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Carolyn O'Neill
Great Lakes Office
40 St Clair Avenue West
Floor 10
Toronto, ON M4V1M2

May 7, 2019

Dear Ms. O'Neill

Re: ERO Number 013-5018

At its regular meeting on April 26, 2019, the General Membership of the Grand River Conservation Authority passed the following resolution:

19-78

Moved By Susan Foxton

Seconded By Kathryn McGarry

*THAT Report GM-04-19-41 – Environmental Registry Posting 013-5018: Modernizing Conservation Authority Operations be received as information,
AND THAT Grand River Conservation Authority Report GM-04-19-41 be submitted to the Province through the Environmental Registry.*

In accordance with the above resolution, enclosed is a copy of GRCA staff report GM-04-19-41 which summarizes our comments for Environmental Registry number 013-5018.

Regards,

A handwritten signature in blue ink that reads "Joe Farwell".

Joe Farwell, P.Eng.
Chief Administrative Officer

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Grand River Conservation Authority

Report number: GM-04-19-41

Date: April 26, 2019

To: Members of the Grand River Conservation Authority

Subject: Environmental Registry Posting 013-5018: Modernizing Conservation Authority Operations

Recommendation:

THAT Report Number GM-04-19-41 - Environmental Registry Posting 013-5018: Modernizing Conservation Authority Operations be received as information,

AND THAT Grand River Conservation Authority Report GM-04-19-41 be submitted to the Province through the Environmental Registry.

Summary:

The province is proposing to introduce amendments to the Conservation Authorities Act, which if passed, would help conservation authorities focus and deliver on our core mandate, and to improve governance.

Report:

This report provides an overview of the changes proposed by the province under the Environmental Registry Posting 013-5018: Modernizing Conservation Authority Operations. Five points are included in the summary of proposed changes in EBR posting 013-5018.

The Province is proposing to make amendments to the *Conservation Authorities Act*, an Act introduced in 1946 that would, if passed:

1. Clearly define the core mandatory programs and services provided by conservation authorities to be, natural hazard protection and management, conservation and management of conservation authority lands, drinking water source protection (as prescribed under the *Clean Water Act*), and protection of the Lake Simcoe watershed (as prescribed under the *Lake Simcoe Protection Act*)

GRCA Response: The GRCA supports the province's intent to clearly define core mandatory programs and services provided by conservation authorities. A number of GRCA programs are linked together to provide optimum cost savings. Specific comments on the four core areas identified by the Province include:

- Natural hazard protection and management: conservation authorities undertake watershed-based programs to protect people and property from flooding and other natural hazards, and GRCA recognizes hazard management as a provincially mandated program. The Grand River watershed has many communities located on the banks of its rivers and streams. Well-developed flood forecasting and warning systems are vital to the safety and security of watershed communities. Continued operation and funding of the Federal-Provincial hydrometric network is critical for delivering core functions of hazard management. In addition, watershed communities rely on a series of dams and dikes for protection during flood emergencies. Emergency response plans and water management plans help municipalities and conservation authorities jointly prepare for climate change. Having these plans in place assists the Province in achieving outcomes in the Made-In-Ontario Environment Plan by being prepared for climate change and keeping people safe. Regulations to limit new development in floodplains and other natural hazard areas are an important part of reducing longer term risk of flooding and other natural hazards. Municipalities depend on conservation authorities to provide technical information to support development of municipal emergency preparedness plans. Many other GRCA programs support and enhance the natural hazard program. Tree planting, restoring natural areas, and conservation services programs are examples of conservation authority activities that improve the landscape and make the watershed more resilient to the variations in rainfall and snow melt patterns that result from climate change.
- Conservation and management of conservation authority lands: GRCA supports the management of conservation authority land being identified as a core mandate. GRCA operates eleven conservation areas where user fees are collected to help cover operating costs. Staff members from the conservation areas are assigned to operate the flood control reservoirs, leading to cost efficiencies in both core program areas. The GRCA owns approximately 20,000 hectares. In addition to fee-supported conservation areas, several parcels of land were purchased for hazard mitigation or environmental protection. With population growth in the watershed, there is additional pressure on these lands. User conflicts and public safety issues arise, and resources are required to prepare and implement management plans for these lands.
- Drinking water source protection (as prescribed under the Clean Water Act): As the lead source protection authority for the Lake Erie source protection region the GRCA has completed source protection plans for the region. While many of the major municipalities in Ontario get their drinking water from the Great Lakes, the Grand River watershed is unique, in that the majority of the water supply comes from groundwater, with a significant portion coming from groundwater recharge systems that rely on water from the Grand or Eramosa Rivers. The Region of Waterloo draws about 25% of its water supply from the Grand River and the City of Brantford and Six Nations draws their entire water supply from the Grand River. Rural Water Quality and Waste Water Optimization Programs

play an important role, along with the water management plan, to maintain or improve water quality in the Grand River. These programs help the Province achieve goals of the source water protection program and should be included as core programs that protect source water. GRCA recommends the province maintain their financial and technical support for this program and that the identification of this program as a core mandate include the continued financial support from Ministry of Environment Conservation and Parks for the role of the GRCA as prescribed under the Clean Water Act.

- Protection of the Lake Simcoe watershed (as prescribed under the Lake Simcoe Protection Act) does not impact GRCA.
2. Increase transparency in how conservation authorities levy municipalities for mandatory and non-mandatory programs and services. Update the *Conservation Authorities Act* an Act introduced in 1946, to conform with modern transparency standards by ensuring that municipalities and conservation authorities review levies for non-core programs after a certain period of time (e.g., 4 to 8 years)

GRCA Response: Increasing transparency and clarity in how conservation authorities levy municipalities for mandatory and non-mandatory programs and services is an important step in ensuring a continuing collaborative working relationship between conservation authorities and municipalities.

A clear definition of core mandatory programs versus non-mandatory programs will be needed to ensure transparency standards are met.

GRCA supports the province's intent to update the Conservation Authorities Act to conform to modern transparency standards by ensuring that municipalities and conservation authorities review levies for non-core programs after a certain period of time. A 4 to 8 year review period is acceptable.

3. Establish a transition period (e.g. 18 to 24 months) and process for conservation authorities and municipalities to enter into agreements for the delivery of non-mandatory programs and services and meet these transparency standards.

GRCA Response: GRCA supports a transition period of 18 to 24 months, as it would allow conservation authorities and upper tier or local municipalities to enter into agreements for the delivery of non-mandatory programs and services and meet the proposed transparency standards

Additional clarification is required regarding entering into agreements for the delivery of non-mandatory programs. It also needs to be determined how these agreements may impact the current municipal levy approval and apportionment processes.

4. Enable the Minister to appoint an investigator to investigate or undertake an audit and report on a conservation authority

GRCA Response: GRCA supports regulations that would enable the Minister to appoint an investigator to investigate or undertake an audit and report on a conservation authority.

5. Clarify that the duty of conservation authority board members is to act in the best interest of the conservation authority, similar to not-for profit organizations.

GRCA Response: GRCA supports regulations that would clarify that the duty of conservation authority board members is to act in the best interest of the conservation authority, similar to not-for profit organizations.

In addition, the province is proposing to proclaim un-proclaimed provisions of the *Conservation Authorities Act* related to:

- fees for programs and services
- transparency and accountability
- approval of projects with provincial grants
- recovery of capital costs and operating expenses from municipalities (municipal levies)
- regulation of areas over which conservation authorities have jurisdiction (e.g., development permitting)
- enforcement and offences
- additional regulations

GRCA supports the province's intent to proclaim these un-proclaimed provisions of the Act, as it would promote consistency among conservation authorities, and clarity for the public we serve.

Municipal Levy Issues: This environmental registry posting includes issues related to establishing municipal levy. In summary, GRCA desires clarification regarding:

- definition of core versus non-core programs
- entering into agreements for non-mandatory programs.
- definitions for capital costs versus operating and maintenance costs.
- apportionment of levy among municipalities.

Conservation Authority Mandate

The Made-in-Ontario Environment Plan includes the following statement about the core role of conservation authorities: Work in collaboration with municipalities and stakeholders to ensure that conservation authorities focus and deliver on their core mandate of protecting people and property from flooding and other natural hazards, and conserving natural resources.

In addition to the core mandate, GRCA undertakes watershed-based programs that provide a wide range of benefits to watershed residents. Conservation Authority programs and services protect water, provide natural spaces and build watershed resilience. This investment helps us to avoid future costs around challenges such as flood damages, business disruptions and public health issues. We rely on clean and sustainable water, breathable air, green spaces, healthy soils, forests, wetlands and a rich mix of wildlife, birds and fish for drinking water, food, fuel, industry, public health and many other uses. Being in nature restores people and helps them to stay active and healthy.

Financial implications:

Following this Environmental Registry posting GRCA received notice from the Ministry of Natural Resources and Forestry that the Section 39 Operating grant would be reduced by \$421,385 (48%), from \$871,073 to \$449,688. A copy of this notification dated April 12, 2019 is included as correspondence in the April 26, 2019 board package. This funding reduction is also being reflected as a forecast adjustment in the Financial Summary dated April 26, 2019.

This reduction may impact the GRCA and partner municipalities' abilities to deliver an effective program related to the core mandate of conservation authorities. The GRCA would appreciate the opportunity to provide further input to the proposed policy and regulations that the province has identified will be released in the Spring of 2019.

Other department considerations:

Prepared by:

Joe Farwell, P.Eng.

Chief Administrative Officer