

May 11, 2016

**NOTICE OF
BOARD OF DIRECTORS' MEETING**

DATE: TUESDAY, MAY 24, 2016

TIME: 9:30 A.M. – 11:30 A.M.

LOCATION: WATERSHED CONSERVATION CENTRE
BOARDROOM

AGENDA:	TIME
1. Approval of Agenda	9:30am
2. Declaration of Conflicts of Interest	
3. Confirmation of Payment as Required Through Statutory Obligations	
4. Minutes of the Previous Meeting: Thursday March 22, 2016	
5. Business Arising from the Minutes	
6. E-mail Vote Ratification: Flood Control Infrastructure Report & Results (Document # Administration 1641)	
7. UTRCA Audit Recommendations	9:35am
(a) UTRCA 2015 Draft Financial Statements Year ended December 31, 2015 & Year-End Findings Report (For Approval)(Document # Finance 239) (Statements presented by Authority Auditors) (20 minutes)	
(b) Canada Revenue Agency Audit Findings (10 minutes)(Document # Finance 241)	
8. Closed Session – In Camera	10:05am
(a) Property matters relating to Fanshawe and Wildwood cottages. (Verbal)(10 minutes)	
(b) Gilmor Case (T. Annett) (Report Attached) (Document #ENVP 3493) (25 minutes)	
9. For Your Information Report (April/May FYI attached) (I.Wilcox) (5 minutes)	10:40am

10. Business for Approval 10:45am
- (a) 2015 Flood Control Repair Projects
-Status Report
2017 -20 Year Flood Control Capital
Repair Plan
(R. Goldt) (Report attached) (Document #Flood
Control 733) (10 minutes)
11. Business for Information 10:55am
- (a) Environmental Targets & the 2017 Budget
(Presentation) (10 minutes)
- (b) Administration and Enforcement- Section 28
(M.Snowsell/K.Winfield)(Report attached)
(Document #3483) (5 minutes)
- (c) Springbank Dam Update (C.Tasker)
(Verbal) (5 minutes)
- (d) Friends of Ellice and Gadshill Swamp
- Annual status report (Document #114860)
(B.Mackie) (5 minutes)
- (e) Conservation Ontario Update
-Conservation Ontario Council E-Bulletin
(Attached)(I.Wilcox)
- letter from Eleanor McMahon,
Parliamentary Assistant *Conservation
Authorities Act* review (Attached) (I.Wilcox)
(5 minutes)
12. Other Business (Including Chair and
General Manager's Comments) 11:25am
13. Adjournment 11:30am



Ian Wilcox, General Manager

c.c. Chair and Members of the Board of Directors

I. Wilcox	T.Hollingsworth	T.Annett	B.Glasman	J.Howley
M.Viglianti	A.Shivas	C.Tasker	C.Harrington	B. Mackie
G.Inglis	K.Winfield	M.Snowsell	R.Goldt	C. Saracino

MINUTES
BOARD OF DIRECTORS' MEETING
TUESDAY, MAY 24, 2016

M.Blackie, Chair of the Upper Thames River Conservation Authority called the Board of Directors' meeting to order at 9:33 a.m. in the Boardroom of the UTRCA Watershed Conservation Centre. The following members and staff were in attendance.

Members Present:	T.Birtch M.Blackie M.Blosh R.Chowen A.Hopkins T.Jackson M.Ryan	S.Levin N.Manning J.McKelvie A.Murray M.Ryan G.Way
Regrets:	K.Van Kooten-Bossence M.Campbell H.McDermid	
Solicitor:	G.Inglis	
Guests:	Ian Jeffreys, KPMG	Melissa Wale, KPMG
Staff:	T. Annett C. Creighton B. Glasman R. Goldt C. Harrington T. Hollingsworth J. Howley	B. Mackie C. Saracino A. Shivas M. Snowsell I. Wilcox K. Winfield M. Viglianti

1. Approval of Agenda

T. Jackson moved – J. McKelvie seconded:-

“RESOLVED that the UTRCA Board
of Directors approve the agenda as posted.”

CARRIED.

2. Declaration of Conflicts of Interest

The Chair inquired whether the members had any conflicts of interest to declare relating to the agenda. There were none.

3. Confirmation of Payment as Required Through Statutory Obligations

The Chair inquired whether the Authority has met its statutory obligations in the payment of the Accounts Payable. The members were advised the Authority has met its statutory obligations.

4. Minutes of the Previous Meeting
March 22, 2016

G. Way moved – J. McKelvie seconded:-

“RESOLVED that the UTRCA Board of Directors approve the Board of Directors’ minutes dated March 22, 2016 as posted on the Members’ web-site.”

CARRIED.

5. Business Arising from the Minutes

There was no business arising from the minutes.

6. E-mail Vote Ratification: Flood Control Infrastructure Report & Results

S. Levin moved – T. Jackson seconded:-

“RESOLVED that the UTRCA Board of Directors ratify the results of the e-mail vote as presented.”

CARRIED.

The Chair and I. Wilcox introduced Michelle Viglianti to the Board. She has assumed the same responsibilities Susan Shivas had in regard to the Board of Directors.

7. UTRCA Audit Recommendations

(a) UTRCA 2015 Draft Financial Statements
Year Ended December 31, 2015 & Year-End Findings Report

I. Wilcox introduced Christine Saracino, the new Supervisor of Finance, to the Board.

The Authority auditors presented the 2015 Financial Statements to the Board for consideration. As per last year’s practice, the Board of Directors move into Closed Session for the purpose of asking questions of the auditors without the management team in attendance.

T. Jackson moved – T. Birch seconded:-
“RESOLVED that the Board of Directors adjourn to Closed Session – In Camera.”

CARRIED

Progress Reported

(a)(i) A matter relating to the Authority's Audit process was discussed.

J. McKelvie moved – T. Birtch seconded:-

“RESOLVED that the Board of Directors approve the 2015 Financial Statements, the 2015 Audit Findings Report and the audit process as Conducted by KPMG, Chartered Professional Accountants.”

CARRIED

The 36% higher than anticipated revenue mentioned in the attached report 7(a) 1) was discussed. T. Jackson asked whether the increased revenue has been consumed or put in reserves. I. Wilcox explained that more than 95% is consumed and a very small percent goes into the operating reserves of the unit that acquired the funding for specific future projects.

M. Ryan would like to see a breakdown of the 36%, where it came from and how it was spent. I. Wilcox responded that he agrees and that in the future this kind of reporting will be in the quarterly reports with a summary of information.

(b) Canada Revenue Agency Audit Findings

I. Wilcox presented the Canada Revenue Agency Audit Findings report.

M. Ryan moved – T. Birtch seconded:-

“RESOLVED that the Board of Directors receive the report as presented.”

CARRIED

S. Levin asked whether we re-appoint the auditors for next year. I. Wilcox responded that we have not had the practice of annually appointing the auditors but we are open to new practices. T. Jackson raised the question of whether we should be re-visiting competitive bids on this process. Discussion was had around this possibility. It was suggested that given the staffing change we give it one more year before we re-visit competitive bids. I. Wilcox explained that C. Saracino is working on a number of Finance policies, one of which addresses the appointment of the auditors.

S. Levin moved – J. McKelvie seconded:-

“RESOLVED that the Board of Directors re-appoint KPMG as the Auditors for the UTRCA in 2016.”

CARRIED

8. Closed Session – In Camera

There being property and legal matters to discuss,

A. Hopkins moved – S. Levin seconded:-

“RESOLVED that the Board of Directors adjourn to Closed Session – In Camera.”

CARRIED

Progress Reported

- (a) A property matter relating to the Fanshawe and Wildwood Cottages was discussed.
- (b) The Gilmor Case was discussed.

9. (a) For Your Information
(Report attached)

The FYI report was presented for the members’ information.

10. Business for Approval

- (a) 2015 Flood Control Repair Project & 20 Year Flood Control Capital Repair Plan
(Report attached)

J. McKelvie moved – N.Manning seconded: -

“RESOLVED that the Board of Directors accept both recommendations as presented in the report.”

CARRIED.

11. Business for Information

- (a) Environmental Targets & the 2017 Budget
(Presentation)

I. Wilcox provided a Targets presentation. A Targets report will be presented for approval to the Board at the June meeting. In addition, a 2017 levy report will also be presented and include a request for the first year of funding for Targets implementation.

I. Wilcox spoke to a question from S. Levin about the City of London’s four year budget in regards to the UTRCA levy.

Discussion was had around the possibility of fund raising to support the Targets work in the future. Education programs and our approach to delivering education programs in schools was discussed in relation to the future Targets work.

- (b) Administration and Enforcement – Section 28
(Report attached)

The attached report was presented to the members for their information.

A discussion was had regarding the number drains being covered, what is being done about this issue, and how it could tie into efforts to reduce phosphorus levels in the Western basin of Lake Erie.

S. Levin moved – N.Manning seconded:--

“RESOLVED that the Board of Directors accept the report as presented.”

CARRIED.

- (c) Springbank Dam Update

C.Tasker provided a verbal update regarding Springbank Dam. The UTRCA’s website will be updated with the most current Springbank Dam information. Discussion was had around the One River Master Plan EA concept the City has decided upon.

- (d) Friends of Ellice and Gadshill Swamp Annual Status Report
(Report attached)

B.Mackie presented his report. I. Wilcox explained to new members the co-management agreement with the Friends of Ellice and Gadshill Swamp. R.Chowen suggested that the Board Members tour the swamp and T.Jackson suggested we do this in the fall.

J. McKelvie moved – G.Way seconded:-

“RESOLVED that the Board of Directors receive the report.”

CARRIED.

- (e) Conservation Ontario Update

I.Wilcox briefly discussed the E-bulletin and the letter from Eleanor McMahon. There is a public information session around the review of the Conservation Authorities Act on June 9th in London.

The paper has been posted, but there has been no news on a working group being formed yet. I.Wilcox will make sure the Board is kept informed.

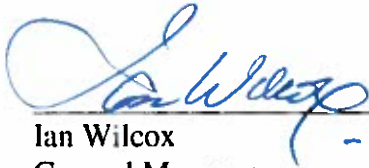
12. Other Business (Including Chair and General Manager’s Comments)

The Chair and R.Chowen took part in the 2016 Children's Water Festival VIP tour. There will be a staff presentation about the Water Festival at the June meeting.

I.Wilcox asked that Members take review the Conservation Ontario handouts.

13. Adjournment

There being no further business the meeting was adjourned at 11:42 am on a motion by T. Jackson.



Ian Wilcox
General Manager
Att.

M.Blackie, Authority Chair

To: UTRCA Board of Directors
From: Chris Tasker, Manager, Water and Information Management
Date: April 13, 2016 **Agenda #:** 6
Subject: Fanshawe Dam Master Control Cabinet, Pittock Dam Control Building and West London Dyke Phase 3 Engineering Services **Filename:** PAUsers\goldtr\Documents\GroupWis e\759-1.doc103609

Recommendations for Approval:

It is recommended that, subject to the Authority receiving 2016 WECI funding for these projects, the Board of Directors approve:

1. Extending the existing engineering services agreement with NA Engineering Ltd. to add the design, specifications, tender, and construction contract administration services for the Fanshawe Dam Master Control Cabinet replacement and increase the consultant's upset limit by \$27,500 (including contingency but excluding HST);
2. Extending the existing engineering services agreement with BM Ross & Associates to add tendering and construction contract administration services for the Pittock Dam Control Building Replacement and increase the consultant's upset limit by \$23,000 (excluding HST);
3. Extending the existing engineering services agreement with Stantec Consulting Ltd. to add tendering and construction contract administration services for the West London Dyke Phase 3 reconstruction and increase the consultant's upset limit by \$325,000 (including contingency but excluding HST); and
4. That, board approval for future consultant selection be for the entire engineering services related to a project, provided the services remain within approved project budgets.

Background

This report is being considered by email vote due to the cancellation of the April board meeting and the negative impacts on construction projects (timing and funding) that would result from a delay in approval of these engineering services.

Engineering services are awarded based on competitive Request for Proposals (RFP) process. Proposals are reviewed for best value based on factors such as consultant experience and expertise; understanding of the project; schedule; and unit and total costs. Proposals are reviewed to ensure that consultants are allocating appropriate resources to the various aspects for the work. Proposals are generally requested for preliminary engineering and design up to and including the development of tender documents. Once the design work has reached a point where the tender and contract administration is better defined a proposal is requested for tendering and contract administration services. Provided the consultant has performed satisfactorily to this point, a proposal is only requested from them. Although some might consider this sole sourcing, it would be difficult to ensure a fair competitive process at this stage due to the consultant's detailed knowledge of the project. Delays would also make it difficult for projects to proceed to completion within the funding period. The consultant's proposal for tender and contract

administration are based on needs discussed with staff and are reviewed for consistency with the previous proposal to ensure value for money.

This report proposes the extension of three existing engineering services agreements to administer construction projects in which the engineering firms have undertaken comprehensive preliminary engineering studies or design and tender preparation. The currently engaged firms are most qualified to provide continued engineering services based on their satisfactory performance, quality of work, knowledge of the work required and ongoing involvement in the projects, provided costs are reasonable.

This report also proposes a change to our request for proposals (RFP) process so that all of the engineering services may be awarded at the beginning of a project. This would eliminate the need for a board approval for extension of engineering services agreements provided work remains within project budget.

The following 3 projects are variation of these principles where staff recommends that existing consulting services agreements be extended to include subsequent phases of work.

1. Fanshawe Dam Master Control Cabinet

NA Engineering Ltd. is currently involved in all aspects of Fanshawe Dam Transformer and Generator Set construction work including tender and contract administration. NA was awarded this work through a competitive request for proposal process. As a result of the electrical fire in June 2015 at the dam, NA assisted with trouble shooting, emergency repairs and investigation of more permanent Motor Control Cabinet (MCC) requirements. Prior to the fire, replacement of the MCC was planned for 2016. The MCC is an important linkage between incoming power and much of the electrical equipment in the dam. NA assisted in developing the 2016 WECl funding application and was requested to submit a proposal to complete design, tendering, and construction administration services for the project. Having a separate consultant involved with the MCC while design and construction of the power supply is being undertaken would add considerable complexities and inefficiencies. Awaiting completion of transformer and generator set project and as built drawings would add unacceptable delays given the Electrical Safety Authority interest in the timely completion of a permanent fix. These delays might also impact project funding approvals through WECl.

A proposal and estimate for services was received from NA for \$ \$17,500+HST. This estimate assumes MCC design by the manufacturer (to be reviewed by the consultant). A higher than normal contingency allowance of \$10,000 will be included in case NA is requested to provide detailed design of MCC rather than relying on design by supplier. The submitted 2016 WECl budget for the overall project was \$260,000 including the \$27,500+HST allowance for engineering. Staff recommends the proposal by NA Engineering Ltd be accepted and their agreement for engineering services be extended to include these additional services.

2. Pittock Dam Control Building

BM Ross Associates were awarded a contract in 2014 to review options for reconstruction of the Pittock Dam control building, undertake design, and produce tender documents. BM Ross was awarded this work through a competitive request for proposal process. Options for the replacement were developed and a preferred control building layout and services renewal are currently under design by BM Ross. Regulatory approvals will be sought and it is expected that a tender can be advertised in the summer.

BM Ross has provided a \$23,000+HST estimate of costs for engineering services related to tendering and contract administration. The submitted budget for 2016 WECl funding was \$210,000 including allowances for these engineering services. Staff recommends the proposal by BM Ross Associates be accepted and their agreement for engineering services be extended to include these additional services.

3. West London Dyke Phase 3

Stantec Consulting are currently undertaking the final design and tender document preparation for West London Dyke Phase 3 as part of a contract approved in February 2015. This work has also resulted in the recent completion of the Master Repair Plan Class EA undertaken by Stantec. Various technical studies have also been completed under the current engineering services agreement in support of Phase 3. A Phase 3 project estimate of \$3,600,000 was submitted for 2016 WECl funding including these engineering services. It is important that this work be substantially completed in 2016 to utilize anticipated WECl funding. Continuity in consulting services is important to the timely tender and construction of this project.

Stantec also provided engineering services for Phase 1 and 2. Phase 3 is a northerly extension of Phase 1 from Rogers Ave to between Leslie St. and Carrothers Ave (see attached plan). The length of the dyke to be reconstructed in phase 3 will be between 205 and 285 metres depending on detailed design and optimization of construction phasing currently being considered by the consultant, the City, and UTRCA.

Stantec has submitted an engineering estimate of \$300,000+HST for tendering and construction contract administration. The estimate includes full time on-site inspection services over an estimated 4 month construction duration and assumes construction completion in 2016. The Project Manager will be the same as Phase 1. The current Stantec proposal includes the following work which was not part of their 2007/8 services:

- engineering for establishing a new well structure to replace an existing groundwater monitoring station for structure performance monitoring,
- additional independent environmental monitoring during construction requested by the City,
- more scrutiny of existing soil quality and disposal requirements to minimize costs,
- post construction alignment surveys consistent with previous surveys,
- stage 2 Archeological assessment in Labatt Park where construction access to the Phase 3 project area is planned (required based on Stage 1 screening during design), and
- geotechnical inspection and testing services.

Stantec costs for Phase 1 in 2007/8 were approximately \$170,000 for a similar total construction cost. The comparable work in this proposal would cost \$214,000 (after removing the work listed above). This represents an appropriate increase given construction price increases between 2007 and 2016.

As the final design is still being completed, staff recommends a consulting contingency allowance of \$25,000 is appropriate in case aspects of the construction extend into 2017 and to allow for the potential variation in length discussed above. This results in an additional engineering services cost of \$325,000+HST. Based on Stantec's considerable experience with this project, satisfactory completion of work to date, and comparable engineering costs with 2007, staff recommends acceptance of the Stantec proposal and extension of the current engineering services agreement to include tender and contract administration.

4 Proposed Changes to RFP Process

This report also proposes a change to our request for proposals (RFP) process so that engineering services may be awarded for the entire project or study. Where it is possible to adequately define the entire project within a single RFP, it is proposed that the RFP be designed to incorporate all engineering services. To ensure cost effectiveness and efficiency, consultants would be asked for estimates of tender and project administration or additional phases of work within their proposal. An engineering services agreement would be entered into with the successful consultants for the first phase of engineering services (such as design and production of contract/tender documents). Staff would be able to extend the agreement for engineering services without having to go back to the board (as is being done here) provided the consultant's services have been satisfactory; the additional services remain within the approved project budget (study or construction project); and the additional services are consistent with the costs included in the consultants proposal. Where the engineering is associated with a construction tender, once the tenders have been opened and construction and engineering costs are established, any differences in project budget could be dealt with as a single report to the board dealing with the construction tender award, whether those differences are attributed to the construction or engineering costs.

Please contact Rick Goldt or Chris Tasker if there are any questions or concerns with these recommendations.

Submitted by:



Chris Tasker, Manager
Water and Information Management

Prepared by:



Rick Goldt, Supervisor
Water Control Structures

Administrative Assistant - Consultant Tender and Contract Administration Report Vote Summary

From: Michelle Viglianti
To: Anna Hopkins; Annamarie Murray; Dawn MacLean; George Way; Grant Ingl...
Date: 4/26/2016 8:56 AM
Subject: Consultant Tender and Contract Administration Report Vote Summary
CC: Chris Tasker; Ian Wilcox; Rick Goldt
BC: Michelle Viglianti

Good morning,

as my first official e-mail I would just like to say hello, and I really look forward to working with all of you.

Thank you all for your time and consideration on this matter.

14 out of 15 Members participated in the vote. The results of the vote are as follows:

Recommendation 1, 2 & 3 were unanimously approved with 14 votes.

Recommendation 4 was approved with 13 votes yes and 1 no.

This matter will be further reviewed at the May meeting.

Thanks again,

To: UTRCA Board of Directors
From: Ian Wilcox
Date: May 10, 2016
Subject: 2015 Audited Financial Statements

Agenda #: 7 (a)
Filename: Finance #239

Recommendation:

That the Board of Directors approve the 2015 Audited Financial Statements as presented and attached.

Summary of Financial Statements:

The results of operations, including capital transactions, for the 2015 year yielded a surplus of \$676,948 which is 3% higher than the budgeted surplus (adjusted for capital expenditures and amortization- see note 10) of \$657,448. This difference is attributed to three things:

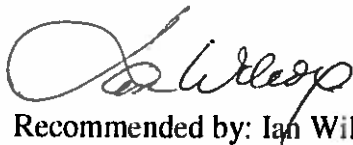
- 1) Revenues outside of pre-determined levys and MNR funding are 36% higher than anticipated. The organization's success in securing more than double the Provincial and Federal program funding, more than double the donations and interest income and 27% greater levels in fees for services has enabled a much higher level of activity than originally projected, and
- 2) Expenditures were controlled with just a 17% increase overall.
- 3) Net draws on reserves to fund operations and capital acquisitions of only \$33,784 were required to achieve our ends in 2015.

Currently, we continued to reduce debt through regular payments of the Water System Loan and we were up to date with all other liabilities including pension payments. Our cash position was strong throughout the year even as we increased our tangible capital asset base.

Information on Audit Findings Report:

While the audit opinion is clear that the statements present fairly the operations and position of UTRCA at year end, KPMG's report describes an uncorrected difference of \$181,000 against the final surplus of the organization. This stems from purchases made for Flood Control construction activities which were expensed in earlier years but which should have been capitalized.

This difference highlights a more general need for clarity in budgeting annual operating activities separately from capital expenditures and in developing awareness among staff of the impact of capital acquisitions and building projects on the financial results of the organization. As we proceed with 2017 budgeting, we will be addressing the deficiency identified by the auditors in our process.


Recommended by: Ian Wilcox


Prepared by: Christine Saracino
Supervisor, Finance & Accounting



cutting through complexity

AUDIT

Upper Thames River Conservation Authority

Audit Findings Report
For the year ended December 31, 2015



Licensed Public Accountants

May 24, 2016

kpmg.ca



The contacts at KPMG in connection with this report are:

Ian Jeffreys

Lead Audit Engagement
Partner

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ijeffreys@kpmg.ca

Melissa Redden

Audit Senior Manager

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At KPMG, we are **passionate** about earning your **trust**. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our dealings with you.

At the end of the day, we measure our success from the **only perspective that matters – yours.**

Executive summary

Purpose of this report*

The purpose of this Audit Findings Report is to assist you, as a member of the Board, in your review of the results of our audit of the financial statements of Upper Thames River Conservation Authority as at and for the year ended December 31, 2015.

Audit risks and results

A significant financial reporting risk has been identified relating to the presumed fraud risk over management override of controls. This risk has been addressed in our audit.

We also identified some other areas of audit focus to discuss with you.

See pages 5 – 7.

Adjustments and differences

We have identified differences that were communicated to management and subsequently corrected in the financial statements, as well as an uncorrected difference. The impact of the uncorrected difference is as follows:

Annual surplus	(in \$'000s)
As currently presented	\$677
Uncorrected difference	(\$181)
As a % of the balance	(27%)

Accumulated surplus	(in \$'000s)
As currently presented	\$41,108
Uncorrected differences	\$0
As a % of the balance	0%

See pages 8 - 9 and Appendix 3.

* This Audit Findings Report should not be used for any other purpose or by anyone other than the Board. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Executive summary

Finalizing the audit

As of May 10, 2016, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- obtaining the signed management representation letter;
- completing our discussions with the Board;
- obtaining evidence of the Board's approval of the financial statements.

We will update the Board on significant matters, *if any*, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in ICFR; however, we have identified a deficiency to bring to your attention.

See page 10.

Significant accounting estimates

Overall, we are satisfied with the reasonability of significant accounting estimates.

- Management identifies all accounting estimates and establishes processes for making accounting estimates.
- There are no indicators of management bias as a result of our audit over estimates.
- Disclosure of estimation uncertainty in the financial statements is included in Note 1(f), Use of estimates. This note provides information on areas in the financial statements that include estimates.
- Management evaluates these estimates on a regular basis to ensure they are appropriate.

Independence

We are independent with respect to the Authority, within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation.

See Appendix 2.

Significant accounting policies and practices

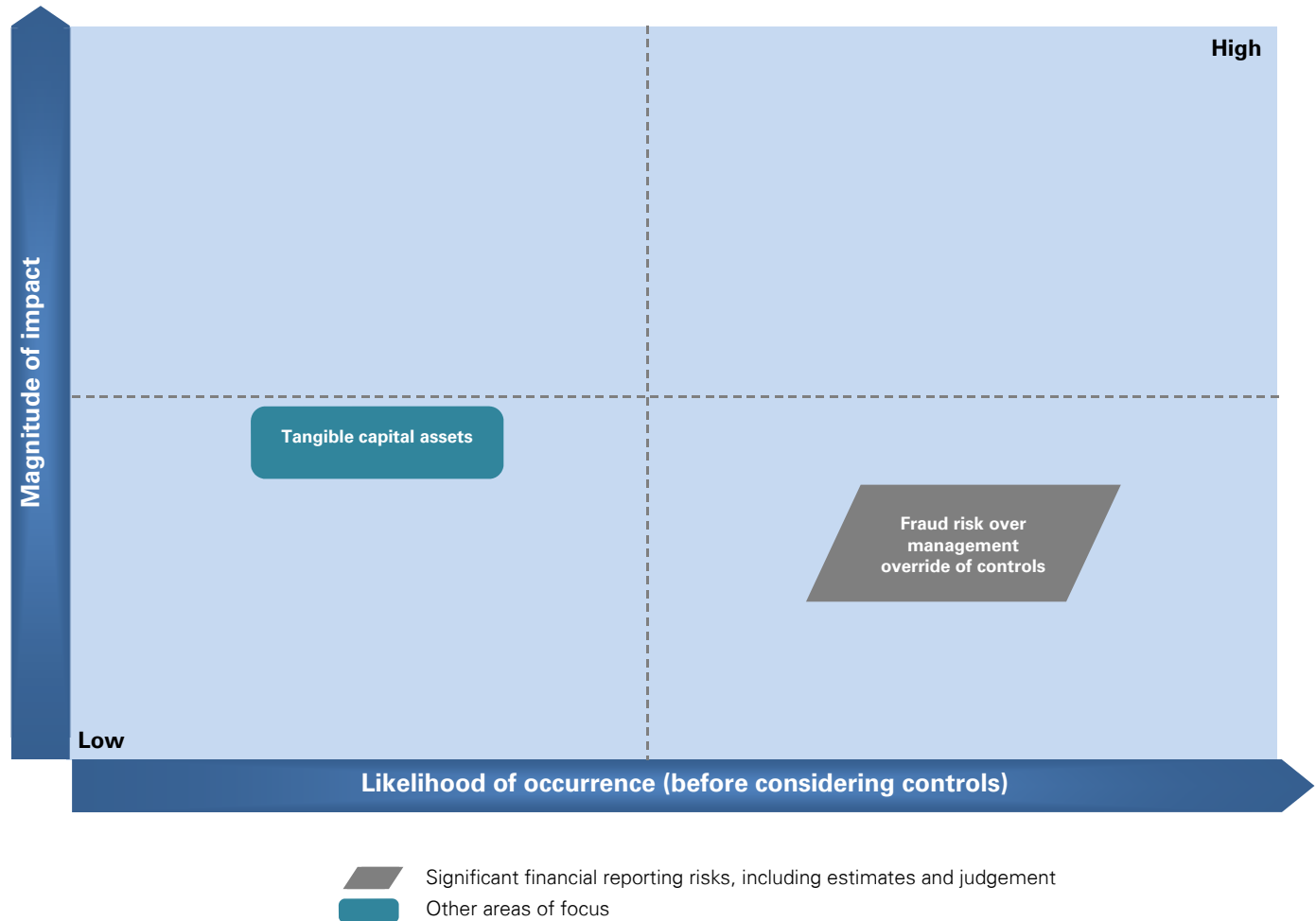
There have been no initial selections of, or changes to, significant accounting policies and practices to bring to your attention.

Financial statement presentation and disclosure

The presentation and disclosure of the financial statements are, in all material respects, in accordance with the Authority's relevant financial reporting framework. The form, arrangement, and content of the financial statements is considered to be appropriate.

Audit risks and results

This diagram is our top-down view of the financial reporting risks and their potential misstatement impact mapped against the likelihood of a misstatement occurring (before controls).



Audit risks and results

Professional standards presume the risk of fraudulent recognition and the risk of management override of controls exists for all companies.

The risk of fraudulent revenue recognition can be rebutted, but the risk of management override of controls cannot, since management is typically in a unique position to perpetrate fraud because of its ability to manipulate account records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Professional requirements	Why	Our significant findings from the audit
Fraud risk from revenue recognition	This is a presumed fraud risk. There are generally pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition when performance is measured in terms of year-over-year revenue growth or profit.	We have rebutted this fraud risk as it is not applicable to the Authority where performance is not measured based on earnings.
Fraud risk from management override of controls	This is a presumed fraud risk. We have not identified any specific additional risks of management override relating to this audit.	As this risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures included testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluations the business rationale of significant unusual transactions. <i>Findings</i> No significant findings noted.

Audit risks and results

Significant findings from the audit regarding other areas of focus are as follows:

Other areas of focus	Why	Our significant findings from the audit
Tangible capital assets	This is a significant account on the financial statements.	<p>Management maintains a continuity schedule by asset class, outlining additions, disposals, and amortization taken during the year.</p> <p>KPMG performed the following procedures over this account:</p> <ul style="list-style-type: none"> • Selected significant additions from the listing prepared by management to ensure the additions were appropriately recorded. • Performed substantive analytical procedures over the amortization expense balance to assess the reasonability of amortization taken during the year. • Verified the mathematical accuracy of the continuity schedule to track tangible capital asset cost and accumulated amortization balances. • Obtain management's assessment of the impact of the Contaminated Sites standard (PS 3260) and review the impact to the financial statements, if any. <p><i>Findings</i></p> <p>KPMG notes that the adoption of the new Contaminated Sites standard has been disclosed in the financial statements. This standard has no impact on any amounts recorded within the financial statements.</p> <p>No significant findings were noted as a result of the other procedures above; however, while performing substantive analytical procedures over expense balances, KPMG noted that the 'Flood control centre' expenses were significantly higher than budgeted figures. Inquiry into this variance identified that there were amounts within the expense caption that should have been classified as tangible capital assets. It was also identified that there were balances within prior year expenses that should have been capitalized. This resulted in an understatement of tangible capital assets and an overstatement of expenses of \$498,915 in the current year and \$181,408 relating to prior years. These were all corrected through the current year Statement of Operations to correct the Statement of Financial Position as at December 31, 2015. This results in expenses being understated in the current year by \$181,408 due to the out-of-period adjustment. There is no amortization impact as these projects were still recorded within construction-in-progress as at the end of the year.</p> <p>As a result of the misstatements identified, KPMG noted a control deficiency relating to a lack of review to ensure the appropriate treatment of capital versus operational costs. See page 10 for additional information.</p>

Adjustments and differences

Adjustments and differences identified during the audit have been categorized as Corrected “adjustments” or Uncorrected “differences.” These include disclosure adjustments and differences.

Professional standards require that we request of management and the audit committee that all identified adjustments or differences be corrected. We have already made this request of management.

Corrected adjustments

The management representation letter includes all adjustments identified as a result of the audit, communicated to management and subsequently corrected in the financial statements.

See Appendix 3.

Uncorrected differences

The management representation letter includes the Summary of Uncorrected Audit Misstatements, which disclose the impact of all uncorrected differences considered to be other than clearly trivial.

See Appendix 3.

Adjustments and differences

Based on both qualitative and quantitative considerations, these adjustments have been corrected in the current period.

Uncorrected differences as at and year ended December 31, 2015

Income effect

Financial position

Description of differences greater than \$20,000 individually	(Decrease) Increase	Assets	Liabilities	Equity
		(Decrease) Increase	(Decrease) Increase	(Decrease) Increase
Understatement of expenses to correct tangible capital asset balances as at the end of the current year.	(181,408)		-	
Total differences	(181,408)	-	-	-

We concur that the differences are not material to the financial statements. Accordingly, the differences have no effect on our auditors' report.

Implications of adjustments and differences

These differences have no effect on our auditors' report. The implications of such misstatements on the Company's internal control over financial reporting (ICFR) are discussed in "Control Observations."

Control observations

In accordance with professional standards, we are required to communicate to the Board any control deficiencies that we identified during the audit and have determined to be significant deficiencies in ICFR.

Other control deficiencies may be identified during the audit that do not rise to the level of significant deficiency.

Significant deficiencies

We did not identify any deficiencies that we consider to be significant deficiencies in ICFR.

Other control deficiencies

Below is a summary of these other control deficiencies that we identified during the audit:

Description	Potential effect
Lack of review to ensure the appropriate treatment of capital versus operational costs	During our substantive analytical procedures over expenses, KPMG noted a control deficiency due to a lack of review over expense items that are capital in nature. This resulted in a misstatement as previously noted. KPMG recommends that management review all significant expense items to ensure that they have been appropriately classified.

Appendices

Appendix 1: Required communications

Appendix 2: Independence

Appendix 3: Management representation letter

Appendix 4: Audit Quality and Risk Management

Appendix 5: Current developments

Appendix 1: Required communications

In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit. These include:

- **Auditors' report** – the conclusion of our audit is set out in our draft auditors' report attached to the draft financial statements
- **Management representation letter** –In accordance with professional standards, copies of the management representation letter are provided to the Board. The management representation letter is attached at Appendix 3.

Appendix 2: Independence

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

We have prepared the following comments to facilitate our discussion with you regarding independence matters.

The following summarizes the professional services rendered by us to the Authority:

Description of professional services

Audit of the financial statements for the year ended December 31, 2015

Professional standards require that we communicate the related safeguards that have been applied to eliminate identified threats to independence or to reduce them to an acceptable level. Although we have policies and procedures to ensure that we did not provide any prohibited services and to ensure that we have not audited our own work, we have applied the following safeguards related to the threats to independence listed above:

- We instituted policies and procedures to prohibit us from making management decisions or assuming responsibility for such decisions
- We obtained pre-approval of non-audit services, and during this pre-approval process we discussed the nature of the engagement and other independence issues related to the services
- We obtained management's acknowledgement of responsibility for the results of the work performed by us regarding non-audit services, and we have not made any management decisions or assumed responsibility for such decisions

Appendix 3: Management representation letter

KPMG LLP
Chartered Professional Accountants
140 Fullarton Street
Suite 1400
London, Ontario
N6A 5P2

May 24, 2016

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of Upper Thames River Conservation Authority (“the Entity”) as at and for the period ended December 31, 2015.

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

GENERAL:

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 15, 2013, for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared in accordance with the relevant financial reporting framework
 - b) providing you with all relevant information, such as all financial records and related data, including the names of all related parties and information regarding all relationships and transactions with related parties, and complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements, and access to such relevant information
 - c) such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error
 - d) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which management is aware.

FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:

- 3) We have disclosed to you:

- a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
- b) all information in relation to fraud or suspected fraud that we are aware of and that affects the Entity and involves: management, employees who have significant roles in internal control, or others, where the fraud could have a material effect on the financial statements
- c) all information in relation to allegations of fraud, or suspected fraud, affecting the Entity's financial statements, communicated by employees, former employees, analysts, regulators, or others
- d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements
- e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements

COMMITMENTS & CONTINGENCIES:

- 4) There are no other liabilities that are required to be recognized and no other contingent assets or contingent liabilities that are required to be disclosed in the financial statements in accordance with the relevant financial reporting framework, including liabilities or contingent liabilities arising from illegal acts or possible illegal acts, or possible violations of human rights legislation.

SUBSEQUENT EVENTS:

- 5) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

RELATED PARTIES:

- 6) We have disclosed to you the identity of the Entity's related parties.
- 7) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 8) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

ESTIMATES:

- 9) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:

- 10) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the Entity will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

MISSTATEMENTS:

- 11) The effects of the uncorrected misstatements described in **Attachment II** are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 12) We approve the corrected misstatements identified by you during the audit described in **Attachment II**.

Yours very truly,

Christine Saracino, Supervisor Accounting and Finance

Ian Wilcox, General Manager

Attachment I – Definitions

MATERIALITY

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

FRAUD & ERROR

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

RELATED PARTIES

In accordance with Canadian Accounting Standards for the public sector, *related party* is defined as:

- *When one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Two not-for-profit organizations are related parties if one has an economic interest in the other. Related parties also include management and immediate family members.*

In accordance with Canadian Accounting Standards for the public sector, a *related party transaction* is defined as:

- *A transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.*

Attachment II – Summary of Audit Misstatements Schedule(s)

Summary of Uncorrected Audit Misstatements, including disclosures

	Income effect	Financial Position		
Description	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Equity (Decrease) Increase
Understatement of expenses to correct tangible capital asset balances as at the end of the current year.	(181,408)	-	-	-
Total uncorrected misstatements	(181,408)	-	-	-

Summary of Corrected Audit Misstatements, including disclosures

	Income effect	Financial Position		
Description	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Equity (Decrease) Increase
To adjust tangible capital assets for capital costs that were expensed.	680,323	680,323	-	680,323
To adjust accumulated surplus to actual.	70,288	-	-	70,288 (70,288)
Total corrected misstatements	750,611	680,323	-	680,323

Appendix 4: Audit Quality and Risk Management

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarises the six key elements of our quality control systems.

Visit <http://www.kpmg.com/Ca/en/services/Audit/Pages/Audit-Quality-Resources.aspx> for more information.

- Other controls include:
 - Before the firm issues its audit report, the Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits.
 - Technical department and specialist resources provide real-time support to audit teams in the field.
- We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.
- We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.
- All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.



- We do not offer services that would impair our independence.
- The processes we employ to help retain and develop people include:
 - Assignment based on skills and experience;
 - Rotation of partners;
 - Performance evaluation;
 - Development and training; and
 - Appropriate supervision and coaching.
- We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.
- Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.

Appendix 5: Current developments

Not-for-Profit Accounting Standards Update – November 2015

You are probably wondering what happened to the Statement of Principles that was issued in December 2012. It proposed substantive changes to accounting standards for Not-for-Profit Organizations to harmonize the accounting for Government and Other Not-for-Profit Organizations with their respective conceptual frameworks. This update addresses developments relevant to not-for-profit organizations that are not government-controlled.

The Statement of Principles on Improvements to Not-for-Profit Accounting Standards was jointly issued by the Accounting Standards Board (AcSB) and the Public Sector Accounting Board (PSAB). This Statement proposed to remove many of the special rules that not-for-profit organizations use today in preparing their financial statements and would have required that not-for-profit organizations more closely follow the rules that apply to the commercial or public sector, depending on their reporting structures. The Statement of Principles was closely followed by the Not-for-Profit community and, based on the feedback the Boards received, the proposals did not proceed further through the accounting standards development process.

In March 2015, citing different financial reporting challenges and user needs and differing priorities faced by PSAB and the AcSB, the Boards announced that they would independently pursue improvements to not-for-profit accounting standards, but collaborate on common issues.

The AcSB included not-for-profit organizations in its recently issued-for-comment draft strategic plan for 2016–2021. The proposed core strategy includes maintaining a separate set of accounting standards for areas unique to not-for-profit organizations while continuing to direct them to Part II of the *CPA Canada Handbook - Accounting* for non-unique areas (such as employee future benefits and financial instruments). The AcSB has formed a not-for-profit advisory committee to provide input into this process. KPMG has a representative on the committee.

The AcSB has approved three projects to address the proposals in the Statement of Principles. These three projects are outlined below.

- i. Accounting Standards Improvement – Phase 1
 - Tangible capital assets
 - Intangible assets
 - Works of art, historical treasures, collections and similar items
 - Related party transactions
 - Allocated expenses
- ii. Accounting Standards Improvement – Phase 2
 - Controlled and related entities

- Expense reporting by function and object
 - Economic interests
- iii. Contributions – Revenue Recognition and Related Matters
- Contributions
 - Size exemption (\$500,000) for tangible capital assets and intangibles
 - Financial statement presentation

The AcSB has indicated that it anticipates the release of an exposure draft related to *Accounting Standards improvement – Phase 1* in 2016.

Clearly stakeholder feedback makes a difference; we encourage you to stay involved in the process. We expect there will be ongoing outreach activities by the AcSB as the projects proceed, including webinars and roundtables to make it easy for you to provide feedback.

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DRAFT Financial Statements of

**UPPER THAMES RIVER
CONSERVATION AUTHORITY**

Year ended December 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Members of Upper Thames River Conservation Authority

We have audited the accompanying financial statements of Upper Thames River Conservation Authority, which comprise the statement of financial position as at December 31, 2015, the statements of operations and accumulated net revenue, change in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Upper Thames River Conservation Authority as at December 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

Month DD, YYYY

London, Canada

UPPER THAMES RIVER CONSERVATION AUTHORITY

Statement of Financial Position

DRAFT

December 31, 2015, with comparative information for 2014

	2015	2014
Financial Assets		
Cash	\$ 923,364	\$ 1,095,591
Restricted cash (note 2)	607,291	588,802
Accounts receivable	1,328,140	630,178
Programs in progress	38,609	143,778
Investments (note 3)	5,000,000	5,000,000
	<u>7,897,404</u>	<u>7,458,349</u>
Financial Liabilities		
Accounts payable and accrued liabilities	1,020,553	996,912
Deferred revenue	1,431,653	1,000,947
Term loan (note 4)	478,402	531,684
Other liabilities (note 5)	297,383	278,893
	<u>3,227,991</u>	<u>2,808,436</u>
Net financial assets	4,669,413	4,649,913
Non-Financial Assets		
Tangible capital assets (note 6)	36,438,229	35,780,781
Contingencies (note 12)		
Accumulated surplus (note 7)	<u>\$ 41,107,642</u>	<u>\$ 40,430,694</u>

See accompanying notes to financial statements.

Approved by:

_____ Chair _____ General Manager

_____ Supervisor of Finance

UPPER THAMES RIVER CONSERVATION AUTHORITY

Statement of Operations and Accumulated Net Revenue

DRAFT

Year ended December 31, 2015, with comparative information for 2014

	2015 Budget	2015 Actual	2014 Actual
Revenue:			
Municipal general levy	\$ 2,637,269	\$ 2,637,270	\$ 2,501,120
Dam and flood control levy	1,307,323	1,532,323	1,429,586
Conservation areas	3,000,907	3,199,081	2,988,982
Direct:			
Land and asset management	1,018,458	948,383	1,028,337
Fees for service	1,774,727	2,258,896	2,058,623
Provincial transfer payments:			
MNR Section 39 grants	351,425	351,020	351,020
Other provincial grants	855,180	1,989,773	2,007,040
Donations	219,597	545,290	158,646
Special project funding	101,600	302,323	277,323
Federal program funding	203,944	506,542	323,420
Interest income	40,000	71,741	89,604
	11,510,430	14,342,642	13,213,701
Expenditures:			
Recreation	3,819,398	3,921,151	3,631,710
Flood control centre	1,506,570	2,570,385	2,074,627
Property program	982,432	1,312,894	1,133,226
Research and planning	959,887	988,372	799,326
Community partnerships program	876,995	1,338,213	1,079,421
Forestry programs	844,044	866,177	845,286
Source water protection	823,587	682,017	898,649
Environmental planning	673,745	714,253	729,546
Soil conservation program	596,655	638,103	509,321
Environmental significant areas	447,194	536,363	473,069
Service cost centres (Schedule)	139,218	78,333	(43,240)
Environmental monitoring	-	-	232,787
Miscellaneous	-	19,433	16,320
	11,669,725	13,665,694	12,380,048
Annual (deficit) surplus	(159,295)	676,948	833,653
Accumulated surplus, beginning of year	40,430,694	40,430,694	39,597,041
Accumulated surplus, end of year	\$ 40,271,399	\$ 41,107,642	\$ 40,430,694

See accompanying notes to financial statements.

UPPER THAMES RIVER CONSERVATION AUTHORITY

Statement of Change in Net Financial Assets

DRAFT

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus	\$ 676,948	\$ 833,653
Acquisition of tangible capital assets	(1,446,854)	(915,486)
Amortization of tangible capital assets	789,406	811,250
Change in net financial assets	19,500	729,417
Net financial assets, beginning of year	4,649,913	3,920,496
Net financial assets, end of year	\$ 4,669,413	\$ 4,649,913

See accompanying notes to financial statements.

UPPER THAMES RIVER CONSERVATION AUTHORITY

Statement of Cash Flows

DRAFT

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 676,948	\$ 833,653
Adjustment for:		
Amortization of capital assets	789,406	811,250
Changes in non-cash operating working capital:		
Accounts receivable	(697,962)	942,926
Programs in progress	105,169	13,921
Accounts payable and accrued liabilities	23,641	179,880
Deferred revenue	430,706	(31,412)
Other liabilities	18,490	130,693
	<u>1,346,398</u>	<u>2,880,911</u>
Financing activities:		
Restricted cash	(18,489)	(130,694)
Term loan	(53,282)	(52,145)
	<u>(71,771)</u>	<u>(182,839)</u>
Investing activities:		
Acquisition of tangible capital assets	(1,446,854)	(915,486)
Purchase of investments	-	(5,000,000)
	<u>(1,446,854)</u>	<u>(5,915,486)</u>
Decrease in cash	(172,227)	(3,217,414)
Cash, beginning of year	1,095,591	4,313,005
Cash, end of year	<u>\$ 923,364</u>	<u>\$ 1,095,591</u>

See accompanying notes to financial statements.

UPPER THAMES RIVER CONSERVATION AUTHORITY

Notes to Financial Statements

DRAFT

Year ended December 31, 2015

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

1. Significant accounting policies:

The financial statements of the Authority are prepared by management in accordance with generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada. Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Reserves:

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

(b) Government transfers:

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

(c) Deferred revenue:

Certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

UPPER THAMES RIVER CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2015

1. Significant accounting policies (continued):

(d) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life, years
Land improvements	10-25
Buildings	15-50
Flood control structures	50-80
Infrastructure	20-50
Furniture and fixtures	7
Vehicles	5-10
Computers and communication	3-7

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(i) Contributions of tangible capital assets:

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

(ii) Natural resources:

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

UPPER THAMES RIVER CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2015

1. Significant accounting policies (continued):

(e) Impairment of long-lived assets:

Long-lived assets, including equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheet.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(g) Change in accounting policy:

The Authority adopted the Public Sector Accounting Board Standard, PS 3260 Liability for Contaminated Sites, effective January 1, 2015. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The adoption has been applied prospectively. There were no changes to the financial statements as a result of the implementation of this standard.

UPPER THAMES RIVER CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2015

2. Restricted cash:

Restricted cash consists of funding received from the Ministry of Natural Resources that has been restricted in its use by the funding Agency.

	2015	2014
Glengowan land disposition reserve fund	\$ 297,383	\$ 238,899
Source water protection trust (note 5)	309,908	349,903
Restricted cash	\$ 607,291	\$ 588,802

3. Investments:

Investments consist of guaranteed investment certificates with short-term maturities and interest rates ranging from 0.9% to 1%.

4. Term loan:

	2015	2014
Term loan payable, bearing interest at 2.28%, repayable in blended monthly instalments of \$5,402, due January 7, 2017	\$ 478,402	\$ 531,684

Interest paid on this loan during 2015 was \$11,567 (2014 - \$12,766).

Future principal payments for the year ending December 31 are as follows:

2016	\$ 54,479
2017	423,923
	\$ 478,402

UPPER THAMES RIVER CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2015

5. Other liabilities:

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

Funds received by the Authority for the other parties to the arrangement which have not been dispersed at December 31, 2015 amount to \$309,908 (2014 - \$349,903). These amounts have been included in restricted cash.

6. Tangible capital assets:

The historical cost of intangible assets employed by the Authority at December 31 is as follows:

Cost	Balance 2014	Additions	Disposals	Balance 2015
Land	\$ 15,093,945	\$ 442,122	\$ -	\$ 15,536,067
Land improvements	677,008	32,904	-	709,912
Buildings	14,598,589	59,742	-	14,658,331
Infrastructure	7,556,880	33,540	-	7,590,420
Furniture and fixtures	634,310	-	-	634,310
Vehicles	1,699,145	158,502	-	1,857,647
Flood control structures	13,712,040	474,277	-	14,186,317
Computers and communication	1,166,189	39,720	-	1,205,909
Construction in progress	1,571,301	680,324	474,277	1,777,348
	\$ 56,709,407	\$ 1,921,131	\$ 474,277	\$ 58,156,261

Accumulated amortization	Balance 2014	Amortization	Disposals	Balance 2015
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	418,598	32,853	-	451,451
Buildings	2,757,684	284,346	-	3,042,030
Infrastructure	6,775,032	19,835	-	6,794,867
Furniture and fixtures	179,952	63,932	-	243,884
Vehicles	1,246,291	126,534	-	1,372,825
Flood control structures	8,518,309	202,844	-	8,721,153
Computers and communication	1,032,760	59,062	-	1,091,822
	\$ 20,928,626	\$ 789,406	\$ -	\$ 21,718,032

UPPER THAMES RIVER CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2015

6. Tangible capital assets (continued):

	Balance 2014	Balance 2015
Net book value		
Land	\$ 15,093,945	\$ 15,536,067
Land improvements	258,410	258,461
Buildings	11,840,905	11,616,301
Infrastructure	781,848	795,553
Furniture and fixtures	454,358	390,426
Vehicles	452,854	484,822
Flood control structures	5,193,731	5,465,164
Computers and communications	133,429	114,087
Construction in progress	1,571,301	1,777,348
	\$ 35,780,781	\$ 36,438,229

7. Accumulated surplus:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 36,438,229	\$ 35,780,781
Other:	(79,188)	(79,190)
Unfunded:		
Term loan	(478,402)	(531,684)
Total surplus	35,880,639	35,169,907
Reserve set aside for specific purposes of the Authority:		
Reserves (Schedule)	1,511,934	1,383,044
Reserve funds set aside for specific purposes by the Authority:		
Reserve Funds (Schedule)	3,715,069	3,877,743
	\$ 41,107,642	\$ 40,430,694

UPPER THAMES RIVER CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2015

8. Pension agreements:

The Authority makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions made by the Authority to OMERS for 2015 were \$968,204 (2014 - \$928,135).

9. Financial instruments:

Unless otherwise noted, it is management's opinion that the Authority is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Authority's financial instruments include cash, restricted cash, accounts receivable, programs in progress, investments, accounts payable and accrued liabilities, deferred revenue and other liabilities. The fair values of these financial instruments approximate their carrying value due to the expected short-term maturity of these instruments.

The term loan approximates fair value as interest is equivalent to market rates available to the Authority.

10. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2015 operating and capital budgets approved by the Board on February 19, 2015. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 11,510,430
Expenses:	
Operating budget	11,669,725
Annual deficit as budgeted	\$ (159,295)
Amortization	\$ (789,406)
Capital expenditures	1,446,854
Budgeted surplus as revised	\$ 657,448

UPPER THAMES RIVER CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2015

11. Comparative figures:

Certain of the 2014 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

12. Contingencies:

There are certain claims pending against the Entity as at December 31, 2015. The final outcome of these claims cannot be determined at this time. In management's opinion, insurance coverage is sufficient to offset the costs of unfavorable settlements, if any, which may result from such claims.

UPPER THAMES RIVER CONSERVATION AUTHORITY

DRAFT Schedule - Service Cost Centres

Year ended December 31, 2015, with comparative information for 2014

	2015 Budget	2015 Actual	2014 Actual
Recoveries from mission cost centres	\$ 3,297,393	\$ 3,315,482	\$ 3,188,820
Expenditures:			
Occupancy	259,066	297,749	194,441
Information systems	732,329	700,154	644,834
Administration	749,685	716,147	695,139
Finance	574,000	544,597	539,043
Marketing and communications	553,812	548,269	531,243
Vehicles and equipment	567,719	586,899	540,880
	3,436,611	3,393,815	3,145,580
Surplus (deficit) in service cost centres	\$ (139,218)	\$ (78,333)	\$ 43,240

UPPER THAMES RIVER CONSERVATION AUTHORITY

DRAFT Schedule - Reserves and Reserve Funds

Year ended December 31, 2015, with comparative information for 2014

	2014	Appropriations to (from) reserves	2015
Restricted and/or capital:			
Capital surcharge	\$ 392,897	\$ (182,849)	\$ 210,048
Weekly indemnity self insurance	42,688	(4,662)	38,026
Flood control, dam maintenance	2,170,509	218,328	2,388,837
Memorial forests/arboretum	(38,634)	(5,755)	(44,389)
Properties/assets:			
Glengowan land disposition	238,899	(3,844)	235,055
Property management	208,798	-	208,798
Golspie swamp	16,275	-	16,275
Aggregate	134,259	-	134,259
Pittock land disposition II	712,052	(183,892)	528,160
	3,877,743	(162,674)	3,715,069
Operating reserves:			
Service cost centre	220,135	41,279	261,414
Information management	116,116	(34,657)	81,459
Mission Centre reserve	22,200	(8,615)	13,585
Vehicle and equipment	72,728	(21,965)	50,763
Soil conservation and services	250,791	62,045	312,836
Environmental plan	35,511	19,380	54,891
Community partners	1,505	-	1,505
Administrative building	55,000	5,000	60,000
Motor pool/ESA's building maintenance	(5,562)	1,299	(4,263)
Research	63,676	(3,764)	59,912
Small hydro project	(124,440)	(14,977)	(139,417)
Land and facilities	344,282	(59,287)	284,995
Harrington Grist Mill	47,870	6,666	54,536
Conservation areas, ESA's	283,232	136,486	419,718
	1,383,044	128,890	1,511,934
	\$ 5,260,787	\$ (33,784)	\$ 5,227,003

To: UTRCA Board of Directors

From: Ian Wilcox

Date: 6 May 2016

Subject: Results of recent audits

Agenda #: 7 (b)

Filename: Finance #241

GST and HST Audit

Through late 2015, The Canada Revenue Agency (CRA) audited our GST and HST claims covering the period January 2012 through April 2015. In their final report to us in January 2016, they advised that they will disallow claims totaling \$74,767. A notice of reassessment has not yet been received despite follow up. This cost will be borne in our 2016 operations as a result.

The review was thorough and brought to light two very specific types of errors. \$67,360 of the total assessment relates to claims made on the PST paid on insurance premiums, both health care and property insurance, neither of which are eligible claims. The remainder relates to various claims for PST and GST paid on imported software. Since no PST or GST was paid on those purchases, no PST or GST can be rebated to us.

CRA made it clear that they do not normally go back farther than 4 years in this type of audit.

We immediately revised our accounting practices to adopt this so to avoid a similar result in future.

Charity Audit

Following recent Federal government initiatives in detecting charity fraud, the number of charity audits has increased substantially. In April of this year, the Charities Directorate of CRA conducted a brief audit of our donation receipting and reporting including a wider review of our charitable activities. This was the first such audit for UTRCA in over 20 years. Their report identified non-compliance in two areas: completeness of the charity information return (T3010) and in tracking the charity receipts we issue. Uncorrected non-compliance can lead to revocation of our registered charity status.

The former issue points to lack of attention in how to complete such returns including the remittance of all associated information forms. The 2015 information return is due June 30th and we will report to the Board of Directors that it has been filed completely and on time as soon as the financial statements are Board-approved.

The second issue speaks to process. We have implemented a receipt tracking system which automatically records donation receipts as they are received and numbers them sequentially. We will be adding a separate revenue line in our accounts which identifies charity donations versus regular donations so as to report accurately those amounts. One person is handling these receipts and is tasked with full understanding of the regulations regarding issuing donation receipts.

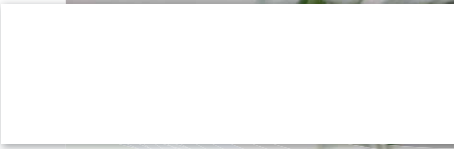
We take all audit results seriously and will be addressing these specific deficiencies in our internal control processes as we continue to build the body of organizational policies and document procedures.

A handwritten signature in black ink, appearing to read "Ian Wilcox". The signature is fluid and cursive, with the first name being more prominent.

Submitted by: Ian Wilcox

A handwritten signature in blue ink, appearing to read "Christine Saracino". The signature is cursive and somewhat stylized.

Prepared by: Christine Saracino
Supervisor, Finance & Accounting



FYI

May 2016

Partners for Great Lakes Literacy



A student group gets creative as they “build” a prototype of their innovation to pitch as an idea to their ICE program sector partner.

The Ministry of Education and the Ministry of the Environment and Climate Change have partnered to improve students’ understanding of the Great Lakes by using the lakes as learning tools. The MOECC has approached Conservation Authorities as the natural link between local school boards, local watersheds and links to the Great Lakes. The UTRCA’s

Community Education unit has been helping the Ministries form the links and supplying information to our school boards through two programs: Specialist High Skills Major (SHSM) and Innovation, Creativity and Entrepreneurship (ICE).

The Ministry of Education’s SHSM program gives students the opportunity to specialize in one of 19 different sectors. The UTRCA has been providing programming to help students complete various compulsory, elective, experiential/career exploration and “reach ahead” requirements they need, outside of academics, to graduate high school with an SHSM seal on their diploma. This spring, the UTRCA will certify students in Project WILD and/or Below Zero and/or Green Check Global Positioning System (GPS).



High school students in the Project WILD workshop.

ICE is a pilot training program developed by the Ministry of Education to encourage high school students enrolled in SHSM programs to collaborate with sector partners to work through a process that leads to “solutions” to real world problems. Conservation Authorities are a perfect partnership for this type of program because of our many careers and skill sets in a wide range of areas. This year, the UTRCA worked with three school boards and five sectors to provide a real world question and some facilitation of the process to almost 75 students. Staff also completed teacher training with local school boards and acted as the sector partner at one such staff training session.

Contact: Maranda MacKean, Community Education Technician



Some of the new faces at the seasonal staff orientation at the WCC.

Seasonal Staff Orientation Days

In anticipation of another camping season, the Conservation Areas Unit hosted orientation days for their seasonal staff on Friday, April 8 (Fanshawe CA) and Friday, April 15 (Wildwood and Pittock CAs).

A presentation about the UTRCA by Teresa Hollingsworth set the context of the conservation areas and staff being a large part of a much bigger picture. Cari Ramsey, Health and Safety Specialist, assisted with health and safety training and introduced staff to their worker representatives. Sharon Viglianti and Mary Sloan ensured that paperwork, timesheets and HR training were completed.

The remainder of the orientation days involved training specific to the various parks and positions, including a tour of the respective campgrounds and day use areas. Participants also received the 2016 Season Staff Orientation Manual as a reference for the various topics covered as part of training.



UTRCA Chair Murray Blackie (right), Vice-Chair Ray Chowen, and Jane McKelvie attended the seasonal staff orientation days.

UTRCA Board members Murray Blackie, Ray Chowen and Jane McKelvie attended the various locations and brought greetings on behalf of the Board of Directors. This is another important aspect of the UTRCA for seasonal staff to know.

Orientation day is just the beginning of the training that seasonal staff will receive. Job specific training, on line training and further health and safety training play a huge part in the multi-day process. As the “face of the UTRCA”, it is imperative that our staff are thoroughly training so they can do their jobs safely and enjoy it at the same time. Many thanks go to the staff that presented and the Members that attended these days.

Contact: Jennifer Howley, Manager, Conservation Areas



Draw winner Barb Hamilton with her father and the new tree.

London Farm Show Tree Winner

Barb Hamilton was the lucky draw winner of a red maple tree at the UTRCA’s London Farm Show exhibit. Barb has planted the tree in the front yard of her father’s home, across the road from their family farm on the Kirkton Road. Congratulations, Barb!

Contact: Craig Merkley, Conservation Services Specialist

Spring Flooding Recap

From March 23 to April 11, southwestern Ontario was deluged with much more rain than is normally experienced during this period. The UTRCA issued nine flood messages to our member municipalities, including both safety bulletins and City of London boating ban notices. Flooding over Dundas Street (Highway 2) in Woodstock resulted in a brief road closure. Nuisance flooding was experienced in low-lying areas across the watershed for much of this period. Fortunately, we were spared the more severe rain that fell to our north. Heavy rains in Chatsworth caused major flooding, requiring evacuations and a declaration of a state of emergency.

The UTRCA watershed received an average of about 150 mm of rain; a normal total for this period would be closer to 50 mm. Warmer weather since then has helped to dry out the ground, making the system less vulnerable to flooding. The flow augmentation reservoirs at Wildwood CA and Pittock CA are now filled to their summer operating level.

Contact: Mark Helsten, Senior Water Resources Engineer



Craig Merkley assists a London homeowner with a sugar maple purchased through the London Hydro/UTRCA Tree Power Program.

2016 Tree Power Program

On April 1 and 2, UTRCA staff assisted 600 Londoners who were picking up their Tree Power trees at Fanshawe Conservation Area. Now in its sixth year, the program has provided 3600 new trees to homeowners in the city. The goal of this very successful partnership with London Hydro is to encourage homeowners to plant native shade trees to reduce energy consumption through air conditioning. Trees are considered nature’s best air conditioners.

This year’s trees were sold on-line on March 22. Some species sold out in less than a minute and all 600 trees were sold within 12 hours. This year’s species list included sugar maple, red maple, white birch, bur oak, ironwood and tulip tree. All trees were potted and 1.5-1.75 metres in height. Trees sold for \$15 or \$20, depending on species. More information is online at www.treepowerprogram.ca.

Contact: John Enright, Forester

Wildwood, Fanshawe & Pittock Open!

Fanshawe, Pittock and Wildwood Conservation Areas opened for the 2016 season on Friday, April 22. For news and events, check the CA Facebook, Twitter and websites:

- www.wildwoodconservationarea.ca
- www.pittockconservationarea.ca
- www.fanshaweconservationarea.ca

Wildwood Conservation Area

Last winter was more forgiving than previous winters, which gave Wildwood CA staff time to complete opening operations and continue removing dead ash trees. The drinking water system was ready and tested by opening and the wet docks were in place. Both of these tasks have been delayed in the past by snow, frozen ground and, in the case of the docks, ice on the reservoir.

Park users took advantage of sunny weather on the opening weekend to enjoy the many activities that Wildwood has to offer. Most of the 270 seasonal campers were on site getting things ready for the season. Overnight campers came in on Friday and stayed for the weekend and boaters were fishing and testing out their boats. The trails were packed with bikers and more than 20 cyclists participated in the women's group ride on Saturday morning. Lora Curtis from Stratford has been organizing women's rides every Saturday at 9:30 am for well over a year, introducing the sport to many. We are continuing to expand our rental fleet with five new "fat bikes" as well as more kayaks and canoes.

Projects this year will focus on trails and campsite naturalization. Trail work will include development and erosion work along with a single track mountain bike trail in the Dr. Murray Forest. Trail group rides will run every Wednesday from May 18 to August 24. Trail volunteer days will start this season to give users hands on experience with trail development.



These young tree planters helped to naturalize campsites at Wildwood.

Non-electric overnight sites are getting a facelift with new firepits, benches, and 200 trees planted for privacy, thanks to funding provided by the Green Hair Salon in Stratford. Other projects include pool concrete repairs, and gatehouse roof and window upgrades. St. Marys Catholic High School in Woodstock has partnered with us to have students build cedar Muskoka chairs so day use visitors can have a more comfortable experience while enjoying the view from the marina area.

Visitors' programs are being planned for weekends in July and August with the focus on environmental education. The Wild Ride Mountain Bike Festival returns for its sixth year on June 18 and the Family Fishing Day returns on July 9.

Wildwood CA hires 20 seasonal staff each year in addition to the four full time and long term contract positions.

Contact: Paul Switzer, Superintendent, Wildwood CA

Fanshawe Conservation Area

Over the past months we have been busy getting everything ready to go on our opening weekend. In an attempt to bring summer to the London area just a bit sooner, we turned on water systems to the campground on April 4. It was a tough call as overnight temperatures hovered just below freezing. In the following two weeks our drinking water was tested twice and passed both times. We also turned on the water at our comfort stations, campsite taps and club facilities.

Once the water systems and facilities were up and running, we turned our attention to initiatives planned during the winter. The first big project was building and installing 50 new fire pit rings in the Woodlands section of the campground. Three large fire pits will also be installed in the group camping areas. Another major project saw four new hot water tanks installed in the Woodlands comfort station. The washrooms in Sections E, B and the Woodlands are all much brighter inside, thanks to new coats of paint.

Our canoe and kayak rental program has been a great success over the past three seasons. This year we have replaced the pfd jackets, bailing buckets and some paddles.



Fanshawe's canoe and kayak rentals are very popular.

With the help of Forestry staff (Jay, Brenda and crew) we planted 260 native trees and shrubs in two areas that are being naturalized. The new trees in the Pines group camping area will provide shade and create a windbreak. The former beach in the day use area also has some new greenery. CA staff are planting another 200 white pine seedlings in the Lakeside section in the campground.

Spring is when our seasonal staff start. One major change involved our Park Operations Technician (POT) position. Vince Carron, who held this position for the past two plus seasons, left us to begin his training toward a career with the OPP. Vince did an amazing job working in the park with the security team as well as other seasonal and permanent staff, and we wish him all the best. Taking Vince's place is Alison Leslie, who has great security team experience from Wildwood CA, enforcement experience as a Provincial Park Warden, and time with the OPP Auxiliary Program. Welcome to the team, Alison!

We also welcome Dustin Patrick in a new POT position focusing on our cottage and day use programs. Dustin has a background in fish and wildlife from Fleming College as well as some good security experience. The bulk of Dustin's shifts will take place at our cottage complex working with cottagers on a variety of issues around their lots and the cottage complex in general. When not dealing with cottage matters, Dustin will be on our Lake Trail keeping tabs on activities there and ensuring patrons have valid day use passes. He will also work with the trail crew periodically, which will increase staff presence on the Lake Trail and in more remote areas of our day use.

In addition to the POT positions, we hire 26 seasonal maintenance, security, customer service and programming positions. These people are the key to our success. This year, we have about 25% returning staff and 75% new staff. It is great to see people come back with their wisdom and experience, as well the energy and enthusiasm of so many new team members.

As staff begin the season at Fanshawe CA, they will spend the first couple weeks in various job specific training designed to give them the skills needed for a safe and enjoyable summer, as well as provide our patrons with a high level of customer service.

Contact: *Damien Schofield, Assistant Superintendent, Fanshawe CA*

Pittock Conservation Area

Opening day at Pittock CA was a great one! We welcomed new and returning seasonal campers as well as a few eager overnight campers. It looks like 2016 will be another fun season of camping, boating, fishing and lots of events for everyone to enjoy.

Staff have been working on many park improvements during the off-season, including:

- New campsites developed throughout the campground
- Washrooms upgraded with modern, eco-friendly showers
- Section 3 of the campground now has 50 amp hydro on seven waterfront sites
- Section 3 has been enhanced to provide 30 amp hydro to larger interior sites
- Accessible dock sponsored by Oxford Mutual Insurance Community iFund to be installed this spring
- New high efficiency laundry machines
- Tree planting and campsites naturalized



Pittock staff were delighted by this beautiful sunrise on opening day.

Staff are excited about the summer's great line-up of programs, which are sure to entertain visitors of all ages and inspire some positive change to protect the environment. We're always tweaking our programming as we strive to connect visitors with nature in fun and interactive ways. Programs and events hosted by Pittock CA are open to all of our campers and day users alike. Now is a good time for day use visitors to purchase a seasons pass and get in on the fun all summer long!

Some of the events and programs to look forward to are:

- Scales Nature Park presents Wetlands at Risk, and Amazing Amphibians
- Speaking of Wildlife
- Canadian Raptor Conservancy
- Salthaven Wildlife Rehabilitation Centre
- Paddle Pittock – teaching beginners how to canoe and kayak
- Family Fishing Derby

Pittock is the place to be! We hope to see you this season, too.

Contact: *Katie Ebel, Conservation Area Clerk, Pittock CA*

Farmland Agreements

In rural Ontario today, up to 35% of farmland is rented and this topic is top-of-mind. Good farmland lease agreements are an important part of protecting our soil and water resources. Farm & Food Care Ontario has joined with several partners, including the UTRCA, to create an online resource hub for farmers and farmland renters, at www.farmlandagreements.ca.

The website covers many topics including farmland agreements, how to improve the land you rent, and renting to farmers. The goal is to protect all parties involved while promoting good soil and water conservation strategies as part of the lease. Mel Luymes, Farm & Food Care Ontario's Environmental Coordinator, provides an excellent introduction to long-term health of the soil and water quality on the website.

UTRCA staff worked with Farm & Food Care Ontario by offering our thoughts and approaches to farmland rentals, building on our past experience. A video featuring UTRCA-based information can be found at www.farmlandagreements.ca/farmland-agreements/improving-land-you-rent/including-stipulations/

Contact: *Bill Mackie, Lands & Facilities Supervisor; or Brad Glasman, Manager, Conservation Services*



These kindergarten students will visit Wildwood five times throughout the school year.

Wildwood Outdoor School

What does a fox say? Just ask the class of kindergarten students from Bedford Public School who have become “The Foxes” as part of their identity at Wildwood Outdoor School. The Foxes and three other classes from the Stratford school are part of a pilot project, and larger movement within education, to have more sustained and repeated visits to the outdoors. School staff are already doing this at their site and are also bringing their classes to Wildwood for five visits throughout the year to explore and discover through the seasons and landscape. The students are enjoying getting to know a different kind of classroom.

Contact: Maranda MacKean, Community Education Technician

Go Wild Grow Wild 2016

The UTRCA staffed a booth at the Go Wild Grow Wild event at the Western Fair Agriplex on April 2. This unique one day event is hosted by the Carolinian Canada Coalition and attracted over 80 exhibitors including native plant nurseries, Provincial Parks, Conservation Authorities, municipalities, local environmental groups and clubs and eco-tourism organizations.

The UTRCA was an early partner in 2015 at the first Go Wild Grow Wild. Attendance was definitely up in 2016 as an estimated 3000 people from the region and beyond came to enjoy, learn and network. The UTRCA had a double booth and provided information on recommended native trees and plants, and promoted Fanshawe, Wildwood and Pittock Conservation Areas. There was a lot of interest from the public and we enjoyed chatting with a great many people. A draw for a season’s pass to all three parks was won by a Londoner.



The UTRCA’s booth at Go Wild Grow Wild was popular with visitors.

The Carolinian Canada Coalition, with support from many sponsors and funders, hopes to continue this energizing and important event in London for the next two years.

Contact: Cathy Quinlan, Terrestrial Biologist



UTRCA staff planting trees at Wildwood CA for arbour day.

Staff Arbour Day at Wildwood CA

The annual UTRCA tradition of hosting an Arbour Day event at one of the three Conservation Areas continued in 2016. On April 12, 18 staff took time away from their normal job duties to plant trees and pick up branches and garbage at Wildwood CA. This was the first time the event was held at Wildwood.

The Employee Appreciation Team (EAT) coordinated the event, with Fraser Brandon-Sutherland and Mike Knox at the helm. Wildwood’s Paul Switzer supplied the site (former septic bed), trees, woodchips, and pizza lunch. Approximately 60 trees were planted and mulched, several bags of litter collected and many, many branches picked up following ash tree cutting and normal winter shedding.

The annual Arbour Day event allows staff to help get the parks ready for opening day and to see areas they may not normally visit.

Contact: Fraser Brandon-Sutherland, Water Control Structures Technician



Monitoring stream flow in Medway Creek.

Reducing Agricultural Phosphorus Losses to Medway Creek

Landowners in the Upper Medway Creek subwatershed are being invited to help reduce phosphorus losses from the landscape. Algal blooms in Lake Erie are triggered by excess phosphorus, some of which is originating from land that drains into the Thames River and its tributaries.

Through the Priority Subwatershed Project, the UTRCA is working with landowners in the Medway watershed to create innovative solutions to tackle eutrophication (excess nutrient loading) in Lake Erie. The three-year project provides cost-sharing incentives for farmers to implement Best Management Practices (BMPs) in their day-to-day farming activities. The BMPs are meant to benefit both the farmer and the environment through soil and water conservation practices. Water quality is also being monitored in Medway Creek in order to detect changes in phosphorus concentrations.

Funding for this project is made available by the Ontario Soil and Crop Improvement Association through the Great Lakes Agricultural Stewardship Initiative.

Contact: Michael Funk, Agricultural Soil & Water Quality Technician



Schoolyards offer many opportunities to learn about the environment.

Learning to Teach and to Learn in the Outdoors

The Thames Valley District School Board (TVDSB) approached the UTRCA to partner on a program designed to provide kindergarten teachers with tools to assist them in using their schoolyards as a learning environment.

What animals live in a schoolyard? What else lives in a schoolyard? How can one little person help the Earth on Earth Day and every day?

Fifteen kindergarten classes at four TVDSB schools were asked these same questions this winter/spring. What they came up with was amazing! Teachers and students alike discovered or re-discovered the joy and versatility of their schoolyard as a classroom and nature as a guide. This process of environmental inquiry encourages staff and students to learn by exploring outside and seeing what other opportunities arise.

Contact: Maranda MacKean, Community Education Technician

On the Agenda

The next UTRCA Board of Directors meeting will be May 24, 2016. Agendas and approved board meeting minutes are posted at www.thamesriver.on.ca; click on "Publications."

- UTRCA Audit Recommendations - 2015 Draft Financial Statements Year ended December 31, 2015, and Year-End Findings Report; Canada Revenue Agency Audit Findings
- 2015 Flood Control Repair Projects - Status Report 2017: 20 Year Flood Control Capital Repair Plan
- Environmental Targets & the 2017 Budget
- Gilmour Case
- Administration and Enforcement - Section 28
- Springbank Dam Update
- Friends of Ellice and Gadshill Swamp - Annual Status Report
- Conservation Ontario Update

Contact: Michelle Viglianti, Administrative Assistant



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To: UTRCA Board of Directors
From: Chris Tasker, Manager, Water and Information Management
Date: May 10, 2016 **Agenda #:** 10(a)
Subject: For Approval: **Filename:** P:\Users\goldtr\Documents\GroupWise\773-1.doc
1) 2015 Flood Control Capital Repair Projects
– Status Report
2) 2017 - 20 Year Flood Control Capital Repair
Plan.

Recommendations:

1. That the Board of Directors receive the 2015 Flood Control Capital Repair Projects Status Report (Attachment 1).
2. That Board of Directors approves the 2017 – 20 Year Flood Control Capital Repair Plan (Attachment 2).

Background:

Since 2008, the Board of Directors has been annually provided with a 20 Year Flood Control Capital Repair Plan (the Plan) for Water and Erosion Control Structures that UTRCA manages. The Plan is developed by UTRCA staff and approved by the Board of Directors. Each year the Plan is updated for the following year. The City of London is particularly interested in projects within the City to be reflected in their capital budget.

The list of 2015 WECI projects was derived from the Plan approved by the Board of Directors in May 2014. The project list was later approved by the Board in February 2015. Staff submitted this approved project list to the Ministry of Natural Resources and Forestry for 50% funding under the Water and Erosion Control Infrastructure (WECI) program. This list is updated (Attachment 1) following submission of the final WECI financial report.

WECI eligible projects may be related to dam safety management, studies to identify repair needs, or projects to address life cycle replacements or refurbishment. The list of projects submitted for WECI approval may vary slightly and budgets may be updated from the approved Plan due to changing conditions or studies identifying more urgent projects. Following the WECI approval process, the Plan is updated to reflect projects completed, re-prioritize projects where new information has been obtained and new projects are added. The updated plan is then presented at the May Board of Directors meeting. The updated 2017 Plan is included (Attachment 2) in this report.

Total project cost is provided in these reports.

1) 2015 Flood Control Capital Repair Projects – Status Report – For Receipt

In the attached status report, the projects approved by the Board of Directors in February of 2015 have been updated to reflect current project status. This status report provides final WECI project claims for the MNRF fiscal year 2015/16. As noted, some projects carry over to the following budget years. The report reflects continuing projects as “Phases” or “Part 2.” Projects are identified as deferred, completed, or ongoing.

2) The 2017 - 20 Year Flood Control Capital Repair Plan – For Approval

The 20 Year Flood Control Capital Repair Plan has been updated for 2017. A summary of anticipated overall costs is attached. Projections indicate \$86,000,000 in capital expenditures planned over 20 years. In recent years, a number of engineering studies have been commissioned to determine the proposed timing and estimated costs of projects. Projects are entered into the Plan based on the best information at the time. Plan estimates improve based on engineering study recommendations for specific structures. Project cost estimate and schedule are reviewed and updated during annual budget reviews, and prior to WECI project submissions.

If there are any questions on this report please do not hesitate to contact Chris Tasker at Ext. 228 or Rick Goldt at Ext. 244.

Recommended by:



Chris Tasker, P. Eng.
Manager, Water and Information Management

Prepared by:



Rick Goldt, Supervisor
Water Control Structures

Attachments:

1. 2015 Flood Control Capital Repair Projects – Status Report
2. 2017 – 20 Year Flood Control Capital Repair Plan Summary

Attachment 1
2015 Flood Control Capital Repair Projects - Status Report
UTRCA Board of Directors – May 24, 2016

Project Name	WECI* Submitted Budget (see Notes)	WECI Project ID	Status of Projects	20 year Capital Repair Plan Status	UTRCA WECI Claim (includes UTRCA proj. Man. Costs)
London Earth Dykes Feasibility Study of Management Alternatives Pt 2	2014- \$200,000 2015 - \$245,000	S.12.002 S.14.041 S.15.014	- Ongoing: from 2014 - funding not received in 2012, not applied for 2013.(funding restraint) - funded - 2014, '15 - study completing summer 2016 - projected within budget, provisional 2D hydraulic modeling for Broughdale area completed - completion funded in 2016	- included in 2014 Plan	2014 - \$190,300 2015 - \$175,000
West London Dyke Phases 3- 9 Design Pt 2	2014- \$100,000 2015- \$350,000	S.12.003 S.13.006 S.14.040 S.15.015	Ongoing: from 2014 - started Feb 2015 - supporting EA completed, posted and submitted, no issues. - most technical studies completed and information available to develop North Branch Conceptual Design by Fall 2016 - Phase 3 design underway towards June '16 tender release -- supporting EIS complete, submitted - projected within budget, some provisional used for additional geotechnical - completion funded in 2016	- included 2011 Plan - WECI eligible in 2013 - full project proceeded in 2014	2013- \$15,000 (UTRCA SLS Report) 2014 - \$74,890 2015 - \$290,600
West London Dyke Master Repair Plan EA Pt2	2014 - \$35,000 2015 - \$20,000	S.14.039 S.15.011	Completed: - EA posted and submitted, no issues - project within budget	- project adapted from previous draft MRP development through changes in EA approach and FN updating - included in 2014 plan	2014 - \$19,920 2015 - \$20,000
Fanshawe Dam Generator and Transformer Replacement Design, Construction	2014 - \$55,050 2015 - \$675,000	S.14.071 S.15.022	Ongoing: - final design, tender completed with construction commenced in feb 2016 for completion in August 2016 - Contingency allowance funded in 2016	- included in 2014 plan	2014 - \$49,930 2015 - \$675,000
Fanshawe Dam Reservoir Storage Capacity Pt 3	2013 - \$35,000 2014 - \$27,000 2015 - \$5,000	S.13.017 S.14.022 S.15.017	Completed: - recreation and flood storage reassessed - bathymetry map	- not in 2013 plan, inserted based on previous Wildwood work and climate change considerations.	2013 - \$22,000 2014 - \$13,950 2015 - \$5,500

Project Name	WECI* Submitted Budget (see Notes)	WECI Project ID	Status of Projects	20 year Capital Repair Plan Status	UTRCA WECI Claim (includes UTRCA proj. Man. Costs)
Fanshawe Dam Gate Wheels Ph2	2015 - \$130,000	R.15.024	Completed: - gate wheels refurbished, bearings and axles improved - under budget	- included in 2015 plan	2015 - \$127,500
Fanshawe Dam Painting Ph 3	2015 - \$470,000	R.15.023	Completed: - superstructure and gate painting now complete - under budget - future work below top of piers and abutments	- included in 2015 plan	2015 - \$435,000
Pittock Control Building Design Pt 2	2014 - \$43,000 2015 - \$20,000	R.14.036 R.15.013	Ongoing: - design near completion - LRJA application submitted - Construction funded for 2016	- included in 2014 plan	2014 - \$28,680 2015 - \$20,000
Wildwood Dam OMS Manual	2015 - \$12,000	R.15.010	Draft Completed: - draft completed toward completion summer 2016	- included in 2015 plan	2015 - \$13,200
Wildwood Gantry Crane Painting	2015 - \$50,000	R.15.018	Completed: - Gantry galvanizing - galvanizing more cost effective than painting - under budget	- included in 2015 plan	2015 - \$19,800
Mitchell Dam Gains Concrete Repair	2015 \$160,000	R.15.028	Completed: - budget increases provided by WECI funding following tender and budget increase approved by Board.	- included in 2015 plan	2015 - \$213,710
London Earth Dykes Hazard Trees Removal	2015 - \$15,000	R.15.077	Completed; - interim works every 2 years by UTRCA staff to monitor and remove hazard trees until reconstruction occurs.	- included in 2015 plan	2015 - \$12,470
Harrington Dam EA Pt 2	2014 - \$75,000 2015 - \$30,426	S.14.021 S.15.016	Ongoing: - project working towards preferred alternative identification in June with final report, presentations, and posting possible in Fall 2016 - budget included UTRCA technical and support services - overall project budget shared with Embro Dam FA, Harrington was 75% combined project for WECI claim (Embro not funded)	- included in 2014 plan	2014 - \$56,120 2015 - \$17,000

Notes: WECI (MNRF Water and Erosion Control Infrastructure Funding Program) project budget may be updated three times during the year through program reports to MNRF. These reports are provided to MNRF to ensure program funds can be fully allocated across C.A projects by the MNRF fiscal year end. The WECI Budget noted here is the budget on file with MNRF as of October. Through January status reports and March final claims, project funding can be balanced over the total funding for all Authority projects.

Attachment 2

**UTRCA Board of Directors May 2016
2017 20 Year Flood Control Capital Repair Plan - Summary**

(update May 2016)

Large Capital Repairs Structure	(additional capital funding requirements)	
	Sum 10 Yrs	Sum 20 Yrs
Totals	\$52,840,000	\$84,761,645
Fanshawe Dam	\$4,935,000	\$10,530,000
London Dykes	\$33,540,000	\$49,695,000
London Erosion Control	\$1,195,000	\$3,525,000
Springbank Dam	\$2,635,000	\$4,251,145
Pittock Dam	\$2,820,000	\$4,970,000
Wildwood Dam	\$2,450,000	\$3,785,000
St Marys Floodwall &Ch	\$927,000	\$1,291,000
Stratford Channel	\$220,000	\$385,000
Ingersoll Channel	\$265,000	\$700,000
Mitchell Dam & Ch	\$759,500	\$1,474,000
Orr Dam	\$1,875,000	\$2,850,000
Dorchester Mill Pond Dam	\$64,000	\$123,000
Dorchester C A Dam	\$140,000	\$144,000
Centreville Dam	\$279,000	\$279,000
Shakespeare Dam	\$146,000	\$170,000
Fullarton Dam	\$143,000	\$143,000
Embro Dam	\$165,000	\$165,000
Harrington Dam	\$213,000	\$213,000
Wildwood Ducks Unlimited Dam	\$68,500	\$68,500
Small Capital Repairs Structure	(Operating funding supported)	
	Sum 10 Yrs	Sum 20 Yrs
Totals	\$412,400	\$691,400
Fanshawe Dam	\$10,000	\$40,000
London Dykes	\$50,000	\$235,000
London Erosion Control	\$40,000	\$95,000
Springbank Dam	\$65,000	\$80,000
Pittock Dam	\$55,000	\$85,000
Wildwood Dam	\$25,000	\$85,000
St Marys Floodwall & Ch	\$0	\$0
Stratford Channel	\$5,400	\$5,400
Ingersoll Channel	\$9,000	\$14,000
Mitchell Dam & Ch	\$16,000	\$46,000
Orr Dam	\$18,000	\$21,000
Dorchester Mill Pond Dam	\$0	\$0
Dorchester C A Dam	\$18,000	\$18,000
Centreville Dam	\$22,000	\$22,000
Shakespeare Dam	\$0	\$0
Fullarton Dam	\$0	\$0
Embro Dam	\$0	\$0
Harrington Dam	\$0	\$0
Wildwood Ducks Unlimited Dam	\$0	\$0

Notes:

- costs reflect total costs without partner funding
- small dams status '16, costs = total of continued maintenance Large & Small Capital + EA on future options, excludes specific removal or major rehabilitation

To: Chair and Members of the UTRCA Board of Directors
From: Tracy Annett, Manager – Environmental Planning and Regulations
Date: May 11, 2016 **Agenda #:** 11 (b)
Subject: Administration and Enforcement – Sect. 28 Status Report – **Filename:** Document
Development, Interference of Wetlands and Alteration to **ENVP 3483**
Shorelines and Watercourses Regulation

This report is provided to the Board as a summary of staff activity related to the Conservation Authority's *Development, Interference of Wetlands and Alterations to Shorelines and Watercourses Regulation* (Ont. Reg. 157/06 made pursuant to Section 28 of the Conservation Authorities Act). The summary covers the period from March 10 to May 10, 2016.

Application #158/14

Michael and Dawna Evanski

Part Lot 15, Concession 3 ND – Municipality of Thames Centre

- proposed single family residence with attached garage, new drive shed, augmentation of driveway and installation of associated septic system.
- plans prepared by BOS Engineering and Environmental Services Inc. in accordance with floodline analysis from Spriet Associates Limited, Hydrogeological Assessment from JFM Environmental Limited and Environmental Impact Study from Biologic.
- staff approved and permit issued May 10, 2016.

Application #172/15

Western University

Perth Drive – City of London

- construction of Interdisciplinary Research Building
- development limit confirmed through (revised) geotechnical investigation
- revised plans prepared by Wasylo Architect Inc. in response to input from UTRCA and City of London
- staff approved and permit issued April 4, 2016

Application #179/15

Andy Lail

29 Argyle Street – City of London

- house construction in West London proposed Special Policy Area
- various revisions to plans over 2-year period
- staff approved and permit issued April 8, 2016

Application #200/15

IBI Group

7186 Isaac Drive – City of London

- approval required in conjunction with development of vacant land condominium
- plans prepared and application submitted by IBI Group on behalf of developer
- staff approved and permit issued April 26, 2016 upon receipt of revised plans prepared in response to input from UTRCA and City of London

Application #11/16

City of London

Waterloo Street at S. Thames River – City of London

- proposal to repair existing storm outfall into S. Thames River as part of infrastructure renewal program
- plans prepared by AECOM
- staff approved and permit issued April 8, 2016

Application #27/16

Executive Homes London Limited

188 Rathowen Street – City of London

- proposed construction of house addition in West London proposed SPA
- plans prepared by D.C. Buck Engineering
- staff approved and permit issued March 29, 2016

Application #39/16

Ivy Homes Limited

200 Rathnally Street – City of London

- application to construct house addition in west London proposed SPA
- plans prepared by D.C. Buck Engineering
- staff approved and permit issued March 29, 2016

Application #40/16

Terry Guest

201 Rathnally Street – City of London

- proposed house addition in West London proposed SPA
- plans prepared by D.C. Buck Engineering
- staff approved and permit issued March 29, 2016

Application #46/16

City of London

Windermere Road – City of London

- application to undertake bridge repairs on Windermere Road at Stoney Creek
- no in-water works required
- project drawings prepared by Dillon Consulting Ltd.
- staff approved and permit issued April 8, 2016

Application #47/16

Western University

University Drive – City of London

- emergency repairs required on University Drive bridge over North Thames River
- structural measures prepared by G. J. Webster, P. Eng.
- staff approved and permit issued March 11, 2016

Application #48/16

Schellenberger Drain – Township of Perth East

- proposed enclosure of 442 metres of the Schellenberger Drain
- engineer's report completed by Dietrich Engineering
- staff approved and permit issued March 15, 2016

Application #49/16

Houben Drain – Township of Perth East

- proposed installation of a 12 metre culvert
- engineer's report completed by Dietrich Engineering
- staff approved and permit issued March 15, 2016

Application #50/16

Dale and Lori Thomas – 219 William Street, Stratford

- proposed installation of a 12X15 deck and staircase
- staff approved and permit issued March 15, 2016

Application #51/16

Trevalli Homes Ltd.

Lot 6, Wedgewood Drive – City of Woodstock

- proposed single family residence and attached garage adjacent Sally Creek.
- site plans prepared by Van Harten Surveying Inc. in accordance with approved subdivision plan.
- staff approved and permit issued March 22, 2016.

Application #52/16

City of London

267-271 Ridgewood Crescent – City of London

- approval required for slope stabilization project overlooking Coves ESA
- plans prepared by Water's Edge, stamped by E. Gazendam, P. Eng.
- staff approved and permit issued April 5, 2016

Application #53/16

731675 Ontario Ltd.

3080 Bostwick Road – City of London

- approval requested for sanitary sewer installation and access road construction on Thornicroft Drain
- plans prepared by IBI Group
- staff approved and permit issued April 5, 2016

Application #56/16

Kyjo Steel/SPH Engineering Inc.

140 Bysham Park Drive – City of Woodstock

- proposed fabrication shop construction and associated site alteration including installation of parking and asphalt lots, earthen berms and stormwater management channels.
- site plans prepared by SPH Engineering Inc. in accordance with AECOM Canada Limited Environmental Impact Study recommendations.
- staff approved and permit issued March 24, 2016.

Application #58/16

Township of Lucan-Biddulph c/o BOS Engineering & Environmental Services

34195 Granton Line – Township of Lucan-Biddulph

- proposed 500 kW ground-mounted solar facility.

- site plans and stormwater plan prepared by BOS Engineering & Environmental Services.
- staff approved and permit issued April 8, 2016.

Application #59/16

L. Frew

138 Paul Street – City of London

- proposal to construct house addition in West London proposed SPA
- plans prepared by D.C. Buck Engineering
- staff approved and permit issued April 6, 2016

Application #60/16

M. Murakami

10 Barrington Avenue – City of London

- permit required for construction of house addition
- plans prepared by D.C. Buck Engineering
- staff approved and permit issued April 6, 2016

Application #61/16

UTRCA

Fanshawe Conservation Area – 1424 Clarke Road – City of London

- permit required for installation of a connection for power transmission and standby generator adjacent to Fanshawe Dam
- staff approved and permit issued April 7, 2016

Application #62/16

Trevalli Homes Ltd.

Lot 7, Wedgewood Drive – City of Woodstock

- proposed single family residence and attached garage adjacent Sally Creek.
- site plans prepared by Van Harten Surveying Inc. in accordance with approved subdivision plan.
- staff approved and permit issued April 13, 2016.

Application #63/16

Andrew Hines

118 Paul Street – City of London

- permission required for construction of house addition
- plans prepared by D.C. Buck Engineering
- staff approved and permit issued April 26, 2016

Application #65/16

Union Gas

Lot 4, Concession 8 Gore – Township of Perth South

- proposed pipeline integrity digs (3) adjacent Trout Creek and a smaller tributary to Trout Creek. One integrity dig will involve an open-trench of the smaller tributary with the installation of temporary cofferdams and pumping.
- plans prepared by Union Gas Limited.
- staff approved and permit issued April 27, 2016.

Application #67/16

Upper Thames River Conservation Authority

North Shore Pittcock Reservoir – City of Woodstock

-proposed shoreline restoration project involving the installation of a fish habitat spawning bed, underwater stone shoal and installation of submerged timber cribs with stone support within an embayment area adjacent the north shore of the Pittock Reservoir.

-plans prepared by Brad Glasman of the UTRCA

-staff approved and permit issued April 21, 2016.

Application #68/16

Exhaust Direct Ltd.

2355 Scanlan Street – City of London

-approval required for construction of manufacturing facility addition

-plans prepared by Strik Baldinelli Moniz

-staff approved and permit issued April 22, 2016

Application #69/16

731675 Ontario Ltd.

3080 Bostwick Road – City of London

-approval required in conjunction with development noted in UTRCA application #53/16 outlined earlier in this report

-SWM facilities with outlet to Thornicroft Drain

-plans prepared by IBI Group

-staff prepared and permit issued April 26, 2016

Application #70/16

Harris Drain – Municipality of West Perth

-proposed enclosure of 228 metres of the Harris Drain

-engineer's report completed by Dietrich Engineering

-staff approved and permit issued April 26, 2016

Application #71/16

Carlo Hermann

2476 Kellerton Road – City of London

-permit required for construction of garage

-staff approved and permit issued April 28, 2016

Application #72/16

Distinctive Homes London Ltd.

195 Cooper Street – City of London

-approval required for construction of house addition in West London proposed SPA

-plans prepared by D.C. Buck Engineering

-staff approved and permit issued May 3, 2016

Application #73/16

Susan Sharpe

25 Hampton Crescent – City of London

-proposal to reconstruct residential dwelling adjacent to Thames River valley embankment

-geotechnical report prepared by P. Bedell, P. Eng.

-building plans prepared by Melchers Construction limited

-staff approved and permit issued May 3, 2016

Application #77/16

Norquay Buttonbush Land Corp.

1235 Thornley Road – City of London

-approval required for development of Phase 3 of Crestwood Subdivision

-phase was not part of area adjacent to wetland regulated by UTRCA but involved isolated section of intermittent watercourse

-plans prepared by Stantec Consulting Ltd.

-staff approved and permit issued May 10, 2016

Reviewed by:



Tracy Annett, MCIP, RPP, Manager
Environmental Planning and Regulations

Prepared by:



Karen Winfield
Land Use Regulations Officer



Mark Snowsell
Land Use Regulations Officer



Cari Ramsey
Env. Regulations Technician

To: UTRCA Board of Directors
From: Bill Mackie
Supervisor, Lands & Facilities

Date: May 11, 2016

Agenda #: 11 (d)

Subject: Friends of Ellice & Gads Hill Swamps
Co-management Agreement-Update
- For Information

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Staff provide an annual update to the Board of Directors regarding the status of the co-management agreement with the Friends of Ellice and Gads Hill Swamps (Friends). Attached is the Friends Spring 2016 Newsletter highlighting some information for existing members and potential new members. The Friends membership now exceeds 100 members.

The 2015 AGM was held last June at the Gads Hill Sportsmen's Club with Craig Merkle providing a presentation on the projects implemented by the Upper Avon River Conservation Club. The Friends participated in the annual Swamp Clean-Up Day in April coinciding with the Annual Thames River Clean-Up day.

The Friends are also considering the possibility of enhancing the Rail Trail by constructing an observation platform south of the former Perth East Landfill site (now closed). The Friends have offered their assistance to the municipality with naturalization of the recently decommissioned landfill site.

The Co-management Agreement will be reviewed later this year in consideration of a four year term renewal.

Prepared by:



Bill Mackie
Supervisor, Lands & Facilities

Friends of Ellice and Gads Hill Swamps Newsletter

A message from the Chair...

I am honoured and excited to take on the responsibilities of Chair of the "Friends of Ellice and Gads Hill Swamps". When I first met the group of men and women who make up this organization, I was immediately impressed with their sense of cooperation and dedication to conservation. I am proud to be considered one of them.

In that spirit, I am optimistic that our group (which now has over 100 members) can be very effective in our efforts to create opportunities for everyone to access and enjoy the Ellice and Gads Hill swamps. Hunters, hikers, bird watchers, snowmobilers and nature lovers alike are all welcome to join us in sharing this natural treasure.

We look forward to participating with the Upper Thames Conservation Authority and partnering with them on such projects like: the Rail Trail restoration, the naturalization efforts of the now decommissioned Perth East Landfill site, the construction of wild duck nesting tubes, "clean-up" days with the Boy Scouts, and many other conservation based projects.

If you are someone who would like to join our efforts please feel free to drop me an email at rquesnel@rogers.com. We are always eager to welcome new members!
Richard

Committee Members:

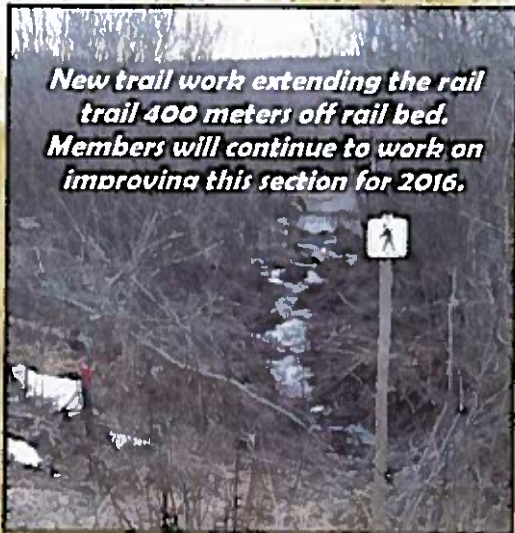
- *Richard Quesnel - Chair*
- *Bill Ellis - 1st Vice Chair*
- *Robin Diehl - Secretary*
- *Tony Jackson- Treasurer*
- *George Wicke- Director at Large*
- *Patti-Jo Linder - Director at Large*
- *Bob Faulhafer- Director at Large*
- *Dave Bennett - Director at Large*
- *Denise Iszczuk - Director at Large*
- *Bill Mackie - UTRCA*

NEWS and UPDATES:

- *Perth East Landfill was officially closed on February 29, 2016.*
- *Spring Clean Up on April 23.*
- *Annual General Meeting will be held in June.*
- *Memberships will need to be renewed as of July 1, 2016.*

Mark your calendars:

April 23, 2016 Annual Clean Up (Rain Date: April 24) meet at 9:00am
Meadow Run Game Club: 4299 Line 44 Perth East



New trail work extending the rail trail 400 meters off rail bed. Members will continue to work on improving this section for 2016.

Taking Care of the Swamps

Karen Wilkie, Land Management Technician with Upper Thames River Conservation Authority

The Ellice Swamp and the Gads Hill Swamps are known as the largest natural areas in Perth County. These wetlands facilitate the natural ability to protect drinking water, by storing and purifying groundwater and surface water. Further, due to the Swamp's size, dense vegetation and unstable soils, these wetlands are home to variety of regionally and provincially rare species of plants and birds.

Ellice Swamp is approximately 1,014 hectares (2,504 acres) and is largely owned by the Upper Thames River and Grand River Conservation Authorities. Gads Hill Swamps are approximately 705 hectares (1,741 acres) and the majority of these wetlands are owned by the Upper Thames River Conservation Authority along with a number of private landowners.

Visitors to the swamps are reminded that certain activities can degrade the natural environment. And individuals found committing a non-permitted activity may be fined by Conservation Authority Provincial Offense Officers under the Conservation Authorities Act and or the Trespass to Property Act.

Non-Permitted Activities include:

- Operation of motorized vehicles (including but not limited to ATV's, motorcycles, dirt bikes, tractors, four wheel drive vehicles, trucks, etc.)
- Fires and fireworks,
- Littering/dumping,
- Cutting and removing vegetation,
- Alcohol consumption,
- Camping,
- Horseback Riding,
- Bicycling.

For more information:

www.utrcahunterregistration.ca

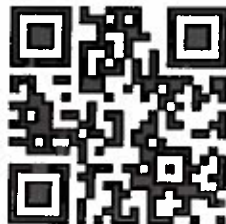
Annual General Meeting – June 2015
Denise Iszczuk

Craig Merkley, UTRCA presented on projects the UTRCA and the Upper Avon River Conservation Club have completed over the last 23 years.

The Upper Avon River Conservation Club has planted treed buffers along the Avon River and its tributaries. The club has used the 1952 Avon Valley Plan as a guide for their conservation activities.

Thousands of native trees and shrubs have been planted in the Upper Avon River watershed. These trees help improve the environment by providing shade for the streams, reducing wind and water erosion, filtering and taking up nutrients, providing habitat for birds, and producing oxygen.

Improvements made to tributaries of the Upper Avon River by the local Conservation Club have provided conditions suitable for the reintroduction of our native Brook Trout.



Friends of Ellice and Gads Hill Swamps
4906 Linhaven Drive
Gads Hill, ON
N0K 1J0
swampmemberships@gmail.com
www.swampfriends.ca

It's Spring! Time to get outside and visit the swamps on Wednesdays and Sundays!
(except during December Deer Hunting Season)

- Go for a hike!
- Bird watch!
- Look for spring wildflowers!
- Go Geocaching!

There are 3 geocaches in Ellice Swamp.

- "Rock 'N Roll": UTM: 17T E 503653 N 4812838
- "Good Luck!": UTM: 17T E 503400 N 4812353
- "Swamp Friends": UTM: 17T E 505216 N 4815878

Goals of the Friends of Ellice and Gads Hill Swamps:

- Protect and improve ecosystem health
- Promote community participation, awareness, and ongoing learning
- Ensure public safety and wise use



Conservation Ontario Council E-Bulletin

April 2016 - Volume 59



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New Regulations and Exemptions on Permits to Take Water (PTTW)

Excess Soil Management Policy Framework

Oak Ridges Moraine Foundation

This e-bulletin provides updates on key issues, primarily from Conservation Ontario (CO) Council meetings, and contains weblinks to specific CO reports, letters and presentations for your reference.

Conservation Ontario Annual General Meeting

Conservation Ontario's Annual General Meeting showcased a number of reports on activities and achievements throughout 2015. Eleanor McMahon, Parliamentary Assistant to the Minister of Natural Resources and Forestry provided remarks to Council regarding the *Conservation Authorities Act Review*. She thanked all those Conservation Authorities who were involved in providing comments through the first EBR posting as well as those who attended the engagement sessions last year. She advised Council that the Ministry will be starting its second phase of the review process which will include securing feedback via a discussion paper as well as the creation of a working group, comprised of relevant stakeholders, including Conservation Authorities. Council directed the Chair and General Manager of Conservation Ontario to continue working with Eleanor, her staff and ministry staff to support this process.

- [Eleanor McMahon's letter to all Conservation Authorities](#)
- [2016 Board of Directors](#)
- [2015 Annual Report](#)
- [Summary of Conservation Ontario's 2016-2020 Strategic Plan](#)
- [Summary of Outcomes from Conservation Ontario's 2011-2015 Strategic Directions](#)

General Manager's Report

Conservation Ontario participated in both the Federal and

Appointment

Source Water Protection

New Flood Communication Products

Coordinated Review of the Provincial Plans

Agricultural Guide to Conservation Authority Permits

EcoHealth Ontario

Alterations, Improvements and Repairs to Existing Dams Technical Bulletin (Lakes and Rivers Improvement Act)

Conservation Ontario E-bulletins & Press Releases

Conservation Ontario Participates on New Great Lakes Guardians' Council (March 23, 2016)

Conservation Authorities can support provincial efforts to Mitigate Climate Change Impacts (February 25, 2016)

Let's Chat!



Join Our Mailing List!

Provincial Pre-Budget Consultations with a focus on the Flood Business Case. The full Council Report can be found [here](#).

Queen's Park Day 2016

Conservation Ontario hosted a Queen's Park Day at the Ontario legislature on March 10, 2016. The event was well attended by Conservation Authority staff and board members, Ministers (MNR, MOECC and OMAFRA), and ministry staff. MNR Minister Bill Mauro and Eleanor McMahon, Parliamentary Assistant to the Minister both spoke at the event. Participants were also greeted by the Lieutenant Governor, Elizabeth Dowdeswell where we had the opportunity to discuss the role of CAs on the Great Lakes. Conservation Ontario's [Queen's Park web page](#) provides an overview of the event, a [link to photographs](#) and a copy of the [briefing note](#) provided to MPPs.

Conservation Authorities University (CAU): Register by June 1, 2016

Conservation Ontario is soliciting for [2016-2017 CAU program](#) registrations/down payments by June 1, 2016. This is a cost recovery program so registrations and down payment are necessary to confirm that we can move forward with a second offering. CAU program delivery is planned to begin in September of 2016 and carryover to June 2017.

Latornell Conservation Symposium

The theme for the [2016 Latornell Conservation Symposium](#) is "Green Infrastructure: Collaborating with Nature". Delegates will have a chance to explore technologies, partnerships and best practices around green infrastructure in relation to issues such as climate change and urbanization.

Great Lakes

The following representatives and appointments to various Great Lakes committees have been endorsed by Conservation Ontario Council:

Dick Hibma as Conservation Ontario's representative on the Great Lakes Guardians' Council (GLGC) and Bonnie Fox, Conservation Ontario Manager Policy and Planning, as his alternate. The GLGC is formed under the *Great Lakes Protection Act* and the full Council Report can be found [here](#).

Dick Hibma, Chair of Conservation Ontario, as Conservation Ontario's representative on the binational Great Lakes Blue Accounting Advisory Committee. The full Council Report can be found [here](#).

The following Chief Administrative Officers as representatives for the binational Lake Partnership Management Committees: (click [here](#) to read the full council Report including Conservation Ontario's support of the Groundwater Science Report):

- **LAKE SUPERIOR:** Rhonda Bateman, Sault Ste. Marie Region Conservation Authority and, Mervi Henttonen, Lakehead Region Conservation Authority;

- **LAKE HURON:** Phil Beard, Maitland Valley Conservation Authority and, Brian McDougall, St. Clair Region Conservation Authority;
- **LAKE ERIE:** Ian Wilcox, Upper Thames River Conservation Authority, and, Richard Wyma, Essex Region Conservation Authority; and,
- **LAKE ONTARIO:** Brian Denney, Toronto and Region Conservation, and, Terry Murphy, Quinte Conservation

Conservation Ontario's comments submitted March 14, 2016 on the Waukesha Water Diversion Application were endorsed by Council. Conservation Ontario's submission does not support the application due, in part, to its precedent setting nature with potential significant negative impacts to sustainable management of the water resources of the Great Lakes St. Lawrence River Basin. The full Council Report can be found [here](#). A [response from Bill Mauro](#), Minister of Natural Resources and Forestry, indicated that the Ministry shares our interest in protecting the waters of the Great Lakes - St. Lawrence River Basin and remains committed to implementing the terms under the Agreement.

Conservation Ontario's Class Environmental Assessment

Every five years from the date of the Notice of Approval, Conservation Ontario must undertake a review of its Class Environmental Assessment (EA) for Remedial Flood and Erosion Control Projects to ensure that it is still compliant with legislative requirements and planning practices and continues to satisfy the purpose of the *Environmental Assessment Act*. The next 5-yr Review is due in January 2017 and will cover the period of 2012-2016. At the April 2016 Conservation Ontario Council meeting, staff shared and received Conservation Ontario Council endorsement of the 2016 project schedule for the 5-yr Review which outlined consultation plans with Conservation Authorities.

On February 29, 2016, Conservation Ontario submitted its [2015 Annual Effectiveness Monitoring Report for its Class EA](#) to the Ministry of the Environment and Climate Change. Conservation Authorities who had Class EA projects underway in 2015 provided Conservation Ontario staff with the documentation required under the Class EA approval and are meeting their reporting requirements. The full council report can be found [here](#).

Conservation Ontario Comments on Climate Change Initiatives

Conservation Ontario coordinated and submitted comments to the EBR (MOECC) on the "[Cap and Trade Program Design Options](#)" (EBR# 012-5666) paper on December 16, 2015 and on the [Climate Change Mitigation and Low-Carbon Economy Act, 2016](#) (EBR# 012-6844) on March 24, 2016, which were both endorsed by Conservation Ontario Council on April 11, 2016. Click [here](#) to view the full Council Report.

New Regulations and Exemptions on Permits to Take Water (PTTW)

Conservation Ontario led a coordinated review of the proposed regulations prescribing certain short term water takings as Environmental Activity and Sector Registry (EASR) activities (EBR#012-0580) and submitted [comments](#) to the Ministry of Environment and Climate Change on January 13, 2016, which were endorsed by Conservation Ontario Council. Click [here](#) to view the full Council Report. The Water Taking EASR regulations have now been approved, including [Ontario Regulation 64/16](#) (Water Taking clarification and exemption Regulation), [Ontario Regulation 387/04](#) (revised Water Taking Regulation), and [New Water Taking EASR](#). A webinar is being planned for late May that will focus on providing an overview of the implications of the Regulations for Conservation Authorities including exemptions for wetland restoration projects and weirs.

Excess Soil Management Policy Framework

On January 26, 2016 the Ministry of the Environment and Climate Change (MOECC) released the "Excess Soil Management Policy Framework" (EBR# 012-6065) which proposed a path forward,

actions and guiding principles for the development of a policy related to the management of excess soil. Conservation Ontario led a coordinated review of the framework and submitted [comments](#) to MOECC on March 24, 2016, which were endorsed by Conservation Ontario Council. Click [here](#) to view the full Council Report.

Oak Ridges Moraine Foundation Appointment

Rob Messervey (Chief Administrative Officer, Kawartha Conservation) was identified as the Conservation Ontario representative for appointment to the Board of the Oak Ridges Moraine Foundation. Click [here](#) to view the full Council Report.

Source Water Protection

All 22 Source Protection Plans are [approved](#) across the province and this is a significant milestone achieved by Conservation Authorities, the Province, and partner stakeholders. The program is transitioning into [implementation](#). The Ministry of the Environment and Climate Change has started a program review, and will determine steady state/baseline funding needs for the program in discussions with Conservation Authorities and other stakeholders. Conservation Ontario is exploring possibilities of Conservation Authorities providing source protection planning advisory services to First Nations communities with boil water advisories.

New Flood Communication Products

Conservation Ontario produced new flood communication products - an infographic and two banners (the infographic is one of the banners). The infographic was produced in collaboration with a team of Conservation Authority staff working on flood and insurance issues. They are found on Conservation Ontario's [website](#).

Coordinated Review of the Provincial Plans

The Advisory Panel on the Coordinated Review of four key provincial plans, the Growth Plan for the Greater Golden Horseshoe, Greenbelt Plan, Oak Ridges Moraine Conservation Plan and Niagara Escarpment Plan, released their report in December 2015. The report entitled *Planning for Health, Prosperity and Growth in the Greater Golden Horseshoe: 2015 - 2041* recommends using an integrated watershed management approach. Overall, the report and recommendations are very supportive of Conservation Ontario positioning and the role of Conservation Authorities; highlights are provided in the [Council Report](#). The Provincial Government response to the recommendations of the Advisory Panel is anticipated to be in the form of proposed amendments to the Provincial Plans this Spring.

Agricultural Guide to Conservation Authority Permits

The "Revised Template Guide for Agricultural Permits in Conservation Authority Regulated Areas" (January 27, 2016) is undergoing significant revisions further to comments received from 16 Conservation Authorities and 6 agricultural representatives. The draft 'Guide to a Guide' will be circulated for Conservation Authority comments in early May prior to the final product being brought to June Conservation Ontario Council for endorsement and then further communication to the agricultural sector. The full Council Report can be found [here](#).

EcoHealth Ontario

Conservation Ontario and Credit Valley Conservation partnered to contribute an [article](#) on the public health benefits of Conservation Areas for publication in the March/April edition of the Ontario Professional Planners Institute Journal. The special edition featured a number of articles profiling the importance of green spaces to our own well-being. A [conference poster](#) on ecohealth was also developed and presented at the Ontario Public Health Conference held in early April.

Alterations, Improvements and Repairs to Existing Dams Technical Bulletin (*Lakes and Rivers Improvement Act*)

On March 24, 2016 a [decision notice](#) was posted to the Environmental Registry regarding approval of the *Alterations, Improvements and Repairs to Existing Dams Technical Bulletin*. The approved

Bulletin clarifies requirements for obtaining approvals for alterations, improvements and repairs to existing dams, and replaces the 2006 *Administration of Section 16 - Lakes and Rivers Improvement Act* policy document. Stay tuned for a spring webinar on changes made to the Bulletin and implications for Conservation Authorities.

Feedback

If you have any comments, concerns, or suggestions for improving this bulletin please contact info@conservationontario.ca.

www.conservationontario.ca

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MNR5805MC-2016-454

To all Conservation Authorities:

I am writing to update you on our progress regarding the *Conservation Authorities Act* review. In doing so, I would like to express my appreciation for all Conservation Authorities who participated in the first phase of the review. Your input helped identify common themes and priority areas for the next step in our review process.

For nearly 70 years Ontario and its Conservation Authorities have enjoyed a rich and productive relationship. Conservation Authorities have an impressive record of protecting people, property and communities from water-related weather events and hazards. Our Government appreciates that record and values the achievements of Conservation Authorities in protecting and managing water and other natural resources in the province.

I am pleased to share that the Ministry of Natural Resources and Forestry (MNRF) will be starting its second phase of the review process which will include further engagement and input on options for strengthening Conservation Authorities. This next step will build on the initial consultation where we identified five priority areas for improvement:

- Stronger oversight and accountability in decision-making;
- Increased clarity and consistency in roles and responsibilities, processes and requirements;
- Modern funding mechanisms to support conservation authority operations;
- Improved collaboration and engagement among all parties involved in resource management; and
- Enhanced flexibility for the Province to update the *Conservation Authorities Act* framework in the future.

These priority areas were identified through the review as a result of the responses to the Ministry's discussion paper.

In taking this next step we look forward to working closely with you to develop options for changes in these areas. Now that we have heard from you on what our priorities should be, this next step will assist in providing options for how we should proceed.

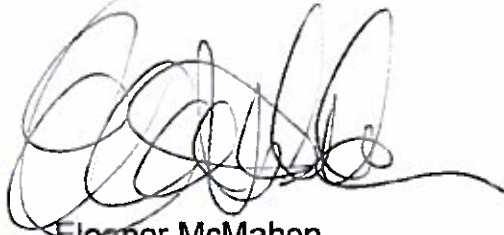
Our next step will include securing feedback via a discussion paper which will capture the aforementioned priority areas. This paper will be posted to the Environmental Registry in the coming weeks. We will also be announcing a working group, comprised of relevant stakeholders, including Conservation Authorities. This working group will provide us with the opportunity to take a detailed look at possible solutions, and

together with the Registry feedback will allow us to have the kind of comprehensive overview which can lead to constructive options for change.

If you have further questions regarding the *Conservation Authorities Act* review, please contact Jennifer Keyes, Manager, Water Resources Section, at (705) 755-5244 or jennifer.keyes@ontario.ca.

In the meantime, please stay tuned. I look forward to working with all of you, as together we work to modernize and strengthen Conservation Authorities in Ontario.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eleanor McMahon', with a long horizontal flourish extending to the right.

Eleanor McMahon
Parliamentary Assistant

c: Jennifer Keyes