smith,

Re: Direction to conservation authorities to freeze fees associated with planning, development, and permitting

As the elected leader of The Corporation of the City of Stratford, on behalf of Stratford City Council, and as a part of the municipalities of the Upper Thames River watershed, we are requesting your help in addressing budget pressures that all municipalities are facing. We ask that you do so by rescinding your direction to conservation authorities to freeze the fees associated with planning, development, and permitting.

This freeze on fees has led to every resident in our municipality having to pay more property taxes to cover the increased level of service that is required to meet the timelines enacted through Bills 108 and 109.

The inability of the conservation authorities to increase fees to offset the costs required to meet demand and increased service levels, requires that the authorities increase the levy to their member municipalities. This, in turn, requires the municipalities to increase property taxes to our residents.

While the need for increased housing is understood, the cost associated with that development should not be placed on current residents through increased property taxes.



Freezing the development and application fees has the greatest impact on conservation authorities located in high-growth areas of the province. Since 2021, provincial population reports reflect that municipalities within the Upper Thames River watershed are the fastest growing in Ontario. Corresponding to this population growth is a large increase in the number of planning, development, and permit applications.

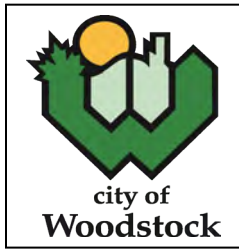
Conservation authorities are partners in ensuring that development can happen in a timely, safe manner. We need them to be able to provide the services required to meet the province's goals without increasing the burden of current rate payers. The use of fees to fund this type of program ensures that those benefiting from development are paying for it -- growth pays for growth. This is the fairest funding system for this type of program.

We support conservation authorities offsetting program costs through fees as much as possible and request that you grant them the ability to do so. Failing that, we request that the Ministry increase the transfer payments to conservation authorities to replace the lost income that the freeze has created.

Sincerely,

Mayor Martin Ritsma,
City of Stratford

Cc: Brian Petrie, Chair, Upper Thames River Conservation Authority Board of Directors
Joan Thomson, Chief Administrative Office, City of Stratford
Matthew Rae, MPP, Perth-Wellington



Office of the City Clerk
Woodstock City Hall
P.O. Box 1539
500 Dundas Street
Woodstock, ON
N4S 0A7
Telephone (519) 539-1291

August 16, 2024

Mayor Brian Petrie
Upper Thames River Conservation Authority

Via email: mayor@ingersoll.ca

Re: Upper Thames River Conservation Authority - Planning, Development and Permitting Fees Freeze

At the regular meeting of Woodstock City Council held on August 15, 2024, the following resolution was passed:

“That Woodstock City Council support the request initiated by the Upper Thames River Conservation Authority (UTRCA) with respect to reversing the decision of the Minister of Natural Resources and Forestry of Ontario, Graydon Smith, to freeze the fees conservation authorities can charge in regard to planning, development, and permitting fees;

And further that Woodstock City Council authorize the Mayor to sign on to a letter of support prepared on behalf of the elected leaders of the municipalities of the Upper Thames River watershed.”

Yours Truly,

Amelia Humphries
Deputy Chief Administrative Officer/ City Clerk
City of Woodstock



July 29, 2024

Brian Petrie, Chair

Upper Thames River Conservation Authority Board of Directors

info@thamesriver.on.ca

RE: Upper Thames River Conservation Authority re: Impact on Decision to Freeze Fees

At the regular meeting of Town Council held on July 23, 2024, the Council of the Town of St. Marys received correspondence from the Upper Thames River Conservation Authority Board regarding a request to support a letter to the Minister of Ontario Natural Resources regarding the decision to freeze fees.

At the meeting, Council for the Town of St. Marys passed the following resolution:

THAT the correspondence from the Upper Thames River Conservation Authority Board regarding a request to support a letter to the Minister of Ontario Natural Resources regarding the decision to freeze fees charged by a conservation authority be received; and

THAT Council for The Corporation of the Town of St. Marys endorses the action of a letter being sent to the Minister of Ontario Natural Resources requesting that the decision to freeze certain fees that may be imposed by a conservation authority be reversed and the freeze lifted.

At the time of receipt of correspondence from the Upper Thames River Conservation Authority Board, a draft letter addressed to Minister Smith was included. Council's endorsement is specific to the draft letter previously provided.

Please do not hesitate to contact me should you need further information or clarification regarding this resolution of Town Council.

Sincerely,

Jenna McCartney
Clerk

August 28, 2024

To Whom It May Concern,

Please be advised that at their regular meeting on August 12, 2024, Council of the Corporation of the Town of Ingersoll adopted the following resolution:

1) UTRCA Reversal of Fee Freeze

Moved by Councillor Van Kooten-Bossence; seconded by Deputy Mayor Wilson

THAT the Council of the Corporation of the Town of Ingersoll receive the correspondence from the Upper Thames River Conservation Authority requesting the reversal of fee freezes as information;

AND THAT the Council of the Corporation of the Town of Ingersoll support the request initiated by the Upper Thames River Conservation Authority (UTRCA) with respect to reversing the decision of the Minister of Natural Resources and Forestry of Ontario, Graydon Smith, to freeze the fees conservation authorities can charge in regard to planning, development, and permitting fees;

AND FURTHER THAT the Mayor of the Council of the Corporation of the Town of Ingersoll be authorized to sign on to a letter of support prepared on behalf of the elected leaders of the municipalities of the Upper Thames River watershed.

CARRIED

At its regular meeting held on August 13, 2024 Council of the Township of Lucan Biddulph passed the following Resolution:

Resolution No. 2024 - 219

Moved by J. Hodgins

Seconded by D. Regan

THAT the Council for the Township of Lucan Biddulph support the request initiated by the Upper Thames River Conservation Authority (UTRCA) with respect to reversing the decision of the Minister of Natural Resources and Forestry of Ontario, Graydon Smith, to freeze the fees conservation authorities can charge in regard to planning, development, and permitting fees. AND THAT the Mayor for the Council of the Township of Lucan Biddulph be authorized to sign on to a letter of support prepared on behalf of the elected leaders of the municipalities of the Upper Thames River watershed.

CARRIED

August 2, 2024

Upper Thames River Conservation Authority
c/o Brian Petrie
1424 Clarke Rd.
London, Ontario
N5V 5B9

Dear Brian Petrie:

RE: Upper Thames River Conservation Authority- Fee Freeze

Please be advised that at their meeting held on July 29, 2024, the Council of the Municipality of West Perth passed the following resolution:

Resolution No. 265/24

Moved By: Deputy Mayor Dean Trentowsky

Seconded By: Councillor Steve Herold

That the Council for the Municipality of West Perth support the request initiated by the Upper Thames River Conservation Authority (UTRCA) with respect to reversing the decision of the Minister of Natural Resources and Forestry of Ontario, Graydon Smith, to freeze the fees conservation authorities can charge in regard to planning, development, and permitting fees; and

That the Mayor for the Council of the Municipality of West Perth be authorized to sign on to a letter of support prepared on behalf of the elected leaders of the municipalities of the Upper Thames River watershed.

If you have any questions regarding this letter, please do not hesitate to contact our office.

Sincerely,



Daniel Hobson

Clerk

dhobson@westperth.com

519-348-8429 ext. 224

September 13, 2024

The Honourable Graydon Smith
Minister of Natural Resources

By email: minister.mnrf@ontario.ca

RE: Decision to Freeze Conservation Authority Fees

Dear Minister Smith,

Please be advised at its regular meeting held on September 9, 2024, the Council of the Municipality of Thames Centre passed the following resolution:

Resolution: 243-2024

Moved by: M. Smibert

Seconded by: C. Crockett

THAT the Council of the Municipality of Thames Centre **SUPPORT** the request initiated by the Upper Thames River Conservation Authority (UTRCA) with respect to reversing the decision of the Minister of Natural Resources and Forestry of Ontario, Graydon Smith, to freeze the fees conservation authorities can charge in regard to planning, development, and permitting fees;

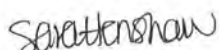
AND THAT the Mayor of the Municipality of Thames Centre **BE AUTHORIZED** to sign on to a letter of support prepared on behalf of the elected leaders of the municipalities of the Upper Thames River watershed;

AND THAT Consent Agenda Item 10.3 **BE RECEIVED** as information.

Carried.

Attached, please find the Letter of Support referred to in the resolution. Should you need anything further, please advise.

Sincerely,



Sara Henshaw
Deputy Clerk

Copy to (by email): Brian Petrie, Chair
Upper Thames River Conservation Authority Board of Directors



August 19, 2024

Upper Thames River Conservation Authority
c/o Brian Petrie, Chair
1424 Clarke Road
London ON N5V 5B9

Sent via email to Brian Petrie <mayor@ingersoll.ca>

Re: Upper Thames River Conservation Authority - Fees Freeze Memo

Please be advised that at the Council meeting held on August 7, 2024 the Municipality of Middlesex Centre adopted the following resolution:

Resolution: 2024-228

Moved: Councillor Berze

Seconded: Councillor Heffernan

THAT the Council for the municipality of Middlesex Centre support the request initiated by the Upper Thames River Conservation Authority (UTRCA) with respect to reversing the decision of the Minister of Natural Resources and Forestry of Ontario, Graydon Smith, to freeze the fees conservation authorities can charge in regard to planning, development, and permitting fees.

AND THAT the Mayor for the Council of the municipality of Middlesex Centre be authorized to sign on to a letter of support prepared on behalf of the elected leaders of the municipalities of the Upper Thames River watershed.

Sincerely,

James Hutson, Municipal Clerk
10227 Ilderton Road, RR#2 | Ilderton, Ontario, N0M 2A0
Tel: 519.666.0190 Ext. 225 | Fax: 519.666.0271

Resolution Page
Regular Meeting of Council



Agenda Number: b.

**Resolution
Number**

Title: UTRCA - Lifting the Freeze on Fees

Date: Wednesday, August 7, 2024

Moved by: Scott Zehr

Seconded by: Steven Van Wyk

Resolved that the Council for the Township of East Zorra-Tavistock support the request initiated by the Upper Thames River Conservation Authority (UTRCA) with respect to reversing the decision of the Minister of Natural Resources and Forestry of Ontario, Graydon Smith, to freeze the fees conservation authorities can charge in regard to planning, development, and permitting fees.

And further that the Mayor of the Township of East Zorra-Tavistock be authorized to sign on to a letter of support prepared on behalf of the elected leaders of the municipalities of the Upper Thames River watershed.

CARRIED

This email will confirm that the Council of the Township of South-West Oxford passed the following resolution at their meeting held on September 17th, 2024:

RESOLVED that the Council of the Township of South-West Oxford endorse the proposed letter from the Upper Thames River Conservation Authority (UTRCA) Board of Directors regarding the decision by the Minister of Natural Resources and Forestry of Ontario to freeze the fees conservation authorities can charge.





Township of Blandford-Blenheim

47 Wilmot Street South
Drumbo, Ontario N0J 1G0

Phone: (519) 463-5347
Fax: (519) 463-5881
Website: www.blandfordblenheim.ca

August 13, 2024

To: Minister Graydon Smith
Ministry of Natural Resources & Forestry
Sent via email: Graydon.Smith@pc.ola.org

Re: Budget Pressures due to Conservation Authorities Fee Freeze (UTRCA)

Please be advised that at the Regular Meeting of Council held on August 7, 2024 the Council of the Corporation of the Township of Blandford-Blenheim carried the following resolution:

Resolution No. 2024-08-07-25

Moved by Councillor Young
Seconded by Councillor Banbury

Be it hereby resolved that the specific correspondence item be received as information; and,

That the Township of Blandford-Blenheim Council directs staff to send the letter signed by local area Councils to Minister Smith, Ministry of Natural Resources and Forestry.

.Carried

Please see attached letter.

If you have any questions, please contact the undersigned.

Thank you,

Sarah Matheson

Sarah Matheson
Clerk
Township of Blandford-Blenheim
smatheson@blandfordblenheim.ca

SEP 25 2024



The Corporation of the Township of Norwich

September 20, 2024

Mr Brian Petrie, Chair
Upper Thames River CA
1424 Clarke Road
London, ON
N5V 5B9

Dear Chair Petrie,

Re: Conservation Authority Fee Freeze

At their meeting held Tuesday September 10, 2024, the Council of the Township of Norwich passed the following resolution:

"That the Delegation of Oxford County Councillor Brian Petrie, Chair, Upper Thames River Conservation Authority, Re: Impacts of the Provincial Freeze on Conservation Authority Development Related Fees be received for information;

And further that Council supports joining the letter to the Minister of Natural Resources and Forestry of Ontario asking for a reversal of the direction to freeze the fees for planning, development, and permitting."

Please advise if you require anything further.

Yours Truly

Kimberley Armstrong DPA
Director of Corporate Services / Clerk



CORPORATION OF THE TOWNSHIP OF ZORRA

163 Brock Street, PO Box 189 Thamesford, ON, N0M 2M0
Ph. 519-485-2490 • 1-888-699-3868 • Fax 519-485-2520

Item 10(b)

Date: August 7, 2024

20-08-2024

Moved by

Paul Mitchell

Seconded by

Kate Grigg

THAT the Township of Zorra Council requests to reverse the decision by the Minister of Natural Resources and Forestry of Ontario, to freeze the fees conservation authorities can charge in regard to planning, development, and permitting fees, and that the freeze be lifted;

AND THAT Council supports the correspondence from Brian Petrie, Chair, Upper Thames River Conservation Authority, regarding reversing the direction to freeze the fees for planning, development, and permitting for conservation authorities.

☒ Carried

☐ Defeated

☐ Recorded Vote

☐ Deferred

Recorded Vote:

	Yea	Nay
Mayor Ryan		
Councillor Stewart		
Councillor Grigg		
Councillor Mitchell		
Councillor Finch		

Man

Mayor



London
CANADA

JOSH MORGAN
MAYOR

Mayor Brian Petrie
Town of Ingersoll
2nd Floor
130 Oxford Street,
Ingersoll, ON
N5C 2V5

September 26, 2024

Dear Mayor Petrie,

Thank you for providing this update on the UTRCA streamlining initiative. I truly appreciate the proactive approach you and your team have taken, especially in identifying efficiencies throughout this process. I know it's been a long road, but it's great to see that you've found a way to fund the project within the existing budget, which is a positive outcome for both the watershed and the City of London.

I also appreciate your continued advocacy around the fee freeze. The potential for increased cost recovery is a valuable consideration, and I'll continue to help advocate for this in my discussions with the Minister and at AMO.

Your commitment to being a good partner is evident, and I'm confident that, together, we'll continue to make progress on these shared goals. If there's anything else I can do to support these efforts, please don't hesitate to reach out.

Kind regards,

Josh Morgan
Mayor, City of London

City of London
Office of Mayor Josh Morgan
300 Dufferin Avenue
P.O. Box 5035
London, ON N6A 4L9

To: UTRCA Board of Directors
From: Tracy Annett, General Manager
Date: October 22, 2024
Number: 6.1
Agenda #: BoD-10-24-77
Subject: Budgetary and Reserves Policy Report

Recommendation

That the Board of Directors approve the Budgetary and Reserve Policy as presented.

Background

The Finance and Audit Committee has had the opportunity to review and provide input to the creation of the policy document and has recommended that this final draft be considered for approval.

The following was prepared in a report for the Finance and Audit Committee with an earlier draft and it summarizes the approach and key points of the policy.

The Authority has no guidelines for staff to prepare budgets, and it has been a year-by-year event to establish them. The board has expressed a wish to see longer-term budgets. We now find that it would be advantageous to create a framework for budgeting and by extension the management of reserves. Equally, the categorization of programs instituted by the province for 2024 necessitates the re-categorization of reserves this year. Because budgets and reserve management are intimately tied, this set of guidelines is written from this approach in two parts.

We have seen and heard the discussion about the 2024 and preliminary draft 2025 budgets about how best to fund Category 1 programs. There is a growing recognition that at a minimum, Category 1 programs must be fully resourced. This includes Category 1 capital repair costs for water and erosion control structures which are rising. As a result, this has dictated the approach taken in these guidelines that will enable the organization to take a path of financial stability, predictability, and capability to deliver the mandatory services on behalf of the province as we are directed to do.

The policy statements for operating budgets are:

- 1. Category 1 program budgets must be fully funded so that the organization's fiduciary responsibilities for mandatory program activities are met.*
- 2. Category 2 program budgets should be balanced evidencing full cost recovery for contracted works.*
- 3. Category 3 program budgets may not be balanced with the understanding that additional grants, contributions, and donations may be secured during the budget year.*

4. Category 3 campground operations budgets must be balanced and will likely evidence a project surplus.

Further guidelines for capital budgets and the categorization of reserves complete the set of guidelines.

Prepared by:

Christine Saracino, Supervisor of Finance and Accounting

Recommended by:

Tracy Annett, General Manager / Secretary-Treasurer

Budgetary and Reserves Policies

October 2024

www.thamesriver.on.ca

Budgetary and Reserves Policies

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DRAFT

1 Purpose, Objectives and Principles

1.1 Purpose

The Budgetary and Reserves Policies demonstrate the intentional choice on the part of the Board of Directors of the Upper Thamer River Conservation Authority (UTRCA) to ensure the stability of the UTRCA's mission centre programs and ongoing operations and to provide a source of internal value for organizational priorities such as future program opportunities, capacity building, and asset management.

The policies provide a set of guidelines for the development of both short and longer-term budgets and govern the management and administration of reserves and reserve funds. They are implemented in concert with other UTRCA governance and financial policies and are intended to support the goals reflected by those related policies as well as strategic and operational plans.

1.2 Objectives

1. To comply with legislated requirements, namely O. Reg. 402/22,
2. To adhere to sound financial management practices and accounting standards,
3. To develop widely understood budgeting processes, and
4. To promote financial flexibility.

1.3 Principles

1. Applicability – these policies apply to all program, unit, and organizational budgets, reserves, and reserve funds the UTRCA administers.
2. Integration – reserves and reserve funds management will be an integral part of the budgeting and strategic financial planning of the organization. All significant financial planning must consider the potential effect on reserves.
3. Liquidity – adequate working capital funding must be available for all approved budgets. Adequate and appropriate levels of reserves and reserve funds shall be maintained to meet financial obligations, including those to:
 - a. fund long-term deferrals for existing assets,
 - b. replace and rehabilitate capital infrastructure as required and described in asset management plans,
 - c. provide a funding contingency for unanticipated expenditures or needs that might arise from time to time, such as an unexpected loss of revenues.
4. Stability and consistency across years so that future municipal council budgets will not be unnecessarily impacted by either delayed or advanced project spending.
5. Credit and borrowing – the UTRCA will maintain reserves and reserve funds in such a way as to keep the organization's credit status sound and to keep the cost of borrowing at a minimum.

2 Budgetary Policy

2.1 Policy Statement: Operating Budget

- Category 1 program budgets must be fully funded to meet the UTRCA's fiduciary responsibilities for mandatory program activities.¹
- Category 2 program budgets should be balanced evidencing full cost recovery for contracted works.
- Category 3 program budgets may not be balanced with the understanding that additional grants, contributions, and donations may be secured during the budget year.²
- Category 3 campground operations must be balanced and will likely evidence a projected surplus.³

The UTRCA will strive to develop balanced annual operating budgets (inclusive of amortization expense), in order to:

- avoid unduly burdening municipalities by unexpected levy demands,
- reflect the full cost of program delivery,
- assist in reaching and managing appropriate reserve levels,
- position the UTRCA with appropriate asset replacement funding,
- ensure adequate resources are available to mitigate environmental damages due to changing climate pressures occurring now and into the future, and
- achieve long-term financial stability and flexibility.

2.2 Operating Budget Inclusions

- FTEs for all permanent staff to be allocated,
- Allowance for overlap of retiring staff to be considered and included where known,
- Estimate of wage grid increase,
- Best estimates for wage modifiers (i.e., statutory deduction rates, benefit rates),
- Amortization for existing assets and estimates for future year amortization on budgeted capital expenditures, and
- All known contract revenues.

¹ Sufficient levy will be made, regardless of the percentage of costs it covers, so that all Category 1 costs will be covered 100%. This is a balanced budget.

² A Category 3 reserve must be established as these programs may run deficits from time to time.

³ The campgrounds generally budget with a surplus, resulting in the reserve increasing regularly. However, additional amortization is incurred annually as needed capital spending takes place, putting pressure on the annual budget to deliver surpluses. As long as the campgrounds can produce a surplus each year, their operations are effectively "paying for" all the capital spending which has occurred in earlier years.

Category 1 programs and services have not always produced surpluses; therefore, today's amortization expense is placing a burden on the Category 1 budget, necessitating more levy now for past capital spending in that category. Some, but not all, capital amortization is directly allocated to Category 2 and 3 program areas.

2.3 Policy Statement: Capital Budget

- Water and erosion control projects, as Category 1 costs, must be fully funded in the year they are completed or in the following year. This requirement allows for future amortization expenses for which deferred revenue is available to support project costs. Deferred revenue will then be included in annual operating budgets.⁴
- UTRCA-wide capital projects, as Category 1 costs, must also be fully funded in the year they are completed or the following year. The capital maintenance levy will be made in sufficient amount each year for the planned projects. Similar to the water and erosion control projects above, full funding is required to avoid significant increases of operating levy in subsequent years for organizational capital requirements.
- Capital budgets for campground operations will likely evidence deficits in spending, acknowledging that the cost for current year spending is borne into the future. For this reason, capital budgets will be prepared by including the cost of future amortization in the operating budget and ensuring that revenues used to support the future amortization are available. Capital budgets for campground operations must have adequate evidence of payback be it increasing revenues, reduced costs, improved safety conditions, or similar benefits.
- When approved, capital budgets will continue to be adjusted as new information is known and edits will be reported to the Board. Should the total of capital projects appear to exceed 10% of approved costs, re-approval will be required by the Board.

2.4 Capital Budget Inclusions

- UTRCA-wide vehicle and equipment needs, land improvement projects, new buildings and building system improvements, technology needs, and land acquisitions and dispositions, amortized according to the Capitalization and Amortization Guidelines,
- Water and erosion control projects including all those with projected provincial Water and Erosion Control Infrastructure (WECI) funding and those requiring levies,
- Anticipated wages for capital expenditures and corresponding decreases for wages in the operating budget,
- Amortization impacts on the operating budget starting in the current year plus one and following years for the life of the capital acquisition or project, if not fully funded in the year of completion or acquisition.

⁴ Currently in 2024, for water and erosion control structures, we have sufficient deferred revenue to cover 93% of past capital amortization expenses. With a requirement that 100% of capital spending be funded for each capital project as it is complete, this percentage should climb to 100% over time.

3 Reserves Policy

3.1 Reserves Policy Statement

- Reserves shall be maintained⁵ in accordance with any applicable legislation and in respect of specific funding contributions.⁶
- Reserves do not necessarily need to be fully funded.⁷
- There is no requirement to segregate the reserve funding into discrete accounts. Reserve funds may be combined.
- Use of reserves shall be approved in conjunction with annual budgets.
- When reserves are deemed insufficient, a plan will be instituted to replenish them.
- Reserves will be categorized as:
 - a. **Obligatory** – created as a result of legislation, contractual agreement, donation, or recognition of the source of funds which may require revenues to be used for special purposes separate from general revenues.
 - i. Land transactions as described by Ministry of Natural Resources (MNR) Policies and Procedures for the Treatment of Conservation Authority Generated Revenue, and differentiating between UTRCA-interest only and those amounts for lands the province may have had an interest in,
 - ii. Directed donations (e.g., to Memorial Forest or Harrington Grist Mill),
 - iii. Capital Asset Renewal Reserve (Category 1) as per asset management plans,
 - iv. Water and Erosion Control Structures Reserves (Category 1) created through special benefitting levies and as described through asset management plans.
 - b. **Discretionary** – created through Board motion to set aside funding to finance a future expenditure. Examples may be for stabilization or risk management efforts.
 - i. Operating Reserves for:
 - 1. Category 1 Programs
 - 2. Category 2 Programs
 - 3. Category 3 Programs
 - 4. Category 3 Programs – campground operations
 - ii. Long-term Investment Reserve – held to smooth market advances and declines each year.
- The Land Transactions Reserve can be used to support UTRCA activities related to:
 - Acquisition of hazard lands, provincially significant conservation lands, managed forests or other ecologically sensitive lands, other wetlands, groundwater recharge or discharge areas, forested areas, lands with

⁵ Actively managing reserves necessitates planning and discussion about what level of reserve should be maintained, whether it needs to be funded and, most importantly, what mechanism is in place to create and maintain it. This in turn dictates what the budget requires. Combined, these decisions constitute long-term financial planning.

⁶ This requires periodic review and valuation of balances in conjunction with setting long-term asset management plans and budgets.

⁷ This will also require a plan developed in conjunction with cash management and investment guidelines.

restoration potential, or any other lands that support provincial interests identified within the new provincial planning statement; this does not include land where the primary purpose is recreation or the generation of revenue,

- Land management operations as proposed through a work plan approved by the General Manager or delegate,
- Hazard land mapping in support of plan input or regulation programs,
- Flood and erosion capital projects including major maintenance of flood control structures and technical studies,
- Development of watershed / subwatershed management plans which are inter-municipal in scope.

3.2 Recommended Reserve Balances

Table 1 outlines the target balance range for each type of reserve, and the balance as of January 2024.

Table 1. Reserves Target Balance Range

Type of Reserve	Balance Jan 2024	Target Balance Range
Land Transactions Reserve	\$30,859	Increases as land is sold
Directed Donations Reserve	\$82,379	Target as donations received
Capital Asset Renewal Reserve	\$1,014,702	\$2,000,000 - \$3,000,000
Water and Erosion Control Structures Reserves	\$1,532,262	\$3,000,000 - \$4,000,000
Category 1 Operating Reserve	\$315,593	\$1,900,000 - \$2,800,000
Category 2 Operating Reserve	--	0
Category 3 Operating Reserve	\$-90,368	\$2,600,000 - \$4,000,000
Category 3 Campgrounds Operating Reserve	\$3,061,858	\$2,300,000 minimum
Long-term Investment Reserve	\$146,228	\$1,420,000
Total	\$6,093,513	\$13,220,000 - \$17,520,000

3.3 Types of Reserves

3.3.1 Land Transactions Reserve

The Land Transactions Reserve is intended to meet regulatory requirements, to hold value for land parcel acquisition according to the UTRCA's Land Acquisition and Disposition Policy, and to meet provincial disposition requirements. The MNR provides guidance on the disposition of land parcels, and there may have been a provincial interest in their value. While provincial constraints as to the use of gains on the sale of land are now relaxed, it is important to note that the UTRCA lands have been acquired over a long period of time with perhaps several funders. Land acquisitions were recorded at their original cost and may have been at a comparatively high value.

Any buildings may have been removed and a parcel may now be vacant floodplain lands. As a result, not all land sales may produce gains.

The UTRCA should keep land sale values in a reserve for potential future land acquisition which may arise at any time. The Land Transactions Reserve should be fully funded to make it possible to buy land as desired. This reserve should be held in two parts: UTRCA Interest Only Lands and Joint Interest Lands.

3.3.2 Capital Asset Renewal Reserve

The Capital Asset Renewal Reserve⁸ is intended to address the need for major repair or acquisition of buildings, equipment, furniture, fixtures, infrastructure, and technological tools necessary for the effective operation of the organization and its programs. This reserve is not intended to support those flood control structures that are funded through special benefitting levies, nor is it intended to supply the campgrounds' capital needs.⁹

The target amount of the Capital Asset Renewal Reserve may be considered as the minimum total of the next two to three year's capital requirements.

3.3.3 Water and Erosion Control Structures Reserves

The Water and Erosion Control Structures Reserves (aka Structures Reserves) are intended to provide a means to level demands on member municipalities and to ensure a ready source of value for structure operating needs as well as for major flood control structure capital needs if they are unfunded at the time of capital projects being completed. The reserves shall be segmented according to the structures that the organization manages and reflect the constituent beneficiaries' special-benefitting contributions.

The target amount of each structure reserve will be determined based on historical operating expenses, forecasts for operating activities, and in consideration of the risks each structure bears and their failure modes.

It is a goal that the Structures Reserves shall be funded to 50% to continue preserving life and property as required as a Category 1 activity. The investment of such reserve funds should be maintained in the UTRCA's long-term portfolio.

⁸ Budgetary pressures often impede capital program expenditures or investments for maintenance and replacement, especially for organizations that do not prepare a multi-year capital plan or properly consider the impact of capital projects on the operating budget. This lack of investment makes it increasingly difficult to have assets available or to sustain an asset in the condition necessary to provide expected service levels. Ultimately, deferring essential maintenance or asset replacement could reduce an organization's ability to provide services and could threaten public health, safety, and overall quality of life. In addition, as the asset's physical condition declines, deferring maintenance and/or replacement could increase long-term costs and liabilities. Organizations should, therefore, establish capital planning, budgeting, and reporting practices to encourage adequate capital spending levels. A multi-year capital plan, as determined through an Asset Management Planning process, should address the continuing investment necessary to properly maintain capital assets. Such practices include proactive steps to promote adequate investment in capital renewal and replacement and necessary expenditure levels for maintenance.

⁹ Until an asset management plan is established that can inform more accurate needs for this reserve, UTRCA shall begin to segregate 10% of the value of new assets acquired each year in a reserve out of surpluses. The reserve can accrue over time. This approach requires our annual capital budgets to be not only fully funded but to add 10% to the value of the assets being acquired or built. In effect, our capital budget for UTRCA-wide assets must be 110% funded in the short-term.

3.3.4 Long-term Investment Reserve

A Long-term Investment Reserve shall be established to hold gains and losses of the long-term investment portfolio. Due to the nature of these investments in market-based securities, and the desire to make this investment a perpetual pool of value to the organization, annual fluctuations may have more impact on normal operations than desired. Therefore, in order to separate the effect of market swings, it is recommended that these gains and losses be held in a separate reserve at this time, subject to future review. It is recommended that the reserve reach 20% of the portfolio's value.¹⁰

3.3.5 Operating Reserves

Minimum Operating Reserves will be established in an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The bulk of the cost centres contained in the UTRCA's annual budget are operating cost centres. These programs create the increases or decreases to operating reserves.¹¹

The recommended target range for the *Category 1 Operating Reserve* is between **two and three months of annual operating costs** or approximately \$1.9M - \$2.8M. The calculation of average operating costs includes all recurring, predictable expenses such as salaries and benefits, overhead costs, office, utilities, travel, program, and ongoing professional services. The calculation of average monthly expenses shall exclude some expenses, for example, flow-through amounts, one-time, or unusual purchases. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.

The target for the **Category 2 Operating Reserve is zero** and it will be unfunded. Because Category 2 programs are contracts, it is expected that the price for those contracts will be set in advance considering all possible costs to recover over the period of the contract. It is possible that small surpluses or deficits may occur in which case they will be assumed to clear in the following contract period.

The target range for the **Category 3 Operating Reserve** shall be **4-6 months of annual operating costs** or approximately \$2.6M- \$4M due to the funding variability of the programs in this category. It may be necessary to curtail programs quickly in response to a lack of grant funding; therefore, adequate reserves may be necessary to complete or wind down programs.

The **Category 3 Campgrounds Operating Reserve** normally constitutes 20% of the annual expenses of the organization. The conservation areas have proven to be highly successful at generating sufficient income for operations in addition to a surplus, without any municipal support and without significant, long-overdue capital investment. The Campgrounds Reserve is long

¹⁰ Reserve funds for the full cost replacement or rehabilitation of major assets, excluding flood control, will be funded from ongoing operations at a rate that reflects the life of the asset. Contributions to these funds will begin in the year of acquisition and shall be based on an estimate of the useful life of each asset acquired. Funds shall be invested pursuant to the investment policy of the organization based on the timing of future asset replacements. This reserve will, therefore, be funded to approximately \$3M. When this reserve reaches approximately 20% of the portfolio value, no further additions would be necessary. This implies that a 20% loss of value in a single year, while not appealing, would not completely derail the finances of the organization in a single stroke because there is a reserve to compensate for it.

¹¹ Reserves are, by nature, a contingency for a year with poor financial performance. Operating reserves are dynamic pools of value and should be reviewed and adjusted in response to both internal and external changes.

established, and plans are currently in place for significant capital investments in 2024 which will deplete the reserve in future years over the life of the assets acquired. The potential risk to the organization should the campgrounds fail to open (as envisioned in early 2020 during the pandemic) or should a serious event occur which prohibits continued operations (e.g., fire) requires the Campgrounds Reserve to be a **minimum of six months operating costs**, or approximately \$2.3M.

3.4 Funding Status of Reserves

The Category 1 Operating Reserve need not be fully funded as it is mandatory under provincial regulation and, therefore, fully fundable by member municipalities. The Category 2 Operating Reserve need not be fully funded as it is intended to be very short-term balances to be cleared under a subsequent contract. The Category 3 Operating Reserve should be adequately funded to smooth the provision of those programs.

The funding status of the Category 3 Campgrounds Reserve should be 100% to allow for near-term capital spending. Annual operations have added to this reserve and capital spending will soon begin to deplete it.

Table 2 outlines the status of the UTRCA's reserves as of January 2024. Table 3 indicates that there was \$6,829,360 available to fund reserves at the beginning of 2024.

Table 2. Status of Reserves as of January 2024

Reserve	Balance Jan 2024	Target Reserve Balance	Funding Target	Amount of Reserve to be Funded
Land Transactions	\$30,859		100%	\$30,859
Directed Donations	\$82,379		100%	\$82,379
Capital Asset Renewal	\$1,014,702	\$2M - \$3M	100%	\$2M - \$3M
Water and Erosion Control Structures	\$1,532,262	\$3M - \$4M	50%	\$1.5 - \$1.75M
Category 1 Operating	\$315,593	\$1.9M- \$2.8M	50%	\$.95M - \$1.4M
Category 2 Operating	--	No target	--	--
Category 3 Operating	\$-90,368	\$2.6M - \$4M	50%	\$1.3M-\$2M
Category 3 Campgrounds	\$3,061,858	\$2.3M min	100%	\$2.3M
Long-term Investment	\$146,228	\$1.42M	100%	\$1.42M
Total	\$6,093,513	\$13.22M - \$17.54M		\$9.62M - \$12.02M

Table 3. Funding Available for Reserves as of January 2024

Financial Assets and Liabilities	As of January 2024
Cash and near cash	\$810,397
Receivable in cash	\$854,865
Payables and accrued liabilities	-\$1,049,208
Investment accounts	\$15,502,627
Deferred revenues	-\$9,289,321
Net Assets	\$6,829,360

3.5 Accounting for Reserves

Approved budgets effectively dictate where and how reserves can be increased or will decrease. Movements of value in and out of reserves (reserve transactions) will be planned for each budget period. Reserve entries may be made during the year as projects or special activities are completed, even though final accounting is completed at year end. A report of reserve balances is made each year end.

1. Long-term investment portfolio gains recognized are not allocated in-year through service cost centre allocations, with the belief that those gains should support long-term financial strength. These gains will be held in the Long-term Investment Reserve.
2. Unrecognized long-term portfolio gains will be accounted for using the Public Sector Accounting Board standard 3450 in effect from 2022.
3. Long-term investment portfolio losses and impairments recognized will be applied to:
 - a. the Long-term Investment Reserve,
 - b. then to the Category 1 Operating Reserve.
4. Any other annual operating surpluses will be applied to:
 - a. any deficit in the appropriate category Operating Reserve to first clear it,
 - b. then to the Capital Asset Renewal Reserve, to the extent of 10% of the current year's capital expenditures (excluding flood control), until it reaches its target and to maintain it at target,
 - c. of the remainder, to the appropriate category Operating Reserve.
5. Any annual operating deficits will be applied to:
 - a. the appropriate category Operating Reserve with plans for rebuilding.
6. The Water and Erosion Control Structures Reserves will be maintained from surpluses of flood control operating activities which may include excess levy required to support these reserves. These reserves also carry the deficits from operations of each structure.
7. The Land Transactions Reserve will be maintained with the gains from land dispositions after costs and will support new land acquisition as necessary and according to provincial policy regulation on land reserves. Where possible, revenues and expenses will be deferred until such time as a land transaction is completed.

3.6 Use of Reserves

3.6.1 Identification of Appropriate Use of Reserves

The General Manager and staff will identify the need for access to the various operating or other reserves and confirm that the use is consistent with the purpose of the reserves as described in this policy. This step requires analysis of the reason creating the need to use reserves (i.e., the reason of any deficit), the availability of any other sources of value before using reserves, and evaluation of the time period that the reserve will be needed and how it will be replenished. Similarly, the need for the use of Structures Reserves will be identified as annual budgets are prepared.

As land transactions are planned to occur, the effect on the Land Transactions Reserve will be identified and presented to the Board by special request as they are not common transactions.

3.6.2 Authority to Use Reserves

The Board of Directors has control over reserves. By approving an annual budget, the Board provides authority to the General Manager for the use of reserves. The budgets requested will include rationale for the use of reserves and plans for replenishment. The organization's goal is to replenish the reserves used by the end of the year following their use or, in the case of Structure Reserves, up to three years following their use, to restore the reserves to the target minimum amount.

3.7 Reporting Requirements

The General Manager / Secretary-Treasurer is responsible for ensuring that the reserves are maintained and used only as described in this policy. Upon approval for the use of reserves via budget approval, the General Manager and staff will maintain records of the use of funds and plan for replenishment, if required. Reports to the Finance and Audit Committee on progress to restore the reserves to the target minimum amount may be made if requested.

4 Relationship to Other Policies and Procedures

The UTRCA maintains the following Board-approved policies and plans, which may contain provisions that affect the creation, sufficiency, and management of reserves.

1. Contingency or Disaster Preparedness Plan,
2. Cash Management and Investment Policy,
3. Land Acquisition and Disposition Policy,
4. 20 Year Flood Control Structures Forecast (updated annually),
5. UTRCA Asset Management Plan (underway in 2024), and
6. Purchasing Guidelines (2018).

5 Review of Policy

The Budgetary and Reserve Policy will be reviewed every other year, at a minimum, or sooner if warranted by internal or external events. Changes to the policy will be recommended by management to the Board of Directors.

6 Policy Amendments

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Appendix A. Definitions

Budget: An approved plan to spend a certain amount in a given fiscal year or project period. It is a plan represented by dollars as income and dollars as expenditure. UTRCA currently prepares annual budgets for approval and long-term budgets for information and discussion purposes.

Capital Asset Renewal: Capital assets are those used in operations that have initial useful lives extending beyond a single reporting period. Capital assets include major government facilities, infrastructure, equipment, and networks that enable the delivery of public sector services. The performance and continued use of these capital assets is essential to the health, safety, economic development, and quality of life of those receiving services. Renewal and replacement refer to the process by which these assets are kept in good repair or replaced as needed.

Discretionary Reserves: Reserves created by the Board for specific purposes.

Liquidity: A measure of an asset's convertibility to cash. There is a hierarchy of needs for funds in any organization, that typically progresses as:

1. Daily operations, for vendor accounts and payroll including source deductions and pension payments.
2. Peak period expenses, in the case of UTRCA, summer through fall.
3. Planned capital spending for significantly large purchases such as vehicles, major construction repairs on flood control assets, or building projects.
4. Reserve funds required on depletion.

Public Sector Accounting Board: Board created to serve the public interest by establishing accounting standards for the public sector. Canada's standard-setting boards and oversight councils are the Accounting Standards Board, Public Sector Accounting Board, Auditing and Assurance Standards Board, Canadian Sustainability Standards Board, Accounting Standards Oversight Council, and Auditing and Assurance Standards Oversight Council. These bodies together form the Financial Reporting and Assurance Standards of Canada.

Reserve: An appropriation from net revenue and/or cost savings at the discretion of the Board, after the provision for all known expenditures. A reserve has no reference to any specific asset or bank account and does not require the physical segregation of money or assets as in the case of a reserve fund. The Board may set up reserves for any purpose for which they have the authority to spend. A reserve may not have a fund of cash associated with it.

Operating Reserve: A reserve intended to provide an internal source of value for situations such as a sudden in-year increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or minor uninsured losses of an operating nature. Because the UTRCA budgets annually, use of reserves to balance funding gaps should be minimal. However, at times, small program surpluses or deficits may arise which may increase or decrease these reserves. An operating reserve is not intended to replace a permanent loss of revenue, eliminate an ongoing budget gap, or hold value for unplanned future operating use. It is the UTRCA's intention that the operating reserves is used when required and rebuilt within a reasonably short period of time. It can be considered the "general equity" account.

Reserve Fund: A pool of dollars in a bank account or investment account which may or may not equal the full value of a reserve. Reserve funds can be segregated or combined with other reserve funds.

A reserve may or may not have a reserve fund associated with it. If it does, it may not always be 100% of its reserve value. Reserve funds are cash dollars that have been set aside to meet a future expenditure, by either a Board resolution or a government requirement by statute or agreement. Reserve funds are either discretionary (being established by the Board) or obligatory (being established by virtue of a government requirement). To maintain cash flow flexibility, and because the UTRCA has an approved investment policy regulating cash management, reserve funds need not be segregated from other monies. Funds supporting reserves will be held in the various investment accounts the UTRCA maintains.

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Appendix B. Reserve Balances

Reserve balances as of January 2024.

Count		Total	Category 1 General	Category 1 Special Distr.	Category 2	Category 3	Cat 3. Other Campgrounds
	Obligatory Reserves						
1	Land Transactions - Authority interest only	-					
1	Land Transactions - Provincial interest only	30,859	30,859				
5	Donor-Directed Reserves	82,379	82,379				
1	Capital asset renewal Reserve	1,866,194	1,866,194				
19	Structures Reserves	3,580,295		3,580,295			
	Discretionary						
3	Operating Reserves	3,716,489	514,317			140,315	3,061,858
1	Long-term Investment Reserve	146,228	146,228				
31		9,422,444	2,639,977	3,580,295		140,315	3,061,858
	Draws against reserves	(3,328,931)	(1,050,216)	(2,048,032)		(230,682)	-
	Net Reserves	6,093,513	1,589,760	1,532,262		(90,368)	3,061,858

To: UTRCA Board of Directors
From: Tracy Annett, General Manager
Date: October 11, 2024
File Number: BoD-10-24-78
Agenda #: 6.2
Subject: 2025 Draft Budget for Circulation

Recommendations

- THAT the 2025 Draft Budget report be approved for consultation purposes; and
- THAT the 2025 Draft Budget be circulated to participating municipalities and posted on the UTRCA website.

Purpose

This report summarizes the 2025 Draft Budget. The Final 2025 Budget will be presented for approval at the February 2025 Annual General Meeting.

Background

The Upper Thames River Conservation Authority's (UTRCA) Draft 2025 Budget has been prepared by staff in accordance with budgetary processes set out in O. Reg. 402/22, "Budget and Apportionment". The budget presented reflects input received from our Board during the August meeting. Staff were directed to prepare the 2025 Draft Budget to increase levy for Category 1 programs and services to cover all costs for these mandated programs to produce a balanced budget. In addition, a preliminary forecast for the 2026 Budget year was to be presented.

Budget Process

Ontario Regulation 402/22, "Budget and Apportionment," describes the conservation authority (CA) budgetary process in four phases, which can be completed consecutively or concurrently, as determined by the CA.

Staff commenced phase 1, determining amounts to be apportioned and methods of apportionment, as presented in the preliminary budget in August. This phase of the budget process is complete.

UTRCA staff have prepared the draft budget as per phase 2 of the regulation in coordination with staff from participating municipalities, in particular those with benefit-based apportionment for capital projects proposed in 2025. Approval of the draft budget for consultation with participating municipalities will complete phase 2 of this process.

Phase 3 requires CAs to hold a meeting to approve apportionment amounts to participating municipalities and phase 4 requires CAs to hold a meeting to approve the final budget,

including matters agreed to during consultations with participating municipalities and the apportionment amounts approved in phase 3 by the Board.

Following consultation with UTRCA's participating municipalities, phases 3 and 4 are expected to occur concurrently at the February 2025 Annual General meeting.

Staff may also consider final adjustments based on feedback prior to approval at the Annual General Meeting in February. Changes are possible and expected at each stage of the budget development and through consultation with our member municipalities.

Legislative Requirements

Budgets for 2025 and beyond more accurately reflect actual costs to support legislative requirements, local environmental needs, and municipal and public demands for service. The budget provided meets the requirements of the Budget and Apportionment Regulation (O.Reg. 402/22) and continues to use the Modified Current Value Assessment to apportion costs for general levy and benefit-based apportionment for structures.

The 2025 Preliminary Draft Budget separates the Authority's programs and services, consistent with Section 21 of the Conservation Authorities Act (CAA) and as required by [Mandatory Programs and Services Regulation O.Reg. 686/21](#):

- Category 1 – Mandatory programs and services defined in regulation that may be funded with municipal levy,
- Category 2 - Programs and services delivered at the request of the municipality with funding under agreement with the benefiting municipality,
- Category 3 - Other programs and services that the Authority determines are advisable to implement within our watershed jurisdiction, with funding through cost apportionment agreements with participating municipalities and primarily self-generated through user fees, government and other agency grants, donations, etc.

Discussion

In developing the preliminary 2025 budget, staff considered the following:

- Requirements under the Conservation Act and regulatory amendments,
- Cost of living adjustments (COLA) and grid step increases,
- Inflation (Consumer price index – CPI),
- Multi-year contractual obligations,
- Operating, capital, and program pressures,
- Board approved Fee Policy,
- Focus on internal efficiencies,
- General economic outlook, and
- Impacts on service delivery.

Self-generated revenues

The UTRCA continues to generate funds in all program areas where possible. In creating this preliminary budget, the following Category 1 programs and services apply self-generated revenue to reduce the levy request from our participating municipalities:

- 1) **Planning and Regulations Fees** – Section 21.3(1) Direction, which has been in effect since 2023 and continues from January 1, 2024 to December 31, 2024, requires a conservation authority not to change the amount of the fee it charges or the manner in which it determines the fee for any program or service that may be provided by the conservation authority. This relates to reviewing and commenting on planning and development related proposals or land use planning policies, or for permits issued by conservation authorities.

This budget anticipates that the fees freeze will be extended through 2025. Estimates for 2025 fees are anticipated to recover approximately 35% of costs and not follow the UTRCA Fees Policy of recovering 50% of expenses for this program area through fees. If the fees freeze is lifted, any changes will require consultation and not be realized until later in 2025. It is not anticipated that the fees freeze will reduce levy requirements in 2025.

- **Lands Management** – Revenues generated through various land leases have been applied to Category 1 programs and services.
- **Corporate Costs** - The Draft Budget identifies common or general administrative, human resources, financial, marketing and communications, and fleet services costs. Corporate costs of \$2,068,922 are being recouped through distribution to Category 2 and 3 programs and services to offset Category 1 expenses. The remainder of the costs are supported by investment income and deferred levy for capital expenditures.

Budget Overview

The attached Draft Budget displays the capital and operating costs by category of programs and services along with the revenues we expect to support each category. The UTRCA continues to seek additional funding support through leveraging funds. Much of that effort is realized in Category 3 programs. The highlights of each category of program are identified as follows.

Category 1 – Mandatory Programs:

The Draft Budget identifies total operating expenses of \$12,487,667 requiring a 15% increase in levy. Modified Current Value Assessment (MCVA) amounts for activities related to the Conservation Authorities Act and the Clean Water Act were provided by the province. MCVA amounts are used to apportion levy to participating municipalities.

A new provincial agreement has been approved which provides funding for the UTRCA to continue delivering the Drinking Water Source Protection program until March 2027. However, overhead costs have been capped by the province, and therefore, not all overhead costs associated with the program may be recovered. This shortage in

funding can be accommodated in 2025, but future budgets may need to include a Clean Water Act levy.

Category 2 – Municipal Programs:

New Category 2 contracts have been negotiated and costs are recouped accordingly.

Category 3 – Watershed Determined Programs:

UTRCA has delivered watershed-determined programs and services under the Conservation Authorities Act for over 75 years. The purpose of the CAA remains unchanged. Cost apportioning agreements have been negotiated for program areas that include:

- Stewardship and restoration,
- Sub watershed planning and monitoring, and
- Community outreach and education.

This budget includes significant funding through Environment and Climate Change Canada that begun this fall and continues through 2027. The associated costs of that agreement drive our expense budget higher by 20% for 2025.

Alternative sources of funding support many programs and services in this category, and there are over 50 discrete programs in this group. Cost apportioning among participating municipalities allows leveraging of these grant programs and provides base contributions to stabilize funding sources. A 3% cost of living increase for these programs is proposed to align with COLA; however, it should be emphasized that the cost apportioning contributions return more than 13:1 for each dollar invested in these programs and services.

Other Category 3 Programs:

Campground Operations will remain a separate category item in the budget, with any revenues generated from operations directed towards a reserve fund to support much needed capital improvements.

Capital Projects:

Considerable capital work has been planned for 2025 as the UTRCA continues to maintain aging infrastructure. Inflation has meant rising costs and has made it difficult to estimate project costs for future projects with great certainty. The 2025 Draft Budget includes capital projects and outlines the proposed flood and erosion control structures capital projects and other capital projects for 2025, for information and consideration.

- Flood and Erosion Control

The UTRCA recognizes that these costs can vary significantly for special benefitting municipalities. The Authority is sensitive to the impacts on those municipalities and has been meeting with each municipality to discuss the timing and phases of implementation and levying.

The UTRCA has applied for alternative funding sources to offset capital costs to member municipalities. Approved funding and updated projects are reflected in the 2025 Draft Budget.

- Other Capital Projects

A deficit is projected for capital expenditure needs primarily attributed to the campgrounds, where campground projects are depreciated through conservation areas reserves.

Conservation authorities have no restriction in developing deficit budgets aside from prudent fiscal management. Many organizations develop deficit budgets particularly with respect to capital spending, in effect putting off securing the matching revenue into the future. However, in recognition of the nature of the Category 1 services that the UTRCA is mandated to provide, we attempt to reduce future burden on levies in favour of making levy requirements fully understood as they are needed. Therefore, this budget includes all spending requirements for 2025 as we know them today and indicates the impact of deficits on our existing reserves. While campground capital spending can be mitigated by the existing campgrounds reserve, other operating and capital draws on reserves are not sufficient to support the organization to this extent on an on-going basis.

Levy Apportionment

O. Reg 402/22 – Budget and Apportionment outlines the three current methods of apportioning costs. Under this legislation, conservation authorities can 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 municipalities. General operating expenses and capital costs that benefit all municipalities (formerly referred to as “corporate administrative costs”) can be levied without agreement.

A summary of levy apportionment by type of costs is provided in Table 1 below. As part of the budget process and in keeping with current practice, conservation authorities are required to consider the use of self-generated revenue as per Board-approved Fees Policy.

Table 1: Levy Apportionment by Type of Costs

Types of Costs	Description
Category 1 – all mandatory programs and services	<ul style="list-style-type: none"> • Operating expenses for programs and services that benefit all participating municipalities (e.g., general levy) would be apportioned using the MCVA or benefit-based methods. • Capital costs that benefit all would use the MCVA, benefit-based or agreement methods. • Capital costs and operating expenses for programs and services that benefit only one or some municipalities (e.g., certain infrastructure operation and maintenance costs related to dams) may be apportioned by benefit-based methods.

Types of Costs	Description
Category 2 - all municipal programs and services	<ul style="list-style-type: none"> • Capital costs and operating expenses would be apportioned directly and entirely to the participating municipality that has entered into an agreement under s. 21.1.1 of CAA for the authority to provide the program and service on behalf of the municipality.
Category 3 - other programs and services (watershed determined programs)	<ul style="list-style-type: none"> • Capital costs and operating expenses would be apportioned in accordance with cost apportioning agreement. Agreements include the MCVA methods, and costs to be updated annually.

2026 Levy Expectations

The figures included in the budget package for 2026 would indicate the following changes to levy in 2026 compared to 2025:

- An increase of 3.6% to operating levies and cost apportionment support
- A reduction of 37% to levies required for major repairs to flood control and recreational structures
- A reduction of 2% for other capital projects

These are preliminary estimates. However, of the two types of budgets, capital expenditure plans are currently more developed than the 250 other operating program budgets due to the long-term planning, management and consultation of capital projects over operating activities.

These estimates also assume that we would not attempt to increase reserve balances in 2026.

Summary

The 2025 Draft Budget illustrates an increase of \$960,516 in general distribution levy for Mandatory Category 1 programs and services. Careful assessment of costs, and the additional levy allows for the presentation of a balanced budget in mandatory programs. This projection includes a conservative estimate of “soft revenue,” typically contract revenue that is expected during the year from programs that have not yet been announced.

Capital amounts include increases to water and erosion control structure capital project costs and recognise these costs can vary significantly for special benefitting municipalities. The UTRCA has been approved for alternative funding sources to offset capital costs to member municipalities.

While we are proud of the effort and commitment of staff to achieve the ends in delivering programs and services that improve watershed health, the amounts included intend to move the organization to a sustainable funding model for mandatory programs and services; cost recovery for municipal contracts; and a continued commitment to leverage funds received through our Category 3 cost apportioning agreements. Our expectation is that budgets for 2025 and beyond will continue to accurately reflect actual costs to support legislative requirements, local environmental needs, and public demands for service.

Recommended by:

Tracy Annett, General Manager / Secretary-Treasurer
Christine Saracino, Supervisor Finance
Jenna Allain, Manager Environmental Planning and Regulations
Brad Glasman, Manager Integrated Watershed Management
Teresa Hollingsworth, Manager Community and Corporate Services
Chris Tasker, Manager Water & Information Management
Brent Verscheure, Manager Lands, Facilities and Conservation Areas

Attachment:

2025 Draft Budget

Draft 2025 Budget

October 22, 2024

www.thamesriver.on.ca

UPPER THAMES RIVER
CONSERVATION AUTHORITY





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Budget Development Schedule

March 2024

Staff initiate workplans for 2025 to predict budget needs

June 2024

Board direction regarding budget concepts

August 2024

Board direction regarding Preliminary Draft Budget followed by municipal input sessions with senior staff

October 2024

Draft Budget presented to Board

November - February

Municipal input sessions with senior staff and Draft Budget circulation to member municipalities

January 2025

Board review of municipal comments and Draft Budget reconsideration

February 2025

Board review of Draft Budget and approval of Budget and Apportionment

2025 Draft Budget: Overview

Key Messages

- Mandatory Category 1 programs and services require long-term stable funding to meet our legislative responsibilities,
- There are very limited alternative funding sources for these mandatory programs and services.

The Upper Thames River Conservation Authority's (UTRCA) 2025 Draft Budget reflects expected costs to support legislative requirements, local environmental needs, and municipal and public demands for service. The budget meets the requirements of the Budget and Apportionment Regulation (O.Reg. 402/22) and continues to use the Modified Current Value Assessment to apportion costs for general levy and benefit-based apportionment for water and erosion control structures.

The 2025 Draft Budget separates the UTRCA's programs and services into three categories, consistent with Section 21 of the Conservation Authorities Act (CA Act) and as required by Mandatory Programs and Services Regulation O.Reg. 686/21:

- Category 1 - Mandatory programs and services defined in regulation that may be funded with municipal levy.
- Category 2 - Programs and services delivered at the request of a municipality, with funding under agreement with the benefiting municipality.
- Category 3 - Other programs and services that the Authority determines are advisable to implement within our watershed jurisdiction. These programs and services are funded through cost apportionment agreements with participating municipalities and self-generated funding sources such as user fees, government and other agency grants, donations, etc.

What are the Mandatory Programs and Services?

- Planning and regulations
 - Regulations and enforcement under the CA Act (Prohibited Activities, Exemptions and Permits)
 - Planning activities

- Water management
 - Flood forecasting and warning
 - Infrastructure operations and maintenance
 - Mapping, studies, and information management
 - Climate change risk and mitigation
 - Low water response
 - Natural hazards outreach programs
- Land management
 - Land management, risk, enforcement
 - Lands strategy implementation (strategy completed in 2024)
 - Public access on UTRCA lands for passive recreation
 - Natural heritage conservation on UTRCA lands
- Provincial water monitoring
- Drinking water source protection
- Watershed strategy implementation (strategy completed in 2024)
- Essential corporate costs

UTRCA's Category 1 programs and services are broader than those of most other conservation authorities due to the size and scope of the water and erosion control structures and program.

Budget Development

In developing the 2025 Draft Budget, staff considered the following:

- Requirements under the CA Act and regulatory amendments,
- Cost of living adjustments and pay grid step increases,
- Persistent inflation as read through the Consumer Price Index and experienced by purchases of goods and services, particularly trade contracting, engineering works, and other supplies,
- Multi-year contractual obligations and their impact on timing of spending,
- Operating, capital, and program pressures in terms of constraints on time,
- Board approved Fee Policy and a provincial planning fee freeze,
- Focus on internal efficiencies using technologies, and cost control wherever possible,

- General economic outlook combined with UTRCA's history of deficit budgeting, and
- Impacts on service delivery.

The UTRCA has used a conservative approach to spending, as well as proactive investigations into alternative sources of funding in 2024, in an effort to minimize financial impacts on member municipalities in 2025 and beyond.

The following items have informed the development of the 2025 Draft Budget:

Stabilize funding for Category 1 Mandatory Programs and Services

The Draft Budget includes a 3% increase in wages across the organization and the UTRCA is committed to fair and competitive compensation. The federal CPP Enhancement program started in 2019 will end after 2025 during which a new limit for additional maximum pensionable earnings of 14% is implemented. These enhancements have been borne for a number of years in our forecast deficits. After 2025, it is expected that payroll burdens will become more stable than in the recent past.

The count of FTEs in 2025 is higher than in 2024. This results from 2024 having only part-year FTEs for the new staff hires and 2025 containing the entire year costs for those positions.

Total operating costs in 2025 are 20% higher than in 2024. This is due to two significant federal grants recently approved to Category 3 programs for reduction of nutrients on land across the watershed. The corresponding program revenue is also included in the budget. Property taxes were estimated with a broad 7% increase; liability and other insurance coverages were estimated with a 9% increase.

In 2024, the municipal levy supported just under 60% of the cost of providing these mandatory services at the UTRCA, resulting in a forecast deficit of \$1.2 million dollars. The previous five years of budgets have also projected deficits as the Authority navigated the uncertainty of legislative changes.

The 2025 Draft Budget increases the municipal share of Category 1 expenses to 67%. This additional increase in levy provides

for a balanced set of Category 1 programs, helping to ensure that continued deficit budgets will not unduly impact reserves. Increases in municipal support are required to reduce reliance on other, undependable sources of funding and ensure the stability of these programs and services. Without consistent and dependable Category 1 funding, the UTRCA is at risk of inadequately delivering these mandatory programs and services and not fulfilling our provincial mandate.

Alternative Sources of Funding

The UTRCA continues to investigate opportunities to attract partnerships, user fees, and alternative funding sources to support all programs and services. A contract with the federal government is providing significant support for the UTRCA's rural stewardship efforts. By obtaining funding support, Category 3 programs and services leverage the municipal investment and assist in supporting Category 1 corporate costs.

The provincial government froze planning and permitting fees in 2022, limiting the amount of user fees that can be collected by the Authority. The UTRCA's Board-approved policy has been to recoup 50% of the cost of providing planning and development services. Currently, the UTRCA is able to recoup approximately 33% of expenses.

Significant Increase in Capital Projects for Specific Municipalities

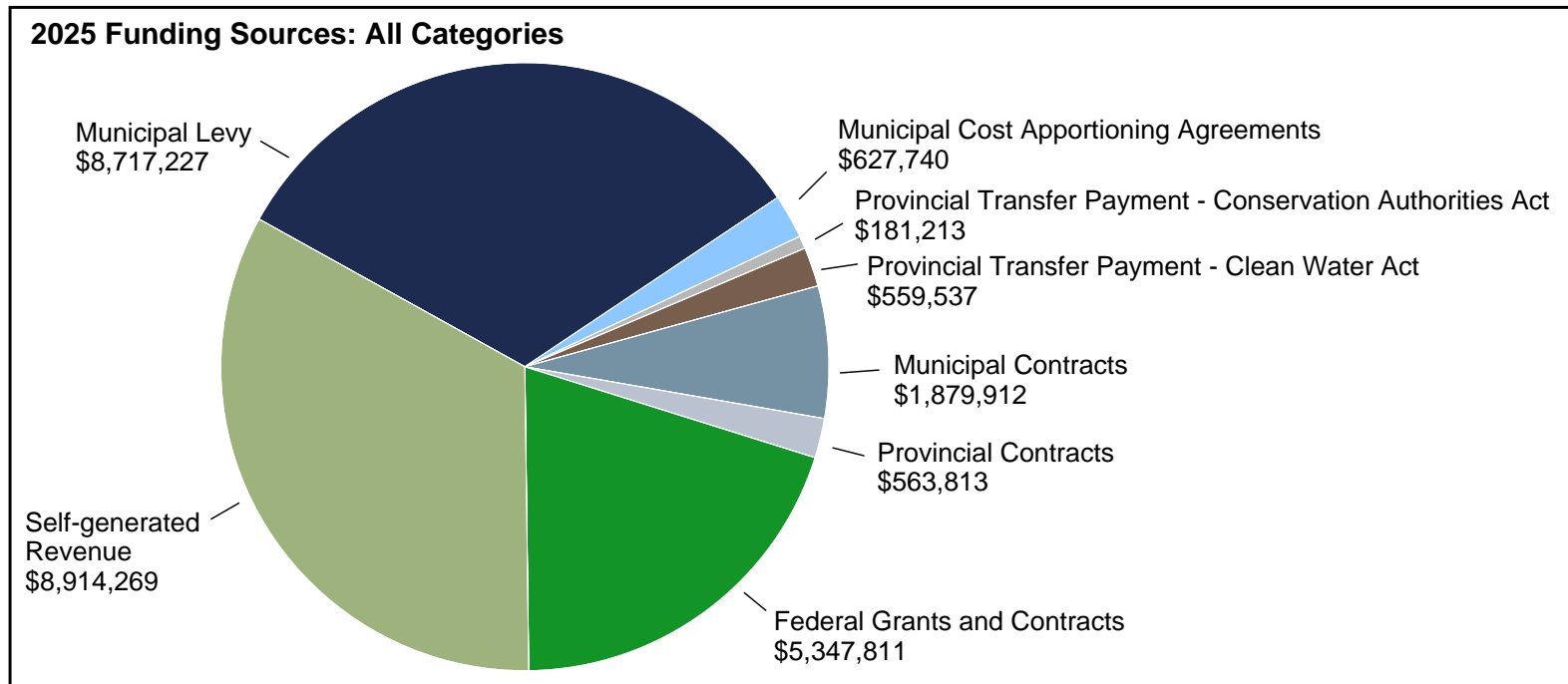
Considerable capital work has been planned for 2025 as the UTRCA continues to maintain aging infrastructure. Inflation has meant rising costs and has made it difficult to estimate project costs for future projects with certainty.

The UTRCA recognizes that the 2025 Draft Budget includes increases to capital project costs, which can vary significantly for special benefitting municipalities. The Authority is sensitive to the impact on these municipalities and has been meeting with each municipality to discuss the timing and phases of implementation and levying. The UTRCA has applied for alternative funding to offset capital costs to member municipalities. This Draft Budget reflects approved funding and updated projects.

Operating Costs and Funding Sources per Category

Table 1. Summary of Operating Costs and Funding Sources per Category

	Category 1	Category 2	Category 3	Other Category 3 (Campgrounds)	TOTAL
Operating Costs	\$12,487,667	\$1,204,205	\$8,042,546	\$4,803,657	\$26,538,076
Provincial Transfer Payments - Conservation Authorities Act	181,213	--	--	--	181,213
Provincial Transfer Payments - Clean Water Act	559,537	--	--	--	559,537
Provincial Contracts	267,813	--	296,000	--	563,813
Federal Grants and Contracts	138,143	--	5,209,668	--	5,347,811
Municipal Contracts	407,167	1,207,654	220,800	62,290	1,879,912
Self-Generated Revenue	2,189,780	--	1,616,997	5,107,492	8,914,269
Municipal Levy	8,717,227	--	--	--	8,717,227
Municipal Cost Apportioning Agreements	--	--	627,740	--	627,740
Total Funding Sources	12,460,881	1,207,654	7,971,205	5,169,782	26,809,522
Surplus or (Deficit)	(\$26,786)	3,449	(\$71,341)	\$366,125	\$271,446



Operating Budget

Table 2. Operating Budget

	2024 Approved Budget	2025 Category 1	2025 Category 2	2025 Category 3	2025 Category 3 Campgrounds	2025 Total Budget	2026 Forecast
Revenues							
Municipal Levy + Cost Apportionments (Cat. 3)	\$7,999,589	\$8,425,570	-	\$626,156	-	\$9,051,726	\$9,378,805
Municipal Levy amortized from deferrals	269,469	291,657	-	1,584	-	293,241	211,636
Provincial Transfer Payment - CA Act	181,213	181,213	-	-	-	181,213	181,213
Provincial Transfer Payment - Clean Water Act	600,584	559,537	-	-	-	559,537	578,540
Municipal Contracts	1,899,856	407,167	\$1,207,654	220,800	\$62,290	1,897,912	1,939,619
Provincial Contracts	383,777	267,813	-	296,000	-	563,813	438,304
Federal Grants and Contracts	2,130,709	138,143	-	5,209,668	-	5,347,811	5,444,165
Land Management Agreements	1,192,377	428,300	-	730,310	92,617	1,251,227	1,263,361
User Fees	6,813,969	1,074,630	-	789,187	5,014,875	6,878,692	7,062,398
Donations and Other	26,500	48,600	-	97,500	-	146,100	120,100
Investment Revenue	505,250	638,250	-	-	-	638,250	644,250
Total Operating Revenues	22,003,293	12,460,881	1,207,654	7,971,205	5,169,782	26,809,522	26,262,391
Expenses							
Wages and Benefits	14,955,606	10,083,106	757,787	2,214,456	2,509,563	15,564,913	15,947,003
Property-related Expenses	2,037,632	743,800	36,975	600,035	872,601	2,253,411	2,254,161
Technical and Consulting Services	1,031,367	647,035	28,920	286,904	203,118	1,165,977	984,911
Computers and Communications	571,789	512,895	15,100	32,319	18,362	578,675	516,361
Insurance and Risk Management	471,508	392,083	2,000	16,696	117,075	527,854	571,794
Materials and Supplies	1,126,646	367,090	77,600	429,545	286,646	1,160,881	1,167,005
Staff Travel, PD, PPE, Uniforms	216,851	170,503	20,450	22,825	41,233	255,011	255,963
Fleet-related Expenses	155,200	179,600	-	2,315	4,500	186,415	162,710
Banking Expenses	20,000	20,000				20,000	21,000
Other	917,700	6,820		3,215,080		3,221,900	3,631,200
Depreciation Expenses	1,419,170	1,431,243		21,026	148,356	1,600,624	1,473,651
Corporate Allocations	9,649	(2,066,507)	265,374	1,201,345	602,203	2,415	430,970
Total Operating Expenses	22,933,118	12,487,667	1,204,205	8,042,546	4,803,657	26,538,076	27,416,729
Surplus or (Deficit)	(\$929,825)	(\$26,786)	\$3,449	(\$71,341)	\$366,125	\$271,446	(\$154,338)

Capital Projects

Table 3. Structure Capital Projects

Structure	2024				2025				2026				2027			
	Project Revenues			Latest Forecast 2024 Net	Project Revenues		Expenses	Draft Budget 2025 Net	Project Revenues		Expenses	Forecast 2026 Net	Project Revenues		Expenses	Forecast 2027 Net
	Levy	WECI* Funding			Levy	Other Funding			Levy	Potential Funding			Levy	Potential Funding		
Fanshawe Dam	\$552,203	\$474,703	\$981,371	\$45,534	\$55,000	-	\$55,000	-	\$180,000	\$165,000	\$345,000	-	\$1,115,000	\$1,110,000	\$2,225,000	-
Centreville Dam	-	750	31,500	(30,750)	34,629	-	2,000	\$32,629	180,500	137,500	318,000	-	61,000	50,000	111,000	-
Dorchester Mill Pond Dam	-	-	-	-	14,500	\$12,500	27,000	-	30,000	30,000	60,000	-	52,500	52,500	105,000	-
Dorchester CA Dam	-	-	-	-	2,000	-	-	-	12,500	12,500	25,000	-	-	-	-	-
Embro Dam	25,000	-	-	25,000	27,000	-	52,000	-25,000	30,000	30,000	60,000	-	-	-	-	-
Fullarton Dam	7,000	-	25,000	(18,000)	105,000	-	87,000	18,000	20,000	20,000	40,000	-	40,000	40,000	80,000	-
Harrington Dam	12,500	-	-	12,500	7,000	-	7,000	-	17,500	25,000	55,000	(12,500)	50,000	50,000	100,000	-
Ingersoll Channel	5,000	-	5,000	-	-	-	-	-	70,000	70,000	140,000	-	-	-	-	-
London Dykes	209,500	345,500	525,000	30,000	4,445,500	5,862,000	10,307,500	-	1,222,000	2,697,500	3,919,500	-	652,000	1,103,000	1,755,000	-
Mitchell Dam	35,142	31,548	87,500	(20,810)	124,564	-	69,000	55,564	223,250	221,250	444,500	-	477,500	477,500	955,000	-
Orr Dam	17,642	100,000	212,500	(94,858)	195,000	-	145,000	50,000	690,000	630,000	1,265,000	55,000	187,500	187,500	375,000	-
Pittock Dam	145,414	45,000	130,298	60,116	5,000	-	-	5,000	648,040	632,500	1,280,540	-	80,000	80,000	160,000	-
Shakespeare Dam	-	-	-	-	4,000	-	4,000	-	-	-	-	-	45,000	45,000	90,000	-
Stratford Channel	-	10,806	31,612	(20,806)	20,806	-	-	20,806	30,000	30,000	60,000	-	112,500	112,500	225,000	-
St Marys Floodwall	5,000	-	5,000	-	-	-	-	-	25,000	25,000	50,000	-	27,500	27,500	55,000	-
Wildwood Dam	195,361	217,500	514,193	(101,332)	582,882	462,500	925,000	120,382	160,000	160,000	320,000	-	125,000	125,000	250,000	-
Total Structure Capital Projects	\$1,209,762	\$1,225,807	\$2,548,974	(\$113,406)	\$5,622,881	\$6,337,000	\$11,680,500	\$277,381	\$3,538,790	\$4,886,250	\$8,382,540	\$42,500	\$3,025,500	\$3,460,500	\$6,486,000	-

*WECI = Water and Erosion Control Infrastructure program

Notes:

- 1. “Other funding” in 2025 includes a significant contribution from the federal government.
- 2. “Potential funding” in 2026 and 2027 is dependent on approved WECI applications so it is not guaranteed.
- 3. Projects and cost estimates for 2025 and beyond are prepared on a best estimate basis. As new information is received, costs are updated, and funding of projects may be updated as well.
- 4. Positive figures in the “net” columns imply that we are planning to levy later, or more, than originally envisioned in earlier years.

Table 4. Other Capital Projects

	2024		2025					2026				
Other Capital Projects	New Forecast 2024 Net	2024 Notes	Capital Maintenance Levy	Other Revenues	Expenses	Draft Budget 2025 Net	2025 Notes	Capital Maintenance Levy	Equipment Sold/ Grants	Expenses	Draft Budget 2026 Net	2026 Notes
Capital Asset Renewal Reserve												
Watershed Conservation Centre office furnishings	(\$50,000)	For additional staff and staff under new ECCC federal grant	\$50,000			\$50,000	Levy for shortfall in 2024				-	
IT server equipment	-	For hosts/servers and IT storage	58,000		\$58,000	-	For hosts/servers and IT storage	\$58,000		\$58,000	-	For hosts/servers and IT storage
Fleet vehicle and equipment replacement	(64,000)	Reduced request for new equipment	280,000	\$65,000	516,000	(171,000)	1 light duty truck, 1 bobcat, 2 EV trucks, 1 zero turn mower	385,000	\$50,000	435,000	-	5 light duty pick ups, 4 UTVs
EV charging stations	-	Deferred to 2025	55,000	75,000	130,000	-	To use \$75K levy from 2024 in addition to \$55K for 2025				-	
Former Children’s Safety Village fibreoptic cabling	(49,000)	Purchase and install 2 strands of fibre from Fanshawe Pioneer Village	-			-					-	
Fanshawe Conservation Area water servicing (pump, panel UV)	(20,000)	Some costs to be covered through insurance	-			-					-	
Main road waste management moloks	(21,000)	Moloks added to main FCA road	-			-					-	
Loggers and telemetry watershed-wide	-		24,500		24,500	-	For installation at Waubuno site	15,800		15,800	-	Pottersburg bubbler
Former Children’s Safety Village renovations	(70,000)		-	50,000	50,000	-	RBC-sponsored LED work				-	
Category 1 General Distribution Reserve												
Lands projects and plans	-		-	\$75,000	270,100	(195,100)	Plans for Fanshawe gatehouse entranceway	-	-	-	-	
Category 3 Campgrounds Reserve												
Tri-park design plans for business and gatehouse	(20,000)	Starting late in 2024	-		137,500	(137,500)	WCA entrance design, business studies			-	-	
Fanshawe CA capital projects on roads, equipment and buildings	(427,937)		-		1,726,000	(1,726,000)	Mainly roadworks			1,726,000	(\$1,726,000)	
Pittock CA capital projects on bridge	(20,000)		-		165,000	(90,000)	In conjunction with City of Woodstock			165,000	(90,000)	
Wildwood CA roads, electrical work and playground equipment	-		-		705,000	(705,000)				705,000	(705,000)	
Total Other Capital Projects	(\$741,937)		\$467,500	\$265,000	\$3,782,100	(\$2,974,600)		\$458,800	\$50,000	\$3,104,800	(\$2,521,000)	

Municipal Levies

Table 5. Municipal Levies

Municipality	General Distribution Rates - Operating and Capital (See Table 6. Municipal Levies Detail: MCVA General Distribution)							Special Benefitting Rates** - Operating and Capital (See Table 7. Municipal Levies Detail: Special Distribution)								Category 1 Mandatory Program Levy
	Clean Water Act	Conservation Authorities Act	Clean Water Act		Conservation Authorities Act		Category 1 Levy - General Distribution	Structure 100% (Single Benefitting Municipality)		Wildwood Dam (London 80%, St Marys 14%, all municipalities 6% MCVA)		Pittock Dam (Oxford County 61.1%, London 32.9%, all municipalities 6% MCVA)		Category 1 Levy - Special Benefitting		
	2024 MCVA %	2024 MCVA %	2025 MCVA %	2025 Levy	2025 MCVA %	2025 Levy	Total	Structure	2025 Levy	%	2025 Levy	%	2025 Levy	Total	Total	
Oxford County	16.930	16.981	16.955		17.007	\$1,248,765	\$1,248,765	Ingersoll Channel	\$28,000	1.020	\$9,789	62.120	\$158,407	\$196,196	\$1,444,961	
London	63.894	64.088	63.855		64.049	4,703,017	4,703,017	Fanshawe Dam	592,500	83.843	804,374	36.743	93,694	5,988,369	10,691,386	
								London Dykes	4,491,500							
								Springbank Dam	6,300							
Lucan Biddulph	0.350	0.351	0.355		0.357	26,179	26,179	-	-	0.021	205	0.021	55	260	26,439	
Thames Centre	3.188	3.197	3.236		3.246	238,349	238,349	Dorchester CA Dam	2,500	0.195	1,868	0.195	497	23,865	262,214	
								Dorchester Mill Pond Dam	19,000							
Strathroy-Caradoc*	0.303		0.303					-	-	-		-		-	-	
Middlesex Centre	2.436	2.444	2.465		2.472	181,530	181,530	-	-	0.148	1,423	0.148	378	1,801	183,331	
Stratford	7.185	7.207	7.149		7.171	526,548	526,548	RT Orr Dam	250,915	0.430	4,128	0.430	1,097	297,946	824,494	
								Stratford Channel	41,806							
Perth East	1.414	1.418	1.409		1.413	103,741	103,741	Shakespeare Dam	5,000	0.085	813	0.085	216	6,029	109,770	
West Perth	1.485	1.490	1.457		1.462	107,331	107,331	Fullarton Dam	164,000	0.088	841	0.088	224	369,629	476,960	
								Mitchell Dam	204,564							
St Marys	1.456	1.460	1.459		1.463	107,423	107,423	St Marys Floodwall	65,000	14.088	135,156	0.088	224	200,379	307,803	
Perth South	1.159	1.163	1.156		1.159	85,113	85,113	-	-	0.070	667	0.070	177	845	85,957	
South Huron	0.200	0.201	0.202		0.202	14,860	14,860	-	-	0.012	116	0.012	31	147	15,007	
Zorra	-	-	-		-	-	-	Embro Dam	40,000	-		-	-	49,000	49,000	
								Harrington Dam	9,000							
South-West Oxford								Centreville Dam	38,629	-		-		38,629	38,629	
Total	100	100	100	-	100	\$7,342,855	\$7,342,855		\$5,958,714	100	\$959,382	100	\$255,000	\$7,173,096	\$14,515,951	

* Strathroy-Caradoc is currently excluded from the UTRCA's jurisdiction by Order-in-Council.

**The UTRCA uses a benefit-based method to apportion the operating expenses and capital costs for the water control structures it operates and maintains. The local share of the costs (after reduction by available funding from senior government or other sources) is apportioned based on the benefit to the municipalities. For Fanshawe, Wildwood, and Pittock Dams, the shared benefit was determined when the funding for construction of the structures was discussed. For all other structures, the municipality where each structure is located is the sole beneficiary and, therefore, covers all the local share of operating and maintenance costs.

This approach is consistent with how these costs have been apportioned in the past and is described in the Conservation Authorities Act Regulations (Ontario Regulation 402/22 Section 7(6)).

Table 6. Municipal Levies Detail: MCVA General Distribution

Category 1 Mandatory Programs	Expenses	Municipal Support
Environmental Planning and Regulations		
- Regulations under S28.1 Natural Hazards	\$1,420,423	\$899,000
- Planning Activities	1,409,998	881,077
Water Management		
- Flood Forecasting and Warning	734,449	585,848
- Infrastructure Operations and Maintenance (see Table 6. Municipal Levies Detail - Special Distribution)	1,840,698	1,219
- Mapping, Studies, and Information Management	1,400,575	1,344,000
- Climate Change Risk and Mitigation	276,246	184,444
- Low Water Response	11,108	13,000
- Natural Hazards Outreach and Education	511,029	383,064
Land Management		
- Lands Management (Risk, Encroachment, Enforcement)	763,562	744,500
- Lands Strategies (including Acquisition and Disposition)	46,843	52,000
- Public Access for Passive Recreation (see Table 6. Municipal Levies Detail - Special Distribution)	1,516,536	904,252
- Natural Heritage Conservation on UTRCA lands	437,149	51,250
Provincial Water Monitoring	180,675	170,675
Drinking Water Source Protection	559,161	-
Watershed Management Strategy Implementation	181,158	181,158
Essential Corporate Costs	1,198,056	479,869
Total Operating Levy	12,487,669	6,875,355
Capital Maintenance Levy (not flood-control related)	3,757,600	467,500
Total Costs to Levy (MCVA General Distribution)	\$16,245,269	\$7,342,855

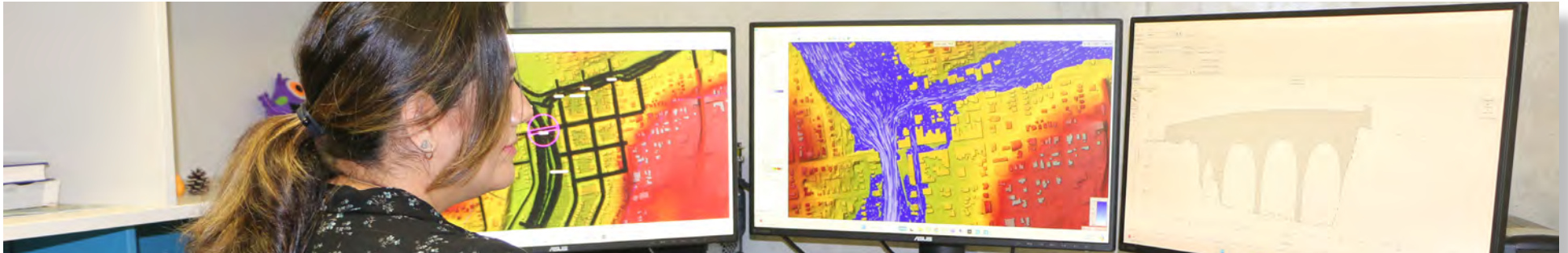


Table 7. Municipal Levies Detail: Special Distribution

Structure	Passive Recreation	Infrastructure Operation and Maintenance		Special Benefitting Total for Structures
	Dam Operation and Maintenance	Operating, Routine and Preventative Maintenance - Flood Control Structures	Capital Repairs and Environmental Assessments	
Fanshawe Dam	-	\$537,500	\$55,000	\$592,500
Wildwood Dam	-	376,500	582,882	959,382
Pittock Dam	-	250,000	5,000	255,000
London Dykes	-	46,000	4,445,500	4,491,500
St. Marys Floodwall	-	65,000	-	65,000
Ingersoll Channel	-	28,000	-	28,000
Stratford Channel	-	21,000	20,806	41,806
Springbank Dam	\$6,300	-	-	6,300
RT Orr Dam	55,915	-	195,000	250,915
Mitchell Dam	80,000	-	124,564	204,564
Harrington Dam	2,000	-	7,000	9,000
Embro Dam	13,000	-	27,000	40,000
Fullarton Dam	59,000	-	105,000	164,000
Shakespeare Dam	1,000	-	4,000	5,000
Dorchester CA Dam	500	-	2,000	2,500
Dorchester Mill Pond Dam	4,500	-	14,500	19,000
Centreville Dam	4,000	-	34,629	38,629
Total Levies for Structures under Special Benefitting	\$226,215	\$1,324,000	\$5,622,881	\$7,173,096



Table 8. Year over Year Comparison of Total Municipal Contributions

Municipality	2024						2025					
	MCVA 2024	General MCVA Distribution (Operating and Capital)	Special Benefitting Rates (Operating and Capital)	Total Levy Category 1	General MCVA Distribution (Operating programs) Category 3 Cost Apportion- ment	Total Municipal Support	MCVA 2025	General MCVA Distribution (Operating and Capital)	Special Benefitting Rates (Operating and Capital)	Total Levy Category 1	General MCVA Distribution (Operating programs) Category 3 Cost Apportion- ment	Total Municipal Support
Oxford County	16.981	\$1,083,785	\$255,708	\$1,339,493	\$103,236	\$1,442,729	16.955	\$1,248,765	\$196,196	\$1,444,961	\$106,487	\$1,551,448
London	64.088	4,090,313	1,734,859	5,825,172	389,623	6,214,795	63.855	4,703,017	5,988,369	10,691,386	401,046	11,092,432
Lucan Biddulph	0.351	22,383	190	22,573	2,132	24,705	0.357	26,179	260	26,439	2,232	28,671
Thames Centre	3.197	204,069	5,736	209,805	19,439	229,244	3.236	238,349	23,865	262,214	20,325	282,539
Strathroy Caradoc	-			-		-	-			0		0
Middlesex Centre	2.444	155,972	1,327	157,299	14,857	172,156	3.246	181,530	1,801	183,331	15,480	198,811
Stratford	7.207	459,962	127,554	587,516	43,814	631,330	7.171	526,548	297,946	824,494	44,901	869,395
Perth East	1.418	90,514	1,770	92,284	8,622	100,906	1.413	103,741	6,029	109,770	8,846	118,616
West Perth	1.490	95,090	130,451	225,541	9,058	234,599	1.462	107,331	369,629	476,960	9,153	486,113
St Marys	1.460	93,208	140,246	233,454	8,879	242,333	1.463	107,423	200,379	307,802	9,161	316,963
Perth South	1.163	74,220	631	74,851	7,070	81,921	1.159	85,113	845	85,958	7,258	93,216
South Huron	0.201	12,822	109	12,931	1,221	14,152	0.202	14,860	147	15,007	1,267	16,274
Zorra	-		15,000	15,000		15,000	-		49,000	49,000		49,000
South-West Oxford	-		4,000	4,000		4,000	-		38,629	38,629		38,629
Total	100	\$6,382,339	\$2,494,358	\$8,799,920	\$607,951	\$9,407,871	100	\$7,342,856	\$7,173,095	\$14,515,951	\$626,156	\$15,142,107

Notes:

- General distribution rates are applied to watershed-wide programs and services.
- Special benefitting rates are structure-specific to the beneficiary municipality / municipalities.

Reserves

In 2024, the UTRCA's reserves will be restructured to reflect the changes produced by the segregation of programs and services into categories. At the same time, the Board will review new Budgetary and Reserves Policies to help guide the development of future budgets and enable more careful consideration of reserve balances resulting from budget approvals.

The UTRCA's new budget planning tool, Questica, allows staff to forecast farther into the future and to predict future reserve balances. Financial planning is imperfect, however, and dependent on program managers' cost estimates and visions of possible future grants or fees for services.

The Reserves Forecast below identifies restructured reserve balances and the effect the 2024 approved budget would have had on those balances. That is the "As Planned" section.

The "As Expected" section attempts to define how actual results in 2024 may impact reserve balances. Against those are added the effects of the draft 2025 operating and capital budgets.

Some reserves clearly experience larger changes each year than others, and capital spending can be a significant part of each year's plans. The large swing in Category 1 reserves from a deficit of \$1,189,252 in the 2024 Approved Budget to a modest deficit of \$73,334 in the 2025 Draft Budget is glaring. That \$1.1M change was intentional as reserves for continued delivery of these mandatory programs and services are insufficient without adequate resources.

The UTRCA has also reached the point where capital spending must be fully funded as it is planned to take place. This approach implies consistent and likely increasing costs to member municipalities, particularly those with significant repairs at structures.

The campgrounds, fortunately, have a healthy reserve. When long-deferred capital spending takes place, it will be conducted with consideration for the ability of the campground operations to support the cost into the future.

In summary, should forecast 2024 financial results come to pass, and the 2025 Draft Budget is approved, we expect that the total reserve balance will begin to move in a positive direction again.

Table 9. Reserves Forecast

	Total Reserves	Category 1 General Reserves	Lands Reserves	Donor Reserves	Capital Asset Renewal	Structures Reserves	Long-term Investment Reserve	Category 2	Category 3	Category 3 Campgrounds
As Planned										
Actual Opening 2024	6,093,512	(535,900)	30,859	82,379	1,866,194	1,532,262	146,228		(90,368)	3,061,858
Approved Budget 2024: Operating	(929,825)	(1,189,252)		341		(44,298)	25,000	3,793	(406,494)	681,085
Approved Budget 2024: Capital	(2,762,085)				(280,000)	(173,148)				(2,308,937)
Approved for End of 2024	2,401,602	(1,725,152)	30,859	82,720	1,586,194	1,314,816	171,228	3,793	(496,862)	1,434,006
As Expected										
Actual Opening 2024	6,093,512	(535,900)	30,859	82,379	1,866,194	1,532,262	146,228		(90,368)	3,061,858
Forecast Actuals 2024: Operating	51,571	(575,107)		63		(18,124)	105,000	3,793	30,560	505,386
Forecast Actuals 2024: Capital	(915,085)				(274,000)	(173,148)				(467,937)
Draft Budget 2025: Operating	271,447	73,334		(1,471)		(178,649)	80,000	3,449	(71,341)	366,125
Draft Budget 2025: Capital	(2,697,219)	(195,100)			(121,000)	277,381				(2,658,500)
Expected End of 2025	2,804,226	(1,232,773)	30,859	80,971	1,471,194	1,439,722	331,228	7,242	(131,149)	806,932

Category 1 Programs and Services: Budget

Category 1 includes the programs and services that the Province of Ontario has deemed mandatory for a Conservation Authority to deliver.

Funding

- The CA is permitted to levy their member municipalities for the full cost of delivering these mandated programs and services. The UTRCA uses revenues from agricultural leases, interest earned on investments, and internal program chargeback recoveries by allocating costs, to reduce the levy impact on member municipalities.
- All corporate costs may be included as Category 1 (i.e., eligible for full levy funding) but UTRCA is allocating program-specific costs to programs and services in all three categories. Essential corporate costs that are not program-specific are included as a grouping within Category 1 below.

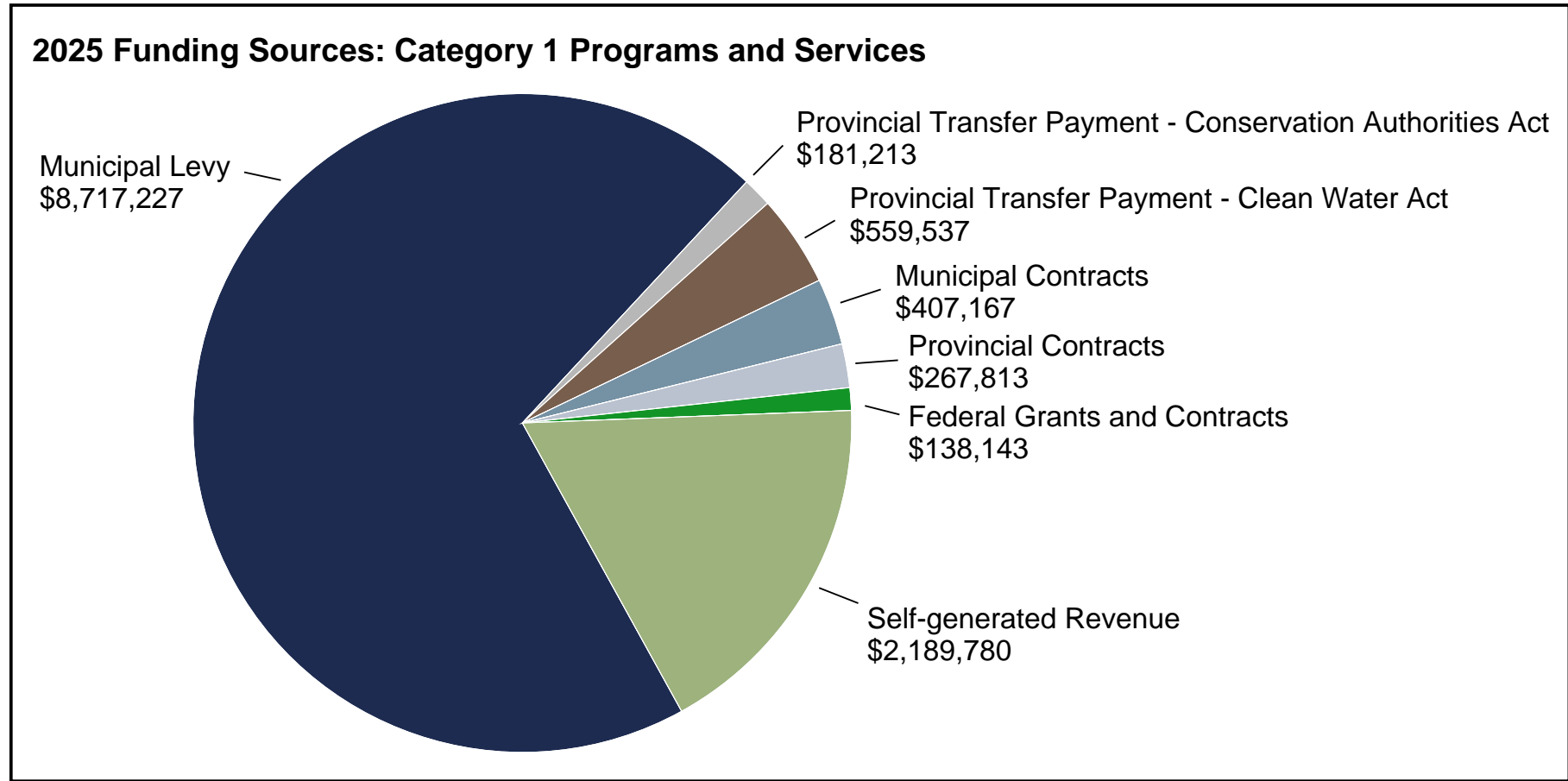


Table 10. Category 1 Operating Budget

Expenses by Type	Environmental Planning and Regulations	Water Management	Land Management	Provincial Water Monitoring	Drinking Water Source Protection	Watershed Management Strategy	Essential Corporate Costs	Total
Wages and Benefits	\$1,957,272	\$2,780,680	\$1,569,540	\$110,143	\$315,803	\$152,027	\$3,197,641	\$10,083,106
Property-related Expenses	1,000	167,390	226,410	-	-	-	349,000	743,800
Technical and Consulting Services	103,000	50,340	58,406	-	146,484	-	288,805	647,035
Computers and Communications	23,500	83,362	18,844	5,000	27,779	-	354,410	512,895
Insurance and Risk Management	3,972	50,429	37,471	1,986	-	-	298,225	392,083
Materials and Supplies	200	85,653	68,257	2,000	700	-	210,280	367,090
Staff Travel, PD, PPE, Uniforms	17,800	17,864	29,654	-	6,485	-	98,700	170,503
Fleet-related Expenses	-	-	-	-	-	-	179,600	179,600
Banking Expenses	-	-	-	-	-	-	20,000	20,000
Other	-	6,820	-	-	-	-	-	6,820
Depreciation Expenses	-	654,072	220,303	-	-	-	556,868	1,431,243
Corporate Allocations	723,677	877,497	535,202	61,546	61,910	29,131	(4,355,471)	(2,066,507)
Total Operating Expenses	\$2,830,421	\$4,774,107	\$2,764,087	\$180,675	\$559,161	\$181,158	\$1,198,058	\$12,487,667

Category 1 Programs and Services: Overview

Environmental Planning and Regulations

The UTRCA provides planning and regulations services to protect people and property from natural hazards (e.g., flood and erosion hazards, wetlands, and the area of interference surrounding wetlands) and support safe development.

Natural hazard planning activities include:

- Planning Act delegated responsibility for natural hazards to be consistent with Provincial Policies,
- Technical information and advice to municipalities on circulated municipal land use planning applications (Official Plan and Zoning By-law Amendments, Subdivisions, Consents, Minor Variances) with respect to natural hazards.
- Input to municipal land-use planning documents (OP, Comprehensive ZB, Secondary plans) related to natural hazards, on behalf of the Ontario Ministry of Natural Resources (delegated to CAs in 1983).

Regulations activities under Section 28 of the Conservation Authorities Act include:

- Reviewing and processing permit applications, associated technical reports, site inspections, communication with applicants, agents, and consultants. Property inquiries and compliance/enforcement activities.
- Input to the review and approval processes under the Planning Act and other applicable law, (e.g., Environmental Assessment Act, Drainage Act, Aggregate Resources Act, with comments principally related to natural hazards, wetlands, watercourses and Section 28 permit requirements.

Legislative Changes

- Bill 23 (More Homes Built Faster Act) and Bill 109 (More Homes for Everyone Act) - Implement service delivery standards for the administration of planning and development reviews and permitting to expedite the approvals process.
- New Ontario Regulation 41/24 - Prohibited Activities, Exemptions and Permits under Section 28 of the Conservation Authorities Act, effective April 1, 2024. requires new regulatory processes, administrative procedures and new policies.
- S28 Conservation Authorities Act - Consultation on and updating of natural hazard maps to inform planning and development applications.



Water Management

The UTRCA's water management program protects people and property and supports safe development by reducing risk due to flooding. Key components include:

- Providing flood forecasting and warning services for municipalities,
- Continually monitoring stream flow, reservoirs, and watershed conditions to assess flood, low flow, and climate change impacts and mitigation,
- Operating and maintaining water control structures (3 large dams, 3 flood control channels, 8 dykes/floodwalls), constructed in partnership with municipalities, to control flood flows and augment stream flows during dry periods,
- Mapping and modelling flood plains and other natural hazards,
- Developing, maintaining, and implementing Flood Contingency Plan for municipal and First Nation flood coordinators and other partners,
- Providing outreach and education programs and information on natural hazards,
- Operating and maintaining 12 erosion control structures,
- Operating and maintaining recreational water control structures for passive recreation, on behalf of municipalities.
- Asset management planning for water and erosion control structures will continue building on the mandatory asset management plans for flood control, flow augmentation, and erosion control structures, to incorporate other UTRCA assets including recreational water control structures. Operational plans will be developed for recreational water control structures, similar to the mandatory deliverables required for the flood control and flow augmentation structures.



Land Management

The UTRCA provides public access for passive recreation on 3200 hectares of conservation lands at Fanshawe, Wildwood, and Pittcock Conservation Areas, and at 11 day-use conservation areas/tracts and an arboretum (managed in partnership with local service clubs or municipalities). Management activities include risk management, encroachment monitoring, and enforcement.

More than 2000 ha of rural properties, including 1500 ha of wetland, provide long-term protection of natural heritage. Activities include forest management, signage, gates, stewardship, restoration, and ecological monitoring.

The UTRCA has prepared a Conservation Areas and Lands Strategy to meet the requirements for a strategy for conservation area owned or managed lands, as set out in the Conservation Authorities Act and Ontario Regulation 686/21 (Mandatory Programs and Services). The UTRCA has also prepared two other, related, mandatory documents, namely a Land Inventory and a Land Acquisition and Disposition Policy.

The Lands Strategy provides guiding principles, goals, and objectives for UTRCA owned or managed lands, which include conservation areas as well as other categories of lands. Staff also developed a Lands Strategy Implementation Plan that will guide implementation for the next 10 years. The plan contains management recommendations at the property type level (e.g., rural conservation areas, wetlands, large conservation areas, etc.).

The Lands Strategy involves a multi-faceted approach that integrates conservation, sustainable land management practices, and community engagement. It will be a valuable resource for the UTRCA and will provide clarity to watershed municipalities, residents, partners, and other interest holders regarding the UTRCA's vision for our lands for future generations.



Provincial Water Monitoring

The UTRCA monitors surface water at 24 Provincial Water Quality Monitoring Network sites on a monthly basis (April to November). Water quality has been monitored in the Upper Thames watershed since the 1960s through this program, which is a cooperative program of the Ministry of the Environment, Conservation and Parks (MECP) and CAs. The UTRCA uses the data in the watershed report cards and to prioritize stewardship projects.

The UTRCA monitors groundwater quantity and quality in 28 wells at 22 Provincial Groundwater Monitor Network sites in cooperation with MECP. There are 23 wells sampled for water quality annually, and five wells that were changed to biennial water quality sampling in 2023 at the discretion of MECP. Groundwater quantity is monitored year-round at all wells.

No provincial funding is received for the surface water program, and limited funding is received for the groundwater program.



Drinking Water Source Protection

The UTRCA protects municipal drinking water sources through Source Protection Plans, as part of the Thames-Sydenham Source Protection Region (Upper Thames River, Lower Thames Valley, and St. Clair Region Conservation Authorities). The UTRCA is the lead Authority for the Region, providing technical and Source Protection Committee support, organizing Source Protection Authority reports and meetings, and carrying out other activities required by the Clean Water Act and regulations.

The UTRCA assists in coordinating and implementing the Source Protection Plans (SPP). Where advisable, the UTRCA reviews and comments on any proposal made under another Act that is circulated to it, to determine whether the proposal relates to a significant drinking water threat that is governed by the SPP or the proposal's potential impact on any drinking water sources protected by the SPP.

This program is currently funded by the province.



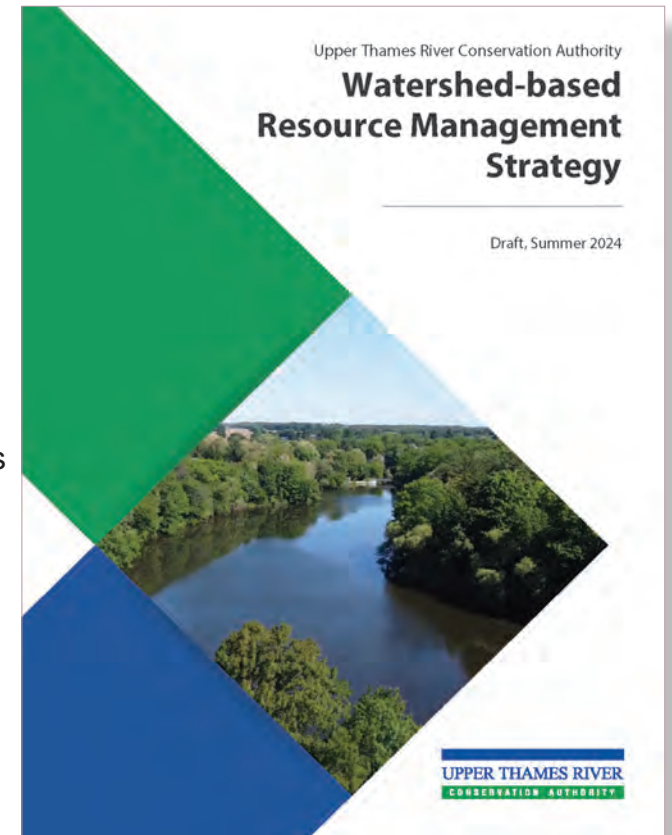
Watershed Management Strategy Implementation

The UTRCA has prepared a Watershed Strategy to meet the requirements for a Watershed-based Resource Management Strategy as set out under Section 21.1 of the Conservation Authorities Act (CA Act) and Ontario Regulation 686/21 (Mandatory Programs and Services). The goal of the Watershed Strategy is to ensure that the UTRCA's programs and services address watershed issues and priorities and reflect the organization's mandate under the CA Act.

The strategy sets out the UTRCA's guiding principles and objectives and updates the inventory of programs and services, assessing resource conditions, trends, risks, and issues that impact the effective delivery of its mandatory and municipal programs and services. It also identifies desirable future programs, services, and actions that will assist the UTRCA in delivering its mandatory and municipal programs and services and meet its objectives and long-term goals.

The strategy is being developed with input from UTRCA staff, watershed municipalities, Indigenous communities, interest holders, and the public. Information gathered through consultation efforts will be used to develop a Watershed Strategy Implementation Plan. The plan will include:

- List of challenges, issues, and risks that limit the effectiveness of the mandatory programs and services,
- Identification of gaps in programs and services needed to address the issues and mitigate the high priority risks,
- Determination of whether the programs and services comply with the regulations under 40(1)(b) of the CA Act,
- Cost estimate and high-level work plan for the implementation of those actions, if the opportunity arises and funding is available.



Essential Corporate Costs

Corporate costs support all UTRCA program areas, the Board of Directors, member municipalities, and the public, to enable the UTRCA to operate in an accountable, efficient, and effective manner.

Under the new legislation, all corporate costs are a mandatory (Category 1) service and, therefore, eligible for full levy funding.

Rather than keeping all corporate costs in Category 1, the UTRCA is allocating program-specific corporate costs to programs and services in all three Categories. These allocated costs include property insurance, IT services, costs to operate the Watershed Conservation Centre (administration building), finance and human resources unit costs, some common communications and marketing unit costs, and shared fleet and equipment costs.

The new budget format illustrates that \$2,068,922 in corporate costs is allocated to the following categories of programs, which are not funded by municipal levy:

- \$265,374 to Category 2 programs,
- \$1,201,345 to Category 3 programs, and
- \$602,203 to the campground operations (other Category 3).

Essential corporate costs that are not program-specific are grouped as a Category 1 (mandatory) cost. They include board governance, administration, health and safety programs, asset management planning, shared fleet management, shared equipment, and directors' and officers' insurance and liability.



Category 2 Programs and Services: Budget

Category 2 programs and services are delivered at cost to specific municipalities under contract.

Funding

- Delivered at cost to specific municipalities under contract (cannot be funded through levy).

2025 Funding Sources: Category 2 Programs and Services

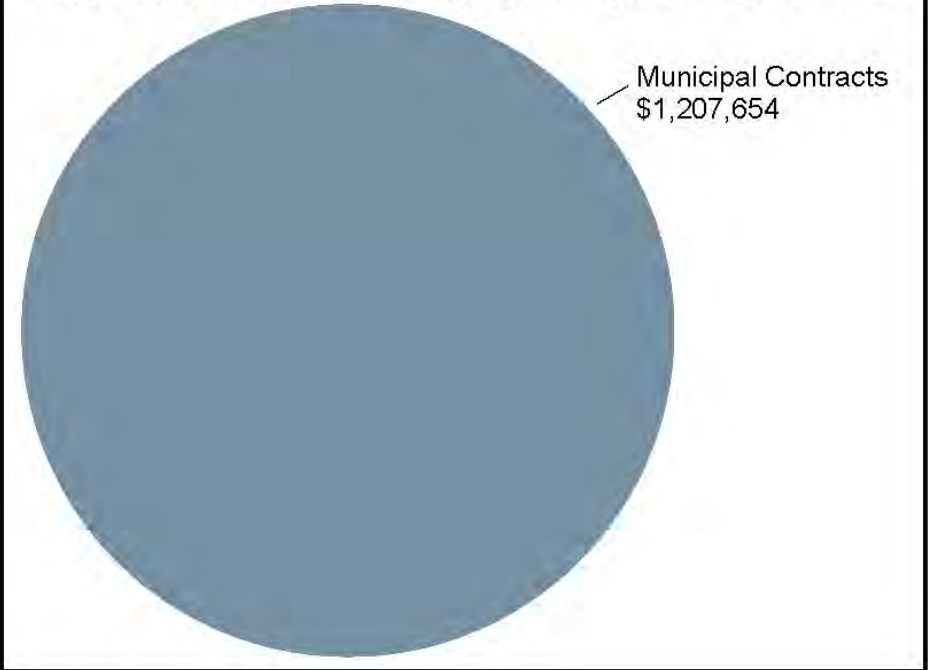


Table 11. Category 2 Operating Budget

Expenses by Type	City of London ESA/Lands Management	City of London Water Quality Monitoring	Drinking Water Source Protection Risk Management	Total
Wages and Benefits	\$565,725	\$69,298	\$122,764	\$757,787
Property-related Expenses	36,175	-	800	36,975
Technical and Consulting Services	-	-	28,920	28,920
Computers and Communications	2,300	-	12,800	15,100
Insurance and Risk Management	-	-	2,000	2,000
Materials and Supplies	67,600	-	10,000	77,600
Staff Travel, PD, PPE, Uniforms	13,650	-	6,800	20,450
Fleet-related Expenses	-	-	-	-
Banking Expenses	-	-	-	-
Other	-	-	-	-
Depreciation Expenses	-	-	-	-
Corporate Allocations	202,409	24,792	38,172	265,374
Total Operating Expenses	\$887,859	\$94,091	\$222,256	\$1,204,205

Category 2 Programs and Services: Overview

City of London Contract Work

The UTRCA is contracted by the City of London to manage 12 Environmentally Significant Areas, install and maintain flow devices in City of London stormwater management infrastructure (in accordance with the City's beaver protocol), and monitor water quality and benthic invertebrates for environmental compliance.

Drinking Water Source Protection Risk Management Services

The UTRCA provides Drinking Water Source Protection Risk Management Inspector/ Official services for partner municipalities.



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Category 3 Programs and Services: Budget

Category 3 programs and services are those that a Conservation Authority determines are advisable to provide to further the purpose of the Conservation Authorities Act.

Funding

- Multiple funding sources including municipal support through cost apportioning agreements (cannot be funded through levy).
- Category 3 programs and services are funded largely through contracts and grants, most of which require some financial support from municipalities. The budget reflects significant funding from Environment and Climate Change Canada for phosphorus reduction programs.

Table 12. Category 3 Operating Budget

Expenses by Type	Community Partnerships and Education	Water Quality Database Management	Ecological Monitoring	Land Stewardship Programs	Land Lease Management	Total
Wages and Benefits	\$605,384	\$37,772	\$422,199	\$1,057,214	\$91,887	\$2,214,456
Property-related Expenses	20,260	-	1,000	282,500	296,275	600,035
Technical and Consulting Services	560	60,000	38,244	132,600	55,500	286,904
Computers and Communications	3,720	10,525	10,764	5,250	2,060	32,319
Insurance and Risk Management	1,988	-	139	2,306	12,263	16,696
Materials and Supplies	78,615	-	1,500	300,450	48,980	429,545
Staff Travel, PD, PPE, Uniforms	5,340	800	1,125	11,700	3,860	22,825
Fleet-related Expenses	-	-	-	800	1,515	2,315
Banking Expenses	-	-	-	-	-	-
Other	17,280	-	22,200	3,166,800	8,800	3,215,080
Depreciation Expenses	-	4,914	1,584	-	14,528	21,026
Corporate Allocations	195,496	11,956	135,500	831,866	26,528	1,201,345
Total Operating Expenses	\$928,643	\$125,967	\$634,255	\$5,791,486	\$562,196	\$8,042,546

2025 Funding Sources: Category 3 Programs and Services

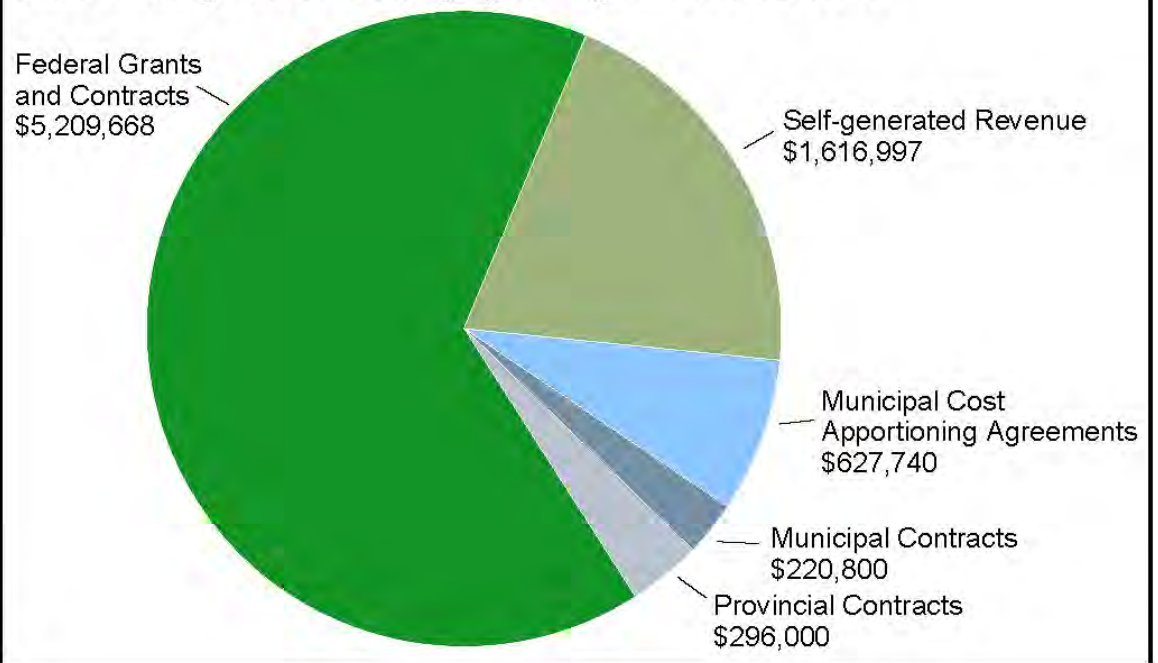


Table 13. Category 3 Municipal Cost Apportioning Agreements

Municipality	2025 MCVA %	Category 3 Cost Apportionment
Oxford County	16.955	106,487
London	63.855	401,046
Lucan Biddulph	0.357	2,232
Thames Centre	3.236	20,325
Strathroy Caradoc	-	0
Middlesex Centre	3.246	15,480
Stratford	7.171	44,901
Perth East	1.413	8,846
West Perth	1.462	9,153
St Marys	1.463	9,161
Perth South	1.159	7,258
<i>South Huron*</i>	<i>0.202</i>	<i>1,267</i>
Zorra	-	0
South-West Oxford	-	0
Total	100	626,156

*Municipality of South Huron is not participating in Category 3 programs.



Category 3 Programs and Services: Overview

Community Partnerships and Education

Community partnerships programs are designed to increase awareness of, support for, and involvement in projects that restore and enhance watershed health and resiliency to climate change.

The programs empower communities and youth, creating value for a healthy environment through opportunities to experience and learn about conservation, and build capacity in local communities by providing hands-on learning opportunities to address local environmental concerns.

The community partnerships program facilitates relationships among watershed residents, Authority staff, and member municipalities to enable the sharing of expertise and resources. The UTRCA assists community members and “friends of groups” to identify local environmental needs, access funding, and implement on-the-ground projects within their local communities.

Curriculum-based environmental education programs work closely with watershed Boards of Education to reach over 20,000 students per year with place-based information and to support the community partnerships program.

The education programs help communities and youth understand how to protect their watershed resources and avoid risks from flooding and related hazards. Education programs are hosted at Fanshawe and Wildwood Conservation Areas, local natural areas, school yards/in class, and virtually.



Stewardship and Restoration

The UTRCA delivers a wide range of landowner stewardship and restoration services that improve soil health, water quality and quantity, biodiversity, and climate resiliency. A healthy Thames River will also benefit Lake St Clair and Lake Erie.

Staff provide comprehensive conservation planning, technical services, and planning and design for a variety of stewardship practices. Technical plans are tailored to individual farm projects, recognizing the diverse agricultural landscape across the watershed.

Staff advise on in-stream and riparian restoration as well as wetland enhancement projects that provide flood retention, reduce peak flows, mitigate erosion hazards, and improve flow regimes. Restoration programs also include invasive species identification and control, pollinator habitat creation, and prairie seeding. The forestry program, which is one of UTRCA's longest running programs, offers the sale of native trees and shrubs, tree planting, and woodlot management services to landowners. Windbreaks and land retirement plantings reduce erosion, increase natural cover and habitat, and build climate change resilience across the watershed. Additional, in-field technical advice and planning centred around erosion control includes land management changes or structural options.

The Clean Water Program (CWP) provides a one-window service for rural landowners to access technical assistance and financial incentives to support on the ground implementation of best management practices (BMPs) that improve and protect water quality on farmland. The CWP is funded by participating municipalities, with additional funding leveraged from government, foundations, and donations.

Demonstration sites are used to test the practicality and effectiveness of BMPs to provide environmental co-benefits without sacrificing farm productivity. The UTRCA's Thorndale Demonstration Farm is an example of efforts to share information and coordinate innovation through research, demonstration projects, workshops, and field tours, in partnership with landowners, agencies, academia, and the agriculture industry.

In late 2024, the UTRCA entered into an agreement with Environment and Climate Change Canada (ECCC) to deliver a five-year program. This initiative will identify areas of the watershed with the potential to produce and deliver higher amounts of phosphorus to the Thames River, and create and deliver a BMP implementation program to address the priority areas. The UTRCA will also develop a second demonstration farm highlighting on-farm drainage water recycling, in the Township of Perth South near Wildwood Conservation Area. The initiative will establish comprehensive water quality sampling across UTRCA subwatersheds to track seasonal variations and trends in phosphorus concentrations across the watershed. There will be extensive communications and outreach efforts to promote uptake and long-term maintenance of BMPs, and to share project results with interest holders, farmers, certified crop advisors, and other extension staff.



Ecological Monitoring

The UTRCA supports science-based decisions through environmental monitoring programs that include collecting, analyzing, and reporting on fishes, reptiles, benthic macro-invertebrates, Species at Risk, and air photos. The information collected gives an indication of stream health, water quality, habitat change, and impacts of stressors.

Environmental information is compiled and maintained in a comprehensive monitoring database that is integrated, available to watershed partners, and commonly accessed by development proponents in watershed municipalities when undertaking technical studies or assessments associated with land development activities.

The UTRCA reports on local watershed conditions every five years, in partnership with Conservation Ontario. The Upper Thames River Watershed Report Cards provide information on surface water, groundwater, forest, and wetland conditions within 28 subwatersheds to promote an understanding of local (subwatershed) health and emerging trends as a basis for setting environmental management priorities and inspiring local environmental action.

The UTRCA is also engaging with local First Nations communities and individuals, to support the development of a more holistic approach in watershed planning that incorporates aspects of Indigenous Traditional Knowledge and an awareness of the river's spirit, in addition to western science and management objectives.



Property Lease Management

Management of the UTRCA land lease program, rental properties, and three golf course leases are additional Category 3 activities. The revenue from these programs has often been a means to support Category 3 programs and supplement general land management needs, as well as to provide some capital funding for facility repairs.

Other Category 3 - Campground Operations: Budget

Campground operations are also Category 3 programs and services but are not included in municipal cost apportioning agreements as their funding is self-generated.

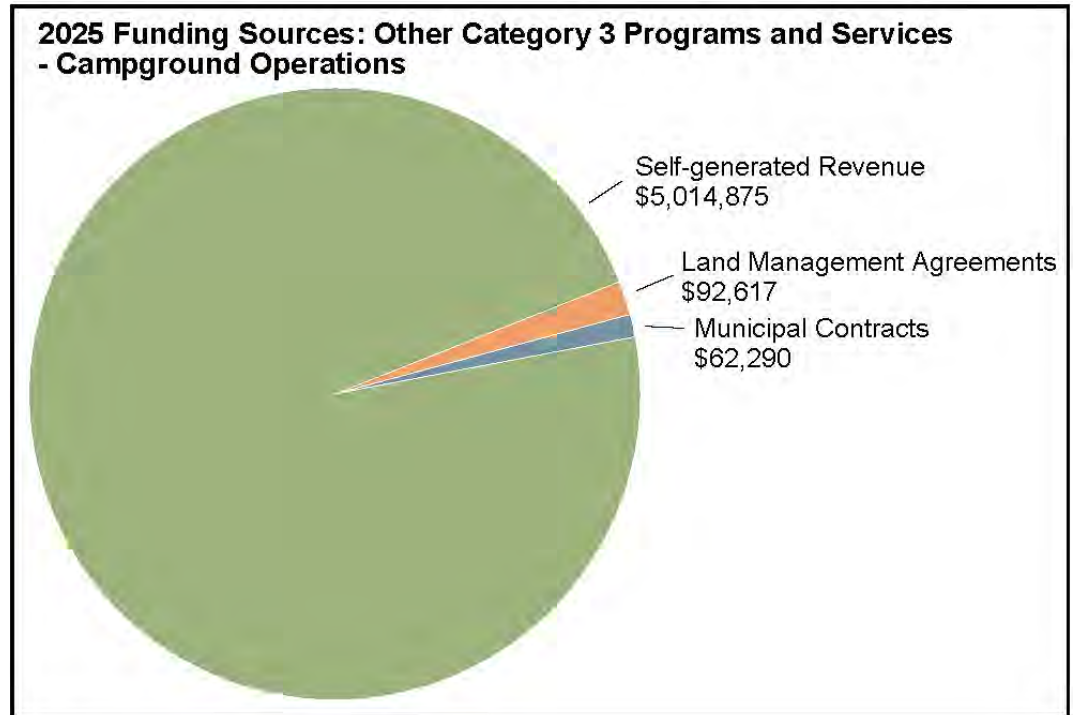
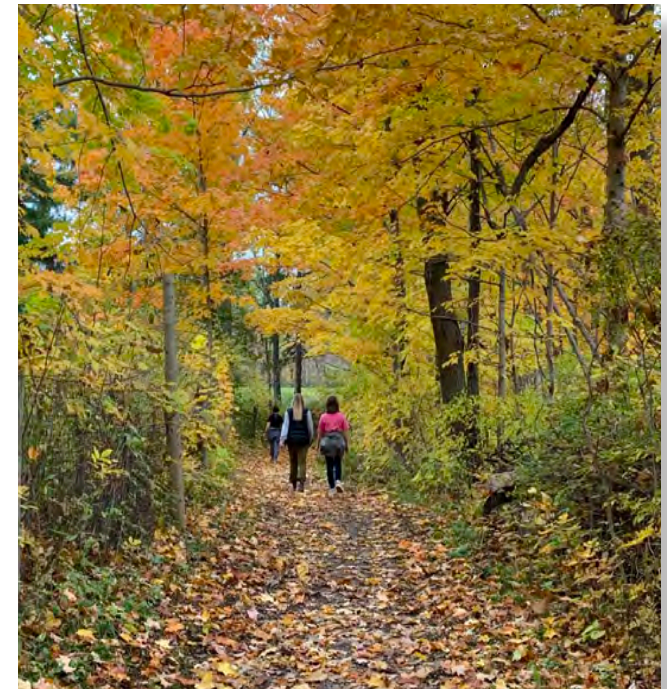


Table 14. Other Category 3 (Campground Operations) Operating Budget

Expenses by Type	Cost
Wages and Benefits	\$2,509,563
Property-related Expenses	872,601
Technical and Consulting Services	203,118
Computers and Communications	18,362
Insurance and Risk Management	117,075
Materials and Supplies	286,646
Staff Travel, PD, PPE, Uniforms	41,233
Fleet-related Expenses	4,500
Banking Expenses	-
Other	-
Depreciation Expenses	148,356
Corporate Allocations	602,203
Total Operating Expenses	\$4,803,657



Other Category 3 Programs and Services - Campground Operations: Overview

The three large, multi-use Conservation Areas (Fanshawe, Pittock, and Wildwood) offer camping and a wide range of other day use facilities and activities. Outdoor recreation at the three active Conservation Areas offers opportunities to educate the public and promote conservation messaging about the watershed's natural environment.

UTRCA campground operations offer nearly 1000 seasonal and 500 overnight campsites, more than 55 km of managed trails, and three large day use areas that host many major community events.

Throughout the pandemic, increased operational and management pressures were realized due to the increase in use and visitation. The interest in the campground and day-use operations has since remained high. As a result of this increased interest and use, the operating dates for day-use were extended in 2024 to cover the period from April 1 through to November 30.

The state of the conservation areas and the infrastructure within them has remained unchanged over the past 50 years. Many of the assets are beyond their life expectancy and it should be anticipated that significant capital improvements will need to be funded over the next while. Through internal and stakeholder consultations, conservation area business plans and asset management plans are planned and are underway.



About Us

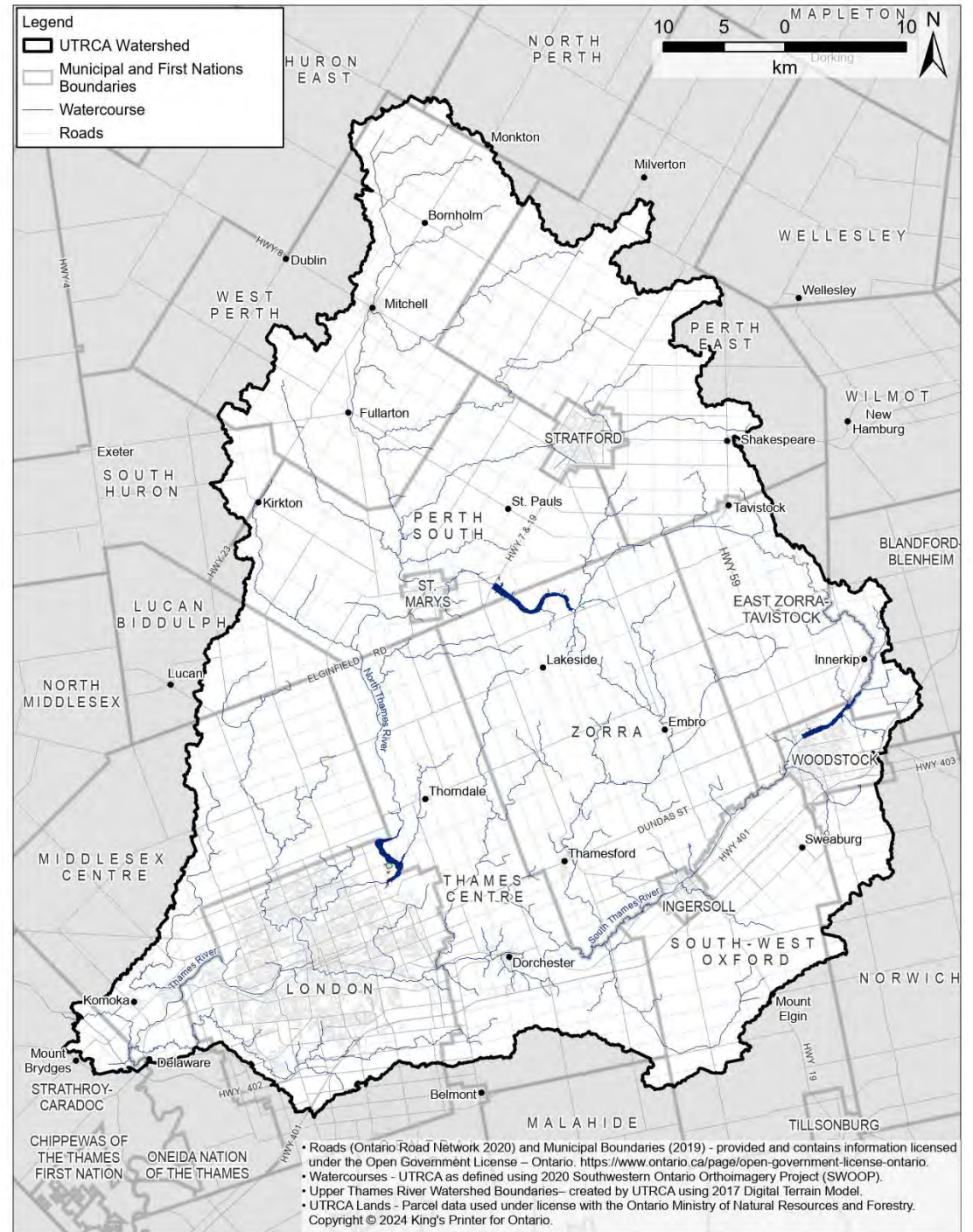
The Upper Thames River Conservation Authority (UTRCA) is a local watershed management agency that delivers programs and services to protect and manage impacts on water and other natural resources, in partnership with all levels of government, landowners, and many other organizations. The UTRCA promotes an integrated watershed management approach that balances human, environmental, and economic needs.

The UTRCA works in partnership with the 17 municipalities in the Upper Thames River watershed. These municipalities appoint 15 members to the Board of Directors, which sets the UTRCA's overall policy direction and is responsive to local issues and concerns.

The UTRCA is dedicated to achieving a healthy environment on behalf of the member municipalities, by:

- Leading through expertise, diversity, and accountability,
- Supporting sustainable organizational practices and policies,
- Protecting people and property from flood and erosion hazards and supporting safe development,
- Protecting and enhancing water quality and a sustainable water supply,
- Making science-based decisions and delivering landowner stewardship,
- Providing natural spaces and recreational opportunities, and
- Empowering communities and youth.

The UTRCA undertakes watershed-based programs to protect people and property from flooding and other natural hazards, and to conserve natural resources for economic, social, and environment benefits. Positive actions in one part of the watershed have positive impacts downstream. All municipalities benefit when these programs are undertaken on a watershed basis.



To: UTRCA Board of Directors
From: Joe Gordon, Regulations Coordinator
Date: October 10, 2024
File Number: BoD-10-24-79
Agenda #: 6.3
Subject: UTRCA Administrative Review Policy Under Section 8 of O.Reg. 41/24

Recommendation

THAT the Board of Directors approve the UTRCA Administrative Review Policy as presented;

And FURTHER,

THAT the General Manager/Secretary Treasurer and the Manager, Environmental Planning and Regulations be delegated as Administrative Review Officers with the Authority's powers for Request for Reviews pursuant to Section 8 of Ontario Regulation 41/24.

Background

On April 1, 2024, the Province enacted Ontario Regulation 41/24: Prohibited Activities, Exemptions and Permits (O. Reg. 41/24 or the "Regulation"), and associated sections of the Conservation Authorities Act (CAA). Section 8 of O.Reg. 41/24 establishes the eligibility, timeline, and notification requirements for an applicant to Request a Review of their permit application by the Authority. Section 12, item 2 of the Regulation requires all Conservation Authorities (CA's) to develop policies and procedures for the administrative review process and sets out minimum requirements to be incorporated into a CA's policy and procedures document(s). The proposed UTRCA Administrative Review Policy (attached) aims to provide a structured and consistent process for UTRCA when conducting and evaluating administrative reviews for permit applications that is consistent with policy guidance approved by Conservation Ontario (Policy Guidance on the Process for Administrative Review Under Section 8 of Ontario Regulation 41/24, September 23, 2024).

The Regulation prescribes application processes and requirements including that the authority shall notify the applicant in writing, within 21 days, whether their application complies with requirements set out in the CA Act and is deemed to be a complete application (s.7(2)).

Section 8(1) of the Regulation specifically states that "an applicant may request a review by the Authority if,

- a) The applicant has not received a notice from the authority within 21 days in accordance with subsection 7(2);

- b) The applicant disagrees with the authority's determination that the application for a permit is incomplete; or
- c) The applicant is of the view that a request by the authority for other information, studies or plans under clause 7(1)(i) is not reasonable."

The purpose of an administrative review is to provide the applicant with an opportunity to resolve issues related to the staff's determination of a complete application. Administrative reviews do not determine whether a permit will be issued, or the scope of conditions proposed to be attached to a permit; these factors will be assessed throughout the permit review process, after the administrative review is completed. Other administrative processes (e.g. hearings, permit fee disputes) are separate from the "administrative review".

Section 8(2) of the Regulation further states that a review requested by the applicant shall be completed no later than 30 days after it is requested and that the authority shall provide reasons for its decision. Given the limited timeframe of 30 days for completing administrative reviews, it is recommended that the administrative review powers be delegated to a GM/Senior Manager so reviews can be carried out expeditiously. Furthermore, where staff capacity exists, it is advisable to delegate administrative review powers to two or more staff to address issues related to staff availability, conflicts of interest, etc. Any delegate should have the appropriate expertise and ability to be impartial when completing this review. The delegate should also be sufficiently trained in the legislative and regulatory requirements for administrative reviews as well as applicable CA policy.

It is therefore recommended that both the General Manager/Secretary Treasurer and the Manager, Environmental Planning and Regulations positions be delegated as Administrative Review Officers with the applicable powers of the authority to conduct reviews pursuant to Section 8 of Ontario Regulation 41/24.

Prepared by:

Joe Gordon, Regulations Coordinator
Jenna Allain, Manager, Environmental Planning and Regulations

Recommended by:

Tracy Annett, General Manager / Secretary-Treasurer

ADMINISTRATIVE REVIEW POLICIES

Under Section 8 of Ontario Regulation 41/24

The policies outlined below are intended to guide the Upper Thames River Conservation Authority (UTRCA) when receiving, evaluating, and making a decision related to a request for review (herein referred to as an “administrative review”) submitted in accordance with s. 8 of O. Reg. 41/24 (herein after referred to as “the Regulation”) made under the *Conservation Authorities Act*, as amended.

1 Purpose of an Administrative Review

The purpose of an administrative review is to provide the applicant with an opportunity to resolve issues specified in s. 8 (1) of the Regulation.

Administrative reviews do not determine whether a permit will be issued, or the scope of conditions proposed to be attached to a permit; these factors will be assessed throughout the permit review process, after the administrative review is complete. An applicant will be provided with an opportunity to be heard by the Authority in a hearing should staff recommend refusal of their application, or should staff propose permit conditions the applicant disagrees with.

Additionally, administrative reviews are not intended to be a procedure to settle permit fee disputes. Disputes related to the charging of the Authority’s permit fees will be addressed in accordance with the Authority’s fee policy. Details regarding eligibility for administrative reviews are provided in Section 4 below.

2 Pre-submission Consultation

The UTRCA encourages pre-submission consultation prior to an application submission for the purpose of confirming the requirements of a complete application to obtain a permit.

Pre-submission consultation shall occur as a meeting between UTRCA staff, the applicant, and the municipality and/or other regulatory agencies (if applicable), prior to application submission. This meeting may occur prior to or at the same time as a site visit to the property where the activity is proposed to be carried out.

Pre-submission consultation is a critical value-added service that assists applicants with the application process. After the pre-submission consultation meeting, UTRCA will provide the applicant with complete application requirements, scoping of required studies and inform the applicant of their right to an administrative review.

A successful pre-submission consultation should result in a quality submission where the UTRCA’s complete application requirements are met; thereby minimizing potential for an administrative review request.

Where an application has been submitted without pre-consultation, complete application requirements should be communicated to the applicant, in writing, during the 21 days allotted for a complete application decision.

3 Complete Application Requirements

The UTRCA's complete application requirements will be in accordance with s. 7 (1) and (2) of O. Reg. 41/24 and will be provided in writing following a pre-submission consultation and/or application submission.

4 Eligibility

Requests for administrative review apply to applications made under s. 28.1 of the *Conservation Authorities Act*. Administrative reviews undertaken by the UTRCA shall be conducted under the following circumstances:

- 1) The applicant has not received written confirmation from the Authority within 21 days upon submission of the application and fee in accordance with the Authority's Complete Application requirements; or,
- 2) The applicant disagrees with the Authority's determination that the application for a permit is incomplete; and/or,
- 3) The applicant is of the view that the request for other information, studies or plans is not reasonable.

The administrative review process is not available where the development or alteration activity has already commenced without the necessary UTRCA permits in place.

5 Timeline for Review

Administrative reviews shall be completed within 30 days of receipt of a request for review by the applicant. However, there may be extenuating circumstances where it is not possible to complete the administrative review within 30 days. In these cases, the UTRCA will provide notice to the applicant of any anticipated delays and obtain written approval of the applicant to extend the timeline, if feasible.

6 Authority (or Delegate) Powers

Subsection 8(2) of the Regulation establishes the outcome of an administrative review; being that the Authority (or its delegate) must:

- (a) confirm that the application meets the requirements for a complete application; or provide reasons why the application is incomplete; and/or,
- (b) provide reasons why a request for other information, studies or plans is reasonable or withdraw the request for all or some of the information, studies, or plans.

Section 28.4 of the *Conservation Authorities Act* enables an Authority to delegate any of its powers related to the issuance or cancellation of permits or to the holding of hearings in relation to the permits to its executive committee or to any other person or body subject to limitations or requirements prescribed by regulation. As such, the UTRCA has delegated the above administrative review powers to the following **Administrative Review Officers**:

1. General Manager/Secretary Treasurer, and
2. Manager, Environmental Planning and Regulations.

[INSERT BOARD MOTION]

7 Submitting a Request for Administrative Review

The administrative review process must be commenced by the applicant and/or authorized agent of the applicant, by notifying the **Regulations Coordinator** in writing with their intentions to request review under s.8 of the Regulation. The applicant will be provided with the UTRCA “Request for Administrative Review” form and copy or link to this policy document upon receipt of the request.

8 Administrative Review Process

Upon receipt of a completed “Request for Administrative Review” form, the Regulations Coordinator will compile all the information provided through the submission as well as all information available on the application in question to assist the *Administrative Review Officers* in their review of the request. The *Administrative Review Officers* may also reach out to the applicant directly for clarification or questions regarding their request for administrative review.

The *Administrative Review Officers* will evaluate the request for administrative review in accordance with Section 8.1 below.

8.1 Evaluation Criteria

The *Administrative Review Officers* shall evaluate the request for administrative review in accordance with the following standards:

- 1) That the request for review meets the eligibility criteria outlined in section 4 of these policies.
- 2) That the application and/or the requests for information, studies and plans by the UTRCA staff are consistent with the requirements of the *Conservation Authorities Act*, O. Reg. 41/24 and any UTRCA Board approved policies.
- 3) That the applicant has submitted all information detailed in the UTRCA’s complete application requirements.
- 4) To determine if the UTRCA’s request for other information, plans and studies is reasonable, the request must be made in accordance with the UTRCA’s policies for the proposed project, must reflect site-specific hazards, and the request is consistent with similar application requirements within the watershed.

9 Decision

The decision for an administrative review is limited to determining a complete application and / or whether the request for all or some of the information, studies or plans is reasonable; ***it is not a decision as to whether or not to issue neither a permit, nor a process to settle permit fee disputes.*** The administrative review decision of the Administrative Review Officers is final.

Upon completing the administrative review, the Administrative Review Officers will notify the applicant of the decision in writing, which must:

- Confirm that the application meets the Authority’s complete application requirements and is complete or provide reasons why the application is incomplete; or,
- Provide reasons why requests for other information, studies or plans are reasonable, or withdraw the request for all or some of the information, studies or plans (if applicable).

10 Notice and Communication

The Regulations Coordinator shall provide the following correspondence in writing to the applicant:

- 1) Within 1-2 business days, upon receipt of a “Request for Review” form, confirm the receipt of the request, set out the start and end dates of the administrative review period (requests for administrative review shall be completed within 30 days upon receipt of the request, unless an extension is approved by the applicant); and,
- 2) Forthwith, upon completion of the review by the *Administrative Review Officers*, provide notice of decision, with reasons.

11 Administrative Review Policy - Updates

The Authority will review and update the Administrative Review Policies consistent with the CA’s Service Delivery Standards for Administration of Ontario Regulation 41/24. Draft updates to the policies will be posted on the CA’s website for stakeholder and public consultation in advance of consideration by the Authority’s Members.

For information or questions on UTRCA’s administrative review policies and/or processes, please contact:

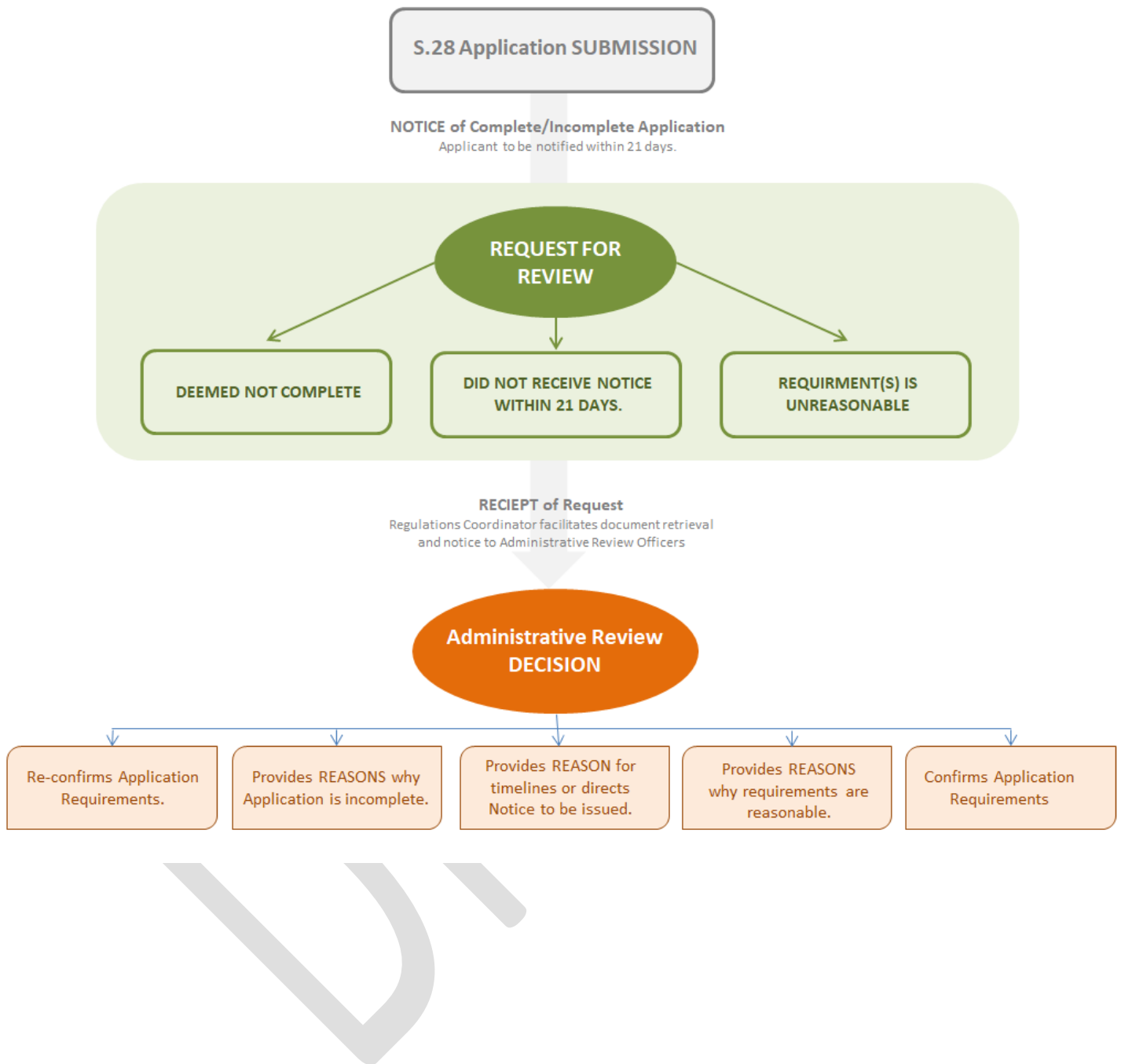
Joseph (Joe) Gordon

Regulations Coordinator

Tel: (519) 451 – 2800 ext.334

Email: gordonj@thamesriver.on.ca

Administrative Review Flowchart:



REQUEST FOR ADMINISTRATION REVIEW FORM

Under s.8 of O.Reg.41/24 made under the *Conservation Authorities Act*

Application Contact Information:

Name:
Applicant or Agent:
Telephone No.:
Email:

Legal Property Information:

Address:
Municipality:
Lot and concession:
Roll Number:

Purpose of Request:

In accordance with the UTRCA's Administrative Review Policies (attached), a request for administrative review applies to permit applications made under Section 28.1 of the *Conservation Authorities Act*, and under the following specific circumstances. Check all that apply:

- ☐ S.8(1)(a): I [the applicant] believe I have submitted all information required for a complete application and I have not received written confirmation from UTRCA staff within 21 days upon submission of the application. I would like confirmation from UTRCA that my application has been received by this office and is complete.

The permit application for my proposed project was submitted on _____.

- ☐ S.8(1)(b): I [the applicant] disagree with the UTRCA staff determination that the application for my permit is incomplete. Please explain:
- ☐ S.8(1)(c): I [the applicant] am of the view that the UTRCA staff request for other information, studies or plans is not reasonable. Please explain.

Signature of Applicant/Agent:

Date:

*Please submit this request form to gordonj@thamesriver.on.ca

[Date:]

[Applicant Contact Info]

RE: Notice of Decision: Request for Administrative Review
Permit Application No. [Application no]

The Upper Thames River Conservation Authority (UTRCA) has carried out an administrative review of your permit application to undertake *[description of proposed project]* at *[legal property description]*. As per your request, the administrative review was based on the following grounds:

- ☐ The applicant submitted all information required for a complete application on [date]; and did not receive notice of complete application from UTRCA staff within 21 days.
- ☐ The applicant disagrees with the Authority's determination that the application for a permit is incomplete; and/or
- ☐ The applicant is of the view that the request by the Authority for other information, studies or plans is not reasonable.

The UTRCA's complete application requirements are established in accordance with s.7(1) of O.Reg.41/24 and are outlined in *[provide policy reference or UTRCA staff letter or record of pre-submission consultation]*.

Decision:

The administrative review commenced on *[date]* and conducted in conformity with the UTRCA's Administrative Review Policies. Based on a review of the information provided through the review process, we have reached the following decision:

- ☐ The application is complete.
- ☐ The application is incomplete.
- ☐ The request for other information, studies or plans is reasonable.
- ☐ UTRCA will be withdrawing requested other information, studies or plans.
 - Requested information to be withdrawn:
 - Requested information still required:

Reasons for Decision:

[Provide detailed, clear and concise reasons for deciding against the opinion of the applicant. These reasons must be well documented should the review decision be subject to judicial review at the Supreme Court]

Next Steps:

[Provide information on what next steps should be. (e.g. Information required to complete the application, etc.). If requests for select information were withdrawn, be explicit about what additional information, studies or plans are still required.]

Conclusion:

This document serves as the record of the Administrative Review decision under s.8(1) of O.Reg.41/24 made under the Conservation Authorities Act. The UTRCA's Administrative Review decision is final. Should you have any questions, please contact the undersigned.

Sincerely,

UPPER THAMES RIVER CONSERVATION AUTHORITY
Administrative Review Officer(s);

Tracy Annett, MCIP, RPP
General Manager/Secretary Treasurer

Jenna Allain
Manager, Environmental Planning & Regulations

cc. *Joe Gordon, Regulations Coordinator*
[Regulation officer assigned to file]

To: UTRCA Board of Directors
From: Tracy Annett
Date: October 22, 2024
File Number: BoD-10-24-80
Agenda #: 6.4
Subject: Lands Strategy & Acquisition and Disposition Policy

Recommendation

THAT the Lands Strategy be approved and posted on UTRCA's website;
and FURTHER

THAT the Acquisition and disposition policy be approved and posted on the UTRCA's website.

Background

Ontario Regulation 686/21 requires conservation authorities to develop a Conservation Areas (Lands) Strategy including public consultation, be completed by December 31, 2024. In addition, all Conservation Areas (CA's) are required to complete policies for land acquisition and disposition as well as a comprehensive Lands Inventory.

A draft Lands Strategy was provided to the Board at the May meeting. Since then, consultation has been undertaken to receive input from municipalities, interest holders, and the public. This outreach included:

- Notifying watershed municipalities, indigenous communities, and interest groups of in person and online engagement opportunities,
- Presenting the draft Lands Strategy to municipal partners,
- Using a public engagement website to generate effective community feedback on the strategy,
- Using social media and traditional news media to highlight the strategy and encourage feedback.

Lands Strategy:

As a requirement of Ontario Regulation 686/21, Mandatory Programs and Services Regulation, all conservation authorities are required to complete a Conservation Area Strategy. In the UTRCA watershed, there are a number of properties that are not conservation areas, conservation lands better describes the UTRCA's Strategy. As per Ontario Regulation 686/21, the strategy must include the following:

1. Objectives established by the authority that will inform the authority's decision-making related to the lands it owns and controls.
2. Identification of the mandatory and non-mandatory programs and services that are provided on land owned and controlled by the authority.

3. An assessment of how the lands owned and controlled by the authority may augment any natural heritage located within the authority's area of jurisdiction and integrate with other provincially or municipally owned lands or other publicly accessible lands and trails within the authority's area of jurisdiction.
4. The establishment of land use categories to be included in the required Land Inventory.
5. Periodic review and update of the strategy.

UTRCA Lands Inventory and Acquisition and Disposition:

In addition to the Lands Strategy, the Regulation also requires all conservation authorities to have Acquisition and Disposition policies. General Objectives of Acquisition and Disposition Policy were provided in the draft Lands Strategy.

The Board directed staff to finalize the comments based on the discussion provided. The attached UTRCA Acquisition and Disposition Policy was developed to guide and inform staff when considering lands for acquisition and disposition. All lands considered for acquisition and disposition require Board of Directors approval, and where applicable, Ministerial notification.

Consultation Comments

Comments received through consultation were incorporated into the Draft Acquisition and Disposition Policies provided to the Board at the September Meeting. Hosted four municipal engagement sessions with 42 external participants in attendance. Key topics in the discussions and follow-up survey related to Passive Conservation Areas usage, expanding trail networks and opportunities for municipal collaboration. In addition, questions about acquisition and disposition were asked. A number of respondents recognized the tie to budget, staffing capacity and active CA funding.

The Public engagement included an on-line survey and divided into two parts; one asking about the draft Lands Strategy and the other asking for input on specific conservation areas and properties. The post was seen by 51,000 people. We received 71 responses to the survey of the strategy where all but two were positive. The majority of respondents would like to learn more about the UTRCA's programs and services, the majority of people said to maintain or grow current communications tactics.

The online engagement platform received 42 entries about UTRCA specific properties that provided answers about the activities people partake in at the property along with suggestions for improvements. The top three activities that were identified were: Hiking (26), Fishing (12) and Biking (11). The recommendations for improvement included increasing/improving accessibility, increasing trail maintenance, and access to washrooms, etc. The top three properties that were mentioned were: Fanshawe CA, Wildwood CA and Harrington CA.

Upon review of the feedback throughout the engagement process, staff received many positive and constructive comments. These comments will be very useful as we move

into the implementation of this Strategy to help guide staff in the development of future UTRCA land management plans.

Summary

While required through Regulation, the Strategy and Policy documents are useful tools to be used by staff to guide the management, maintenance and restoration of UTRCA lands over the next 10 years.

Prepared by

Brent Verscheure, Manager, Lands Facilities and Conservation Areas
Brandon Williamson, Lands Coordinator

Recommended by:

Tracy Annett, General Manager

Attachments:

Attachment 1. UTRCA Lands Strategy, November 2024

Attachment 2. UTRCA Acquisition and Disposition Policy, November 2024

Upper Thames River Conservation Authority

Conservation Areas and Lands Strategy (2025–2034)

November 2024



The Watershed and Traditional Territory

The Upper Thames River watershed is within the traditional territory of the Attawandaron, Anishinaabeg, Haudenosaunee, and Lunaapeewak peoples, who have longstanding relationships to the land, water, and region of southwestern Ontario.

The local First Nation communities of this area include Chippewas of the Thames First Nation, Oneida Nation of the Thames, Munsee Delaware Nation, and Delaware Nation at Moraviantown. In the region, there are 11 First Nation communities and a growing Indigenous urban population.

We value the significant historical and contemporary contributions of local and regional First Nations and all of the Original peoples of Turtle Island (North America).

Upper Thames River Conservation Authority Conservation Areas and Lands Strategy (2025 – 2034), published by:

Upper Thames River Conservation Authority, 1424 Clarke Road, London, Ontario, N5V 5B9 (phone 519-451-2800, email info@thamesriver.on.ca, website www.thamesriver.on.ca)

For more information or for a copy of this guide in an alternative format, please contact the UTRCA at 519-451-2800 or info@thamesriver.on.ca.

Cite as:

Upper Thames River Conservation Authority. 2024. Upper Thames River Conservation Authority Conservation Areas and Lands Strategy (2025 – 2034).

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1.0 Introduction

The Upper Thames River Conservation Authority (UTRCA) inspires a healthy environment through a wide range of conservation initiatives, including protecting the community from flooding, enhancing natural heritage through restoration, protecting water quality and soil health, and providing environmental education to the public of all ages.

UTRCA's programs and services focus on five key areas:

- protecting people and property from flood and erosion hazards and supporting safe development,
- delivering landowner stewardship,
- providing natural spaces and recreational opportunities,
- making science-based decisions, and
- empowering communities and youth.

The UTRCA has prepared the Conservation Areas and Lands Strategy ("Lands Strategy") to meet the requirements for a strategy for conservation area owned or managed lands, as set out in the Conservation Authorities Act and Ontario Regulation 686/21 (Mandatory Programs and Services). The UTRCA is also preparing two other mandatory documents tied to the Lands Strategy, namely a Land Inventory and a Land Acquisition and Disposition Policy.

The Lands Strategy provides the UTRCA's guiding principles, goals, and objectives for UTRCA owned or managed lands, which include conservation areas as well as other categories of lands. It builds on an internal Lands Strategy Implementation Plan (UTRCA 2024 draft) that provides details on the Land Inventory, and will guide implementation for the next 10 years and contains recommendations at the property type level (e.g., rural CAs, wetlands, large CAs, etc.)

The Lands Strategy involves a multi-faceted approach that integrates conservation, sustainable land management practices, and community engagement. It will be a valuable resource for the UTRCA and will provide clarity to watershed municipalities, residents, partners, and other interest holders regarding the UTRCA's vision for our lands for future generations.

2.0 Overview of UTRCA Lands

The UTRCA owns approximately 6,000 ha (14,700 acres) of land and water, largely within three large multi-use conservation areas, wetlands, natural hazard lands, and other natural areas (e.g., conifer stands, forested lands/woodlands, meadows, etc.) (see Figure 1 in Section 4.0). The lands were acquired through recommended actions to reduce the threats from flooding and improve environmental and watershed health. Acquisitions were outlined in the following historical reports:

- Thames Valley (Above the City of London) Report 1946,
- 1952 Upper Thames Valley Conservation Report, and
- 1975 the London Valley Lands Study.

Historically, the primary goals of acquisition were to:

1. retain the flood plains and wetlands for flow and storage of flood water, and
2. preserve valley lands for conservation and recreation uses for the enjoyment of future generations.

Today, land holdings operate for various activities including water management, passive and active conservation areas (recreational use), and natural heritage protection, providing natural assets and mitigation to climate change. Often, several of these uses overlap on a single land holding, representing an integrated approach to land management.

3.0 Lands Strategy: Guiding Principles, Goals and Objectives

Guiding Principles

The Upper Thames River Conservation Authority will:

- Protect life and property from flooding and erosion, and develop sustainability and resilience in the natural heritage assets within our conservation lands,
- Develop and nurture relationships with all who seek to connect with the lands and water,
- Offer visitors to our public spaces a wide range of recreational opportunities, health benefits, and tourism options, and
- Inspire future generations through educational experiences at our conservation areas.
- Work with / collaborate with member municipalities and other partners to achieve outcomes mutually beneficial to all parties.

The following goals and objectives support UTRCA's strategic directions and inform decision-making related to UTRCA lands, including land acquisition and disposition. Objectives are applicable to all UTRCA lands and will be implemented according to annual work plans and budget.

The following goals and objectives may be refined as the UTRCA's Strategic Plan is updated and input is received through the consultation process.

Goal 1. Environmental Protection and Natural Hazard Management

Provide environmental protection and natural hazard management to mitigate hazard risk to communities and protect the natural environment.

Objectives

- Ensure land holdings contribute to UTRCA's goals and objectives and support integrated watershed management,
- Protect the ecological integrity of UTRCA's lands within the watershed, and maintain and enhance a connected natural heritage system,
- Actively manage UTRCA lands to safeguard their values,
- Incorporate climate change adaptation and mitigation in land management activities.

Goal 2. Sustainable Land Management Practices

Be a leader in landowner stewardship by demonstrating sustainable land management practices that mitigate climate change and build resiliency.

Objectives

- Raise awareness about the importance of conservation and engage the public in stewardship activities.
- Research, monitor, and evaluate natural heritage features.
- Support demonstration activities of sustainable land uses, forest and wetland management, ecosystem restoration, etc.
- Provide a land base to effectively sequester carbon and reduce climate change impacts.

Goal 3. Natural Spaces and Recreational Opportunities

Meet the current and future needs of local communities for natural spaces and recreational opportunities.

Objectives

- Increase and/or improve public access to UTRCA owned or managed lands through the development of sustainable land management initiatives.
- Expand education and outreach opportunities.
- Advance inclusion, diversity, equity, and accessibility.
- Engage with Indigenous communities to better understand local needs and explore opportunities to develop relationships and shared initiatives.

Goal 4. Support UTRCA's Strategic Directions, Programs and Services

Permanently secure lands that support the UTRCA's strategic directions and contribute to the delivery and sustainability of UTRCA programs and services.

Objectives

- Secure lands that support UTRCA programs and services to protect people and property from natural hazards.
- Conserve natural resources for environmental, social, and economic benefit.
- Identify opportunities to augment natural heritage and/or integrate with other publicly accessible parks and lands.
- Property holdings may provide revenue to fulfill UTRCA objectives through lease agreements.
- Utilize income from UTRCA lands to offset land management expenses.
- Dispose of lands only as needed and when there is no negative impact to provincially significant conservation lands.

4.0 Land Use Categories

The Province directed that all conservation authorities utilize the following high-level land-use categories, based on public access and staffing requirements, to support a consistent and comparable set of data with respect to classification of conservation authority lands:

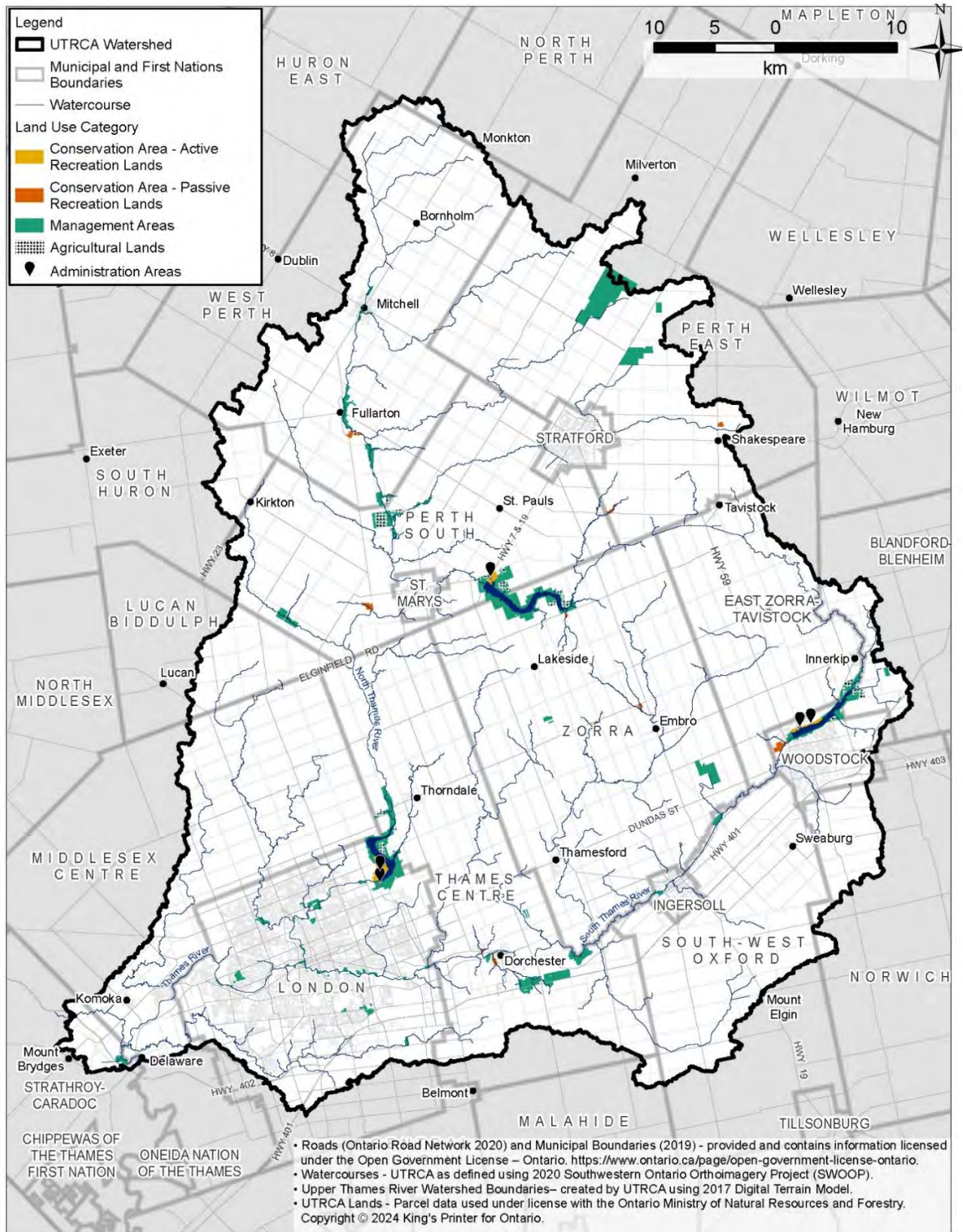
- Conservation area – active recreation land,
- Conservation area – passive recreation land,
- Management area,
- Administration area.

Table 1 provides an overview of the four land use categories and UTRCA staffing requirements, public accessibility, and examples of properties under each category of land. A pie chart that illustrates the area of land by category is provided in Appendix B.

Table 1. Land Use Categories

Land Use Category	Public Access and Staffing Requirements	Description	UTRCA Examples
Conservation Area - Active Recreation Lands	<ul style="list-style-type: none"> • Accessible to the public • Direct staff support / supervision 	Fee charged for access, program, or activity (e.g., camping, trail use, biking, facility use, land lease, etc.)	Areas within Fanshawe, Wildwood, and Pittock CAs used for camping, day use, canoe rentals, trails, etc.
Conservation Area - Passive Recreation Lands	<ul style="list-style-type: none"> • Accessible to the public • No direct staff support / supervision 	No fee for most activities (e.g., trail walking, picnicking, etc.), hunting by permit only on some properties	Day-use conservation areas (e.g., Embro, Harrington), Cade Tract
Management Areas	<ul style="list-style-type: none"> • Limited public access • No direct staff support / supervision 	Lands for natural heritage, hazards, flood control, low flow augmentation, forest management, water management areas, environmentally sensitive lands (portions may include agricultural lands)	Limited access areas of Dorchester Swamp, Ellice Swamp, Fanshawe, Wildwood, and Pittock Conservation Areas, Lowthian Flats
Administration Areas	<ul style="list-style-type: none"> • Direct staff support / supervision 	Small parcels where UTRCA offices are located	Watershed Conservation Centre, field offices at Fanshawe, Wildwood, and Pittock CAs

Figure 1. Land Use Categories



5.0 Land Acquisition and Disposition

UTRCA has focused its efforts on securing greenspaces that support the organization's strategic directions. An acquisition and disposition policy has been developed that will be informed by input from the Land Strategy. Any future property acquisition or disposition should be considered on a case-by-case basis by the Board of Directors through a staff report and recommendation.

Land Acquisitions

Property acquisition is of interest to UTRCA when there is no net burden placed on the authority's finances.

Through the land acquisition process, the UTRCA may seek land donations or may pursue land purchases where funding sources are available to cover the costs associated with the transaction.

The priorities for land acquisitions will be as follows:

1. Land parcels adjacent to properties already owned by the UTRCA.
2. Parcels with significant natural features or restoration potential.
3. Parcels identified as natural hazard areas.
4. Parcels adjacent to another public body's or non-governmental organization's holding that provide linkages to greenspace (e.g., provincial park or land trust nature reserve).
5. Land parcels large enough to support UTRCA's land management goals and objectives.

Land Dispositions

Staff will consider a land disposition to a public body (e.g., public agency, member municipality, or Crown), subject to the UTRCA's land management goals and objectives and/or an appropriate land tenure agreement, if required, and shall not inflict a financial burden on the UTRCA.

Any land disposition will follow the UTRCA Land Acquisition and Disposition Policy. The cost of the disposition should be borne by the proponent and shall not inflict a financial burden on the UTRCA.

Generally, any disposition requires an appraisal of the value, a legal survey, and public notification including the Minister. Any funds resulting from a disposition should be allocated toward property management activities including further property acquisition, inventories, stewardship demonstrations, boundary surveys, signage, or other such activities on the existing land holding.

As such, the priorities for land dispositions will be as follows:

1. Properties that do not meet the UTRCA's organizational objectives.
2. An easement or right-of-way over UTRCA property in the interest of a municipality.
3. Parcels not eligible for inclusion in a tax incentive program (e.g., Managed Forest Tax Incentive Program or Conservation Land Tax Incentive Program) due to small size or lack of ecologically sensitive features.
4. An easement or right-of-way over UTRCA property in the interest of a private landowner when aligned with UTRCA's goals and objectives.

6.0 Lands Strategy Consultation and Updates

The UTRCA is developing the Lands Strategy with engagement and input from municipalities, interest holders, and the public. This outreach includes:

- Notifying watershed municipalities, Indigenous communities, and interest groups of in person and online engagement opportunities,
- Presenting the draft Lands Strategy to municipal partners,
- Using a public engagement website to generate effective community feedback on the strategy,
- Using social media and traditional news media to highlight the strategy and encourage feedback.

The Lands Strategy will be reviewed every five years and updated as needed. First Nations, other partners, and interest holders will be engaged in future updates to the Strategy. Prior to publication of any updates to the Strategy, interest holders and the public will be consulted in a method that is appropriate at the time of the update.

Staff held four partner engagement sessions and an open public survey through our online engagement platform. Upon review of the feedback throughout the engagement process, staff received many positive and constructive comments. These comments will be very useful as we move into the implementation of this Strategy to help guide staff in the development of future UTRCA land management plans.

A summary of the consultation process for this Strategy is provided in Appendix A.

Appendix A. Consultation Process

In-person meetings held with Municipal Partners (staff and councilors)

Municipal Partners	Date (2024)	Meeting Location	Attendance
Oxford Municipalities	June 18	Oxford County Building (Woodstock)	9 people
Middlesex Municipalities	June 20	UTRCA Boardroom (London)	9 people
City of London	June 21	UTRCA Boardroom (London)	9 people
Perth Municipalities	June 26	West Perth Offices (Mitchell)	15 people

The meetings were 90 minutes in length and hybrid with the option to join via Zoom. The Zoom meeting was recorded and shared afterwards with all invited.

The meeting consisted of a 45-minute Power Point presentation summarizing the Lands Strategy and Lands Inventory, followed by discussions and questions for the remaining 45 minutes. The table below summarizes the range of topics covered by way of comments, questions and discussions from the participants. Comments submitted after the meeting on the UTRCA Social Pinpoint site are also included.

Topics	Number
Passive CA usage, crowding, under-use, funding, expanding trail networks, municipal collaboration	24
Acquisition and disposition policy, land transfers to municipalities	21
Budget, capacity to expand, to do more with staff, resources, active CA funding	18
Strategy hierarchy, past strategies, land use categories, etc.	15
Agricultural lands, use and role, associated rental houses	9
Invasive species, forest health	7
Carbon neutral goals, climate change, tree planting	6
Encroachments, encampments, dumping	5
Land management, leases, hunting, etc.	4
Corporate sponsorship, promotion	2
Housing, flood lines	2
Total	113

Public Survey (on-line engagement questionnaire)

An on-line public survey was posted from August 15 to September 15, 2024. The survey was promoted through the Authority's social media platforms (Facebook, Instagram, LinkedIn, UTRCA e-newsletter, etc.). Authority partners (e.g., clubs, land lease holders, etc.) were emailed a link to the survey.

The survey was broken into two parts, one asking about the draft Lands Strategy, and one asking for input on specific conservation areas and properties.

The post was seen by 51,000 people. We received 71 responses to our survey about the draft lands strategy. Of those 71 responses, 27 spoke to the principles of the strategy with 6 being positive, 13 being neutral and 2 negative. The remaining comments provided general feedback that was not regarding the strategy itself (e.g., suggestions such as increasing trail access, etc.).

Sentiments about the draft Strategy			Other general comments		
Positive	Neutral	Negative	Positive	Neutral	Negative
6	13	2	3	9	1

When asked how the respondents would like to learn more about the UTRCA's programs and services, the majority of people said to maintain or grow current communications tactics.

The online engagement platform received 42 entries about UTRCA specific properties that provided answers about the activities people partake in at the property along with suggestions for improvements. The top three activities that were identified were: Hiking (26), Fishing (12) and Biking (11). The recommendations for improvement included increasing/improving accessibility, increasing trail maintenance, and access to washrooms, etc. The top three properties that were mentioned were: Fanshawe CA, Wildwood CA and Harrington CA. All properties were selected at least once. The tables below provide a summary of the results.

Activity	Number	Activity	Number
Hiking	26	Dog walking	7
Fishing	12	Canoeing, kayaking	5
Biking	11	Skiing, snowshoeing	5
Boating	9	Camping	2

Property	Number	Property	Number
Fanshawe CA	14	Shakespeare CA	2
Wildwood CA	8	Burgess Park	1
Harrington CA	8	Cade Tract	1

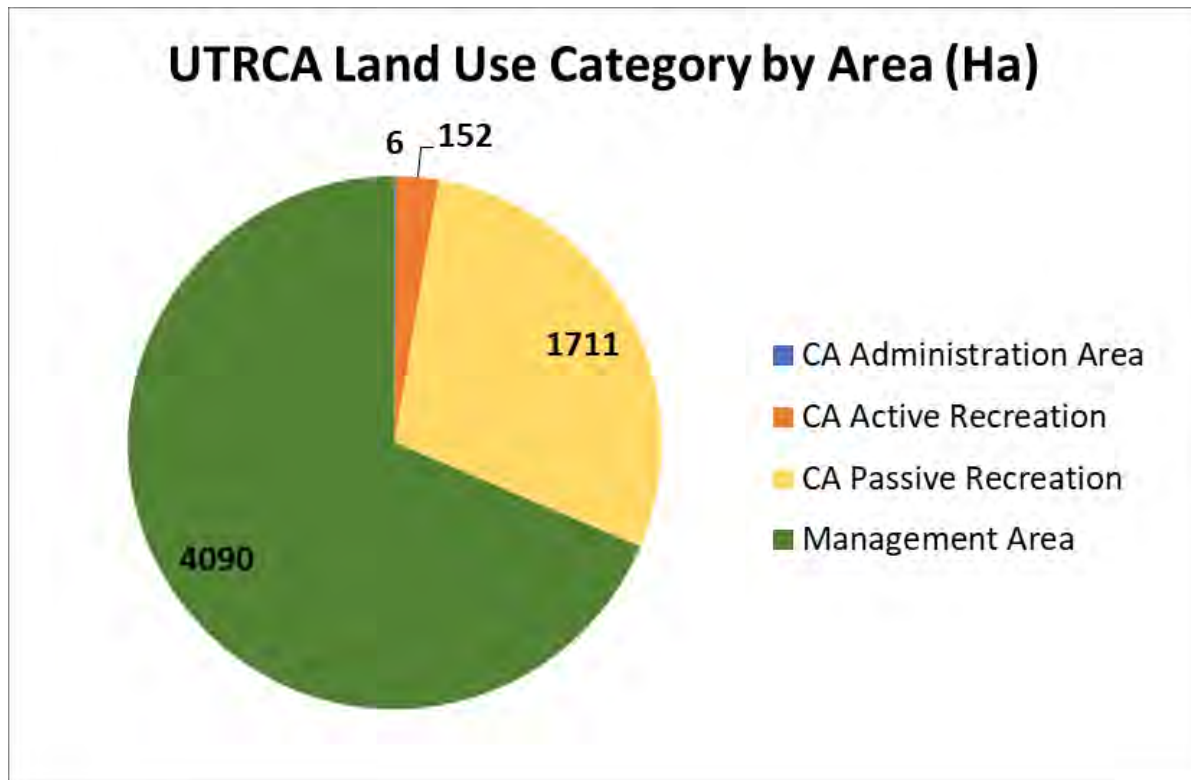
Property	Number	Property	Number
Pittock CA	4	Fullarton CA	1
Dorchester Mill Pond	2	WL Dickson Arboretum	1

First Nations

For more than a decade, the Upper Thames River Conservation Authority (UTRCA) has been collaborating in a long-term initiative called the Thames River Clear Water Revival (TRCWR). This partnership brings together Indigenous peoples, three levels of government, two local conservation authorities, and the local community. The initiative's shared goal is a healthy and vital Thames River, which will also benefit Lake St. Clair and Lake Erie. UTRCA has continued to develop relationships with First Nations with the Shared Waters Action Plan in 2022.

The Lands Strategy provides another opportunity to build upon those relationships and work towards meaningful engagement and collaboration with First Nations. Staff have commenced engagement with First Nations on what types of opportunities UTRCA and staff can support initiatives on lands, that can further strengthen existing relationships.

Appendix B. Area by Land Use Category



Land Acquisition and Disposition Policy

November 2024

www.thamesriver.on.ca

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1.0 Introduction

1.1 UTRCA Land Holdings

The Upper Thames River Conservation Authority (UTRCA) owns and manages approximately 6,000 hectares of land across the Upper Thames River watershed. The properties were acquired through purchase, donation, and expropriation over the last 77 years, and vary in significance and use. In many cases, the provincial and federal governments contributed financially towards property acquisition and development.

The UTRCA's properties were generally acquired to meet one or more of the following priorities:

- Water management - lands for water management dams and reservoirs, erosion control projects, and dykes,
- Natural hazard lands – properties that contain natural hazards such as floodplains, valley lands, and steep slopes,
- Natural heritage lands – properties that are environmentally significant (e.g., Provincially Significant Wetlands, Areas of Natural and Scientific Interest, other ecologically significant lands),
- Forested lands - managed forests¹ and significant woodlands,
- Recreational lands – properties that are used for recreation (e.g., conservation areas, trails, hunting/fishing).

The UTRCA has only acquired a few parcels of land since provincial funding programs ended in 1993. Properties that were acquired recently were either part of adjacent land holdings (e.g., small lots within Dorchester Swamp or Golspie Swamp), or were unique donations or purchases for special natural heritage conservation purposes. Each acquisition was addressed individually with approval by the UTRCA Board of Directors, and often facilitated through grants and additional funding sources.

Changing watershed priorities, legislative and regulatory amendments and changes, and increasing land ownership challenges have resulted in the UTRCA reassessing its property holdings. The UTRCA may consider some properties as surplus as they do not meet organizational objectives or guiding principles and goals for UTRCA lands. It may also no longer be economically feasible and/or viable to continue ownership and management of these properties.

¹ Managed Forest Lands are lands owned by Conservation Authorities where forest management is the primary objective of the land holding and where harvesting conforms with a forest management and operations plan approved by a professional forester.

1.2 Guiding Principles and Goals for UTRCA Lands

The UTRCA has prepared this Land Acquisition and Disposition Policy, along with a Land Inventory and a Conservation Areas and Lands Strategy, as required under the Conservation Authorities Act and Ontario Regulation 686/21 (Mandatory Programs and Services).

The guiding principles and goals for this Land Acquisition and Disposition Strategy are found in the UTRCA's Conservation Areas and Lands Strategy.

1.2.1 Guiding Principles

- Protect life and property from flooding and erosion,
- Develop sustainability and resilience in the natural heritage assets within our conservation lands,
- Develop and nurture relationships with all who seek to connect with the lands and water,
- Offer visitors to our public spaces a wide range of recreational activities, health benefits, and tourism options,
- Inspire future generations through educational experience at our conservation areas, and
- Collaborate with member municipalities and other partners to achieve positive and mutually beneficial outcomes.

1.2.2 Goals

- Natural hazard management: Provide natural hazard management to mitigate hazard risk to communities.
- Environmental protection: Protect significant natural heritage features and areas (wetlands, woodlands, habitats, etc.).
- Sustainable land management practices: Be a leader in landowner stewardship by demonstrating sustainable land management practices that mitigate climate change and build resiliency.
- Natural spaces and recreational opportunities: Meet the current and future needs of local communities for natural spaces and recreational opportunities.
- Support UTRCA's strategic directions, programs and services: Permanently secure lands that support the UTRCA's strategic directions and contribute to the delivery and sustainability of UTRCA programs and services.

2.0 Land Acquisition

2.1 Purpose

As urban development and agricultural intensification continues at a rapid pace in the Upper Thames River watershed, land acquisition is one means of meeting the above

guiding principles and goals, while planning and regulatory restrictions are other tools that can be applied to protect and secure lands. The need to acquire significant lands for conservation and protection has increased, but so has the cost of acquiring these lands. While the Province no longer provides funding to Conservation Authorities for land acquisition under Conservation Authorities Act S. 39, grants are available from other federal and provincial grant programs for high-priority land acquisition.

Acquisition will be completed based on available opportunities to acquire targeted properties and will be considered on a case-by-case basis and subject to funding. It is critical that the UTRCA continues its land acquisition program to ensure that future acquisitions align with organizational objectives as well as the land management guiding principles and goals outlined within the Conservation Areas and Lands Strategy.

Land acquisition should be considered to protect land that meets the five main priority criteria outlined in section 1.1 above, namely water management, natural hazards, natural heritage, forested lands, and recreational lands.

2.2 Land Acquisition Standards

The UTRCA will typically purchase lands within the watershed on a willing-buyer, willing-seller basis to meet its stated goals.

The UTRCA may accept land dedications, land trades, donations and bequests, and conservation easements on a case-by-case basis to meet its stated goals.

The UTRCA will collaborate with member municipalities and other conservation agencies or organizations, including but not limited to the Ministry of Natural Resources, Nature Conservancy of Canada, Ducks Unlimited Canada, and land trusts to acquire and/or protect appropriate lands.

2.4 Implementation

UTRCA staff will develop and periodically update a priority list prospective land for acquisition.

Prior to acquiring lands, the UTRCA will consult with the member municipality to identify and resolve any municipal concerns.

The UTRCA will acquire lands in proximity to existing land holdings identified in approved studies and plans, as opportunities arise and budget permits. These plans include but are not limited to:

- Natural heritage system studies,
- Watershed/subwatershed plans, and
- Conservation area management plans.

3.0 Land Disposition

3.1 Purpose

This policy applies to the sale and disposition of UTRCA lands and to all UTRCA employees who participate in receiving, reviewing, advising, and processing property sale and disposition inquiries or transactions.

This policy provides a framework to guide the sale and disposition of UTRCA property, ensuring that UTRCA fulfills its obligations to all parties that may be impacted by the transaction. Further, is intended to ensure the sale and disposition of UTRCA lands is undertaken in a consistent, transparent, and efficient manner, with appropriate consultation and accountability and in alignment with UTRCA's strategic direction, core values, and the legislative environment in which it operates.

The disposition process is based on the following principles:

- Fairness: ensure an open, transparent, and impartial process with public notification.
- Value capture: based on fair market value² to maximize the benefit for UTRCA.
- Risk management: limit UTRCA's exposure to risk and liabilities.

3.2 Legislative Framework

The Conservation Authorities Act RSO 1990 C.27 provides the following guidance:

- Section 20 describes the objects of a Conservation Authority to provide, in the area over which it has jurisdiction, the mandatory programs and services (Category 1), municipal programs and services (Category 2) and any other programs or services the UTRCA Board decides are appropriate (Category 3).
- Section 21 lists the powers that Conservation Authorities have to accomplish their objectives.
- Section 21 (1)(c) gives Conservation Authorities the power to sell, lease, or otherwise dispose of land.
- Section 21(1)(d) gives Conservation Authorities the power to lease acquired land for a term of five years or less without notification to the Minister.
- Section 21 (2) requires Conservation Authorities to provide notice of the disposition of lands acquired through Section 39 funding to the Minister.

²Fair Market Value - The highest price, expressed in terms of money, that a property would bring, in an open and unrestricted market, between a willing buyer and a willing seller who are both knowledgeable, informed, and prudent, and who are acting independently of each other.

- Section 21 (4) and (5) outlines requirements for Conservation Authorities to conduct public consultation on the disposition of lands that were acquired through Section 39 funding for a minimum of 45 days.
- Section 21 (6) provides exemptions to public consultation and Ministerial notification for municipal/provincial/federal dispositions related to infrastructure or utility purposes, where the municipal/provincial/federal agency has board/council/commission approval of the acquisition, and the Minister is informed.
- Section 21 (7) requires that within 90 days of receiving the notice of disposition, the Minister may direct a Conservation Authority to apply a specified amount of the proceeds of the disposition to support Category 1 Programs and Services.

Ontario Regulation 686/21: Mandatory Programs and Services outlines the following:

- Section 9 (2), Programs and Services provided by an authority with respect to the conservation and management of lands shall include the following: vi. the development of one or more policies governing land acquisitions and land dispositions.

3.3 Land Disposition Policies and Procedures

3.3.1 Sale and Disposition

The sale and disposition of UTRCA lands must comply with the Conservation Authorities Act and applicable provincial policies and fulfill the UTRCA's strategic objectives. The Ministry of Natural Resources Policies and Procedures for the Disposition of Conservation Authority Property (1997) stipulates that the sale and disposition shall not negatively impact provincially significant natural features and areas (e.g., Provincially Significant Wetlands, Provincially Significant Areas of Natural and Scientific Interest (ANSI's), habitat of endangered species, etc.), or Managed/Agreement Forest lands. Where these lands may be impacted, mitigative measures held within an agreement initiated by the UTRCA or conservation easement shall be implemented to protect those features and their ecological function.

3.3.2 Staff Review

Internal or external inquiries or proposals for the sale and disposition of UTRCA lands will be provided to the Manager of Lands, Facilities and Conservation Areas or their delegate for review on a case-by-case basis. Staff will undertake a detailed review to ensure that the subject lands are not required for any UTRCA operations, programs, or projects. The terms of the original acquisition shall be reviewed for compliance.

3.3.3 Reference Plan

Lands for sale or disposition must be accurately defined by a deposited Reference Plan completed by a registered Ontario Land Surveyor and should be no more than five years old at the time of disposition. This requirement provides a clear and current indication of

the property being disposed of and proves it is free of encroachments. This step reduces the risk of legal action being taken against the UTRCA for misrepresenting the land, and reduces legal and political liabilities of both the UTRCA and the Ministry.

3.3.4 Declaration of Surplus Property not meeting UTRCA Organizational Objectives, In Fee

Except for transfers to municipalities, utility companies, provincial or federal governments, or their agencies, UTRCA lands to be disposed of shall first be declared as surplus by the UTRCA Board, and approval shall be obtained to offer the lands for sale and disposition.

3.3.5 Appraisal

Upon completion of a defined property scope through the Reference Plan, property dispositions should be based on fair market value as determined by a full appraisal completed by an accredited appraiser, for properties with an estimated value exceeding \$50,000. For property dispositions with an estimated value of less than \$50,000, a letter of opinion from a qualified individual is acceptable. Conservation Authorities must justify a disposition price that is more than 10% below market value.

An appraisal is not required for proposed nominal dispositions to municipalities or provincial and federal government agencies for infrastructure or utilities purposes.

3.3.6 Costs

The party or parties initiating the proposal will bear the costs of investigating the feasibility of a UTRCA lands sale and disposition, including the Reference Plan and appraisal, unless otherwise approved by the General Manager or delegate.

3.3.7 Open Public Process

Any sale and disposition of UTRCA lands offered to the public shall be advertised through an open public process with public notification, which will begin once the property has been declared surplus and has received Board approval. Adjacent landowners, interest groups, and the public shall be given reasonable notification about all proposed property dispositions.

Any notice of the sale and disposition of property shall contain notice that UTRCA Board approval and Ministerial notification (if applicable) are required.

Subject to applicable exemptions, UTRCA lands shall be advertised on the open market for at least two weeks before accepting any offers or submissions. When an open public process has resulted in competing offers, UTRCA staff shall recommend the offer that represents a combination of the highest value and the best terms and conditions for the UTRCA.

Where required, notification of any proposed sale and disposition of UTRCA lands shall be circulated to participating municipalities, relevant provincial and federal government

agencies, and any “broader public sector organization” as defined in the Broader Public Sector Accountability Act, 2010, SO 2010, c2, as amended, two weeks prior to any public notification. This notification is intended to give partners the opportunity to consider their interest in acquiring the property, prior to public notification. The scope of the notification will be determined by the UTRCA General Manager or delegate.

3.3.8 Exemptions from the Open Public Process

The following are exemptions to the public process for disposition and are not required to be advertised on the open market:

- a) Dispositions to municipalities or any “broader public sector organization” as defined in the Broader Public Sector Accountability Act, 2010, SO 2010, c 2, as amended,
- b) Where the property is landlocked or not separately viable and is proposed to be sold or leased to an adjacent property owner,
- c) Where land is being exchanged and the UTRCA is acquiring other lands in interest,
- d) Where the property is required to re-establish access to property severed by road alignment or closure,
- e) Lands originally acquired by the UTRCA through donation and now being offered to/ disposed of to the original owner(s) or delegate, or
- f) If otherwise required through contractual or legislative requirements.

3.3.9 Purchase and Sale Process

Except for transfers to municipalities, the minimum disposition price for lands, including easements, is \$10,000.00. All offers must be accompanied by a deposit of no less than 5% of the purchase price, with a minimum deposit amount of \$10,000.00.

Upon receipt by UTRCA staff of an acceptable offer, a conditional Agreement of Purchase and Sale will be prepared and executed by staff and the purchaser.

Among other project-specific conditions deemed necessary, property dispositions are (with certain exceptions) conditional upon:

- a) UTRCA Board approval, and
- b) Minister of Natural Resources notification, where applicable.

3.3.10 Approval of Sale and Disposition of UTRCA Lands

The UTRCA Board of Directors shall approve all sales and dispositions of UTRCA lands with a resolution identifying how the sale and disposition fulfills the organization’s objectives.

Staff shall prepare and notify the Minister of Natural Resources of the sale and disposition of property that was acquired using Section 39 funding.

3.3.11 Responsibilities

The UTRCA Board of Directors is responsible for approving any proposed sale and disposition of UTRCA lands. The General Manager is responsible for reviewing and making recommendations to the Board on any proposed lands sale and disposition. UTRCA Land Management staff are responsible for reviewing property disposition proposals and coordinating the process for the sale and disposition.

All UTRCA staff are responsible for:

- c) Promptly notifying the General Manager of any proposals for the sale and disposition of UTRCA lands; and
- a) Providing timely review and response to proposed sale and disposition of UTRCA lands.

3.4 Revenue Generated through Disposition of UTRCA Lands

When disposition of UTRCA-owned property occurs, for lands that were originally acquired in part or in whole using Section 39 grant funding, notification of the intended disposition shall be submitted to the Minister. Because the Minister may direct where the proceeds of the sale may be directed, the resulting revenue from the sale, after deducting sale costs, will be split between the Section 39 Provincial-interest Land Reserve and the Authority-interest Land Reserve. The split will be in proportion to the Section 39 grant provided for the original purchase of the lands.

For all other lands sales and dispositions, revenues, after sale costs, will be segregated into the Authority-interest Land Reserve.

The Authority-interest Land Reserve will be used according to the UTRCA's Budgetary and Reserves Policies.

3.5 Procedures

Staff will prepare and present a report to the Board to summarize all offers received and a resolution to begin the 45-day public consultation period for the best offer with a draft transaction notice for Board approval and public notification.

Once the 45-day public consultation is completed, staff will prepare and present a report to the Board summarizing public comments received and how they were considered. The report will also include a recommendation for the Board to approve the disposition. The report will be received and considered in closed session, with all resolutions taking place in open session.

Should it be required, staff will provide written notice to the Minister that is in conformance with the Conservation Authorities Act and the MNR (1997) Policies and Procedures for the Disposition of Conservation Authority Property, and [Policy and Procedures for the Treatment of Conservation Authority Generated Revenue](#). If there are no comments from

the Minister 90 days after written notice is submitted, staff will proceed to finalize the land disposition.

4.0 Review of Policy

The Land Acquisition and Disposition Policy will be reviewed annually and any changes to the policy will be recommended by management to the Board of Directors.

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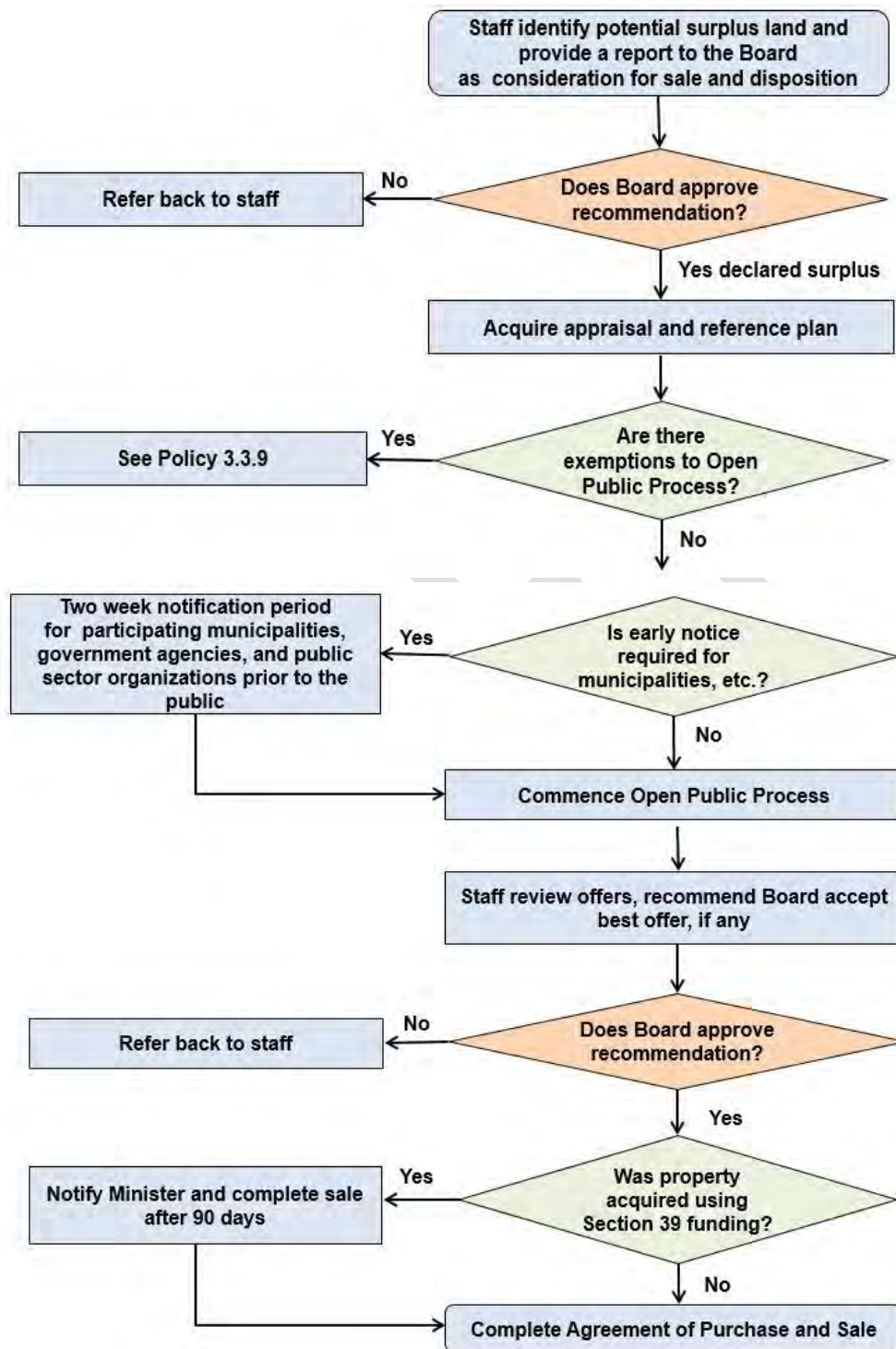
References

Ministry of Natural Resources. 1997. Policies and Procedures for the Disposition of Conservation Authority Property

Ministry of Natural Resources. 1997. Policy and Procedures for the Treatment of Conservation Authority Generated Revenue. <https://pub-trca.escribemeetings.com/filestream.ashx?DocumentId=6896>

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Appendix A. Flow Chart



To: UTRCA Board of Directors
From: Jenna Allain, Manager, Environmental Planning and Regulations
Date: September 5, 2024
File Number: BoD-10-24-81
Agenda #: 8.1
Subject: Administration and Enforcement – Section 28 Status Report

Recommendation

THAT the Board of Directors receive the report for information.

Background

The attached tables are provided to the Board as a summary of staff activity related to Section 28 of the Conservation Authorities Act and Ontario Regulation 41/24: Prohibited Activities, Exemptions and Permits. The table covers permits issued between September 1, 2024, and September 30, 2024.

To date, 175 permit numbers have been assigned in 2024 with 133 of those permits issued before September 30th. An additional 19 permits were issued in 2024 where the permit number was assigned in 2023, and one permit was issued in 2024 where the permit number was assigned in 2022. This brings the total number of permits issued in 2024 to 153. Twenty-three permit extensions or amendments have been issued in 2024, and staff have issued 243 clearances for regulated properties where proposed development was reviewed and determined not to require a Section 28 permit.

Information about permits in progress has been provided in the table below in a tally format. As noted above, 175 permit numbers have been assigned in 2024, with 133 issued by September 30th. Three permits have been issued in October 2024 and will be reported on in the next monthly Section 28 report. Two permits have been cancelled, leaving 37 permit applications currently in progress. We also have 3 additional permit applications from 2023 that are still in progress. In total, we have 40 permits in progress split by year the permit number was assigned, municipality and application type in the table below.

Table 1. Permits in Progress Tally

Municipality	Major	Minor	Routine	Total
Township of Blandford-Blenheim	0	1 (2024)	3 (2024)	4 (2024)
Township of East-Zorra Tavistock	0	0	1 (2024)	1 (2024)
Town of Ingersoll	0	0	1 (2024)	1 (2024)
City of London	1 (2023) 8 (2024)	1 (2023) 5 (2024)	1 (2024)	2 (2023) 14 (2024)
Township of Lucan-Biddulph	0	0	0	0
Municipality of Middlesex Centre	5 (2024)		1 (2024)	6 (2024)
Township of Norwich	0	0	0	0
Township of Perth East	0	0	0	0
Township of Perth South	0	2 (2024)	0	2 (2024)
Town of St. Marys	0	0	0	0
City of Stratford	0	0	0	0
Municipality of South Huron	0	0	0	0
Township of South-West Oxford	0	1 (2024)	0	1 (2024)
Municipality of Strathroy-Caradoc	0	1 (2024)	0	1 (2024)
Municipality of Thames Centre	1 (2023) 1 (2024)	2 (2024)	1 (2024)	1 (2023) 4 (2024)
Municipality of West Perth	0	0	0	0
City of Woodstock	0	1 (2024)	1 (2024)	2 (2024)
Township of Zorra	1 (2024)	0	0	1 (2024)
TOTAL	17	14	9	40

Recommended by:

Jenna Allain, Manager, Environmental Planning and Regulations

Prepared by:

Joe Gordon, Regulations Coordinator

Jessica Schnaithmann, Land Use Regulations Officer

Ben Dafoe, Land Use Regulations Officer

Cari Ramsey, Land Use Regulations Officer

Mike Funk, Land Use Regulations Officer

Dave Griffin, Land Use Regulations Assistant

Richard Brewer, Land Use Regulations Assistant

Karen Winfield, Planning and Regulations Resource Specialist

Section 28 Status Report – Summary of Applications for 2024

Ontario Regulation 41/24

Report Date: September 2024

[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
151	London	2A Grosvenor St - Gibbons Park	Routine	Municipal Project	New Play Area and Exercise Equipment	07-Aug-24	06-Sep-24	20-Sep-24	10-Sep-24	YES	Griffin
156	Zorra	Huggins Drain	Routine	Municipal Drain	Drain Maintenance through wetland		09-Sep-24	23-Sep-24	10-Sep-24	YES	Brewer
157	SW Oxford	Chambers	Routine	Municipal Drain	Drain Maintenance through wetland	04-Sep-24	04-Sep-24	18-Sep-24	11-Sep-24	YES	Brewer
148	London	56 Wellington St, PT Lot 1 Nelson RP 32r30 Parts 1 & 2 (SoHo TVC)	Minor	Municipal Project	Proposed Multi-Use Pathway Between Wellington Street and Maitland Street on the North Side of the Thames River	08-Aug-24	03-Sep-24	24-Sep-24	12-Sep-24	YES	Schnaithmann
158	London	37 Silverdale Crescent	Routine	Development	Unheated Sunroom	11-Sep-24	12-Sep-24	26-Sep-24	12-Sep-24	YES	Griffin

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
160	Perth East	Perth East - Line 26	Minor	Utility Corridor	Directional Drill - Install Fiber Optic Cable for UBF project	11-Sep-24	16-Sep-24	07-Oct-24	17-Sep-24	YES	Brewer
162	Stratford	Veterans Drive	Routine	Utility Corridor	Directional Bore & Install HDPE conduit	16-Sep-24	19-Sep-24	03-Oct-24	23-Sep-24	YES	Brewer
169	London	18 Elmwood Ave W (Coves ESA adjacent to German Canadian Club)	Routine	Municipal Project	Removal of concrete staircase and restoration of slope	16-Sep-24	16-Sep-24	30-Sep-24	24-Sep-24	YES	Funk
152	Woodstock	221 Pittock Park Road - Pittock CA	Routine	Development	Replacement of Boat Launch Dock	06-Aug-24	18-Sep-24	02-Oct-24	26-Sep-24	YES	Brewer

To: UTRCA Board of Directors
From: Tracy Annett
Date: October 15, 2024
File Number: BoD-10-24-82
Agenda #: 8.2
Subject: Project Status Updates

Recommendation

THAT the Board of Directors receive the report for information.

Background

To assist the Board with previously discussed items the following status updates are provided. This report is updated and included at each meeting to identify project timelines and expected future reports.

Discussion

The table below provides progress and timelines associated with UTRCA projects and the strategies required to fulfil the requirements of O.Reg 686/21, Mandatory Programs and Services Regulation. Planned reports and updates at board meetings may change.

Many of the items provided below are directed by legislative changes, either directly through O.Reg 686/21 or through updated regulations that impact our projects / policy direction (e.g., Section 28 regulations under the Conservation Authorities Act (CAA). These projects will continue throughout 2024, regular updates will be provided.

Report Back Items	Planned report or update	Project lead(s)	Status
2024 Draft Budget and discussion items (October 2023 meeting Draft Budget provided)	January, provide update on Municipal Feedback February AGM – 2024 Budget Consideration	Teresa Brad Christine Tracy	Complete – Municipal Communications Ongoing - Status of contract discussions with Environment and Climate Change Canada Provided updated numbers in October for the proposed Category 1 deficit and the proposed category 3 levy / cost apportionment. Complete – Communications plan
WCC Building Update	January Will be marked complete in next report	Brent & Mike	Complete - Board Request. To provide an overview of the building now that we have used the space for 10 years, building performance.

Report Back Items	Planned report or update	Project lead(s)	Status
Review of S28 Violations	February Will be marked complete in next report	Jenna	Complete - Review of the 2023 violations at the February 2024 Board of Directors meeting
UTRCA Cash Management & Investment Policy	August - complete	Christine and Tracy	In Progress – Report to F&A Committee in June, and report to the Board to follow at the August meeting.
Strategic Plan, (June 2024)	October	Tracy Teresa	In progress – RFP being developed. Timeline to be confirmed once consultant engaged. Report included with October Agenda, project initiation in the summer to align with Watershed Strategy. Update to be provided in October
Hydro Plant (April 2024 report to BOD)	October	Chris and Brent	In Progress - Consultant to be engaged to determine potential issues and estimates to resolve the issues. Staff change has delayed the RFP process. Update to be provided in October
Reserves Policy (April 2024 and May 2024 report to F&A in September)	October	Tracy Christine	In Progress Report to F&A – After the 2023 Audit the policy will be shared with the Finance and Audit committee for further discussion at the May meeting. Following F&A discussion, staff directed to prepare the Reserves Policy and Report to the Board in October.
Cyber Security	October – Postponed to November	Tracy Christine Chris	In Progress Report to F&A – Staff to prepare a report on the current state of cyber security for the organization and any recommendations to improve to be presented to the Finance and Audit Committee at the April meeting, in-camera. Directed staff for future updates. Report to the Board to follow.
Children's Safety Village (June 2023, February 2024)	October - Postponed to November	Teresa & Brent	In Progress – Internal Discussions on-going, business plan for use as education / visitors centre and campground registration. Update to be provided to BOD in the fall.
Retention Policy	August	Tracy & Michelle	Overdue – updated retention policy to be prepared based on a collaborative CA draft. The CA draft has been legally reviewed. Aligning retention policies with integration of Microsoft 365 (file structure, naming conventions, etc.)

Report Back Items	Planned report or update	Project lead(s)	Status
Wetland Compensation Policy (March 2023 meeting and August 2023)	Postponed aligning with Section 28 Policies as outlined below	Jenna and Sarah	In progress - Draft Wetland Compensation Policies initiated. Changes to the CAA and CA roles in commenting on natural heritage features have required further examination. Report to be provided once finalized, date to be confirmed.
Section 28 Regulation Policies and Mapping (March 2024, September, 2024)	October	Jenna	<p>In Progress - Release of new Regulations on Friday February 16th, effective April 1, 2024.</p> <p>May Meeting included Technical Checklists and S28 Compliance Procedures</p> <p>Staff will continue to: develop policies and procedures, and undertake consultation with municipalities, partners, and development groups., etc.</p> <p>In Progress - Hazard Mapping Consultation – Report at September Meeting and Presentation in October</p> <p>October – Administrative Review Policy</p>
Land Tenant Program Update (March 2022 meeting, November 2023, March 2024, August 2024)	November	Brent and Mike	In Progress – Ongoing status of land tenant program, in-camera. Report provided.
Advocacy for Fee Freeze to be lifted (September, 2024)	October	Tracy & Brian	<p>In Progress – Letter drafted to circulate to Municipalities. Discussion with Minister Smith suggested that he wanted data to support. Brian to lead Municipal support request. Tracy to explore other data options with CA's, particularly those in High growth areas.</p> <p>October Provided as Correspondence</p>
Draft 2025 Budget & Communications Plan (Preliminary Draft – August and F&A review in September)	October	Tracy, Teresa, and Christine	<p>In Progress – Circulate budget communications to F&A committee for feedback in July, to finalize materials to include at August Meeting (was based on advocacy required to support for City of London business case. Now preliminary budget shown are within City of London multi-year budget amounts).</p> <p>Summary Communications to be distributed at October meeting</p>

Legislative Requirements	Planned report or update	Project lead(s)	Status
Land Management Strategy (February 2024, May, 2024)	October	Brent Brandon Cathy	In Progress – To be completed by December 31, 2024 Inventory and acquisition and disposition policy are linked to this initiative. To be completed December 31, 2024 Final Document to be provided in October
Land Inventory (August 2023, February 2024 and September)	October	Brandon, Phil, Cathy & Brent	In progress – Inventory update was provided in August. To be included with Lands Strategy and a legislative requirement. To be completed December 31, 2024 The Lands Inventory will inform the Lands Strategy and acquisition and disposition strategy. Final Inventory to be provided in October
Land Acquisition and Disposition Strategy (February 2024 and September, 2024)	October	Brent & Brandon	In progress - Complements the Lands Strategy and Land Inventory. To be completed December 31, 2024. Final Document to be provided in October
Watershed-Based Resource Management Strategy (September 2023, February 2024, and June)	November	Tara	In Progress – Complements the Strategic Plan. To be completed December 31, 2024. To Align with UTRCA Strategic Plan Item included in June Agenda, final report after consultation will be brought back in November
Operations and Ice Management Plan (November 2023 meeting, September)	November	Chris	In progress - Compiling background information. To be completed December 31, 2024 Final Document to be provided in November
UTRCA Asset Management Plan (January 2024 Policy approved, and September Update)	January	Brent & Christine	In progress - May breakdown into Groups of Assets e.g., Natural Hazard Infrastructure, Fleet, Facilities etc. Regular progress reports to support the above Group of Assets as our first priority. (as below)
Asset Management Plans related to natural hazard infrastructure (September, 2024)	November	Chris	In progress – One component of overall group of assets within the UTRCA's Asset Management Plan. To be completed December 31, 2024. Final Document to be provided in November

Legislative Requirements	Planned report or update	Project lead(s)	Status

Definitions

Progress	Timeline
Not started	indicate project initiation date
In progress	anticipate completion date
Complete	date completed
Overdue	expected completion date and reasons for the delay
On Hold	other circumstances

Summary

The summary provided is intended to help track items requesting report updates to the Board and project updates to meet our legislative requirements. The number of projects underway in 2024 is significant. Items may be shifted to accommodate the number of agenda items and board meeting schedules.

Recommended by:

Tracy Annett, General Manager

To: UTRCA Board of Directors
From: Christie Kent, Planning Coordinator
Date: October 9, 2024
File Number: BoD-10-24-83
Agenda #: 8.3
Subject: 2024 Provincial Planning Statement – Summary of Changes Related to Conservation Authorities

Recommendation

THAT the Board of Directors receive the report for information.

Background

On October 20, 2024, the Provincial Planning Statement, 2024 (2024 PPS) came into effect across the Province of Ontario. The 2024 PPS is a consolidated and updated policy document replacing the Provincial Policy Statement, 2020 (2020 PPS) and A Place to Grow: A Growth Plan for the Greater Golden Horseshoe. The 2024 PPS, as described by the Ministry of Municipal Affairs and Housing, is: "...a streamlined policy document aimed at providing more flexibility to municipalities as well as additional tools to help reach the Province's goal of building 1.5 million homes by 2031." This fundamental objective contextualizes how the policies of the 2024 PPS are intended to be read, interpreted, and applied.

Transition to the 2024 PPS and subsequent implementation through updated policy and regulatory amendments will most significantly impact municipalities. The Upper Thames River Conservation Authority (UTRCA) administration remains committed to working with and supporting our municipal partners, where possible, as we collectively move through implementation of the 2024 PPS. For municipalities, key changes are evident in policies relating to municipal comprehensive reviews, growth forecasting, housing, settlement areas and expansions, strategic growth areas, employment areas and conversion, and specific policy direction for large and fast-growing municipalities (City of London).

The 2024 PPS includes several directives that are anticipated to impact conservation authorities directly and indirectly. Below is a summary with emphasis and commentary:

Watershed planning and water resource systems

- Revised definition for *watershed planning*: Planning that provides a framework for establishing **comprehensive and integrated** goals, objectives, and direction for the protection, **enhancement, or restoration** of water resources including **the quality and quantity of water** within a watershed and for the assessment of cumulative, cross-jurisdictional, and cross-watershed impacts. Watershed planning evaluates and considers the **impacts of a changing climate** on water resource systems and is **undertaken at many scales**.

- Revised definition for *water resource system* means a system consisting of ground water features and areas, surface water features (including shoreline areas), natural heritage features and areas, and hydrologic functions, **which are necessary for the ecological and hydrological integrity of the watershed.**

The updated definitions are important as municipalities are **encouraged**, and large and fast-growing municipalities (London) are **required** to undertake watershed planning to inform long-term planning exercises (4.2.2.3). This direction is accompanied by further direction that **all municipalities are encouraged** to collaborate with applicable conservation authorities in watershed planning (4.2.2.5). Other Water-related policies have been maintained, revised slightly, or relocated in the document.

Natural Hazards

- New policy: Planning authorities **shall, in collaboration with conservation authorities** where they exist, identify hazardous lands and hazardous sites, and manage development in these areas, in accordance with provincial guidance (5.2.1). The definitions of hazardous lands and hazardous sites have been maintained. The 2020 PPS did not include the requirement for planning authorities to collaborate with conservation authorities in the identification of hazards or the management of development within these areas.

All other policy statements included in the 2020 PPS pertaining to natural hazards have been maintained.

Sewage, water and stormwater

- Specific reference to **quality and quantity of water** has been added to the 2020 PPS statement: 3.6.1.b.3 *Ensure that these services are provided in a manner that protects human health and safety, and the natural environment, **including the quality and quantity of water.***
- Specific reference to the watershed scale when planning for stormwater management: 3.6.8.g Planning for stormwater management shall align with any comprehensive municipal plans for stormwater management that consider **cumulative impacts of stormwater from development on a watershed scale.**

Other notes

- Climate change policies (*preparing for the impacts of a changing climate*) have been consolidated in Section 2.9 Energy Conservation, Air Quality and Climate Change.
- Natural Heritage policies (renumbered as Section 4.1) remain consistent with the 2020 PPS.

The 2024 PPS is intended to support greater collaboration and coordination between planning authorities and other public bodies, including conservation authorities. Specific references to the conservation authority's roles in planning at the watershed scale and managing development on hazardous lands and sites are welcomed revisions.

While the scope of changes affecting conservation authorities may appear to be limited, the 2024 PPS is a policy document intended to support the Province's goal of building 1.5 million homes by 2031. As a result, it is widely anticipated that transition to the 2024 PPS will be followed by an influx of *Planning Act* and development proposals and applications requiring review and response by the Environmental Planning and Regulations Unit at the UTRCA.

Alongside this, municipalities across the Province will be undertaking policy work to ensure that local policy and regulatory documents are consistent with the 2024 PPS. What this looks like for each of the UTRCA's member municipalities will be different in terms of approach, timing, and the level of UTRCA involvement. Service delivery implications will become clearer as UTRCA administration gains experience with operationalizing the 2024 PPS, and gain familiarity with how member municipalities and the development community are responding to this new planning regime.

Prepared by:

Christie Kent, Planning Coordinator

Recommended by:

Jenna Allain, Manager, Environmental Planning and Regulations

Tracy Annett, General Manager / Secretary-Treasurer

To: UTRCA Board of Directors
From: Brent Verscheure, Manager, Lands, Facilities and Conservation Areas
Date: October 22, 2024
File Number: BoD-10-24-84
Agenda #: 8.4
Subject: 2025 Rental House Rates

Recommendation

THAT the Board of Directors receives the report for information.

Background

The attached report outlines the 2025 rental rates for the four Authority owned rental houses. Each year the Ontario Government announces the Provincial Rent Increase Guideline. The annual Rent Increase Guideline is the maximum percentage by which a landlord can increase the monthly rent for existing residential tenants.

The rent increase guideline for 2025 is 2.5% as shown on the attached table. Residential increase guidelines are released under the auspices of the Ontario Landlord and Tenant Board, pursuant to the Residential Tenancies Act (RTA).

Prepared by:

Ben Dafoe, Properties Superintendent

Recommended by:

Brent Verscheure, Manager, Lands, Facilities and Conservation Areas

House Location (and Name)	Municipal Area	2023 Monthly Rental Fee	2024 Monthly Rental Fee	2025 Monthly Rental Fee (2024+2.5%)
#1 Wildwood Conservation Area (Lang House)	Township of Perth South, Downie Ward	\$734.00	\$752.00	\$770.00 (\$752.00+\$18.00)
#2 Glengowan Area (Wood House)	Township of Perth South, Blanshard Ward	\$745.00	\$763.00	\$782.00 (\$763.00+\$19.00)
#3 Glengowan Area (Simpson House)	Township of Perth South, Blanshard Ward	\$121.00	\$124.00	\$127.00 (\$124.00+\$3.00)
#4 Glengowan Area (Crinklawn House)	Municipality of West Perth, Fullarton Ward	\$769.00	\$788.00	\$807.00 (\$788.00+19.00)

To: UTRCA Board of Directors
From: Chris Tasker
Date: October 15, 2024
File Number: BoD-10-24-85
Agenda #: 8.5
Subject: Hydro Plant Update

Recommendation

That the Board receive the report for information

Background

Staff have reported to the board and finance committee on the status of the hydro plant since 2019.

Uninterrupted Power Supply (UPS) units identified issues with incoming power which appeared to be worsened by generation of power at Fanshawe Hydro Plant. Due to concerns related to the impacts of these issues on sensitive equipment at the WCC, the hydro plant was shut down while efforts to identify and correct the issues were investigated. Investigations were delayed considerably due to COVID-19. Initial investigations were inconclusive and additional monitoring was recommended.

PowerCore Engineering Ltd (PowerCore) was retained to undertake additional investigations.

Discussion

The recent report received from PowerCore identified that the UTRCA Watershed Conservation Centre (WCC) and Fanshawe Dam are at the end of a 4.9km feeder which services several other loads along its length. UPS units in the WCC report multiple issues including high and low voltage and waveform distortion issues. While these issues were worse when the plant was running, they have also been reported even without the hydro plant running.

Due to the length of the feeder, there is a considerable voltage swing experienced at the WCC and Dam. PowerCore established monitoring in the WCC which identified voltage swings of -2.5% to +3% over a 2 week monitoring period. With the hydro plant running a -4% drop was recorded. This was consistent with power distribution system modelling undertaken by PowerCore. While these numbers represent steady state values, during the generator startup or shutdown the voltage drops even lower for a few seconds.

The hydro generator is a 575 kW asynchronous machine which needs reactive power supplied externally to establish the magnetic field. This is drawn from the grid. As the generation ramps up to peak generation levels the voltage drop due to the hydro generator is offset to <1%.

Typically, electronic loads like to see supply voltage within +/-5%. Even without hydro generation, the natural voltage fluctuation “is on the cusp of this tolerance band”. During operation of larger equipment or during peak power demand it can be expected to record instances reporting supply voltage outside tolerances. It is therefore likely that during hydro generation the added voltage drop will push the UPS beyond its normally accepted limits. Outside the UPS alarms no other serious power quality issues have been reported.

“Given the nature of the hydro generator any mitigation strategies involving the generator or associated equipment will be costly, complex and with a potentially very long payback”. PowerCore is not recommending that we pursue installation of capacitors. If capacitors were to be pursued in the future, they would have to be installed and controlled directly at the hydro generator. PowerCore also does not see “reasonable room for generator control improvement at this point”.

PowerCore therefore focused on front end power conditioning to the UPS. They recommend adding 2 Automatic Voltage Regulators, one on each of the feeds to the 2 panels feeding information systems. The initial estimate of this equipment is US\$20,000/each. Cost does not include shipping or installation. This initial estimate is based on the UPS specifications; however, it is preferred to condition the power for the entire panels, protecting not only the equipment plugged into the UPS but other sensitive electronics powered by these panels. Additional equipment specifications have been requested.

We have allowances in our 2024 budget for the hydro plant investigation and resulting equipment installation. It is anticipated that the equipment may exceed the allowance in the 2024 budget and as such additional funding reallocation may be needed in 2025.

Next Steps

- Confirm size and installation of power conditioners
- Update cost estimates
- Order equipment and engage electrician in the installation
- Assess efforts necessary to get the hydro plant operational again

Recommended by:

Chris Tasker, Manager, Water and Information Management

To: UTRCA Board of Directors
From: Tracy Annett
Date: October 14, 2024
File Number: BoD-10-24-86
Agenda #: 8.6
Subject: Strategic Plan Update

Recommendation

THAT the report be provided as information.

Background

In September of 2023 the UTRCA Board of Directors directed staff to engage a consultant to develop an updated strategic plan to define the Authority's values and direction. The timing of the Strategic Plan aligns well and further supports the Watershed-based Resource Management Strategy.

Discussion

The Upper Thames River Conservation Authority has obtained the services of Platinum Leadership, London Ontario to undertake the development of an updated Strategic Plan to guide the organization from 2025 to 2029.

Platinum Leadership has agreed to provide:

- A review of strategic objectives, programs, and services within the current operating environment,
- The inclusion of input from all staff and Board members,
- The incorporation of community and stakeholder input,
- Consideration of trends affecting environmental and recreational programs and services within the watershed.

Working with the members and staff of the Authority, the consultant will:

- Refine the internal and external challenges and opportunities that may impact future decision-making, as identified in the Draft Watershed Strategy, through an environmental scan and a SWOT analysis to expand on work completed to date.
- Lead a comprehensive engagement effort designed to facilitate member, staff, and partner input. This work may include meetings, interviews, and surveys with UTRCA members and staff, member municipal councilors and staff, and members of other environmental and partner organizations.
- Provide an updated vision and refinement of draft guiding principles / core values, and mission.
- Refine strategic objectives and organizational goals, including long- and short-term goals and plans of action or approaches to meet these goals.

- Define metrics whereby the implementation of the plan can be evaluated.

Platinum Leadership understands that the UTRCA has been gathering internal and external feedback on the Conservation Areas and Lands Strategy and the Watershed Strategy and that it will be important that the Strategic Plan objectives align with these strategies.

Timeline

The senior management team is currently meeting with Platinum Leadership to finalize a timeline for implementation.

Summary

It is expected that Platinum Leadership will be reaching out to the Board of Directors and Municipal Partners through their comprehensive engagement efforts. Engagement is expected to include meetings, interviews, and surveys with UTRCA members and staff, municipal councilors and staff, and members of other environmental and partner organizations.

Prepared by

Teresa Hollingsworth, Manager Community and Corporate Services

To: UTRCA Board of Directors
From: Michelle Viglianti, Administrative Assistant
Date: August 6, 2024
File Number: BoD-10-24-87
Agenda #: 9.1
Subject: Finance and Audit Committee – 09-24 Decisions

Recommendation

That the Board of Directors receive the report for information.

Background

The Finance and Audit Committee met on September 24, 2024. The Committee meeting package can be found on the [Upper Thames River Conservation Authority Website](#).

Recommendations and Decisions 09-24

The Committee discussed and passed the following motions at their September 24th meeting.

4.1 Budget and Reserves Policy

Mover: Paul Mitchell

Seconder: Harj Nijjar

THAT the Finance and Audit Committee has reviewed the Policy document, made suggestions and asked staff to present a final draft at the board meeting to be held in October.

Carried.

This item was dealt with earlier in agenda item 6.1 on the October 22, 2024 Board of Directors meeting agenda.

4.2 2025 Budget Discussion – Referred to Committee

Mover: Dean Trentowsky

Seconder: Harj Nijjar

THAT the Finance and Audit Committee met to review the 2025 budget and has asked staff to incorporate changes from the recent federal government grant, the Committee is supportive of the non deficit budget for cat 1 and FURTHER, that the Committee recommends that the 2025 budget include a 3% increase to Schedule B of Municipal Cost Apportionment Agreements, and the committee asked staff to include in the October report a high level estimate of the 2026 levy increase for Category 1.

Carried.

This item was dealt with earlier in agenda item 6.2 on the October 22, 2024 Board of Directors meeting agenda.

4.3 Fossil Fuel Free Portfolio Discussion – Referred to Committee

Mover: Paul Mitchell

Seconder: Harj Nijjar

THAT the Finance and Audit Committee receives the report.

Carried.

5.1 Financial Information that Belongs to the Authority and has Potential Monetary Value – 2024 Audit Planning Letter

The Committee heard and received a presentation of the 2024 audit plan in closed session from the Authority's audit firm, Seebach and Company.

Mover: Harj Nijjar

Seconder: Dean Trentowsky

THAT the Finance and Audit Committee receives the Audit Plan.

Carried.

Prepared by:

Michelle Viglianti, Administrative Assistant

Recommended by:

Tracy Annett, General Manager