



**Grand River Conservation Authority  
Agenda - Annual General Meeting**

**PUBLIC**

Friday, February 22, 2019

9:30 a.m.

Auditorium

Grand River Conservation Authority

400 Clyde Road, Box 729

Cambridge, ON N1R 5W6

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**Pages**

1. **Call to Order**
2. **Roll Call and Certification of Quorum – 13 Members constitute a quorum (1/2 of Members appointed by participating Municipalities)**
3. **Chair's Remarks**
4. **Review of Agenda**

THAT the agenda for the Annual General Meeting of February 22, 2019, be approved as circulated.
5. **Declarations of Pecuniary Interest**
6. **Minutes of the Previous Meeting**

THAT the minutes of the General Membership Meeting of January 25, 2019, be approved as circulated.
7. **Business Arising from Previous Minutes**
8. **Hearing of Delegations**
9. **Presentations**
10. **Correspondence**
11. **1st and 2nd Reading of By-Laws**
12. **Reports:**

- a. GM-02-19-27 - Current Watershed Conditions 11  
 THAT Report Number GM-02-19-24 – Current Watershed Conditions as of February 13, 2019, be received as information.
- b. GM-02-19-25 - Grand River Watershed Flood Warning System 19  
 THAT Report Number GM-02-19-25 – Grand River Watershed Flood Warning System be received as information.
- c. GM-02-19-26 - Cannabis Consumption in Conservation Areas 24  
 THAT Report Number GM-02-19-26 – Cannabis Consumption in Conservation Areas be received as information.
- d. GM-02-19-22 - Proposed Amendment to the Growth Plan for the Greater Golden Horseshoe 27  
 THAT Report Number GM-02-19-22 – Proposed Amendment to the Growth Plan for the Greater Golden Horseshoe, 2017 (ERO Posting #013-4504) be received for information;  
 AND THAT Grand River Conservation Authority Report GM-02-19-22 be submitted to the province through the Environmental Registry.
- e. GM-02-19-20 - Afforestation Services 2019 31  
 THAT the Grand River Conservation Authority award individual contracts for 2019 afforestation services to Bartram Woodlands Ltd. in the amount of \$35,900.00, Brinkman & Associates Reforestation Ltd in the amount of \$82,654.00, and Black River Tree Planting in the amount of \$36,505.00 (excluding taxes).
- f. GM-02-19-21 - HEC-HMS Hydrology Modelling Software Contract 34  
 THAT the Grand River Conservation Authority enter into a contract with Resource Management Associates to complete enhancements to the US Army Corps HEC-HMS hydrology modeling software in the amount of \$48,300 USD.
- g. GM-02-19-23 - General Membership Composition 37  
 THAT Report Number GM-02-19-23 – General Membership Composition be received for information;  
 AND THAT an ad hoc committee be struck to review General Membership Composition.
- h. GM-02-19-15 - Cash and Investment Status 44  
 THAT Report Number GM-02-19-15 Cash and Investment Status – January 2019 be received as information.

- i. GM-02-19-17 - Financial Summary 46  
 THAT the Financial Summary for the period ending January 31, 2019 be approved.
- j. GM-02-19-16 - Weighted Voting 2019 49  
 THAT Report Number GM-02-19-16 - Weighted Voting – 2019 Budget and General Levy be received as information.
- k. GM-02-19-19 - Budget 2019 52  
 See Annual General Meeting agenda item 14d.

**13. Committee of the Whole**

**14. General Business**

- a. GM-02-19-18 - Report of the Audit Committee 103  
 THAT Report Number GM-02-19-18 - Report of the Audit Committee of the Grand River Conservation Authority be received, approved and attached to the minutes of this meeting.
- b. Approval of Financial Statements and Report of the Auditor 106  
 THAT the Financial Statements of Grand River Conservation Authority as at December 31, 2018, and the Report of the Auditors thereon be received, approved and placed on file;  
 AND THAT copies be made available to all member municipalities, Grand River Conservation Authority Members and the Ontario Ministry of Natural Resources and Forestry.
- c. Appointment of Auditors  
 THAT KPMG Chartered Professional Accountants are appointed as Grand River Conservation Authority Auditors for the year ended December 31, 2019, at a fee not to exceed \$ 36,900.00.
- d. Presentation of Budget for Current Year  
 THAT the 2019 Budget of Grand River Conservation Authority of \$35,270,468 be approved;  
 AND THAT the member municipalities be assessed for payment of:  
 Matching Levy: \$871,073  
 Non-Matching Levy: \$9,714,927

Capital Levy: \$1,050,000

Total General Levy: \$11,636,000

AND THAT each member municipality's share of the 2019 General Levy be calculated using "Modified Current Value Assessment".

e. Provision for Borrowing (Pending Receipt of Municipal Levies)

WHEREAS it may be necessary for Grand River Conservation Authority (hereinafter called the "Authority") to borrow money, on an interim basis, to meet the Authority's financial obligations while awaiting payment of levies by participating municipalities designated as such under The Conservation Authorities Act, RSO 1990 (hereinafter called "Participating Municipalities");

THEREFORE BE IT RESOLVED:

THAT the Authority be authorized to borrow, on an interim basis, a sum or sums not exceeding in the aggregate One Million Dollars (\$1,000,000) from the Authority's bank at the said bank's minimum lending rate established from time to time, until the Authority has received payment of levies from Participating Municipalities;

AND THAT the Chair or Vice-Chair together with the Chief Administrative Officer or Secretary-Treasurer of the Authority be and they are hereby authorized to execute for and on behalf of the Authority, a promissory note or notes for the sum to be borrowed pursuant to this Resolution and to affix thereto the corporate seal of the Authority;

AND THAT the amount borrowed pursuant to this Resolution, together with interest thereon, be a charge upon the whole of the money received or to be received by the Authority by way of levies collected from Participating Municipalities when such moneys are received;

AND THAT the Chair or Vice-Chair or the Chief Administrative Officer or Secretary-Treasurer of the Authority be and is hereby authorized and directed to apply, in payment of the moneys borrowed pursuant to this Resolution together with interest thereon, all of the moneys received by the Authority by way of levies collected from Participating Municipalities.

**15. Appointments to Committees**

a. Appointment of Audit Committee

That the following Members be appointed to the Audit Committee until the next Annual General Meeting: (select five members and the Chair and Vice-Chair)

b. Appointment of Special Recognition Committee

That the following Members be appointed to the Special

Recognition Committee until the next Annual General Meeting: (five-seven members including the Chair and Vice-Chair)

c. **Appointment of Conservation Ontario Council Representatives**

THAT the Chair and the Chief Administrative Officer be appointed as Members of Conservation Ontario Council;

AND THAT the Deputy Chief Administrative Officer and Secretary Treasurer be appointed as an Alternate Member of Conservation Ontario Council.

**16. 3rd Reading of By-Laws**

**17. Other Business**

**18. Closed Meeting**

**19. Next Meetings**

**20. Adjourn**

THAT the General Membership Meeting be adjourned.

**21. Grand River Source Protection Committee Meeting (if required)**

**Regrets only to:**

Office of the Chief Administrative Officer, Phone: 519-621-2763 ext. 2200

# Grand River Conservation Authority

**Report number:** GM-02-19-24

**Date:** February 22, 2019

**To:** Members of the Grand River Conservation Authority

**Subject:** Current Watershed Conditions as of February 13, 2019

## Recommendation:

THAT Report Number GM-02-19-24 – Current Watershed Conditions as of February 13, 2019, be received as information.

## Report:

### Precipitation

Precipitation in the first half of February has been above the long term average. Three large precipitation events have occurred to date in February. On the 4<sup>th</sup> of February a large snowfall event occurred, followed by a large rain and freezing rain event on the 6<sup>th</sup>. Then a large mixed precipitation event occurred on the 12<sup>th</sup>. These events were hard to measure because of the mixed precipitation types. The Authority operates four total precipitation gauges and can access additional gauges operated by Environment Canada and the University of Waterloo. Information from the total precipitation gauges confirmed the regular authority precipitation gauges underestimated precipitation during the February 12<sup>th</sup> storm.

Precipitation in January varied across the watershed. In some places it was below the long term average, while in other places it was at or above the long term average. The last snow survey was conducted on January 30<sup>th</sup>. At that time the snowpack was slightly below average across the watershed. The next snow survey is scheduled for February 14<sup>th</sup>.

**Table 1** includes monthly and recent precipitation trends for select watershed climate stations. Monthly precipitation at the Shand, Shades and Brantford climate stations from 2014 to 2018 is shown in **Figure 1**.

**Table 1: Precipitation Averages at Watershed Climate Stations**

Station	Monthly Precipitation		Percentage of Long Term Average					
	13-Feb (mm)	Long Term Average (mm)	Current Half Month	Last Full Month	Last 3 Full Months	Last 6 Full Months	Last 12 Full Months	Last 15 Full Months
Shand	42.1	56.7	148%	121%	115%	100%	94%	96%
Conestogo	37.0	65.9	112%	92%	87%	88%	93%	93%
Guelph	31.8	54.8	116%	116%	125%	106%	103%	104%
Luther	41.0	66.4	123%	120%	105%	107%	104%	103%
Woolwich	26.2	57.6	91%	135%	128%	118%	99%	105%
Laurel	34.4	59.7	115%	114%	127%	122%	111%	110%
Shades	30.7	55.0	112%	107%	115%	122%	112%	111%
Brantford	41.9	43.3	193%	78%	100%	106%	107%	105%

## **Air Temperatures**

The average air temperature for the first two weeks of February was above the long term average across the watershed. Temperatures have swung from very cold to well above normal causing multiple freeze melt cycles over the past two weeks.

January started as a warm month, but ended very cold. The average monthly temperature was below the long term average across the watershed. At the Shand Dam climate stations, the average monthly air temperature was approximately 0.8 degrees below the long term average.

**Figure 2** presents recent mean monthly air temperature departures from the long term average recorded at Shand Dam.

## **Lake Erie Conditions**

The level of Lake Erie continues to be above the long term average. The average lake elevation in January was 174.69m, which is approximately 0.7m above the long term average. An updated forecast of lake levels was not available from Canadian Hydrographic Survey.

The high lake level conditions statement issued on October 12 warning of an increased risk of shoreline flooding and erosion due to the high static lake level is still in effect.

Lake Erie surge events occurred on January 29<sup>th</sup>, 30<sup>th</sup> and peaked approximately 0.1 metres below the warning threshold of 175.5 metres. Lake surge events occurred February 8<sup>th</sup> and February 13<sup>th</sup>, these events slightly exceeded the warning threshold by approximately 0.1 metres. A Lake Erie high levels warning was issued on February 8<sup>th</sup>, the February 13<sup>th</sup> event was an unforecast event. The GRCA voice alert system advised GRCA staff of high Lake Erie levels, flood co-ordinates in Haldimand County were contacted directly and advised of rising Lake Erie levels prior to levels exceeding warning thresholds.

**Figure 3** presents current and forecast Lake Erie level from the Canadian Hydrographic Service.

## **Reservoir Conditions**

The large reservoirs were used over the last few weeks during melt events to reduce downstream peak flows. Levels in the Guelph reservoir were reduced back to normal operating levels following the event.

Levels in the Conestogo and Shand reservoirs were reduced following the event, but remain a bit above normal levels for this time of the year. Discharge from the reservoirs has been reduced with the return of colder weather to help reduce potential for downstream frazil ice. Reservoir levels will be reduced at Shand and Conestogo reservoirs over the coming weeks, balancing the need to reduce downstream potential for frazil ice with the need to create additional storage to manage the spring melt.

As the winter progresses, water in the snowpack will be evaluated against available storage to ensure the reservoirs can be filled in the spring, while balancing the need to maintain sufficient flood storage.

Reservoir levels are shown in **Figures 4** and **Figure 5** for the four large reservoirs.

## **Flood Centre Activities**

Seven flood messages were issued to date in February. A Watershed Conditions Statement – Water Safety was issued on February 4<sup>th</sup> after warm temperatures caused a gradual melt of the snowpack and increased flows in water courses.

A Flood Watch was issued the next day, February 5<sup>th</sup>, with anticipated flooding of low lying areas and the possibility of ice jams on the Grand River. The Watch was upgraded to a Flood Warning for Brantford and the Southern Grand River later on February 5<sup>th</sup> after the ice jam in Cambridge broke sending water and ice downstream. The Flood Warning Message was updated on February 6<sup>th</sup> for the Southern Grand River. On February 7<sup>th</sup> a High Lake Level Warning for the Lake Erie shoreline was issued, while most of the watershed was moved back to a Flood Watch. A termination message was issued on February 11<sup>th</sup>.

GRCA reservoirs were used to store water during the runoff event the week of February 4<sup>th</sup>. Storing water in the reservoirs was intended to reduce pressure on downstream ice to allow more time for ice to degrade and potential avoid moving downstream ice sheets that create potential for ice jams. Runoff downstream of the reservoirs was high enough to move downstream ice sheets.

An ice jam occurred in West Montrose resulting in a water level equivalent to an open water flow of 500 m<sup>3</sup>/s this resulted in flooding in the community of West Montrose. The GRCA voice alert system detected the ice jam at approximately 4:35 am, township staff were advised at 4:40 am and immediately dispatched to West Montrose. The ice jam formed around 4:30 am and released around 5:20 am. Township staff assisted residents and move ice blocks off the road.

Levels on the Conestogo River through Drayton reached the level 1 flood zone on February 5<sup>th</sup> at 7:00 am, staff at Mapleton Township were advised to of flooding in flood zone 1 and asked to monitor. Flood zone 1 affects a road and fairgrounds in the community of Drayton.

The ice sheet began to move upstream of Parkhill Dam at 11:30 am on February 5<sup>th</sup>, it appears a temporary ice dam formed upstream of Parkhill Dam shortly after 11:30 am before starting to release at 1:45 pm peaking at 2:25 pm. The ice dam release sent a wave of water, ice and wood debris down the river. Fortunately the magnitude of this release was much less than a similar release in February 2018. Flow and ice generally stayed within the channel banks downstream of Cambridge, brief flooding of Water Street downstream of Concession Street occurred, Water Street was briefly closed ice blocks did not spill onto Water Street.

Staff worked closely with downstream municipalities of North Dumfries, Brant County and the City of Brantford to advise them of the ice dam release that occurred in Cambridge on February 5<sup>th</sup>. A small ice jam was in place in the Brantford dyke reach, City of Brantford staff closed storm water valves along the Brantford dykes as a precaution. Two teleconference calls were co-ordinated by City of Brantford staff to monitor conditions and manage the response as the ice and water flowed through the Brantford reach. Water level peaked through Brantford around 7:30 pm at a gauge level of 5 metres. Ice and water was contained by the dykes and floodwalls, a brief surge in levels occurred when an ice jam temporarily formed and released. The February 2019 peak gauge level was 5 metres, 2 metres less than the February 2018 peak gauge level that slightly exceeded 7 metres.

Ice jams formed and are still intact through the Grand River downstream of Brantford. Flooding was reported during the February 6<sup>th</sup> to 9<sup>th</sup> period in Six Nations territory along the 4<sup>th</sup> and in the Brant County in the boundary road area and New Port areas. Levels



downstream of Brantford have since recede back to within the channel however the channel between the banks upstream of Caledonia Dam and upstream of Dunnville dam is filled with ice. The ice between the channel banks poses a risk of further flooding when future runoff events occur.

Given the potential of the ice sheet to move in the southern river on February 7<sup>th</sup> and 8<sup>th</sup> a decision was made to contact the Canadian Coast Guard and request ice breaker assistance to clear ice in the southern river. The Canadian Coast Guard responded and broke ice in Port Maitland and Lake Erie at the mouth of the river on Saturday February 8<sup>th</sup>.

Levels on the Nith River peaked through New Hamburg at 5:30 pm on February 5<sup>th</sup>. A flood warning was issued to New Hamburg to warn residents in the Milton Street area, as a result for potential ice jam flooding. Residents were warned and ice jams downstream of Milton Street were reported to have caused flooding of Milton Street. Levels through the community of Ayr on the Nith River crested below warning levels on February 6<sup>th</sup>.

Conditions continue to be monitored and information gathered about ice jams in the southern River.

### **Long Range Outlook**

Environment Canada's seasonal forecasts are predicting near normal temperatures to continue through the February to April period. The 3-month precipitation forecast from Environment Canada was for near normal precipitation.

### **Flood Preparedness**

Conditions are being monitored closely. Staff continues to hold weekly Senior Operator meetings as part of overall succession planning initiatives and flood emergency preparedness.

Planning is underway for the spring flood season.. The annual Municipal Flood Co-ordinators Meeting is scheduled for the February 14<sup>th</sup>. The annual River Watch Meeting with internal staff is scheduled for the afternoon of February 28<sup>th</sup>.

Staff are assisting the MNRF with the organization and delivery of a Floodplain Mapping Technology transfer workshop March 4, 5 and 6<sup>th</sup> in the Toronto area. Purpose of the workshop is to communicate advancement in methods, techniques and information available to update floodplain mapping.

### **Financial implications:**

Not applicable

### **Other department considerations:**

Not applicable

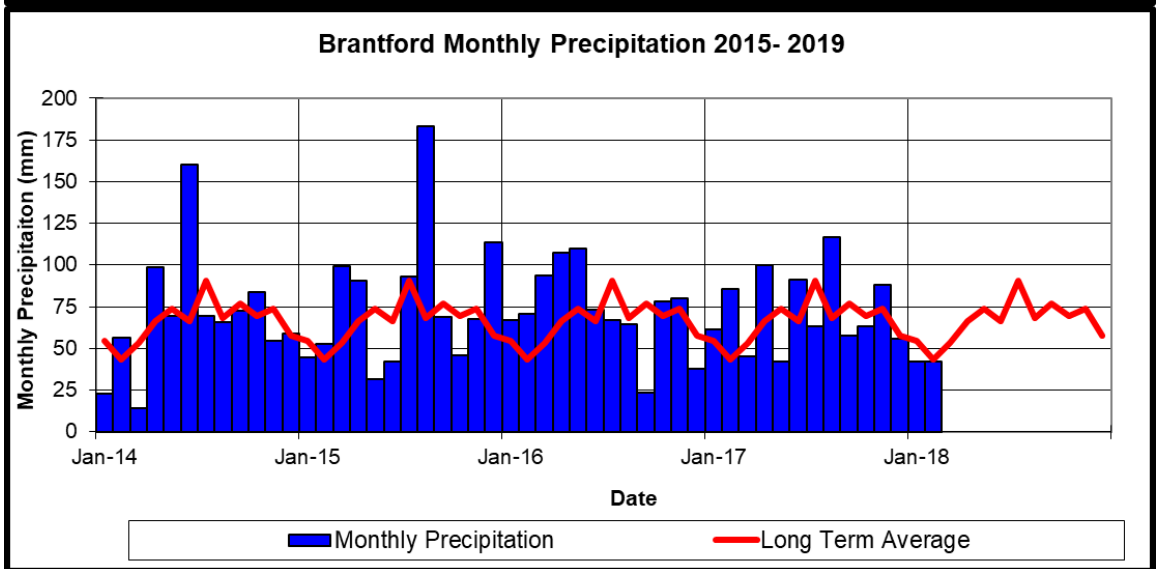
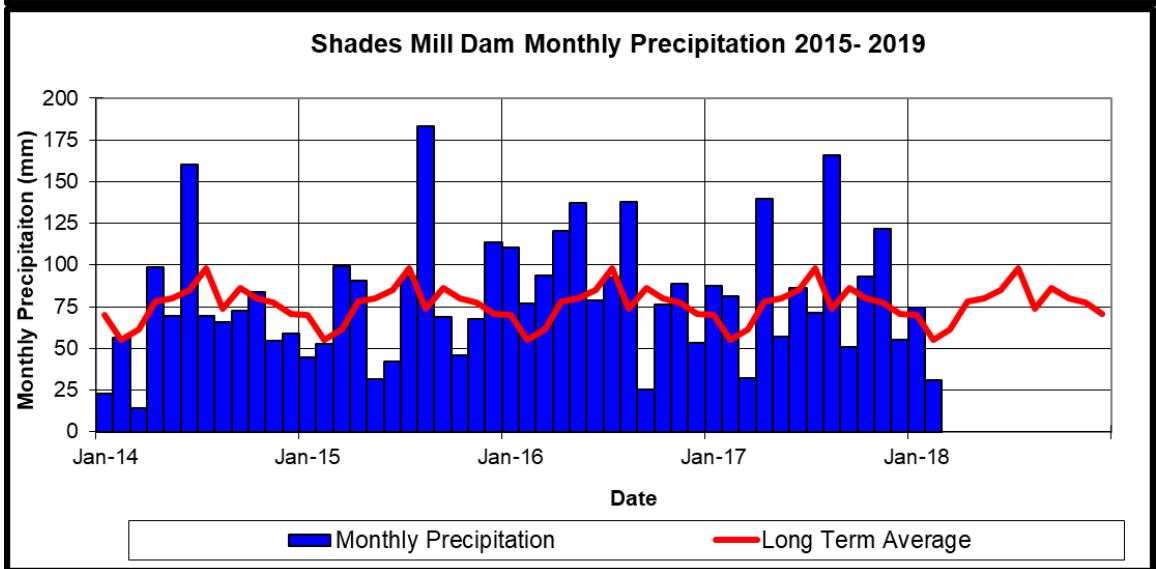
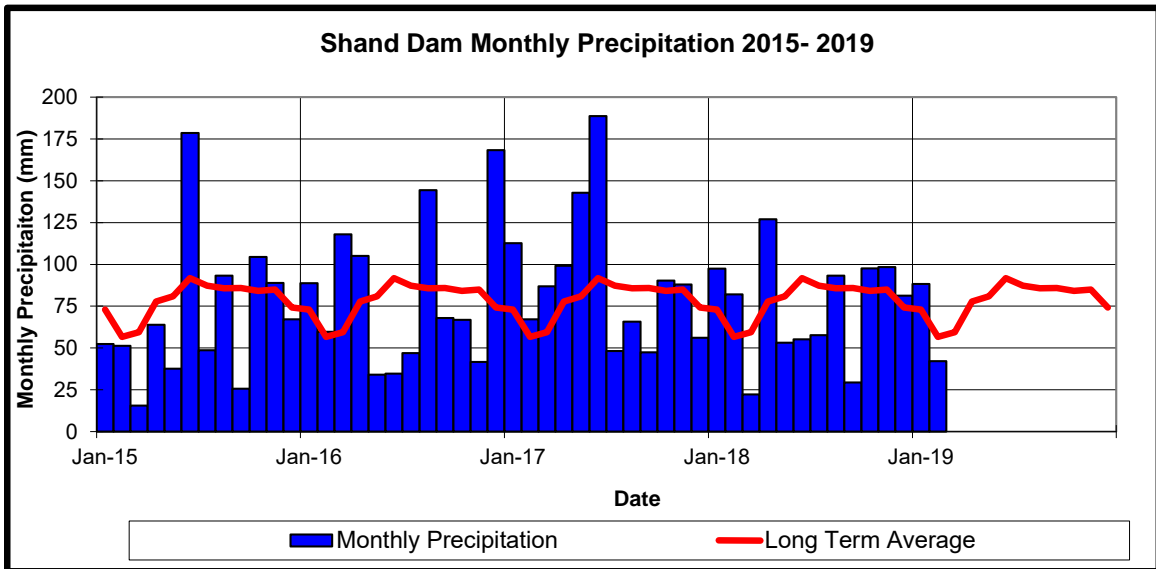
### **Prepared by:**

Stephanie Shifflett  
Water Resources Engineer

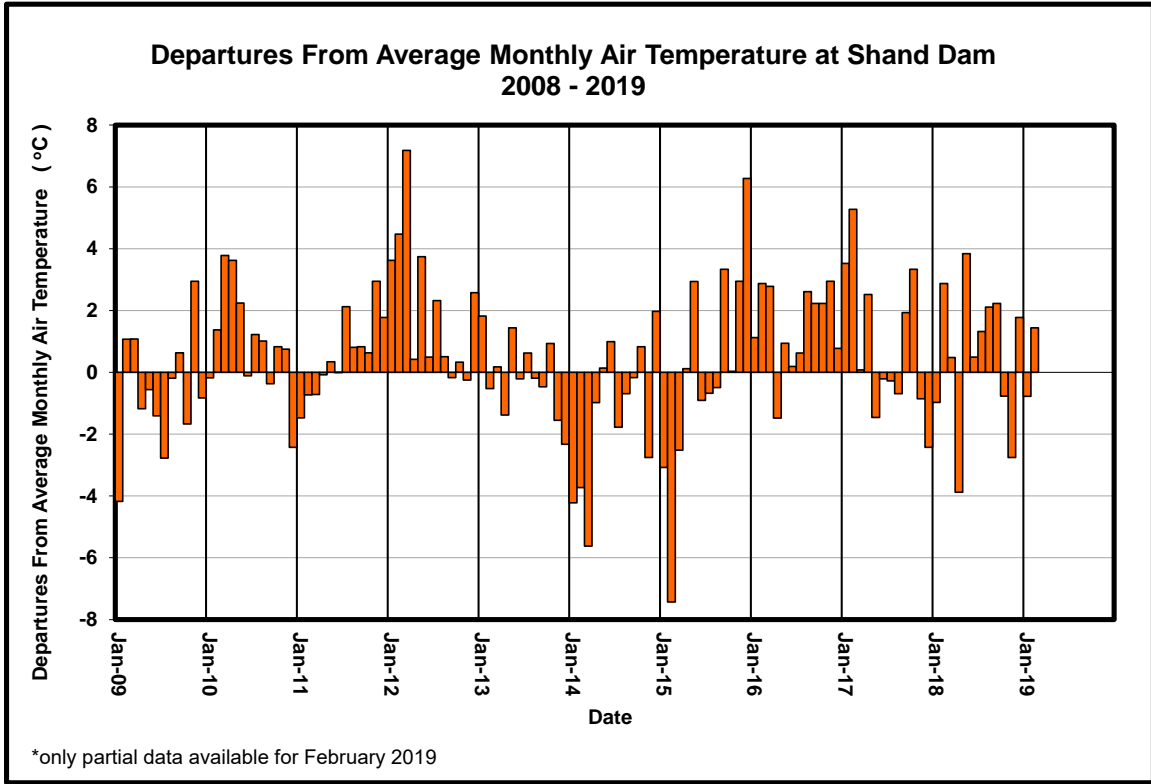
### **Approved by:**

Dwight Boyd  
Director of Engineering

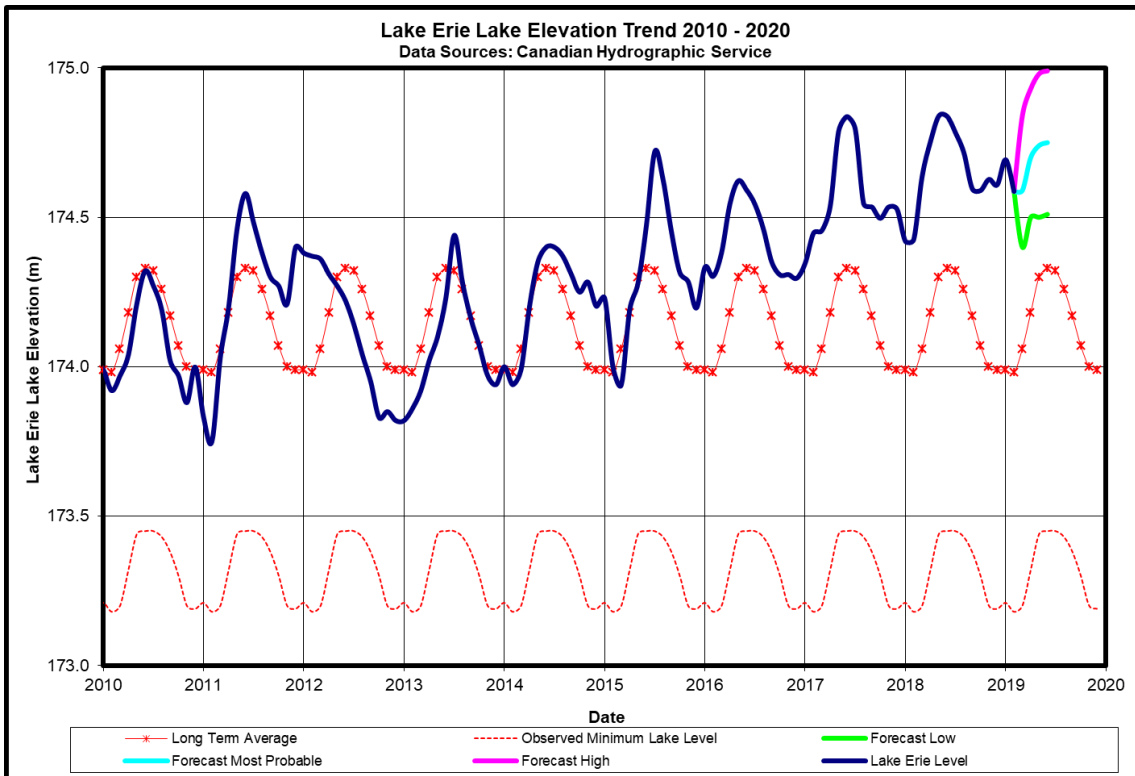
**Figure 1: Precipitation at Shand Dam, Shades Mill Dam and Brantford 2015 to Feb 13 2019**



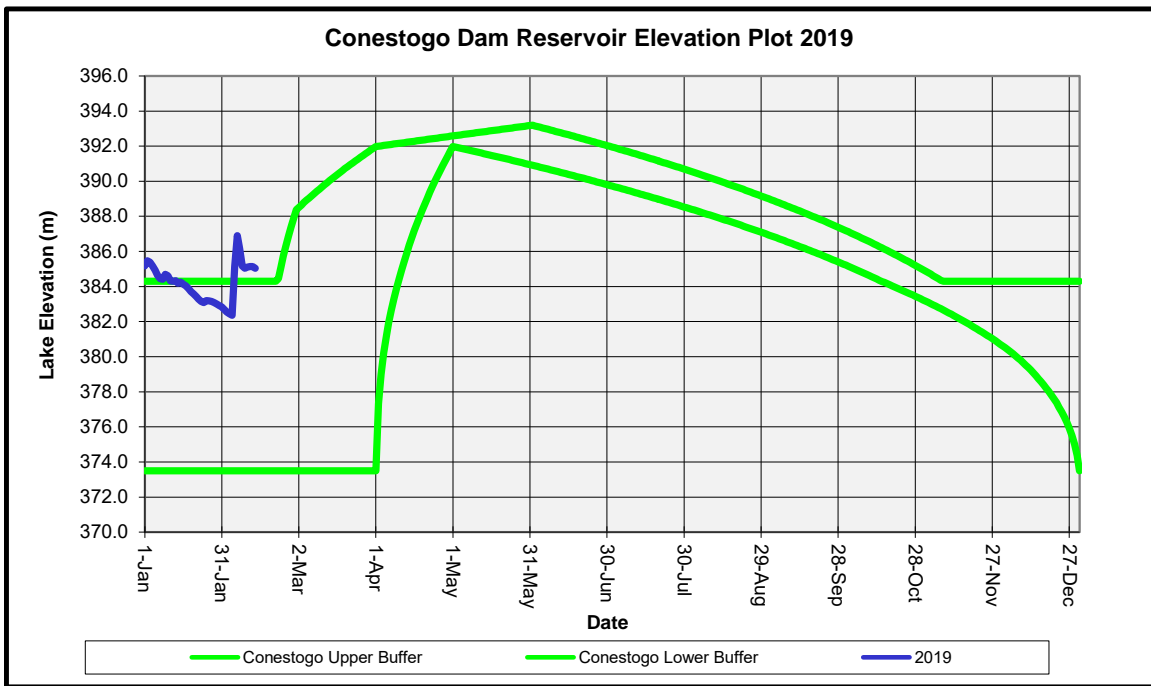
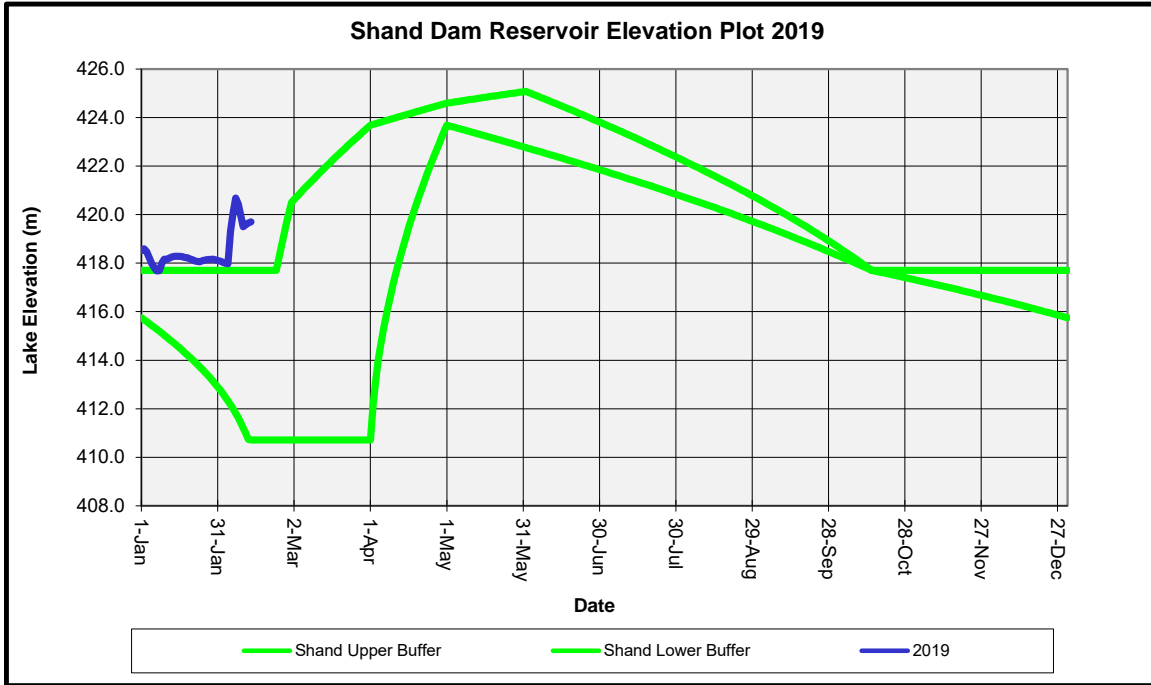
**Figure 2: Departures from Average Air Temperatures**



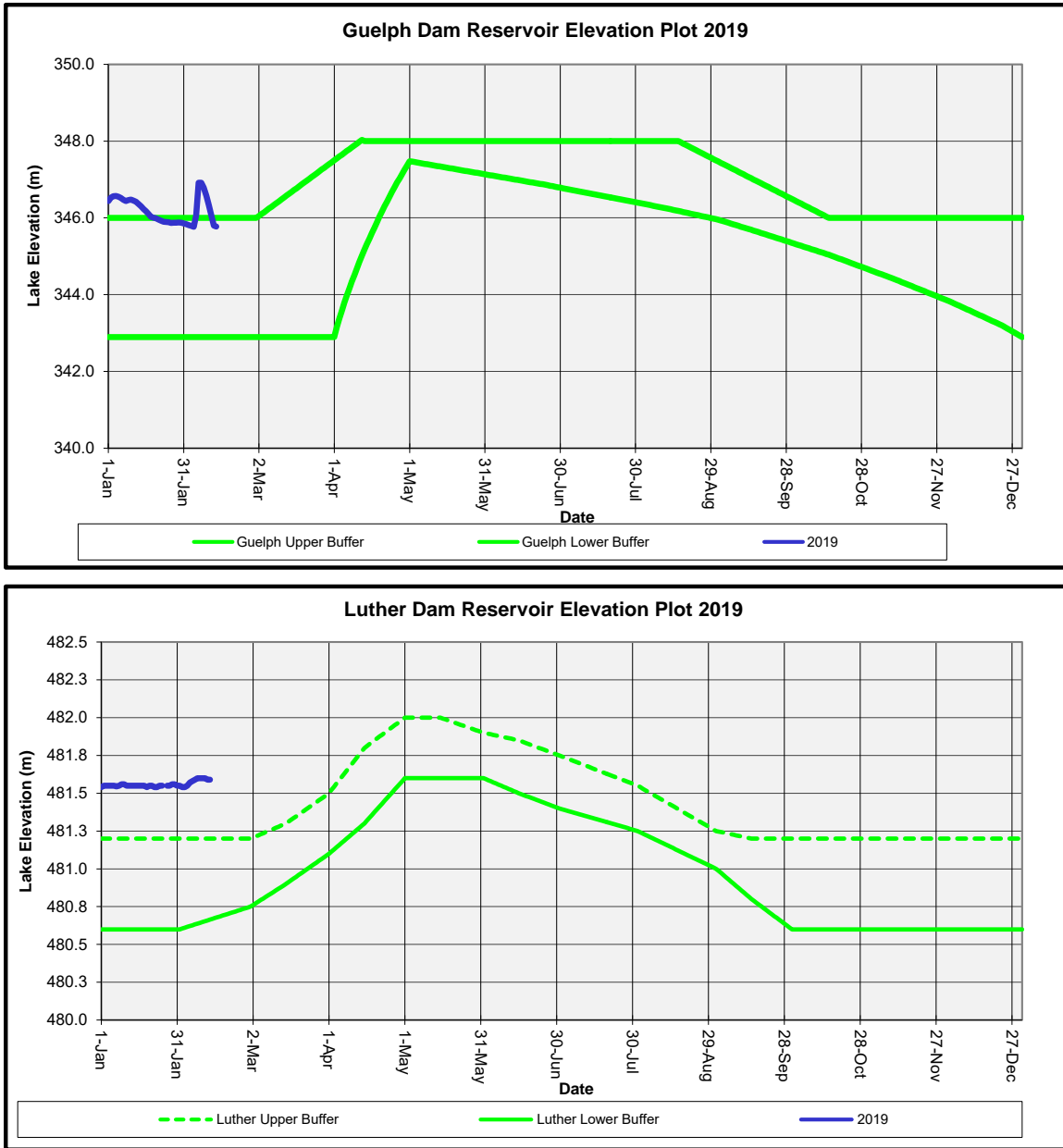
**Figure 3: Forecasted Lake Erie Levels**



**Figure 4: Shand and Conestogo Reservoir Elevation Plots**



**Figure 5: Guelph and Luther Reservoir Elevation Plots**



**Luther Dam Operating Curves**

Luther Dam primarily provides a flow augmentation function to the upper Grand River and to Shand Dam. While it does provide some benefits from a flood control perspective, these benefits are limited due to the small drainage area regulated by Luther Dam.

The buffers between March 1<sup>st</sup> and September 30<sup>th</sup> define the operating range to meet downstream low flow targets. The lower buffer defines the lowest operating range for flow augmentation before reducing downstream flow augmentation targets. The earlier winter (January 1<sup>st</sup> to March 1<sup>st</sup>) and late fall (October 1<sup>st</sup> to December 31<sup>st</sup>) upper buffer curve is defined from ecologic considerations from the Luther Marsh Master Plan.

# Grand River Conservation Authority

**Report number:** GM-02-19-25

**Date:** February 22, 2019

**To:** Members of the Grand River Conservation Authority

**Subject:** Grand River Watershed Flood Warning System

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## **Recommendation:**

THAT Report Number GM-02-19-25 – Grand River Watershed Flood Warning System be received as information.

## **Summary:**

The annual Flood Coordinator’s meeting was held on February 14, 2019. The program included a review of the flood fan-out system test, a discussion on the role of the municipal Flood Coordinators, presentations relating to the current flood fan-out procedures, a presentation explaining recent ice jam floods, distribution and access to new GIS data supporting emergency response and preparedness, response to spills, flood communications and a detailed report on watershed conditions. Municipal Flood Coordinators, Municipal Police, Ontario Provincial Police, Environment Canada, Province of Ontario and GRCA staff attended the meeting.

## **Report:**

Flooding has long been a major concern to residents of the Grand River valley. While most major river flooding occurs in March and April, serious flooding can still occur any month of the year. It is anticipated that the frequency and severity of flood events will increase as a result of climate change. The Grand River Conservation Authority has undertaken a major program of flood control through the construction of reservoirs and dike systems. While these reservoirs and flood protection works play a significant role in controlling floods, they do not eliminate the possibility of flooding.

The primary responsibility for managing a flood emergency rests with the municipality, through its emergency plan. The Grand River Conservation Authority has the following roles during a flood emergency:

- a) Monitoring watershed and weather conditions to predict flooding;
- b) Operating dams and reservoirs to reduce the effects of flooding;
- c) Issuing flood warning messages.

In the event of a flood, it is important that watershed residents and emergency response personnel be warned in sufficient time to take appropriate action to reduce flood damages and the threat of loss of life. The Grand River Conservation Authority has developed a “fan-out” flood warning system to provide timely flood warnings and information to municipal officials and watershed residents.

The 2019 Flood Coordinator’s meeting was held on February 14 at the Grand River Conservation Authority Administration Centre. The program included a review of the flood fan-out system and test, a discussion on the role of the municipal Flood

Coordinators, presentations relating to the current flood fan-out procedures, as well as information on the Grand River Conservation Authority (GRCA) web site to assist flood co-ordinators. Presentations were delivered by staff that updated flood co-ordinates about recent ice jam flood events and mitigation options being considered through the Brantford dyke reach. Geographic information is playing an increasing role in preparing and responding to flood emergencies, staff explained the framework being created to share flood response related geographic information with municipal GIS departments to support municipal emergency response to floods. Work is being completed over 2019 to prepare for a multi municipality desktop emergency planning exercise in 2020 to test the Conestogo Dam emergency preparedness plan, staff explained the planned activities leading up to the 2020 emergency desktop exercise. A presentation explained agencies involve in spills response and provided contact information to report spills in the event of a spill emergency. A presentation was delivered by communications staff discussing flood communications and the evolving role social media is playing providing on the ground information during flood emergencies. Attendees were briefed about current watershed conditions and the flood outlook for the remainder of the winter and spring of 2019.

This year 74 people attended the Flood Warning Emergency Planning meeting. Participants included members of the following organizations and agencies: Flood Coordinators and Police from watershed, municipalities, Ontario Provincial Police, Environment Canada, Province of Ontario and GRCA staff. The following table compares the attendance at the 2019 meeting with the three previous years.

<b><u>Agencies Represented</u></b>	<b>2019</b>	<b>2018 Attendance</b>	<b>2017 Attendance</b>	<b>2016 Attendance</b>
Municipal Flood Coordinators	31	48	29	26
Municipal Police	3	4	5	3
Ontario Provincial Police	0	1	5	5
Provincial Ministries	1	2	3	2
Water Survey – Environment Canada	6	4	2	5
Other Conservation Authority staff	3	6	2	1
News Media	1	2	0	1
GRCA Staff	29	29	38	33
Other	0	0	0	0
<b>Total Persons in Attendance</b>	<b>74</b>	<b>96</b>	<b>84</b>	<b>76</b>

To ensure a strong communications link, the Flood Warning System is tested each year. This year's test was run on February 12, 2019. All municipalities received the message and all but 3 municipalities confirmed receipt of the test message. All police services received and acknowledged receipt of the message. A gap was identified in GRCA'

The Flood Warning System "Booklet" is currently being updated to reflect changes brought forth as a result of the Flood Warning Test and the Flood Coordinator's meeting and will be issued in March to the following:

- a) Clerks of all municipalities in the Watershed including Regional and County Governments;
- b) Members of the Grand River Conservation Authority;
- c) Police Services listed as part of the flood message fan-out system;
- d) Radio and Television stations in the watershed;
- e) Daily newspapers in the watershed;
- f) Authority operating personnel;
- g) Provincial and Federal Agencies listed in the Flood Warning System Booklet.

The current flood risk outlook is high for Lake Erie shoreline flooding due to the high Lake Erie levels at this time. It is also high for ice jam flooding given the large volume of ice and ice jams in the Grand River downstream of Brantford. The risk of flooding for snowmelt and rainfall is moderate at this time. There is currently a below normal snow pack for this time of year however the ground is frozen and saturated which increases the potential for runoff when snowmelts and if it is accompanied by rain. Conditions will be closely monitored over the spring runoff period.

**Financial implications:**

Not Applicable.

**Other department considerations:**

Not Applicable.

**Prepared by:**

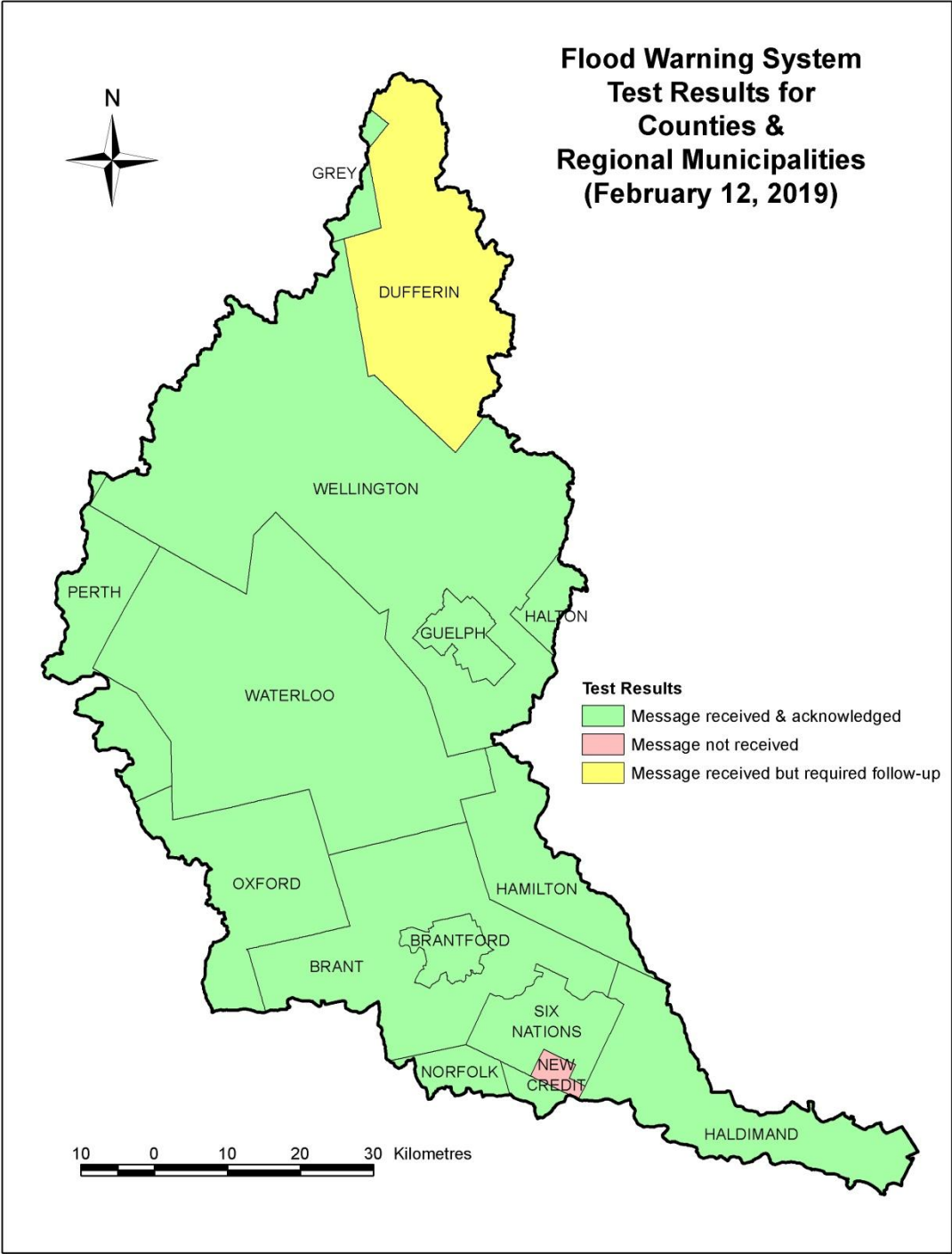
Dwight Boyd, P. Eng.  
Director of Engineering

**Approved by:**

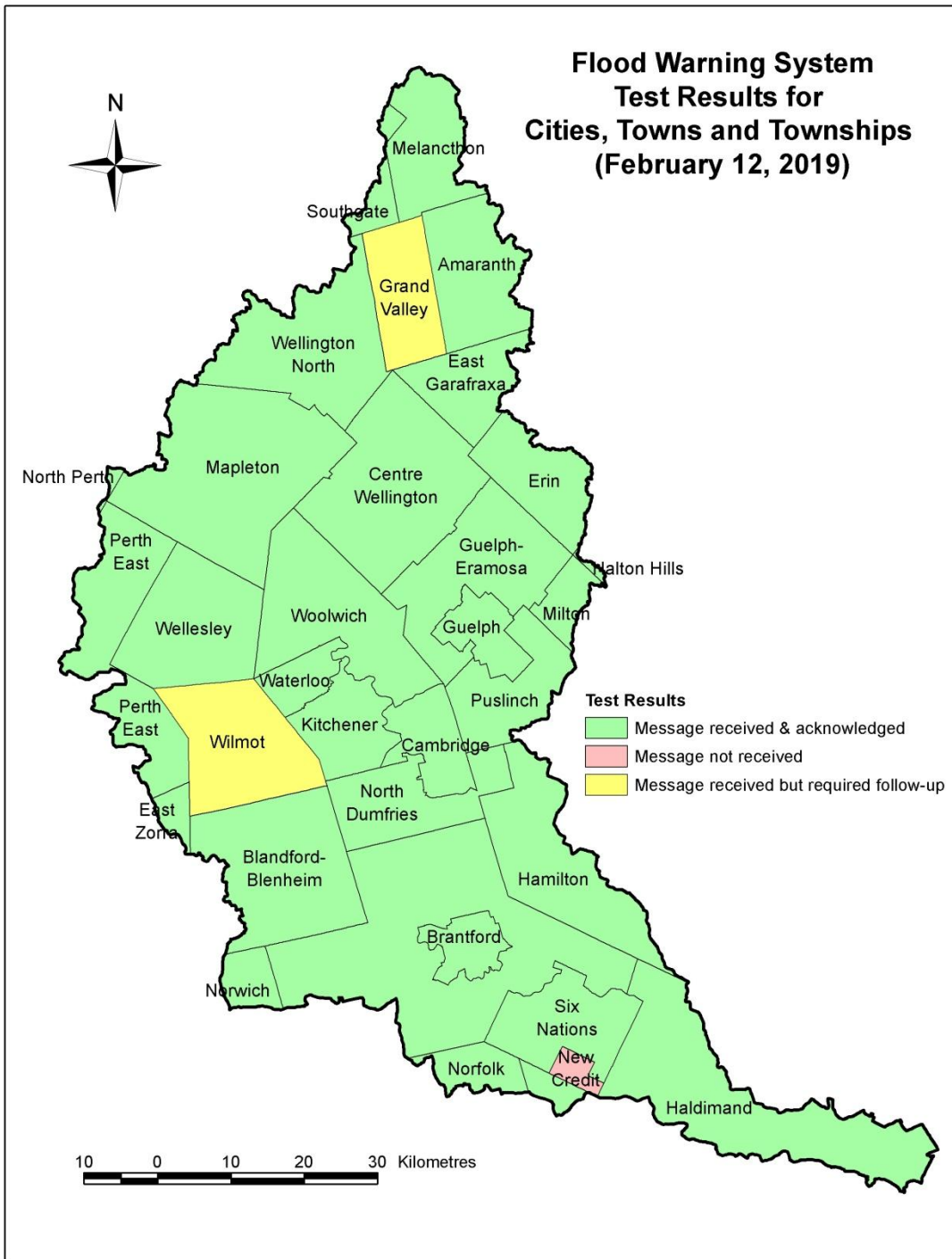
Joe Farwell, P.Eng.  
Chief Administrative Officer



**Flood Warning System  
Test Results for  
Counties &  
Regional Municipalities  
(February 12, 2019)**



## Flood Warning System Test Results for Cities, Towns and Townships (February 12, 2019)



# Grand River Conservation Authority

**Report number:** GM-02-19-26

**Date:** February 23, 2019

**To:** General Membership

**Subject:** Cannabis Consumption in Conservation Areas

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## **Recommendation:**

THAT Report Number GM-02-19-26 – Cannabis Consumption in Conservation Areas be received as information.

## **Summary:**

On October 17, 2018 cannabis was legalized in Canada. Cannabis is a drug capable of causing potential impairments and, similar to alcohol, the use of it in Conservation Areas needs to be governed. Rules for cannabis use in Conservation Areas are required to allow visitors to have the best possible outdoor experience and to show commitment toward the health and safety of GRCA employees and their working environment.

## **Report:**

The Liquor Licence Act, R.S.O. 1990 C.L.19, s.31(1) defines a tent and the surrounding campsite as a “residence” for the purpose of determining where a person can legally consume alcohol. As such, a registered campsite is the only location where alcohol can be consumed in a conservation area. A person must also be 19 years old to consume alcohol.

Historically, alcohol consumption in the conservation areas resulted in problems with respect to inappropriate behaviour, public safety and enforcement. This was particularly true during the Victoria Day and Labour Day long weekends, during the months of May and June for end of school year celebrations, and in situations where the physical features of a specific site posed inherent risks e.g. Elora Gorge. Total alcohol bans were implemented to foster a more family-friendly environment and to ensure the safety of staff and visitors. At the Elora Gorge Conservation Area a year-round alcohol ban was put in place due to the safety risks associated with campsites and trails located in close proximity to the edge of the gorge.

On October 17, 2018 consumption of recreational cannabis in Ontario was legalized via the Cannabis Statute Law Amendment Act, 2018 (Ontario). Persons must be 19 years of age to legally consume cannabis. Consumption of cannabis is permitted in private residences, many outdoor public places (e.g. sidewalks, parks), designated smoking guest rooms in hotels, motels and inns, and in recreational vehicles and boats that meet certain criteria (e.g. have permanent sleeping accommodations and cooking facilities, and are parked or anchored).

As a private property owner, GRCA has the right to designate additional parameters for consumption of cannabis within conservation areas. The legalization of recreational

cannabis is a relatively recent event. Consequently, relatively few organizations have published their intentions relative to cannabis use.

Parks Canada has stated that cannabis may be consumed on registered campsites and trails. Cannabis smoking and vaping is prohibited in common areas and playgrounds. Parks Canada also implements alcohol bans on long weekends and their alcohol policy has been revised include cannabis smoking and vaping.

GRCA staff have been in contact with Ontario Parks numerous times since the legislation was announced to determine how the province would be enforcing cannabis rules in provincial parks. To date Ontario Parks have not publicly released their policy.

Upper Thames River Conservation Authority has developed a smoke free policy for their campgrounds which includes cannabis. Thus far, other Conservation Authorities have adopted a wait and see approach with no immediate communication or action.

Based on general direction being taken by other organizations and the historic approach of the GRCA with respect to alcohol, it is proposed that the GRCA treat cannabis use similar to alcohol. Cannabis may be consumed on a registered campsite and in open spaces, like trails and parking lots.

The Cannabis Statute Law Amendment Act, 2018 allows a relatively wide range of public areas where cannabis use is permitted. However, in the interest of visitor safety and enjoyment, the GRCA has identified that cannabis use would not be permitted:

- on the sand portion of beaches and swimming areas,
- within the enclosure area surrounding swimming pools,
- near splash pads and playgrounds,
- within picnic shelters or pavilions with more than two solid sides, or
- inside washrooms.

In addition, cannabis use will be banned entirely during periods where established alcohol bans exist. The following are the existing alcohol bans that would also apply to cannabis:

- **Elora Gorge Conservation Area:** A total alcohol/cannabis ban is in effect for all operating dates from May 1 to October 15 inclusive. This ban prohibits the possession or consumption of alcohol and/or cannabis anywhere within the conservation area, including all registered campsites.
- **Byng Island Conservation Area:** A total alcohol/cannabis ban is in effect from the Thursday before Victoria Day until the third Sunday in June, and on Labour Day weekend (Thursday to Monday) anywhere within the conservation area, including all registered campsites.
- **Laurel Creek Conservation Area:** A total alcohol/cannabis ban is in effect from May 1 (opening day) until the third Sunday in June, and on Labour Day weekend (Thursday to Monday) anywhere within the conservation area, including all registered campsites.
- **All Conservation Areas:** Alcohol and cannabis are banned during the Victoria Day and Labour Day weekends (Thursday to Monday) anywhere within the conservation area, including all registered campsites.

Currently, smoking any products around playgrounds is prohibited. In addition, smoking on the beach at Pinehurst Lake Conservation Area has been prohibited for several

years. The designation of additional non-smoking areas, such as all beaches, swimming areas, enclosed shelters, playgrounds, including some non-smoking campsites, will be explored as a possible future initiative.

These proposed rules are specific to fee paying conservation areas. On other GRCA property, where there is no entry fee, the general legislation and regulations surrounding the consumption of alcohol and cannabis would apply.

As mentioned previously, the cannabis legislation is still relatively new. It is expected that other organizations similar to the GRCA will be producing their own policies governing cannabis use. As these policies and best practices are developed, the GRCA's policy will be reviewed and adapted as appropriate.

**Financial implications:**

Restrictions on alcohol use, including complete bans, have not had an adverse impact on conservation area revenues. Conversely there is evidence to suggest that the restrictions have encouraged family use of the conservation areas. It is expected that restrictions on cannabis use would have a similar impact.

**Other department considerations:**

The Communications Department will provide assistance with the messaging of the proposed change.

**Prepared by:**

Pam Walther-Mabee  
Manager Conservation Areas

Dave Bennett  
Director of Operations

**Approved by:**

Joe Farwell  
Chief Administrative Officer

# Grand River Conservation Authority

**Report number:** GM-02-19-22  
**Date:** February 22, 2019  
**To:** Members of the Grand River Conservation Authority  
**Subject:** Proposed Amendment to the Growth Plan for the Greater Golden Horseshoe, 201 (ERO Posting #013-4504)

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## **Recommendation:**

THAT Report Number GM-02-19-22 – Proposed Amendment to the Growth Plan for the Greater Golden Horseshoe, 2017 (ERO Posting #013-4504) be received for information;  
AND THAT Grand River Conservation Authority Report GM-02-19-22 be submitted to the province through the Environmental Registry.

## **Summary:**

On January 15, 2019, the province posted a Proposed Amendment to the Growth Plan for the Greater Golden Horseshoe, 2017 on the Environmental Registry (ERO# 013-4504). The amendments include changes such as reductions to intensification and greenfield density targets, simplified settlement area boundary expansion criteria and the creation of provincially significant employment zones.

This report summarizes GRCA comments on the changes to requirements for watershed planning and intensification targets.

## **Report:**

On January 15, 2019, the province posted a Proposed Amendment to the Growth Plan for the Greater Golden Horseshoe, 2017 on the Environmental Registry (ERO# 013-4504). The province hopes the amendments will, if approved, provide greater flexibility in the municipal implementation process of the Plan and increase the available housing supply in Ontario. The closing date for comments on the proposal is February 28, 2019.

In 2005, the Province approved the Places to Grow Act and subsequent implementation documents including the Growth Plan for the Greater Golden Horseshoe area (see Attachment 1). The Growth Plan outlines where and how growth should be directed in a way that protects natural heritage and water resources, the agricultural system and the economy while also building complete communities. The Growth Plan was amended in 2017 to incorporate many of the protective policies provided for in the Greenbelt Plan for natural heritage and water resources. The 2017 amendments included requirements for co-ordinated watershed and subwatershed planning, mapping of Natural Heritage Systems and Water Resource Systems and new policies for dealing with climate change. Density and intensification targets were also raised at that time for all municipalities in an effort to discourage low density single residential developments outside of existing built-up areas and encourage a more compact, urban form.

The amendments proposed under the new Environmental Registry posting are generally summarized below:

- Twenty-nine Provincially Significant Employment Zones will be established to protect employment uses. It is proposed that other uses (e.g. residential) will not be permitted. In general, these zones are located within already established municipally designated employment lands.
- Reduced density and intensification targets are intended to allow for more variation in the type of available housing. The new targets will vary across municipalities with smaller communities having the lowest targets. Municipalities will still be allowed to request alternative targets, but with simpler criteria than previously required.
- Allow municipalities to identify, plan for and expand Major Transit Station Areas in advance of a Municipal Comprehensive Review.
- Allow municipalities to undertake settlement area boundary adjustments and expansions of no more than 40 hectares in size outside of a Municipal Comprehensive Review subject to a number of criteria.
- Allow municipalities to refine and implement provincial mapping of the Natural Heritage System and Agricultural System in advance of the next municipal comprehensive review.

## **GRCA Comments**

### Watershed Planning

The current Growth Plan requires that proposals for settlement area boundary expansions include watershed planning and evidence that expansions would not negatively impact the Water Resource System, including the quality and quantity of water. These requirements have been removed. If avoidance of the Water Resource System is not possible, then expansions are now required to minimize or mitigate impacts.

In addition, the proposed amendment removes the explicit requirement to include policies in official plans for Water Resource Systems (e.g. seepage areas, wetlands, significant groundwater recharge areas and highly vulnerable aquifers including some source water protection areas). The current wording provides clear guidance on the municipal implementation of the Growth Plan policies to identify and protect these areas.

GRCA continues to support watershed planning as an important tool for considering impacts of settlement area boundary expansions. The requirements for mapping Water Resource Systems and demonstration of no impacts as a result of settlement area boundary expansions should remain in place. This will ensure that any expansions consider potential impacts on the features and functions of the Water Resource System. This would also be in keeping with the overall context of the Growth Plan which recognizes that “watersheds are the most important scale for protecting the quality and quantity of water” and “municipalities are required to undertake watershed planning to inform the protection of water resource systems and decisions related to planning for growth”. The Water Resource System should continue to be identified in official plans along with supporting policies for its protection. The amendment also proposes allowing an expansion to settlement area boundaries up to 40 hectares. It is unclear if there is a limit on the number of these expansions. The province is encouraged to clarify the criteria for these expansions.

### Intensification and Greenfield Density Targets

The province proposes to reduce the existing greenfield (lands located outside of built-up areas) density targets. The current density target requires that new development on greenfield lands meet an 80 residents or jobs per hectare target. Under the new targets, smaller municipalities would see reductions in their greenfield targets cut in half to 40 residents and jobs per hectare. A reduction in intensification targets is also proposed. Currently, a minimum of 60% of new residential development is required to be within the existing built-up area. Larger municipalities would remain at 60%, but some smaller communities would have their targets reduced. Municipalities may continue to request alternative density and intensification targets, but with new simpler criteria.

A reduction in density and intensification targets will ultimately result in fewer residential units in new developments. Greenfield lands will be used up quicker, placing greater pressure on the Water Resource and Natural Heritage Systems which the Growth Plan aims to protect. Consideration of impacts to community health, climate change and the long-term cost of financing urban sprawl is an important component of the planning process. GRCA supports requirements that consider the impacts of low density development on the Water Resource System, Natural Heritage System and the Agricultural System.

**Financial implications:**

Not applicable

**Other department considerations:**

Water quality and engineering staff contributed to this report.

**Prepared by:**

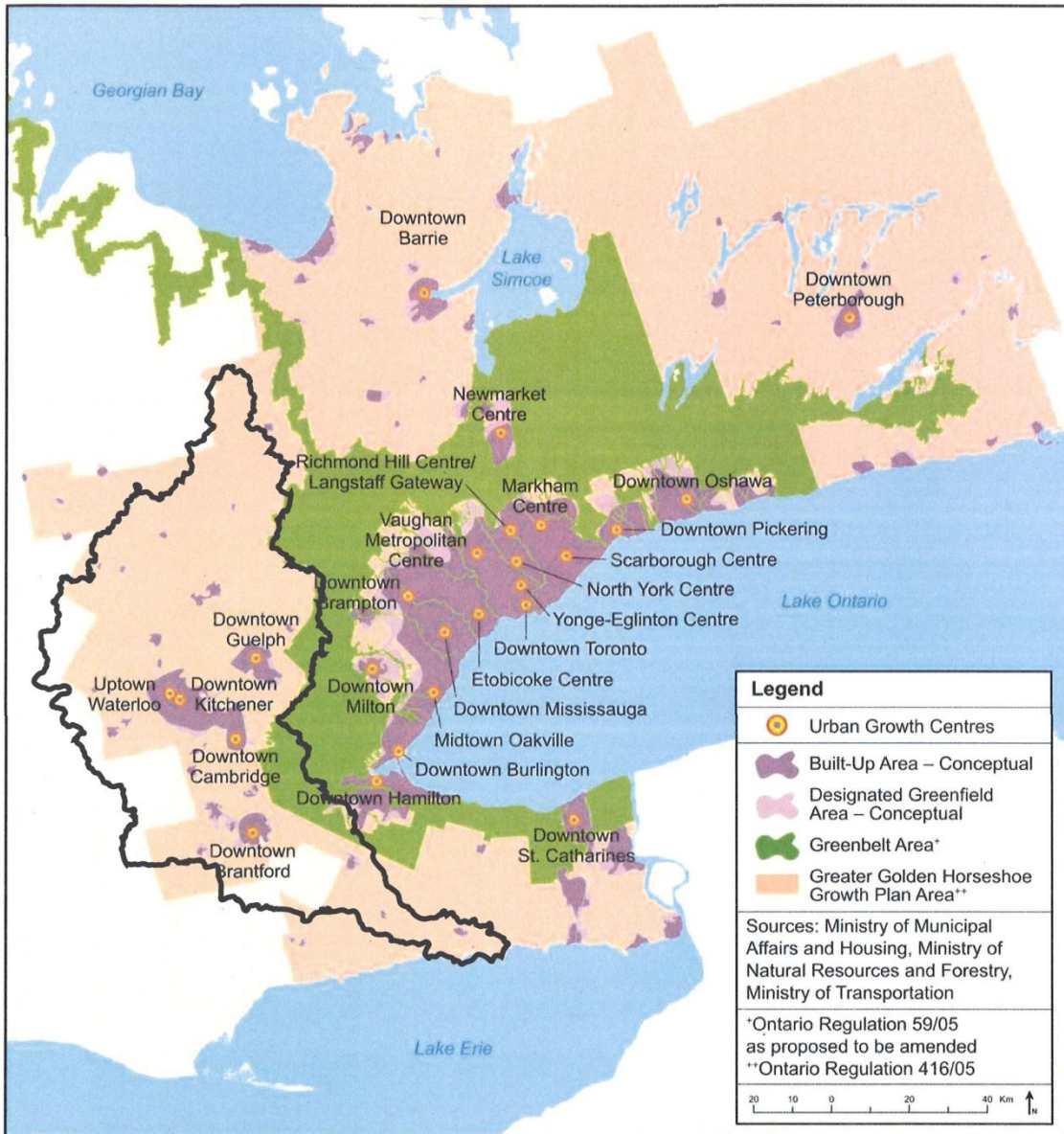
Melissa Larion  
Policy Planner

**Approved by:**

Nancy Davy  
Director of Resource Management



# Appendix 1 – 2017 Growth Plan and Grand River Watershed Boundary



## PLACES TO GROW

PROPOSED GROWTH PLAN FOR THE GREATER GOLDEN HORSESHOE, 2016

## SCHEDULE 4 Urban Growth Centres

Note: The information displayed on this map is not to scale, does not accurately reflect approved land-use and planning boundaries, and may be out of date. For more information on precise boundaries, the appropriate municipality should be consulted. For more information on Greenbelt Area boundaries, the Greenbelt Plan 2016 should be consulted. The Province of Ontario assumes no responsibility or liability for any consequences of any use made of this map.

# Grand River Conservation Authority

**Report number:** GM-02-19-20

**Date:** February 22, 2019

**To:** Members of the Grand River Conservation Authority

**Subject:** Afforestation Services for Spring 2019

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## **Recommendation:**

THAT the Grand River Conservation Authority award individual contracts for 2019 afforestation services to Bartram Woodlands Ltd. in the amount of \$35,900.00, Brinkman & Associates Reforestation Ltd in the amount of \$82,654.00, and Black River Tree Planting in the amount of \$36,505.00 (excluding taxes).

## **Summary:**

The Grand River Conservation Authority (GRCA) carries out a variety of tree planting projects on both private land and GRCA properties each spring. Afforestation contractors are utilized to implement these projects. Costs for afforestation projects on private lands are recovered from the landowners, who may receive funding from special programs. Afforestation on GRCA lands is funded through programs such as Forests Ontario's 50 Million Tree Program.

## **Report:**

The GRCA has planted trees on private land and GRCA property for over 50 years with over 30 million trees planted throughout the Grand River watershed to date. The GRCA offers watershed residents access to a coordinated approach for afforestation services. Forestry specialists assist landowners with the design of their projects and accessing funding programs. The GRCA procures appropriate nursery stock at bulk pricing and retains qualified afforestation contractors to complete the projects.

To ensure that planting projects are successful, the GRCA seeks contractors with expertise in afforestation and naturalization style tree planting. The bare root tree planting season is compressed into a three to four week period that starts as soon as the frost leaves the ground. To accommodate this compressed season, GRCA's afforestation projects are contracted out according to the planting method and nursery stock size/type, and sometimes further divided into north and south sections of the watershed. This results in a platoon of contractors working simultaneously to ensure the completion of projects during this short time period.

GRCA advertised for prequalification of companies interested in participating in GRCA's 2019 afforestation program. Four companies submitted their prequalification documents and met the criteria for receiving the subsequent Request for Proposals. The proposals were opened at 3:00 p.m. on Friday, January 25, 2019 at the GRCA Administration Centre. The tender opening committee consisted of Sonja Radoja, Manager of Corporate Services; Dave Bennett, Director of Operations; and Nathan Munn, Supervisor of Forestry Operations.

The following table shows the bids submitted based on the planting of 116,800 trees.

Contracts			Contractor Bids		
<b>SEEDLINGS</b> (bid price per 1000)		Approx. number of trees	Black River	Bartram Woodlands	Brinkman & Associates
<b>CONTRACT 1:</b>	Machine planting	50,000	No bid	<b>\$718.00</b>	No bid
<b>CONTRACT 2:</b>	Hand planting	56,500	\$820.00	No bid	<b>\$748.00</b>
<b>SAPLINGS AND/OR POTTED</b> (bid price per tree)		Approx. number of trees	Black River	Bartram Woodlands	Brinkman & Associates
<b>CONTRACT 3:</b>	Hand planting – north half of watershed	5,400	\$8.65	\$11.43	<b>\$7.48</b>
<b>CONTRACT 4:</b>	Hand planting – south half of watershed	4,900	<b>\$7.45</b>	\$9.43	\$7.93

It is proposed that the contracts be awarded as follows:

Contract	Contractor	Contract Value
<b>CONTRACT 1:</b> Machine planting seedlings	Bartram Woodlands Ltd.	\$35,900.00
<b>CONTRACT 2:</b> Hand planting seedlings	Brinkman & Associates Ltd.	\$42,262.00
<b>CONTRACT 3:</b> Hand planting saplings/potted (north)	Brinkman & Associates Ltd.	\$40,392.00
<b>CONTRACT 4:</b> Hand planting saplings/potted (south)	Black River Tree Planting	\$36,505.00
<b>TOTAL:</b>		<b>\$155,059.00</b>

### **Financial implications:**

The cost of afforestation projects on private lands are paid for by the individual property owners requiring the service. If eligible, these costs may be offset by programs such as the Rural Water Quality Program, Forests Ontario, and the Habitat Stewardship Program. Tree planting on GRCA land is funded through capital budgets, external agencies such as Forests Ontario and/or the Grand River Conservation Foundation.

The GRCA's tree planting program aims for cost recovery. The amount charged to landowners for planting trees is set to allow for the costs of paying contractors to plant these trees, as well as, all of the internal shipping, handling, and storage costs. Based

on the contract values of the recommended contractors, this cost recovery goal will be achieved.

**Other department considerations:**

Natural Heritage and Conservation Services staff are involved in the planning and coordination of afforestation projects on both private and GRCA lands.

**Prepared by:**

Nathan Munn, R.P.F  
Supervisor of Forestry Operations

**Approved by:**

Dave Bennett,  
Director of Operations

# Grand River Conservation Authority

**Report number:** GM-02-19-21  
**Date:** February 22, 2019  
**To:** Members of the Grand River Conservation Authority  
**Subject:** HEC-HMS Hydrology Modeling Software Contract

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## **Recommendation:**

THAT the Grand River Conservation Authority enter into a contract with Resource Management Associates to complete enhancements to the US Army Corps HEC-HMS hydrology modeling software in the amount of \$48,300 USD.

## **Summary:**

An update to the hydrologic modelling software currently used by the GRCA is proposed. The province has provided special project funding to the GRCA to complete a model update. A contract is proposed with Resource Management Associates to complete enhancements to the US Army Corps of Engineers HEC-HMS hydrology software.

GRCA currently uses the Guelph All Weather Sequential Event Runoff (GAWSER) hydrology model to complete surface water modeling and flood forecasting. There is uncertainty regarding the long term viability of GAWSER because of its limited user base and future retirement of the current model author.

The province provided funding in 2015 to evaluate the US Army Corps HEC-HMS hydrology model for use in Ontario. Results of this evaluation identified adapting the HEC-HMS model as the preferred approach to replace modelling capabilities provided by the GAWSER model.

The province provided a special project transfer payment fund to initiate adapting the US Army Corps HEC-HMS hydrology model for application in Ontario in 2016-17. A contract was issued to Resource Management Associates in 2016, the consultant to the US Army Corps of Engineers, to initiate upgrades to the HEC-HMS software. That contract was approved in board report GM-12-16-154 and is complete. A second contract to add enhanced snow melt modeling was approved in board reports GM-02-18-25, and GM-07-18-75 this contract is underway.

The Ministry of Natural Resources and Forestry has provided transfer payment funds for 2018-19 to cover the full cost of the contract proposed in this report. The set of enhancements include the addition of the Linacre evapotranspiration model and the ability to seasonally adjustment parameters in the HEC-HMS software. These enhancements will allow the HEC-HMS software to provide similar capabilities available in the current GAWSER model and respond to modeling needs in Ontario.

## **Report:**

The Ministry of Natural Resources and Forestry (MNRF) has provided GRCA with a special transfer payment to complete floodplain mapping related work. Part of this funding includes

adapting the US Army Corps of Engineers (USACE) hydrology software HEC-HMS for use in Ontario.

Three case studies to test the HEC-HMS software in Ontario were completed in 2015 as part of a previous MNRF transfer payment. The three case studies helped prioritize enhancements needed to the HEC-HMS software to improve its ability to model hydrology in Ontario. The hydrology software is one component of the overall HEC Flood Forecasting Framework.

The current proposed enhancement includes incorporating Linacre evapotranspiration model and seasonal parameter adjustment used in the current flood forecasting and hydrology model GAWSER used by the GRCA into the USACE HEC-HMS software.

The cost estimate to complete the requested software enhancement is \$48,300 USD.

Task 1: Incorporating Linecar Evaporation Model in HEC-HMS	<b>\$18,000 USD</b>
Task 2: Incorporating Seasonal Parmeter adjust for capability in HEC-HMS	<b>\$24,000 USD</b>
Budget Contingency 15% to be drawn on if required	<b>\$ 6,300 USD</b>
<b>TOTAL:</b>	<b>\$48,300 USD</b>

This is a sole sourcing request as USACE is the developer and owner of this software.

### **Reason for pursuing HEC-HMS and HEC-RTS**

Currently GRCA and several other CAs use the Guelph All Weather Sequential Event Runoff (GAWSER) model developed at the University of Guelph. The GAWSER model provides the capability to estimate flood flows for floodplain mapping, support continuous simulation for water budget studies, includes water quality wash off modeling capabilities and is a capable Real-time Flood Forecasting model. Another important aspect of the GAWSER model is that it is a physically based model founded upon readily available data. The GAWSER model uses an appropriate amount of detail and complexity to answer most surface water modeling needs. The algorithms in GAWSER are sound and founded on good science. The versatility, flexibility and physically based nature of the model make it a very important decision support tool able to cover the range of surface water modeling needs.

There is uncertainty regarding the long term viability of GAWSER because of its limited user base and future retirement of the current model author.

Previous special project transfer payments (TP) from MNRF provided the opportunity to investigate alternatives to the GAWSER model. Beyond having similar capabilities to the GAWSER model, alternative models should be affordable, well documented, supported, be physically based, have a broad user base and good institutional arrangements. Institutional arrangements are important to ensure continued support, training and viability of the model into the future.

The United States Army Corps of Engineers (USACE) HEC models fit all these categories. The HEC model suite is affordable, well supported and has a broad user base.

Updating a surface hydrology model is an important long term business investment decision. It has financial implications both from the cost to implement the model and from the human resources needed to effectively use the model. The model selected has covered off a range of needs to make the model affordable and practical to Conservation Authorities.

Based on all these requirements, the USAE Corps suite of hydrology and hydraulic modeling software tools are recommended. The following summarizes several of the important aspects of the HEC modelling suite.

- Good long term support

- Models are tested and validated
- Good documentation exists and is maintained
- Affordable training is available
- HEC models are freely distributed and carry no annual maintenance fee
- Has the ability to estimate flood flows for floodplain mapping
- Includes continuous simulation capabilities for water budget analysis.
- Includes sediment and water quality wash off capabilities
- Has Real Time Flood Forecasting capabilities
- Integrates easily with the WISKI Hydrometric Database currently used by many CAs
- Has a broad user base Including the consulting engineering community

Use of the HEC products was further reinforced by the willingness of HEC staff to consider enhancements to the HEC-HMS software to improve its application in Ontario.

### **Real-Time Flood Forecasting Capabilities**

The US Army Corps of Engineers developed a real-time forecasting framework, the Corps Water Management System (CWMS). They use this framework to manage river systems in the Corps of Engineers field offices across the United States. Until recently CWMS was only available in the USAC field offices and was not shareable with other agencies. Recently the HEC-RTS framework was released. It provides the same functionality as the CWMS and has the ability to run on desktop PC computers and servers. The HEC-RTS framework can be implemented by the GRCA and other CAs, allowing the HEC-HMS software to be leveraged to be a real-time flood forecast model.

### **Contracting the US Army Corps of Engineers**

It is proposed that GRCA contracts RMA consultants to complete upgrades to the HEC-HMS model. The work to complete the upgrades would be completed by RMA and HEC staff.

### **Financial implications:**

The enhancements described in this report are fully funded by the MNRF through a special transfer payment from MNRF to GRCA.

### **Other department considerations:**

Not applicable

#### **Prepared by:**

Dwight Boyd  
Director of Engineering

#### **Approved by:**

Joe Farwell  
Chief Administrative Officer

# Grand River Conservation Authority

**Report number:** GM-02-19-23

**Date:** February 22, 2019

**To:** Members of the Grand River Conservation Authority

**Subject:** General Membership Composition

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## **Recommendation:**

THAT Report Number GM-02-19-23 – General Membership Composition be received for information;

AND THAT an ad hoc committee be struck to review General Membership Composition.

## **Summary:**

The current composition of the General Membership is based on a 1994 Order-in-Council. Legislative changes have occurred since that time pertaining to appointments which create a potential alternative method for determining composition and in light of the change in how the levy is apportioned to watershed municipalities, staff are recommending a review of the composition of the General Membership to ensure equitable representation of participating municipalities. It is recommended that an ad hoc committee be struck to conduct this review and the ad hoc committee be comprised of the Chair, Vice-Chair and an appropriate number of Members, as determined by the General Membership.

## **Report:**

### **Background**

In the review of the Conservation Authorities in Ontario in the late 1980's, both the Bugar and Ballinger Reports recommended that Conservation Authority Board membership be reduced and the Minister of Natural Resources suggested that the maximum number of members should be 25 with full participation of all members in the activities of the Grand River Conservation Authority, without a designated Executive Committee. The composition of the Board at the time included 44 members appointed by watershed municipalities and 6 provincially appointed members. The entire membership met twice per year and an executive committee of 12 members met twice each month and dealt with operational matters.

At the February 1991 Annual Meeting, the Members passed a resolution approving the principle of membership reduction and directing the Chair to initiate discussions with municipalities and the Ministry of Natural Resources to determine a new structure with modified representation from the existing structure at the time. These discussions with municipalities highlighted a general consensus that a membership reduction was viewed as favourable and would promote greater member involvement, improved communications between the Grand River Conservation Authority and its member municipalities, improved accountability and a reduction in administration costs.

To develop a new structure with fair and reasonable representation, a Membership Re-Organization Committee was struck to propose a revised Board structure with consideration to population, assessment and geographic area. At the September 21, 1993 General Meeting, a revised structure was proposed that reflected a reduced



number of members from 44 to 26 and the elimination of the six provincial appointees. At the November 25, 1993 General meeting, the Chair reported that affected municipalities had expressed their support for the proposed structure.

At the February 23, 1994 General Meeting, the Members passed a resolution that the revised structure proposed on September 21, 1993 be accepted as the basis for the appointment of municipal members to the GRCA by participating municipalities and for the grouping of municipalities for the purpose of appointing a member or members, and that an Order-in-Council be obtained from the Lieutenant Governor in Council to implement the membership reduction as of January 1, 1995.

Order-in-Council 2610-94 was issued October 7, 1994, attached as Appendix A, officially establishing a new membership structure for the Grand River Conservation Authority effective January 1, 1995 and a procedure for group appointments. At that time, the current Authority members were notified of the changes and municipalities were notified to make member appointments as per the Order-in-Council by December 15, 1994. In municipalities that were grouped together for group appointments, the new prescribed procedure required the Authority Chairman to call a meeting of the heads of the municipalities within the group who would then select the member or members to represent the group.

In 1998, the Conservation Authorities Act, section 8 was amended to allow participating municipalities to designate groups of municipalities for the purposes of appointing a member or members to a conservation authority and for determining the process to do so. Some municipalities transitioned to this methodology while others continued to follow the procedure outlined in the Order-in-Council.

In 2017, when the Conservation Authorities Act was updated, participating municipalities were given authority to appoint and replace members of an Authority and approval from the Lieutenant-Governor in Council is no longer required for membership appointment decisions, except in circumstances where dissolution of an Authority or amalgamation of Authorities is under consideration.

### **Current**

Participating municipalities may continue to appoint members according to the numbers set out in the 1994 Order-in-Council; however, the Order would not need to be revoked in order for the GRCA's participating municipalities to use the powers prescribed in the current Conservation Authorities Act to determine the composition of the Board membership and to appoint and replace members of the Board in accordance with municipally-determined processes.

There are numerous sections of the Conservation Authorities Act that pertain to membership appointments and these can be explored further by the ad hoc committee. Municipalities may appoint members based on population and deemed population based on proportional area within the watershed where only part of the municipality is within the watershed, or by agreement confirmed by resolutions passed by the councils of all of the participating municipalities.

Given the legislative changes since the 1994 Order-in-Council, the change in how the levy is apportioned to watershed municipalities, and the length of time since the last membership re-organization, staff are recommending a review of the composition of the General membership to ensure equitable representation of participating municipalities. It is recommended that an ad hoc committee be struck to conduct this review and the ad hoc committee be comprised of the Chair, Vice-Chair and an appropriate number of Members, as determined by the General Membership.

**Financial implications:**

Additional per diems may be incurred for members to attend ad hoc committee meetings and legal advice may be required. It is anticipated that these costs can be accommodated within the 2019 budget.

**Other department considerations:**

Not applicable

**Prepared by:**

Karen Armstrong  
Secretary-Treasurer/Deputy CAO

**Approved by:**

Joe Farwell  
CAO



Ontario

Executive Council  
Conseil des ministres

## Order in Council Décret

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and concurrence of the Executive Council, orders that:

Sur la recommandation du soussigné, le lieutenant-gouverneur, sur l'avis et avec le consentement du Conseil des ministres, décrète ce qui suit :

WHEREAS the Grand River Conservation Authority was established by Order in Council numbered O.C. 25/75, dated January 8, 1975, and was amended by Order in Council numbered O.C. 465/75, dated February 12, 1975 (hereinafter referred to as the "Authority");

AND WHEREAS the following municipalities were included as participating municipalities in the Authority in the aforementioned Orders in Council:

The Regional Municipality of Waterloo  
The Regional Municipality of Haldimand-Norfolk  
The Regional Municipality of Halton  
The Regional Municipality of Hamilton-Wentworth  
The County of Oxford  
The City of Brantford  
The City of Guelph  
The Town of Paris  
The Village of Dundalk  
The Village of Grand Valley  
The Township of Amaranth  
The Township of East Garafraxa  
The Township of East Luther  
The Township of Melancthon  
The Township of Proton  
The Village of Arthur  
The Village of Drayton  
The Township of Arthur

The Township of West Luther  
The Township of Maryborough  
The Township of Peel  
The Township of West Garafraxa  
The Village of Milverton  
The Township of North Easthope  
The Township of South Easthope  
The Township of Ellice  
The Township of Elma  
The Township of Mornington  
The Township of Wallace  
The Town of Fergus  
The Village of Elora  
The Township of Nichol  
The Township of Pilkington  
The Township of Eramosa  
The Township of Erin  
The Township of Guelph  
The Township of Puslinch  
The Town of Paris  
The Township of Brantford  
The Township of Burford  
The Township of South Dumfries  
The Township of Oakland  
The Township of Onondaga

AND WHEREAS the Authority wishes to designate groups of municipalities to be considered one municipality for the purpose of appointing members to the Authority, pursuant to section 8 of the Conservation Authorities Act, R.S.O. 1990 c.27;

NOW THEREFORE, pursuant to section 8 of the Conservation Authorities Act, R.S.O. 1990 c.27, for the purpose of appointing

members, the following designations and provisions for appointments are made:

1. The Regional Municipality of Waterloo which lies within the jurisdiction of the Authority is to appoint 10 members.
2. The Regional Municipality of Haldimand-Norfolk which lies within the jurisdiction of the Authority is to appoint 2 members.
3. The Regional Municipality of Halton which lies within the jurisdiction of the Authority is to appoint 1 member.
4. The Regional Municipality of Hamilton-Wentworth which lies within the jurisdiction of the Authority is to appoint 1 member.
5. The County of Oxford which lies within the jurisdiction of the Authority is to appoint 1 member.
6. The City of Brantford which lies within the jurisdiction of the Authority is to appoint 2 members.
7. The City of Guelph which lies within the jurisdiction of the Authority is to appoint 2 members.
8. The Village of Dundalk, The Village of Grand Valley, The Township of Amaranth, The Township of East Garafraxa, The Township of East Luther, The Township of Melancthon and The Township of Proton which lie within the jurisdiction of the Authority are designated as one municipality and jointly are to appoint one member.
9. The Village of Arthur, The Village of Drayton, The Township of Arthur, The Township of West Luther, The Township of

Maryborough, The Township of Peel, The Township of West Garafraxa which lie within the jurisdiction of the Authority are designated as one municipality and jointly are to appoint one member.

10. The Village of Milverton, The Township of North Easthope, The Township of South Easthope, The Township of Ellice, The Township of Elma, The Township of Mornington, The Township of Wallace which lie within the Authority are designated as one municipality and jointly are to appoint one member.

11. The Town of Fergus, The Village of Elora, The Township of Nichol, The Township of Pilkington which lie within the jurisdiction of the Authority are designated as one municipality and jointly are to appoint one member.

12. The Township of Eramosa, The Township of Erin, The Township of Guelph, The Township of Puslinch which lie within the jurisdiction of the Authority are designated as one municipality and jointly are to appoint one member.

13. The Town of Paris, The Township of Brantford, The Township of Burford, The Township of South Dumfries, The Township of Oakland, The Township of Onondaga which lie within the jurisdiction of the Authority are designated as one municipality and jointly are to appoint two members.

Recommended [Signature]  
Minister of Natural Resources

Concurred [Signature]  
Chair of Cabinet

Approved and Ordered OCT - 7 1994  
Date

[Signature]  
Lieutenant Governor

# Grand River Conservation Authority

**Report number:** GM-02-19-15

**Date:** February 22, 2019

**To:** Members of the Grand River Conservation Authority

**Subject:** Cash and Investment Status – January 2019

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## **Recommendation:**

THAT Report Number GM-02-19-15 Cash and Investment Status – January 2019 be received as information.

## **Summary:**

The cash position included Notes Receivable of the Grand River Conservation Authority as at January 31, 2019 was \$28,644,913 with outstanding cheques written in the amount of \$108,317.

## **Report:**

Attached.

## **Financial implications:**

Interest rates, etc. are shown on the report.

## **Other department considerations:**

Not applicable.

## **Prepared by:**

Carol Anne Johnston  
Senior Accountant

Sonja Radoja  
Manager of Corporate Services

## **Approved by:**

Karen Armstrong  
Deputy CAO/Secretary Treasurer

**Grand River Conservation Authority  
Cash and Investments Status Report  
January 31, 2019**

BANK ACCOUNTS	Location	Type	Amount	Interest Rate
	CIBC	Current Account	1,405,778	2.05%
	RBC	Current Account	44,597	nil
	Wood Gundy	Current Account	0	0.20%
	CIBC - SPP Holding	Current Account	586,471	2.05%
<b>TOTAL CASH - CURRENT ACCOUNT</b>			<b>2,036,846</b>	

INVESTMENTS	Date Invested	Location	Type	Amount	Face Value Interest Rate	Yield Rate	Date of Maturity	2019 Total Interest Earned/ Accrued
	September 9, 2009	CIBC Renaissance	High Interest Savings Account	1,880,097	1.60%		1.60% not applicable	30,082
	October 1, 2014	CIBC Trust Savings	High Interest Savings Account	1,239,052	1.60%		1.60% not applicable	19,825
	July 15, 2016	One Investment Savings	High Interest Savings Account	4,154,872	2.41%		2.41% not applicable	100,340
	December 8, 2014	Laurentian Bank	Bond	1,578,000	2.81%	2.364%	June 13, 2019	16,938
	January 28, 2015	CIBC	Step up bond	726,046	1.80%	1.80%	May 15, 2019	5,010
	September 3, 2015	CIBC	Step up bond	2,000,000	2.25%	2.25%	September 3, 2025	46,652
	October 14, 2015	Laurentian Bank	Bond	1,996,000	2.50%	2.62%	January 23, 2020	51,814
	March 1, 2016	CIBC	Bond	1,300,000	1.70%	1.80%	March 1, 2023	25,573
	September 16, 2016	CIBC	Bond	1,184,000	1.30%		March 13, 2020	15,868
	August 24, 2017	Bank of Montreal	Bond	1,550,000	1.61%	2.01%	October 28, 2021	30,781
	March 15, 2018	Bank of Nova Scotia	Bond	2,000,000	3.036%	2.20%	October 18, 2019	36,266
	July 16, 2018	Bank of Nova Scotia	Bond	1,000,000	2.27%	2.23%	January 13, 2020	22,311
	October 11, 2018	National	Bond	2,000,000	2.404%	2.326%	October 28, 2019	38,388
	October 11, 2018	RBC	Bond	2,000,000	2.35%	2.34%	December 9, 2019	44,005
	October 11, 2018	Bank of Nova Scotia	Bond	2,000,000	2.27%	2.399%	January 13, 2020	47,953
<b>TOTAL INVESTMENTS</b>				<b>26,608,067</b>				<b>\$531,806</b>

**TOTAL CASH AND INVESTMENTS** **\$28,644,913**

\* Reserve Balance at December 31st, 2018 23,677,015

**Investment By Institution**

	<u>% of Total Portfolio</u>
C.I.B.C.	31%
Bank of Nova Scotia	19%
Bank of Montreal	6%
Royal Bank	8%
National	8%
Laurentian	13%
One Investment Program	16%
	<u>100%</u>

\* Reserve balances are reviewed annually by the Board in November.



# Grand River Conservation Authority

**Report number:** GM-02-19-\_\_\_\_

**Date:** February 22, 2019

**To:** Members of the Grand River Conservation Authority

**Subject:** Financial Summary for the Period Ending January 31, 2019

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## **Recommendation:**

THAT the Financial Summary for the period ending January 31, 2019 be approved.

## **Summary:**

The Financial Summary includes the 2019 *actual* year-to-date income and expenditures. The budget approved at the February 22, 2019 General Meeting is included in the *Budget* column. The *Current Forecast* column indicates an estimate of income and expenditures for the whole year. At this time a surplus of NIL at year-end is anticipated.

## **Report:**

The Financial Summary is attached.

## **Financial implications:**

The activity summarized will result in a NIL surplus at December 31, 2019.

## **Other department considerations:**

The management committee and appropriate supervisory staff receive monthly financial reports and advise the finance department of applicable forecast adjustments.

## **Prepared by:**

Sonja Radoja  
Manager Corporate Services

## **Approved by:**

Karen Armstrong  
Secretary-Treasurer/Deputy CAO

**GRAND RIVER CONSERVATION AUTHORITY  
STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDING January 31st, 2019**

SCHEDULE		Actual 2018	Budget 2019	Actual YTD	Previous Forecast	Current Forecast	Forecast Change
<b>REVENUE</b>							
<b><u>Municipal</u></b>							
General Municipal Levy (Operating)	various	10,302,000	10,586,000	485	10,586,000	10,586,000	0
General Municipal Levy (Capital)	various	1,050,000	1,050,000	0	1,050,000	1,050,000	0
Special Municipal Levy	various	98,571	150,000	0	150,000	150,000	0
Other	various	1,023,016	870,000	1,134,159	870,000	870,000	0
		<b>12,473,587</b>	<b>12,656,000</b>	<b>1,134,644</b>	<b>12,656,000</b>	<b>12,656,000</b>	<b>0</b>
<b><u>Government Grants</u></b>							
MNRF Transfer Payments	various	871,073	871,073	3,134	871,073	871,073	0
Source Protection Program-Provincial	various	1,384,626	835,000	66,034	835,000	835,000	0
Other Provincial	various	944,800	1,177,500	809,901	1,177,500	1,177,500	0
Federal	various	441,116	250,000	56,477	250,000	250,000	0
		<b>3,641,615</b>	<b>3,133,573</b>	<b>935,546</b>	<b>3,133,573</b>	<b>3,133,573</b>	<b>0</b>
<b><u>Self Generated</u></b>							
User Fees and Sales							
<i>Enquiries and Permits</i>	4	458,583	466,000	87,421	466,000	466,000	0
<i>Plan Input and Review</i>	4	450,331	453,000	110,963	453,000	453,000	0
<i>Nursery and Woodlot Management</i>	5	499,498	465,000	10,837	465,000	465,000	0
<i>Consulting</i>	4	0	0	3,726	0	0	0
<i>Conservation Lands Income</i>	10	58,247	71,000	518	71,000	71,000	0
<i>Conservation Areas User Fees</i>	13	9,160,051	8,600,000	366,295	8,600,000	8,600,000	0
<i>Nature Centres and Camps</i>	8	983,252	1,000,500	47,849	1,000,500	1,000,500	0
<i>Merchandising and Sales</i>	8	1,926	0	0	0	0	0
Property Rentals	11	2,888,225	2,875,000	934,038	2,875,000	2,875,000	0
Hydro Generation	12	556,736	473,000	(50,204)	473,000	473,000	0
Land Sales	10	1,166,343	0	0	0	0	0
Grand River Conservation Foundation	various	421,413	454,000	0	454,000	454,000	0
Donations	various	158,284	426,000	252,337	426,000	426,000	0
Landowner Contributions	5	199,269	200,000	0	200,000	200,000	0
Investment Income	14	555,037	450,000	17,088	450,000	450,000	0
Miscellaneous Income	various	17,897	48,000	0	48,000	48,000	0
<b>Total Self-Generated Revenue</b>		<b>17,575,092</b>	<b>15,981,500</b>	<b>1,780,868</b>	<b>15,981,500</b>	<b>15,981,500</b>	<b>0</b>
<b>TOTAL REVENUE</b>		<b>33,690,294</b>	<b>31,771,073</b>	<b>3,851,058</b>	<b>31,771,073</b>	<b>31,771,073</b>	<b>0</b>

**GRAND RIVER CONSERVATION AUTHORITY  
STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDING January 31st, 2019**

SCHEDULE	Actual 2018	Budget 2019	Actual YTD	Previous Forecast	Current Forecast	Forecast Change	
<b>EXPENSES</b>							
<b>OPERATING</b>							
Water Resources Planning & Environment	1	1,981,020	2,243,200	127,106	2,243,200	2,243,200	0
Flood Forecasting and Warning	2	739,376	801,000	36,329	801,000	801,000	0
Water Control Structures	3	1,712,256	1,723,900	80,539	1,723,900	1,723,900	0
Resource Planning	4	1,942,897	2,084,600	108,665	2,084,600	2,084,600	0
Forestry & Conservation Land Property Taxes	5	1,422,785	1,411,400	59,923	1,411,400	1,411,400	0
Conservation Services	6	803,924	885,200	52,880	885,200	885,200	0
Communications & Foundation	7	613,385	733,900	48,332	733,900	733,900	0
Environmental Education	8	1,420,157	1,382,400	70,247	1,382,400	1,382,400	0
Corporate Services	9	2,922,538	3,797,768	171,340	3,797,768	3,797,768	0
Conservation Lands	10	1,897,866	2,095,700	97,709	2,095,700	2,095,700	0
Property Rentals	11	1,596,859	1,594,700	45,615	1,594,700	1,594,700	0
Hydro Production	12	134,677	133,000	4,083	133,000	133,000	0
Conservation Areas	13	7,732,014	7,585,000	127,965	7,585,000	7,585,000	0
Miscellaneous	14	63,754	70,000	(4,771)	70,000	70,000	0
Information Systems	16	1,133,065	1,243,000	158,899	1,243,000	1,243,000	0
Motor Pool	16	878,525	908,700	41,559	908,700	908,700	0
Less: Internal Charges (IS & MP)	16	(2,011,590)	(2,151,700)	(200,458)	(2,151,700)	(2,151,700)	0
<b>Total OPERATING Expenses</b>		<b>24,983,508</b>	<b>26,541,768</b>	<b>1,025,962</b>	<b>26,541,768</b>	<b>26,541,768</b>	<b>0</b>
<b>CAPITAL</b>							
Water Resources Planning & Environment	1	97,368	110,000	71	110,000	110,000	0
Flood Forecasting and Warning	2	161,212	190,000	12,487	190,000	190,000	0
Water Control Structures	3	1,274,516	1,500,000	4,527	1,500,000	1,500,000	0
Nature Centres	8	0	0	784	0	0	0
Conservation Areas	13	1,791,805	2,590,000	0	2,590,000	2,590,000	0
Corporate Services	9	0	0	0	0	0	0
Information Systems	16	229,951	200,000	5,683	200,000	200,000	0
Motor Pool	16	435,669	350,000	49,505	350,000	350,000	0
Less: Internal Charges (IS & MP)	16	(422,012)	(342,300)	200,458	(342,300)	(342,300)	0
<b>Total Capital Expenses</b>		<b>3,568,509</b>	<b>4,597,700</b>	<b>273,515</b>	<b>4,597,700</b>	<b>4,597,700</b>	<b>0</b>
<b>SPECIAL</b>							
Water Resources Planning & Environment	1	326,115	340,000	14,288	340,000	340,000	0
Flood Forecasting and Warning	2	425,964	560,000	28,972	560,000	560,000	0
Forestry	5	137,911	130,000	4,809	130,000	130,000	0
Conservation Services	6	1,082,201	921,000	33,573	921,000	921,000	0
Communications	7	0	0	0	0	0	0
Environmental Education	8	0	0	0	0	0	0
Conservation Land Purchases	10	269,473	0	418	0	0	0
Conservation Lands	10	365,863	750,000	13,750	750,000	750,000	0
Property Development	11	0	50,000	0	50,000	50,000	0
Hydro Generation	12	80,721	0	0	0	0	0
Miscellaneous	14	28,236	35,000	0	35,000	35,000	0
Source Protection Program	15	1,384,626	835,000	66,034	835,000	835,000	0
<b>Total SPECIAL PROJECTS Expenses</b>		<b>4,101,110</b>	<b>3,621,000</b>	<b>161,844</b>	<b>3,621,000</b>	<b>3,621,000</b>	<b>0</b>
<b>Total Expenses</b>		<b>32,653,127</b>	<b>34,760,468</b>	<b>1,461,321</b>	<b>34,760,468</b>	<b>34,760,468</b>	<b>0</b>
<b>Gross Surplus</b>		<b>1,037,167</b>	<b>(2,989,395)</b>	<b>2,389,737</b>	<b>(2,989,395)</b>	<b>(2,989,395)</b>	<b>0</b>
<b>Prior Year Surplus Carryforward</b>		<b>412,314</b>	<b>469,695</b>	<b>469,695</b>	<b>469,695</b>	<b>469,695</b>	<b>0</b>
<b>Net Funding FROM/(TO) Reserves</b>		<b>(979,786)</b>	<b>2,519,700</b>	<b>260,646</b>	<b>2,519,700</b>	<b>2,519,700</b>	<b>0</b>
<b>NET SURPLUS</b>		<b>469,695</b>	<b>0</b>	<b>3,120,078</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Grand River Conservation Authority

**Report number:** GM-02-19-16

**Date:** February 22, 2019

**To:** Members of the Grand River Conservation Authority

**Subject:** Weighted Voting – 2019 Budget and General Levy

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## **Recommendation:**

THAT Report Number GM-02-19-16 - Weighted Voting – 2019 Budget and General Levy be received as information.

## **Summary:**

The Non-Matching Levy of a Conservation Authority must be approved by the General Membership, with each member's vote weighted by Modified Current Value Assessment as outlined in Ontario Regulation 139/96.

## **Report:**

Ontario Regulation 139/96 provides the basis for weighted voting to approve a Conservation Authority's Non-Matching Levy. The formula caps any one participating municipality at 50%, in order to ensure that support is required from more than one participating municipality. In the case of Grand River Conservation Authority (GRCA), the Region of Waterloo's Modified Current Value Assessment (CVA) exceeds 50% of the watershed CVA, but under this formula, each of the Region's ten members are assigned a weighting of 5%. The remaining 50% is spread among the other members according to the proportion of CVA that their municipalities represent.

Attached is a copy of the Regulation as well as the calculations of the weighted voting that will be used for the 2019 Budget and General Levy.

## **Financial implications:**

The proposed total General Levy for 2019 is \$11,636,000, which includes:

Matching Levy: \$871,053

Non-matching Levy: \$10,764,947 (operating and capital)

GRCA traditionally conducts a weighted vote on the total amount of the General Levy.

## **Other department considerations:**

Not applicable

## **Prepared by:**

Karen Armstrong  
Deputy CAO and Secretary-Treasurer

## **Approved by:**

Joe Farwell  
CAO

**Conservation Authorities Act**  
**ONTARIO REGULATION 139/96**  
**MUNICIPAL LEVIES**

**1. (1)** In this Regulation,

“non-matching levy” means a levy approved by a weighted majority of the members at a meeting for which 30 days notice was provided to the affected municipalities and at which a recorded vote was taken;

“weighted majority” means the votes of 51 per cent of those represented after the votes are weighted by the percentage that applied under this definition in 1997 for each municipality. O. Reg. 139/96, s. 1 (1); O. Reg. 231/97, s. 1 (1); O. Reg. 106/98, s. 1.

(1.1) A notice provided under subsection (1) for a meeting must include the amount of the non-matching levy to be voted on and must be accompanied by the financial information relied on in support of that levy. O. Reg. 231/97, s. 1 (2).

(2) For the purpose of the definition of “weighted majority”, the weighting for a municipality may not exceed 50 per cent of the total weighting, except where the majority of the members of a conservation authority are appointed by one municipality. O. Reg. 139/96, s. 1 (2).

**2.** A non-matching levy may be levied by conservation authorities against participating municipalities. O. Reg. 139/96, s. 2.

**3.** The total of non-matching levies for any project or activity. O. Reg. 139/96, s. 3.

<b>Grand River Conservation Authority</b>						
<b>2019 General Levy - Weight of Votes by Members</b>						
<b>February 22, 2019</b>						
<u>Member</u>	<u>Municipality/Group</u>	<u>Weight</u>	<u>Absent</u>	<u>Present</u>	<u>In Favour</u>	<u>Opposed</u>
Les Armstrong	Region of Waterloo	5.0%				
James Erb	Region of Waterloo	5.0%				
Sue Foxton	Region of Waterloo	5.0%				
Michael Harris	Region of Waterloo	5.0%				
Helen Jowett	Region of Waterloo	5.0%				
Geoff Lorentz	Region of Waterloo	5.0%				
Kathryn McGarry	Region of Waterloo	5.0%				
Jane Mitchell	Region of Waterloo	5.0%				
Joe Nowak	Region of Waterloo	5.0%				
Warren Stauch	Region of Waterloo	5.0%				
Bernie Corbett	Haldimand & Norfolk Counties	0.9%				
Daniel Lawrence	Haldimand & Norfolk Counties	0.9%				
Vacant	Region of Halton	2.3%				
George Stojanovic	City of Hamilton	12.5%				
Bruce Banbury	County of Oxford	0.8%				
David Neumann	City of Brantford	3.8%				
Vic Prendergast	City of Brantford	3.8%				
Bob Bell	City of Guelph	6.9%				
Rodrigo Goller	City of Guelph	6.9%				
Guy Gardhouse	Group 1:	1.0%				
Bruce Whale	Group 2:	1.3%				
Don Brunk	Group 3:	0.4%				
Ian MacRae	Twp of Ctr Wellington	2.6%				
Chris White	Group 5:	3.1%				
Brian Coleman	County of Brant	1.4%				
Joan Gatward	County of Brant	1.4%				
		100.0%	0.0%	0.0%	0.0%	0.0%

# Grand River Conservation Authority

**Report number:** GM-02-19-19

**Date:** February 22, 2019

**To:** Members of the Grand River Conservation Authority

**Subject:** Budget 2019

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## **Recommendation:**

See Annual General Meeting agenda item 14d.

## **Summary:**

The proposed 2019 Budget includes total spending of \$35,270,468. It includes the following General Levy amount:

Matching Levy	\$ 871,073
Non-Matching Levy	\$ 9,714,927
Capital Levy	\$ 1,050,000
<b>TOTAL GENERAL LEVY</b>	<b>\$11,636,000</b>

Each member municipality's share of the 2019 General Levy has been calculated using "Modified Current Value Assessment". The 2019 budget levy distribution is no longer making an adjustment for Hamilton as per the agreement in place from 2001 to 2017. This practice changed in response to an order issued by the Mining and Lands Commissioner on December 21, 2017 stating that the agreement was invalid.

Ontario Regulation 139/96, made under the Conservation Authorities Act, requires that Conservation Authorities must give participating municipalities 30 days' notice of a meeting where the members will establish the General Levy. This notice, along with a copy of the Preliminary 2018 Budget was sent to participating municipalities on January 21, 2019. At the February 22nd, 2019 General Membership meeting, the Members will vote on the 2019 Budget and General Levy.

## **Report:**

Drafts of the 2019 Budget were presented to the General Membership on September 28, 2018 and January 25, 2019. Since the last draft was tabled, a couple departmental budgets have been adjusted.

### **Summary – Proposed Budget 2019**

Revenue	\$ 31,491,073
Funding from Reserves	\$ 3,309,700
Year 2018 Surplus	\$ 469,695
Expenditures & Transfers to Reserves	<u>(\$ 35,270,468)</u>
Net Surplus/(Deficit)	<u><b>\$ NIL</b></u>

**Reserve Position**

Actual Balance 12/31/18	\$23,677,015
Budget 2019 NET Decrease to Reserves	<u>(\$ 2,519,700)</u>
Budgeted Balance 12/31/19	\$21,157,315

**Changes made since draft # 2 (January 25<sup>th</sup>, 2019)**

A. Special Projects expenses/funding decreased \$255,000

\$740,000 Source Protection Program expenses decreased  
(\$740,000) Provincial funding decreased

(\$485,000) Floodplain Mapping expenses increased  
\$200,000 Provincial Funding increased  
\$142,500 Federal Funding increased  
\$ 70,000 Municipal funding increased  
\$ 72,500 Funding from Land Sale Proceeds reserve increased

B. Surplus from 2018 increased by \$146,695 (details below)

The Source projection budget was decreased to only include ongoing implementation costs and any studies expenses removed given that to date the province has not approved the budget. If the final approval differs, appropriate forecast adjustments will be made.

**Year 2018 Surplus**

The 2018 surplus is \$469,695. The 2019 budget draft #2 included a \$323,000 surplus, to be used to lessen the need to increase general municipal levy in 2019 and to help fund file management project, communications strategy, legal costs, labour relations expenses and future master plan expenses. This budget includes a 2.5% general municipal levy increase. The additional surplus of \$146,695 has been allocated as outlined below.

**Allocation of additional \$146,695 Surplus**

a) **Expense Increases:**

\$ 25,000 Labour Relations Expenses

\$ 70,000 Transfer surplus to reserve that will be used to fund master planning

\$ 1,695 Operating General Expense

b) **Revenue Decreased:**

\$ 50,000 Planning Fee revenue decreased



### Municipal General Levy Apportionment

Due to a 2017 decision of the Mining and Lands Commissioner, the 2019 levy apportionment will not include an adjustment for the City of Hamilton; an adjustment which had been made to the levy apportionment from 2001 to 2017. As a result, Hamilton's share of the total levy has increased since 2017 and the amount apportioned to all other participating municipalities has decreased by an equivalent amount. The City of Hamilton has that requested a Judicial Review of the Mining and Lands Commissioner's decision. At this point, it is not possible to predict whether that request will be granted and if there is a potential for adjustments to the 2019 levy apportionment. GRCA is advising member municipalities of the pending case and the potential that the outcome may trigger a reapportionment of both the 2018 and 2019 levy.

#### Attached:

Summary Reserve Report– Budget 2019  
2019 Budget Package

### **Financial implications:**

See report section.

#### **Prepared by:**

Sonja Radoja  
Manager Corporate Services

#### **Approved by:**

Karen Armstrong  
Secretary-Treasurer/Deputy CAO

**Grand River Conservation Authority**  
**SUMMARY RESERVE REPORT - BUDGET 2019**

General Meeting - FEBRUARY 22, 2019

	ACTUAL 2018	"NET CHANGE" INCREASE/(DECREASE) 2018 VS 2019	DETAILS OF "NET CHANGE" BUDGET 2019			BUDGET 2019
			Transfer In (Interest Income)	Transfer In	Transfer Out Description of Transfer	
<b>Type A: GRCA Controlled</b>						
<b>Operating Reserves (designated)</b>						
Property & Liability Insurance	270,383	0	0			270,383
Building & Mechanical Equipment	1,706,833	(450,000)	0		(450,000) OUT-Major Maintenance Head Office Roof	1,256,833
Small Office Equipment	7,397	500	500			7,897
Personnel	1,037,112	(15,000)	0		(15,000) OUT- Vacation Accrual	1,022,112
Forestry	703,737	10,000	10,000			713,737
Information Systems and Technology	1,200,862	(103,000)	20,000	1,320,000	(1,443,000) IN-Chargebacks; OUT-Operating/Capital costs	1,097,862
Cottage Operations	519,114	9,000	9,000			528,114
Grand River Watershed Management Plan	105,178	2,000	2,000			107,178
Planning Enforcement	425,180	8,000	8,000			433,180
Property Rental Expenses	469,333	5,000	5,000			474,333
Watershed Restoration	112,547	1,000	1,000			113,547
Master Planning		70,000		70,000	IN-2018 surplus allocated to Master Planning Expenses	70,000
Motor Pool Equipment	1,766,229	(49,700)	35,000	1,174,000	(1,258,700) IN-Chargebacks;OUT-Operating/Capital costs	1,716,529
Motor Pool Insurance	82,820	0	0			82,820
<b>Capital Reserves (designated)</b>						
Water Control Structures	2,981,946	52,000	52,000			3,033,946
Cambridge Desiltation Pond	7,616	(500)	500		(1,000) OUT-Cambridge Desiltation Pond costs	7,116
Completion of Capital Projects	147,000	(30,000)	0		(30,000) OUT-Upper Grand Restoration costs	117,000
Conservation Areas-Capital	1,240,000	(370,000)	0	300,000	(670,000) IN-\$300K Reserve for Capital spending, OUT-\$670,000 Cons Area Capital	870,000
Conservation Areas-Stabilization/Capital	2,772,440	(885,000)	70,000		(955,000) OUT- \$955,000 Cons Area Capital	1,887,440
Gauges	642,300	(50,000)	0		(50,000) OUT-Gauge Expenses	592,300
<b>Capital Reserves (undesignated)</b>						
General Capital Reserve	562,741	0	10,000		(10,000) OUT-Dunnville Fishway Study	562,741
<b>Total Type A: GRCA Controlled</b>	<b>16,760,768</b>	<b>(1,795,700)</b>	<b>223,000</b>	<b>2,864,000</b>	<b>(4,882,700)</b>	<b>14,965,068</b>
<b>Type B: Reserves with Outside Control</b>						
<b>With MNRF Interest (Capital Reserves)</b>						
Land Sale Proceeds Reserve	6,416,596	(730,500)	119,500	70,000	(920,000) IN-\$70K Hydro Revenue; OUT-\$50K Development Costs. \$50K Septic Systems,\$10K GRWMP, \$600K EAB, \$110,000 Floodplain Mapping, \$100K Demolitions	5,686,096
<b>With School Board Interest (Operating Reserves)</b>						
App's Nature Centre	23,849	500	500			24,349
Laurel Creek Nature Centre	67,338	1,000	1,000			68,338
Guelph Lake Nature Centre	137,227	1,000	1,000			138,227
Taquanyah Nature Centre	3,636	500	500			4,136
Shade's Mills Nature Centre	27,854	500	500			28,354
<b>Total Type B: Outside Control</b>	<b>6,916,247</b>	<b>(724,000)</b>	<b>127,000</b>	<b>70,000</b>	<b>(921,000)</b>	<b>6,192,247</b>
<b>TOTAL</b>	<b>\$23,677,015</b>	<b>(2,519,700)</b>	<b>\$350,000</b>	<b>\$2,934,000</b>	<b>(\$5,803,700)</b>	<b>\$21,157,315</b>



# **2019 BUDGET**

**February 22, 2019**

# Grand River Conservation Authority

## 2019 Budget

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## **GRCA 2019 Budget Highlights**

The Grand River Conservation Authority is a successful partnership of municipalities, working together to promote and undertake wise management of the water and natural resources of the Grand River watershed.

The Grand River stretches 300 kilometres from Dundalk in Dufferin County to Port Maitland on Lake Erie. It takes in one of the fastest growing regions in the province, with a population of almost 1,000,000. The Grand River watershed is also home to some of the most intensively farmed land in the nation.

The prospect of high growth and the impact on water and natural resources and the quality of life present an enormous challenge to the GRCA, municipalities and all watershed residents. It creates an urgent need to work co-operatively to care wisely for the Grand River and its resources.

The work of the GRCA is divided into seven business areas:

- Reducing flood damages
- Improving water quality
- Maintaining reliable water supply
- Protecting natural areas and biodiversity
- Watershed planning
- Environmental education
- Outdoor recreation

In order to carry out these functions, the GRCA draws revenues from a variety of sources:

- User fees, such as park admissions, nature centre programs, planning fees and others which are set to offset most, if not all, the cost of these services
- Revenues from property rentals and hydro generation at our dams
- Municipal levies, which are applied primarily to watershed management programs
- Municipal grants dedicated to specific programs, such as the Rural Water Quality Program and Water Quality Monitoring
- Provincial transfer payments for water management operating expenses
- Provincial grants for specific purposes, such as studies on Source Water Protection and Capital Projects related to water management
- Donations from the Grand River Conservation Foundation for programs such as outdoor education, tree nursery operations and various special projects
- Federal grants and other miscellaneous sources of revenue

The GRCA continues to work on the updates and implementation of a Drinking Water Source Protection Plan for each of the four watersheds in the Lake Erie Source Protection Region, including the Grand River watershed, as part of the provincial Source Protection Program under the *Clean Water Act, 2006*. Besides supporting municipalities and other agencies in implementing the plans, the focus in 2019 is on completing updates to the Grand River Source Protection Plan, including water quantity risk assessment studies, development of water quantity policies, updating water quality vulnerability assessments, and the development of the first annual progress report for the Grand River Source Protection Plan.

The Water Management Plan was endorsed in 2014 as an update to the 1982 Grand River Basin Study that charts a course of actions to reduce flood damages, ensure water supplies, improve water quality and build resilience to deal with a changing climate. The third annual progress report – A Report on Actions was published in 2017. Municipal, provincial and federal government and Six Nations Water Managers meet quarterly to report on the progress of the commitments they made in the Plan. Two reports are underway: a technical report on the state of water resources and a summary report on the status of implementation are both to be completed in 2019.

In April 2018 the GRCA received approval from the Ministry of Natural Resources and Forestry to use up to \$1.8 million from the Land Sale Reserve for hazard tree management over a three year period. This funding has allowed the GRCA to accelerate its program of tree risk management to ensure the health and safety of the public using GRCA lands. This program will continue through 2019 and 2020.

Major water control capital projects planned for 2019 include completion of an ice jam study, capacity improvements, floodwall repairs and permanent closure of abandon railway openings along the Brantford dikes, repair of the floodwall along the Cambridge dike coordinated closely with City of Cambridge river access projects, solutions to address seepage under the Bridgeport dikes, gate control system upgrades and concrete repair designs at Conestogo dam, standby generator enhancements and temporary stoplog design to allow isolation of gates at Shand Dam, concrete and embankment repairs at Wellesley Dam, gate refurbishment at New Dundee Dam, concrete and embankment repairs St. Jacobs Dam and updating of operation and maintenance manuals

Major conservation area capital projects planned for 2019 include a new day use washroom at Byng Island, expansion of the Pines seasonal campground at Elora Gorge, a new workshop at Guelph Lake as well as a new trailer storage area, playground replacements at Brant Park and installation of automatic gates at Pinehurst Lake. Planning for 2020 construction will be undertaken for a new day use area at Elora Gorge, the replacement of the existing washroom building at Elora Quarry, and installation of automatic entry gates at Guelph Lake.

## **1. Watershed Management and Monitoring**

Watershed management and monitoring programs protect watershed residents from flooding and provide the information required to develop appropriate resource management strategies and to identify priority actions to maintain a healthy watershed. Activities include operation of flood and erosion control structures such as dikes and dams; flood forecasting and warning; water quality monitoring; natural heritage restoration and rehabilitation projects; water quantity assessment; watershed and subwatershed studies.

### **Operating Expenditures:**

Water Resources Planning and Environment	\$2,243,200	(Table 1)
Flood Forecasting and Warning	\$ 801,000	(Table 2)
Water Control Structures	\$1,723,900	(Table 3)

**Capital Expenditures:** **\$1,800,000** (Section B)

**Total Expenditures:** **\$6,568,100**

**Revenue sources:** Municipal levies and provincial grants.

## **2. Planning**

Program areas:

- a) Natural Hazard Regulations  
The administration of conservation authority regulations related to development in the floodplain, and other natural hazards e.g. wetlands, slopes, shorelines and watercourses.
- b) Plan Input and Review  
Planning and technical review of municipal planning documents and recommending environmental policies for floodplains, wetlands and other environmentally significant areas; providing advice and information to municipal councils on development proposals and severances; review of environmental assessments; and providing outside consulting services on a fee-for-service basis to other conservation authorities and agencies.

**Operating Expenditures:**       **\$2,084,600** (Table 4)

**Capital Expenditures:**       **NIL**

**Revenue sources:** Permit fees, enquiry fees, plan review fees, provincial grants and municipal levy

## **3. Watershed stewardship**

The watershed stewardship program provides information and/or assistance to private and public landowners and community groups on sound water and environmental practices that will enhance, restore or protect their properties. Some activities are reforestation/tree planting through the Burford Tree Nursery, the Rural Water Quality Program, restoration and rehabilitation projects. The program also, provides conservation information through workshops, publications, the web site and media contacts.

**Operating Expenditures:**

Forestry & Conservation Land Taxes	\$ 1,411,400 (Table 5)
Conservation Services	\$ 885,200 (Table 6)
Communications and Foundation	\$ 733,900 (Table 7)

**Capital Expenditures:**       **NIL**

**Total Expenditures:**       **\$3,030,500**

**Revenue sources:**

Municipal levies and grants, provincial grants, tree sales, landowner contributions, donations from the Grand River Conservation Foundation and other donations.

## **4. Conservation Land Management**

This includes expenses and revenues associated with the acquisition and management of land owned or managed by the GRCA including woodlots, provincially significant wetlands (e.g. Luther Marsh, Dunnville Marsh), passive conservation areas, rail-trails and a number of rental properties. Activities include forest management, woodlot thinning, and hydro production at our dams.

### **Operating Expenditures:**

Conservation Lands, Rentals, Misc                    \$3,830,400 (Table 10-Conservation Lands)  
Hydro Production                                         \$ 203,000 (Table 10-Hydro Production)

**Capital Expenditures:**                                         **NIL**

**Total Expenditures:**     **\$4,033,400**

### **Revenue sources:**

Property rentals, hydro production, timber sales, conservation land income, donations from the Grand River Conservation Foundation

## **5. Education**

The GRCA operates six nature centres, which provide curriculum-based programs to about 50,000 students from six school boards and independent schools throughout the watershed. In addition, about 16,000 members of the public attend day camps and weekend family and community events.

**Operating Expenditures:**                    **\$1,382,400** (Table 8)

**Capital Expenditures:**                    **NIL**

**Revenue sources:** School boards, nature centre user fees, community event fees, donations from the Grand River Conservation Foundation and municipal general levy.

## **6. Recreation**

This includes the costs and revenues associated with operating the GRCA's 11 active conservation areas. The GRCA offers camping, hiking, fishing, swimming, skiing and other activities at its parks. It provides 2,500 campsites, making it the second-largest provider of camping accommodation in Ontario. About 1 million people visit GRCA parks each year. The parks are financially self-sufficient.

**Operating Expenditures:**                    **\$7,885,000** (Table 10)

**Capital Expenditures:**                    **\$2,590,000** (Section B)

**Total Expenditures:**                    **\$10,475,000**

### **Revenue sources:**

Conservation Area user fees, government grants, reserves and donations.

## **7. Corporate services**

This includes the cost of head office functions such as accounting and human resources, as well as the cost of facilities, insurance, consulting and legal fees and expenses relating to the General Membership.

**Operating Expenditures:**                    **\$3,867,768** (Table 9)

**Capital Expenditures:**                    **\$ 207,700** (Section B)

**Total Expenditures:**                    **\$4,075,468**

**Revenue sources:** Municipal levies and provincial grants.

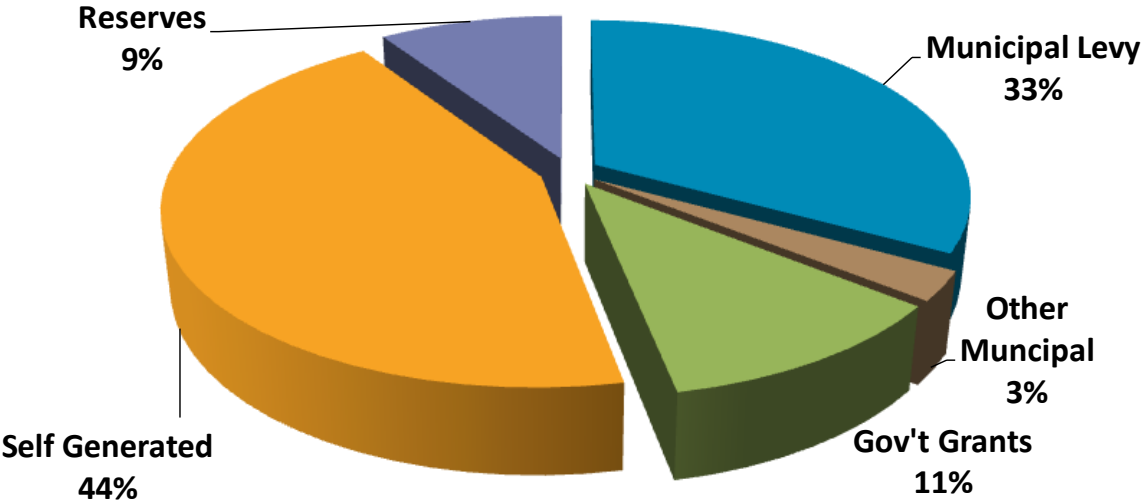


**BUDGET 2019 - Summary of Revenue and Expenditures**

FUNDING		Actual 2018	Budget 2018	Budget 2019	Budget Incr/(decr)
Municipal General Levy Funding		11,352,000	11,352,000	11,636,000	284,000 2.5%
Other Government Grants		4,763,202	4,928,573	4,893,573	(35,000) -0.7%
Self-Generated Revenue		16,502,625	15,293,414	15,431,195	137,781 0.9%
Funding from Reserves		2,288,903	2,774,000	3,309,700	535,700 19.3%
<b>TOTAL FUNDING</b>		<b>34,906,730</b>	<b>34,347,987</b>	<b>35,270,468</b>	<b>922,481</b> 2.7%
EXPENDITURES		Actual 2018	Budget 2018	Budget 2019	Budget Incr/(decr)
Base Programs - Operating includes funding to reserves	SECTION A	26,677,416	25,716,987	27,051,768	1,334,781 5.19%
Base Programs - Capital	SECTION B	3,658,509	3,910,000	4,597,700	687,700 17.59%
Special Projects	SECTION C	4,101,110	4,721,000	3,621,000	(1,100,000) -23.3%
<b>TOTAL EXPENDITURES</b>		<b>34,437,035</b>	<b>34,347,987</b>	<b>35,270,468</b>	<b>922,481</b> 2.7%
<b>NET RESULT</b>		<b>469,695</b>	<b>-</b>	<b>-</b>	

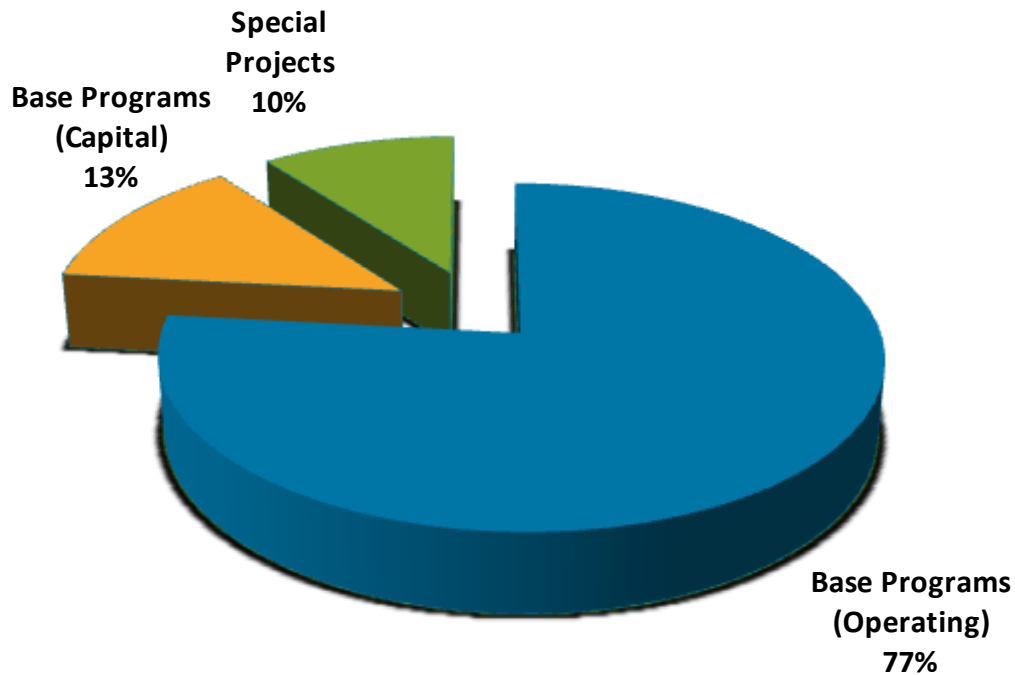
# 2019 Budget – Revenue by Source

Total 2019 Budget Revenue = \$35.3 Million (\$ 34.3 Million in 2018)

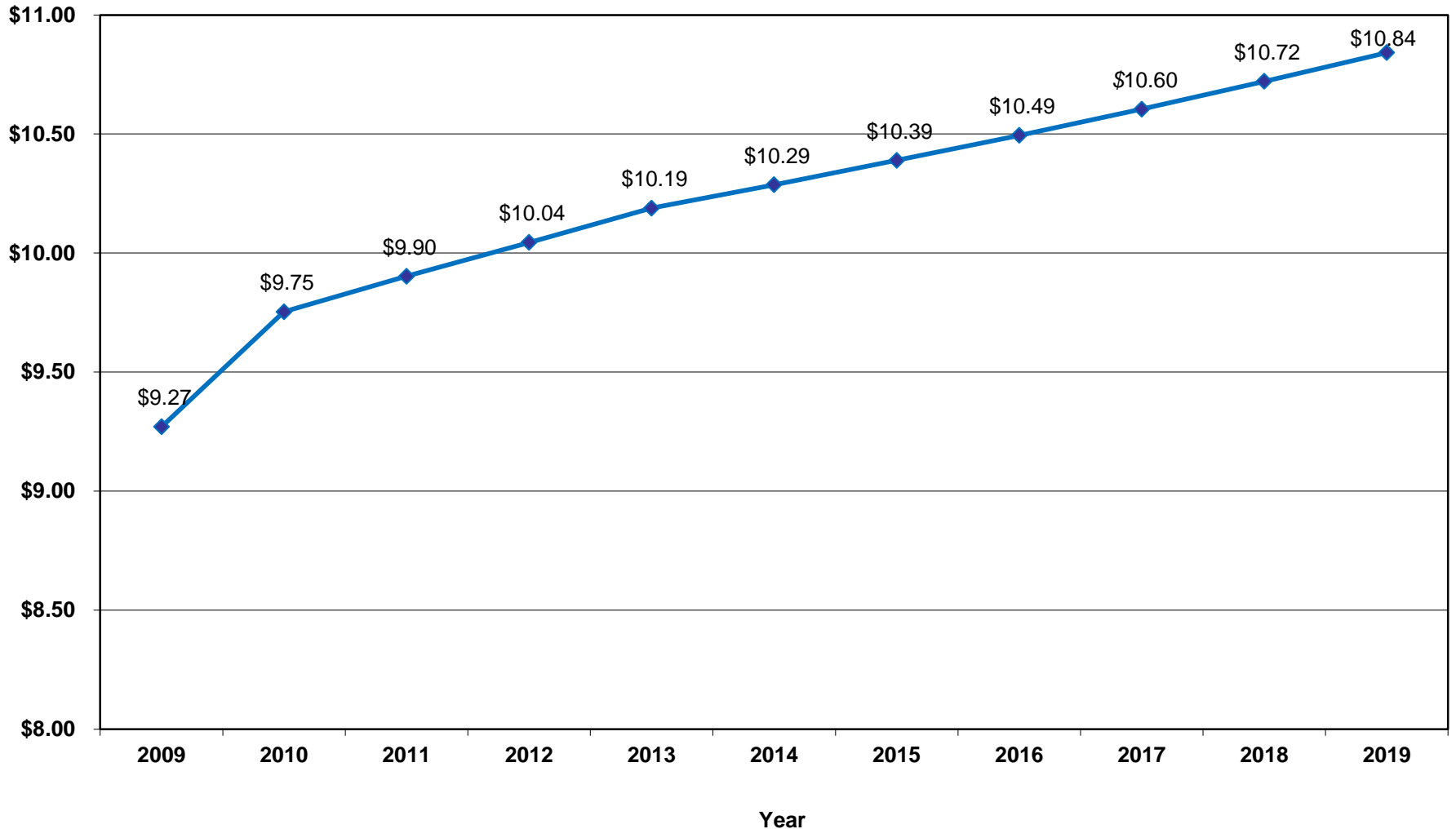


# 2019 Budget – Expenditures by Category

2019 Budget Expenditures = \$35.3 Million (\$ 34.3 Million in 2018)



# GRCA Per Capita Levy 2009 to 2019



GRAND RIVER CONSERVATION AUTHORITY

**Budget 2019 - Summary of Expenditures, Funding and Change in Municipal Levy**

		TABLE 1	TABLE 2	TABLE 3	TABLE 4	TABLE 5	TABLE 6	TABLE 7	TABLE 8	TABLE 9	TABLE 9	TABLE 10	TABLE 10	TABLE 10		
		Water Resources Planning & Environment	Flood Forecasting & Warning	Water Control Structures	Resource Planning	Forestry & Conservation Land Taxes	Conservation Services	Communications & Foundation	Environmental Education	Corporate Services	Surplus available to offset Municipal Levy Increase	Conservation Land and Rental Management and Misc	Hydro Production	Conservation Areas	TOTAL	
<b>2019 OPERATING</b>																
TOTAL EXPENSES	A	2,243,200	801,000	1,723,900	2,084,600	1,411,400	885,200	733,900	1,382,400	3,867,768		3,830,400	203,000	7,885,000	27,051,768	
TOTAL OTHER FUNDING	B	105,700	277,955	400,350	1,033,568	707,000	148,000		0	1,050,500	605,000		3,310,000	473,000	7,885,000	
"Other Programs" Surplus/(Loss)	B less A															
Loss to be offset with Surplus	C											250,400	(520,400)	270,000	-	(250,400)
Surplus 2018 carried forward to 2019												(469,695)				469,695
2019 Levy	A less B less C	2,137,500	523,045	1,323,550	1,051,032	704,400	737,200	733,900	331,900	3,262,768	(219,295)	0	0	0	10,586,000	
															0	
<b>Levy Increase:</b>																
2019 Levy		2,137,500	523,045	1,323,550	1,051,032	704,400	737,200	733,900	331,900	3,262,768	(219,295)				10,586,000	
2018 Levy		2,071,100	547,445	1,325,350	961,932	669,500	713,000	714,900	354,400	2,944,373					10,302,000	
Levy Increase over prior year		66,400	(24,400)	(1,800)	89,100	34,900	24,200	19,000	(22,500)	318,395	(219,295)	n/a	n/a	n/a	284,000	
<b>2019 CAPITAL</b>																
TOTAL EXPENSES	A	110,000	190,000	1,500,000						207,700				2,590,000	4,597,700	
TOTAL OTHER FUNDING	B	50,000	-	700,000						207,700				2,590,000	3,547,700	
2019 Levy	A less B	60,000	190,000	800,000						-				-	1,050,000	
<b>Levy Increase:</b>																
2019 Levy		60,000	190,000	800,000						-				-	1,050,000	
2018 Levy		60,000	190,000	800,000						-				-	1,050,000	
Levy Increase over prior year		-	-	-						-				-	-	
<b>2019 SPECIAL</b>																
TOTAL EXPENSES	A	340,000	560,000	835,000		130,000	921,000					835,000			3,621,000	
TOTAL OTHER FUNDING	B	340,000	560,000	835,000		130,000	921,000					835,000			3,621,000	
2019 Levy	A less B	-	-	-		-	-					-			-	
														TOTAL EXPENSES	35,270,468	
														TOTAL FUNDING	35,270,468	
														NET RESULT	-	

## Grand River Conservation Authority Summary of Municipal Levy - 2019 Budget

February 22, 2019

	% CVA in	2018 CVA	CVA-Based	2018 Budget	2019 Budget	2019 Budget	2019 Budget	2019 Budget	Actual	
Brant County	82.9%	5,955,826,066	4,937,379,809	2.75%	23,970	267,336	28,894	320,200	326,904	-2.1%
Brantford C	100.0%	13,253,620,186	13,253,620,186	7.39%	64,343	717,622	77,561	859,526	820,175	4.8%
Amaranth Twp	82.0%	692,356,801	567,732,577	0.32%	2,756	30,740	3,322	36,818	35,971	2.4%
East Garafraxa Twp	80.0%	533,804,174	427,043,339	0.24%	2,073	23,122	2,499	27,694	26,838	3.2%
Town of Grand Valley	100.0%	429,279,822	429,279,822	0.24%	2,084	23,244	2,512	27,840	26,727	4.2%
Melancthon Twp	56.0%	507,262,719	284,067,123	0.16%	1,379	15,381	1,662	18,422	18,160	1.4%
Southgate Twp	6.0%	883,428,392	53,005,703	0.03%	257	2,870	310	3,437	3,294	4.3%
Haldimand County	41.0%	6,276,148,294	2,573,220,801	1.43%	12,492	139,328	15,059	166,879	162,607	2.6%
Norfolk County	5.0%	8,618,652,073	430,932,604	0.24%	2,092	23,333	2,522	27,947	27,566	1.4%
Halton Region	10.4%	39,536,197,403	4,121,457,995	2.30%	20,009	223,158	24,119	267,286	253,594	5.4%
Hamilton City	26.7%	82,190,675,574	21,986,005,716	12.25%	106,736	1,190,440	128,664	1,425,840	1,389,640	2.6%
Oxford County	37.3%	3,842,021,887	1,432,116,305	0.80%	6,953	77,542	8,381	92,876	90,099	3.1%
North Perth T	2.0%	1,911,183,097	38,223,662	0.02%	186	2,070	224	2,480	2,385	4.0%
Perth East Twp	40.0%	1,744,223,194	697,689,278	0.39%	3,387	37,777	4,083	45,247	43,127	4.9%
Waterloo Region	100.0%	91,711,011,599	91,711,011,599	51.11%	445,232	4,965,722	536,699	5,947,653	5,816,764	2.3%
Centre Wellington Twp	100.0%	4,490,977,731	4,490,977,731	2.50%	21,802	243,166	26,282	291,250	285,969	1.8%
Erin T	49.0%	2,319,917,492	1,136,759,571	0.63%	5,519	61,550	6,652	73,721	73,360	0.5%
Guelph C	100.0%	24,316,625,767	24,316,625,767	13.55%	118,051	1,316,632	142,303	1,576,986	1,537,580	2.6%
Guelph Eramosa Twp	100.0%	2,527,154,919	2,527,154,919	1.41%	12,269	136,834	14,789	163,892	159,913	2.5%
Mapleton Twp	95.0%	1,526,746,159	1,450,407,901	0.81%	7,041	78,533	8,488	94,062	90,132	4.4%
Wellington North Twp	51.0%	1,516,305,544	773,315,828	0.43%	3,754	41,871	4,526	50,151	49,212	1.9%
Puslinch Twp	75.0%	2,380,647,827	1,785,485,870	1.00%	8,668	96,676	10,449	115,793	111,983	3.4%
<b>Total</b>		<b>297,164,066,719</b>	<b>179,423,514,108</b>	<b>100.00%</b>	<b>871,053</b>	<b>9,714,947</b>	<b>1,050,000</b>	<b>11,636,000</b>	<b>11,352,000</b>	<b>2.5%</b>

# **SECTION A**

## **BASE PROGRAMS – OPERATING**

## SECTION A - Operating Budget

GRAND RIVER CONSERVATION AUTHORITY

### Budget 2019 vs Budget 2018

	Actual 2018	Budget 2018	Budget 2019	Incr/(Decr)	%age change
<b>EXPENDITURES</b>					
OPERATING EXPENSES	26,677,416	25,716,987	27,051,768	1,334,781	5.19%
<b>Total Expenses</b>	<b>26,677,416</b>	<b>25,716,987</b>	<b>27,051,768</b>	<b>1,334,781</b>	<b>5.19%</b>
<b>SOURCES OF FUNDING</b>					
MUNICIPAL GENERAL LEVY (NOTE)	9,835,527	10,302,000	10,586,000	284,000	2.76%
MUNICIPAL SPECIAL LEVY	48,488	50,000	50,000	-	0.00%
OTHER GOVT FUNDING	947,574	938,573	938,573	-	0.00%
SELF-GENERATED	15,218,057	13,840,100	14,350,500	510,400	3.69%
RESERVES	215,456	174,000	657,000	483,000	277.59%
SURPLUS CARRYFORWARD	412,314	412,314	469,695	57,381	13.92%
<b>Total BASE Funding</b>	<b>26,677,416</b>	<b>25,716,987</b>	<b>27,051,768</b>	<b>1,334,781</b>	<b>5.19%</b>

NOTE: See "Summary of Revenue, Expenditures and Changes in Municipal Levy" for details of \$284,000 levy increase.



## **TABLE 1**

### **(a) Watershed Studies**

This category includes watershed and subwatershed studies. These studies provide the strategic framework for understanding water resources and ecosystem form, functions and linkages. These allow for assessment of the impacts of changes in watershed resources and land use. Watershed studies also identify activities and actions that are needed to minimize the adverse impacts of change. This program supports other plans and programs that promote healthy watersheds.

#### ***Specific Activities:***

- Carry out or partner with municipalities and other stakeholders on integrated subwatershed plans for streams and tributaries. Subwatershed Plans are technical reports which provide comprehensive background on how surface water, groundwater, terrestrial and aquatic ecosystems function in a subwatershed. The plans recommend how planned changes such as urbanization can take place in a sustainable manner.

### **(b) Water Resources Planning and Environment and Support**

This category includes the collection and analysis of environmental data and the development of management plans for protection and management of water resources and natural heritage systems. These programs assist with implementation of monitoring water and natural resources and assessment of changes in watershed health and priority management areas.

#### ***Specific Activities:***

- operate 8 continuous river water quality monitoring stations, 73 stream flow monitoring stations, 27 groundwater monitoring stations, and 37 water quality monitoring stations in conjunction with MOE, apply state-of-the-art water quality assimilation model to determine optimum sewage treatment options in the central Grand, and provide technical input to municipal water quality issues
- analyze and report on water quality conditions in the Grand River watershed
- maintain a water budget to support sustainable water use in the watershed, and maintain a drought response program
- analyze water use data for the watershed and provide recommendations for water conservation approaches
- provide advice to Provincial Ministries regarding water use permits to ensure that significant environmental concerns are identified so that potential impacts can be addressed.

### **(c) Resource Management Division Support**

Provides support services to the Engineering and Resource Management Divisions including support for Flood Forecasting and Warning and Water Control Structures.

#### ***Specific Spending:***

- administrative services
- travel, communication, staff development and computer
- insurance

### **(d) Natural Heritage Management**

The natural heritage management program includes those activities associated with providing service and/or assistance to municipalities, private and public landowners and community groups on sound environmental practices that will enhance, restore or protect the aquatic and terrestrial ecosystems. The program includes watershed scale natural heritage assessments and implements restoration activities on GRCA land..

#### ***Specific Activities:***

- maintain and promote the ‘Grand River Fisheries Management Plan’.
- implement “best bets” for protection and enhancement of fisheries, work with outside agencies, non-government organizations and the public to improve fish habitat through stream rehabilitation projects including the implementation of the recommendations of the watershed studies.
- maintain and implement the Forest Management Plan for the Grand River watershed and develop and implement components of the watershed Emerald Ash Borer strategy
- carry out restoration and rehabilitation projects for aquatic and terrestrial ecosystems e.g. species at risk and ecological monitoring on GRCA lands, and prescribed burn activities and community events such as tree planting and stream restoration
- provide technical input and review services for applications that may affect the watershed ecosystems.

**TABLE 1**  
 GRAND RIVER CONSERVATION AUTHORITY  
**Water Resources Planning & Environment**

<b>OPERATING</b>	<b>Actual 2018</b>	<b>Budget 2018</b>	<b>Budget 2019</b>	<b>Budget Change</b>
<b>Expenses:</b>				incr/(decr)
Salary and Benefits	1,477,118	1,587,900	1,615,500	27,600
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	260,556	313,000	319,300	6,300
Insurance	103,297	110,000	113,300	3,300
Other Operating Expenses	140,049	210,900	195,100	-15,800
<b>TOTAL EXPENSE</b>	<b>1,981,020</b>	<b>2,221,800</b>	<b>2,243,200</b>	<b>21,400</b>
<b>Funding</b>				(incr)/decr
Municipal Special/Other	36,156	50,000	50,000	0
MNR Grant	33,200	33,200	8,200	25,000
Prov & Federal Govt	16,398	37,500	47,500	-10,000
Donations	-	3,000	-	3,000
Funds taken from Reserves	-	27,000	-	27,000
<b>TOTAL FUNDING</b>	<b>85,754</b>	<b>150,700</b>	<b>105,700</b>	<b>45,000</b>
<b>Net Funded by General Municipal Levy</b>	<b>1,895,266</b>	<b>2,071,100</b>	<b>2,137,500</b>	
<b>Net incr/(decr) to Municipal Levy</b>				<b>66,400</b>

## **TABLE 2**

### **Flood Forecasting and Warning**

The flood warning system includes the direct costs associated with monitoring the streams, and rivers in order to effectively provide warnings and guidance to municipalities and watershed residents during flood emergencies.

Overall, flood protection services provide watershed residents with an effective and efficient system that will reduce their exposure to the threat of flood damage and loss of life. It is estimated that the existing flood protection in the Grand River watershed saves an average of over \$5.0 million annually in property damage.

#### ***Specific Activities:***

- maintain a 'state of the art' computerized flood forecasting and warning system.
- operate a 24 hour, year-round, on-call duty officer system to respond to flooding matters.
- collect and manage data on rainfall, water quantity, reservoir conditions, water levels from 56 stream flow gauges, 24 rainfall gauges, and 12 snow courses.
- use data radio and Voice Alert system to continuously, monitor river conditions and detect warning levels, assist municipalities with emergency planning, and respond to thousands of inquiries each year.
- Assist municipalities with municipal emergency planning and participate in municipal emergency planning exercises when requested.

**TABLE 2**  
**GRAND RIVER CONSERVATION AUTHORITY**  
**Flood Forecasting & Warning**

OPERATING	Actual 2018	Budget 2018	Budget 2019	Budget change
<b>Expenses:</b>				incr/(decr)
Salary and Benefits	428,291	463,200	457,000	(6,200)
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	249,762	260,800	266,000	5,200
Other Operating Expenses	61,323	76,400	78,000	1,600
Amount set aside to Reserves	60,000			
<b>TOTAL EXPENSE</b>	<b>799,376</b>	<b>800,400</b>	<b>801,000</b>	<b>600</b>
<b>Funding</b>				incr/(decr)
MNR Grant	252,955	252,955	277,955	(25,000)
<b>TOTAL FUNDING</b>	<b>252,955</b>	<b>252,955</b>	<b>277,955</b>	<b>(25,000)</b>
<b>Net Funded by General Municipal Levy</b>	<b>546,421</b>	<b>547,445</b>	<b>523,045</b>	
<b>Net incr/(decr) to Municipal Levy</b>				<b>(24,400)</b>

## **TABLE 3**

### **Water Control Structures**

This category includes costs associated with the capital and maintenance of structures, the primary purpose of which is to provide protection to life and property. These structures include dams, dykes, berms and channels etc. Also included in this category are non-flood control dams and weirs, which maintain upstream water levels.

Overall, flood protection services provide watershed residents with an effective and efficient system that will reduce their exposure to the threat of flood damage and loss of life. It is estimated that the existing flood protection in the Grand River watershed saves an average of over \$5.0 million annually in property damage.

#### ***Specific Activities:***

- operate and maintain 7 major multi-purpose reservoirs, which provide flood protection and flow augmentation, and 25 kilometres of dykes in 5 major dyke systems (Kitchener-Bridgeport, Cambridge-Galt, Brantford, Drayton and New Hamburg)
- ensure structural integrity of flood protection infrastructure through dam safety reviews, inspections and monitoring, reconstruction of deteriorating sections of floodwalls and refurbishing of major components of dams
- carry out capital upgrades to the flood control structures in order to meet Provincial standards
- operate and maintain 22 non-flood control dams, which are primarily for aesthetic, recreational, or municipal water supply intake purposes
- develop and implement plans to decommission failing or obsolete dams
- ice management activities to prevent or respond to flooding resulting from ice jams
- develop and implement public safety plans for structures

**TABLE 3**  
**GRAND RIVER CONSERVATION AUTHORITY**  
**Water Control Structures**

<b>OPERATING</b>	<b>Actual 2018</b>	<b>Budget 2018</b>	<b>Budget 2019</b>	<b>Budget change</b>
<b>Expenses:</b>				incr/(decr)
Salary and Benefits	1,125,092	1,170,100	1,170,200	100
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	14,708	28,600	29,200	600
Property Taxes	162,927	189,000	179,700	(9,300)
Other Operating Expenses	409,529	338,000	344,800	6,800
Amount set aside to Reserves	55,000	-	-	-
<b>TOTAL EXPENSE</b>	<b>1,767,256</b>	<b>1,725,700</b>	<b>1,723,900</b>	<b>(1,800)</b>
<b>Funding</b>				(incr)/decr
MNR Grant	400,350	400,350	400,350	-
<b>TOTAL FUNDING</b>	<b>400,350</b>	<b>400,350</b>	<b>400,350</b>	<b>-</b>
<b>Net Funded by General Municipal Levy</b>	<b>1,366,906</b>	<b>1,325,350</b>	<b>1,323,550</b>	
<b>Net incr/(decr) to Municipal Levy</b>				<b>(1,800)</b>

## **TABLE 4**

### **(a) PLANNING - Regulations**

This category includes costs and revenues associated with administering the *Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation* made under the *Conservation Authorities Act*. This includes permit review, inspections, permit issuance, enforcement and follow-up, which may include defending appeals.

#### ***Specific Activities:***

- Process over 800 permits each year related to development, alteration or activities that may interfere with the following types of lands:
  - ravines, valleys, steep slopes
  - wetlands including swamps, marshes, bogs, and fens
  - any watercourse, river, creek, floodplain or valley land
  - the Lake Erie shoreline
- The regulation applies to the development activities listed below in the areas listed above:
  - the construction, reconstruction, erection or placing of a building or structure of any kind,
  - any change to a building or structure that would have the effect of altering the use or potential use of the building or structure, increasing the size of the building or structure or increasing the number of dwelling units in the building or structure
  - site grading
  - the temporary or permanent placing, dumping or removal of any material originating on the site or elsewhere.
- maintain policies and guidelines to assist in the protection of sensitive environmental lands (i.e. Policies for the Administration of the Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation)
- enforcement of the Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation and maintain compliance policies and procedures
- update and maintain flood line mapping; develop natural hazards mapping in digital format to be integrated into municipal planning documents and Geographic Information Systems



## **(b) PLANNING - Municipal Plan Input and Review**

This program includes costs and revenues associated with reviewing Official Plans, Secondary and Community Plans, Zoning Bylaws, Environmental Assessments, development applications and other proposals, in accordance with Conservation Authority and provincial or municipal agreements. It also includes watershed management consulting outside of the Grand River watershed, which is done from time-to-time on a fee-for-service basis.

### ***Specific Activities:***

- review municipal planning and master plan documents and recommend environmental policies and designations for floodplains, wetlands, natural heritage areas, fisheries habitat, hazard lands and shorelines, which support GRCA regulations and complement provincial polices and federal regulations
- provide advice to municipalities regarding environmental assessments, and other proposals such as aggregate and municipal drain applications to ensure that all environmental concerns are adequately identified and that any adverse impacts are minimized or mitigated
- provide information and technical advice to Municipal Councils and Committees and Land Division Committees regarding development applications to assist in making wise land use decisions regarding protection of people and property from natural hazard areas such as flood plains and erosion areas and protection and enhancement of wetlands, fish and wildlife habitat and natural heritage systems

**TABLE 4**  
**GRAND RIVER CONSERVATION AUTHORITY**  
**Resource Planning**

<b>OPERATING</b>	<b>Actual 2018</b>	<b>Budget 2018</b>	<b>Budget 2019</b>	<b>Budget change</b>
<b>Expenses:</b>				incr/(decr)
Salary and Benefits	1,597,248	1,706,200	1,807,400	101,200
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	204,057	218,100	222,500	4,400
Other Operating Expenses	141,592	53,600	54,700	1,100
<b>TOTAL EXPENSE</b>	<b>1,942,897</b>	<b>1,977,900</b>	<b>2,084,600</b>	<b>106,700</b>
<b>Funding</b>				(incr)/decr
MNR Grant	114,568	114,568	114,568	-
Self Generated	908,914	901,400	919,000	(17,600)
<b>TOTAL FUNDING</b>	<b>1,023,482</b>	<b>1,015,968</b>	<b>1,033,568</b>	<b>(17,600)</b>
<b>Net Funded by General Municipal Levy</b>	<b>919,415</b>	<b>961,932</b>	<b>1,051,032</b>	
<b>Net incr/(decr) to Municipal Levy</b>				<b>89,100</b>

## **TABLE 5**

### **Forestry & Property Taxes**

The forestry program includes those activities associated with providing service and/or assistance to private and public landowners and community groups on sound environmental practices that will enhance, restore or protect their properties.

This category includes direct delivery of remediation programs including tree planting/reforestation.

General Municipal Levy funds the property tax for GRCA owned natural areas/passive lands.

#### ***Specific Activities:***

- plant trees on private lands (cost recovery from landowner)
- operate Burford Tree Nursery to grow and supply native and threatened species
- carry out tree planting and other forest management programs on over 7,000 hectares of managed forests on GRCA owned lands
- manage Emerald Ash Borer infestation

**TABLE 5**  
**GRAND RIVER CONSERVATION AUTHORITY**  
**Forestry & Conservation Land Taxes**

<b>OPERATING</b>	<b>Actual 2018</b>	<b>Budget 2018</b>	<b>Budget 2019</b>	<b>Budget change</b>
<b>Expenses:</b>				incr/(decr)
Salary and Benefits	591,083	539,900	601,000	61,100
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	51,767	43,400	54,300	10,900
Property Taxes	155,946	177,800	183,200	5,400
Other Operating Expenses	623,989	615,400	572,900	(42,500)
<b>TOTAL EXPENSE</b>	<b>1,422,785</b>	<b>1,376,500</b>	<b>1,411,400</b>	<b>34,900</b>
<b>Funding</b>				(incr)/decr
Donations	64,673	57,000	57,000	-
Self Generated	655,882	650,000	650,000	-
<b>TOTAL FUNDING</b>	<b>720,555</b>	<b>707,000</b>	<b>707,000</b>	<b>0</b>
<b>Net Funded by General Municipal Levy</b>	<b>702,230</b>	<b>669,500</b>	<b>704,400</b>	
<b>Net incr/(decr) to Municipal Levy</b>				<b>34,900</b>

## **TABLE 6**

### **Conservation Services**

The conservation service program includes those activities associated with providing service and/or assistance to private and public landowners and community groups on sound environmental practices that will enhance, restore or protect their properties.

This category includes the Rural Quality program and Forestry extension services.

#### ***Specific Activities:***

- Co-ordinate the Rural Water Quality Program. This involves landowner contact, promotion/education and providing grants to assist farmers with capital improvements to address manure containment, livestock fencing, soil conservation, and other rural non-point sources of river water pollution. Funding for this important initiative comes from watershed municipalities and other government grants.
- Carry out tree planting, restoration and rehabilitation projects with private landowners
- Co-ordinate community events e.g. children's water festivals and agricultural and rural landowner workshops to promote water and environmental initiatives
- Co-ordinate GRCA Volunteer Program to enable public participation in community and GRCA environmental activities

**TABLE 6**  
**GRAND RIVER CONSERVATION AUTHORITY**  
**Conservation Services**

<b>OPERATING</b>	<b>Actual 2018</b>	<b>Budget 2018</b>	<b>Budget 2019</b>	<b>Budget change</b>
<b>Expenses:</b>				incr/(decr)
Salary and Benefits	690,240	693,100	733,000	39,900
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	95,351	110,000	100,200	(9,800)
Other Operating Expenses	18,333	57,900	52,000	(5,900)
Amount set aside to Reserves	12,000			
<b>TOTAL EXPENSE</b>	<b>815,924</b>	<b>861,000</b>	<b>885,200</b>	<b>24,200</b>
<b>Funding</b>				(incr)/decr
Prov & Federal Govt	12,332	30,000	30,000	-
Donations/Other	102,242	87,000	87,000	-
Funds taken from Reserves	552	31,000	31,000	-
<b>TOTAL FUNDING</b>	<b>115,126</b>	<b>148,000</b>	<b>148,000</b>	<b>-</b>
<b>Net Funded by General Municipal Levy</b>	<b>700,798</b>	<b>713,000</b>	<b>737,200</b>	
<b>Net incr/(decr) to Municipal Levy</b>				<b>24,200</b>

## **TABLE 7**

### **Communications & Foundation**

The Communications department provides a wide range of services and support for the GRCA, the Grand River Conservation Foundation, as well as Lake Erie Region Source Protection Program. This category includes watershed-wide communication and promotion of conservation issues to watershed residents, municipalities and other agencies.

The Grand River Conservation Foundation provides private sector funding for GRCA projects with limited or no other sources of revenue. This category includes operational costs related to fundraising.

#### ***Communications - Specific Activities:***

- Media relations
- Public relations and awareness building
- Online communications
- Issues management and crisis communications
- Community engagement and public consultation
- Corporate brand management

#### ***Foundation - Specific Activities:***

- Solicit donors for financial support
- Orient and train volunteers to assist with fundraising
- Provide site tours and other events to stakeholders

**TABLE 7**  
**GRAND RIVER CONSERVATION AUTHORITY**  
**Communications & Foundation**

<b>OPERATING</b>	<b>Actual 2018</b>	<b>Budget 2018</b>	<b>Budget 2019</b>	<b>Budget change</b>
<b>Expenses:</b>				incr/(decr)
Salary and Benefits	538,567	566,400	583,400	17,000
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	73,568	75,500	77,000	1,500
Other Operating Expenses	1,250	73,000	73,500	500
Amount set aside to Reserves	50,000	-	-	-
<b>TOTAL EXPENSE</b>	<b>663,385</b>	<b>714,900</b>	<b>733,900</b>	<b>19,000</b>
<b>Funding</b>				
<b>Net Funded by General Municipal Levy</b>	<b>663,385</b>	<b>714,900</b>	<b>733,900</b>	
<b>Net incr/(decr) to Municipal Levy</b>				<b>19,000</b>



## **TABLE 8**

### **Environmental Education**

This category includes costs and revenues associated with outdoor education facilities, which provide education and information about conservation, the environment and the Conservation Authority's programs to 50,000 students in 6 school boards and 16,000 members of the general public annually. The majority of funding for this program comes from school boards, the Grand River Conservation Foundation and public program fees.

#### ***Specific Activities:***

- operate 6 outdoor education centres under contract with watershed school boards, providing hands-on, curriculum-based, outdoor education (App's Mills near Brantford, Taquanyah near Cayuga, Guelph Lake, Laurel Creek in Waterloo, Shade's Mills in Cambridge and Rockwood)
- offer curriculum support materials and workshops to watershed school boards
- offer conservation day camps to watershed children and interpretive community programs to the public (user fees apply)

**TABLE 8**  
**GRAND RIVER CONSERVATION AUTHORITY**  
**Environmental Education**

<b>OPERATING</b>	<b>Actual 2018</b>	<b>Budget 2018</b>	<b>Budget 2019</b>	<b>Budget change</b>
<b>Expenses:</b>				incr/(decr)
Salary and Benefits	1,023,545	942,400	1,000,000	57,600
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	95,094	74,300	85,800	11,500
Insurance	10,637	10,000	10,300	300
Property Taxes	12,135	19,400	11,000	(8,400)
Other Operating Expenses	278,746	270,300	275,300	5,000
Amount set aside to Reserves	30,000	30,000		(30,000)
<b>TOTAL EXPENSE</b>	<b>1,450,157</b>	<b>1,346,400</b>	<b>1,382,400</b>	<b>36,000</b>
<b>Funding</b>				(incr)/decr
Provincial & Federal Grants	58,503	-	-	-
Donations	53,233	50,000	50,000	-
Self Generated	985,178	942,000	1,000,500	(58,500)
<b>TOTAL FUNDING</b>	<b>1,096,914</b>	<b>992,000</b>	<b>1,050,500</b>	<b>(58,500)</b>
<b>Net Funded by General Municipal Levy</b>	<b>353,243</b>	<b>354,400</b>	<b>331,900</b>	
<b>Net incr/(decr) to Municipal Levy</b>				<b>(22,500)</b>

## **TABLE 9**

### **CORPORATE SERVICES**

This category includes the costs for goods and services, as listed below, that are provided corporately. A small portion of these costs is recovered from provincial grants, namely from source protection program funding and from the MNR operating grant.

#### **Specific Activities:**

This category includes the following departments:

- Office of the Chief Administrative Officer and the Assistant Chief Administrative Officer/Secretary-Treasurer
- Finance
- Human Resources
- Payroll
- Health & Safety
- Office Services

In addition, this category includes expenses relating to:

- The General Membership
- Head Office Building
- Office Supplies, Postage, Bank fees
- Head Office Communication systems
- Insurance
- Audit fees
- Consulting, Legal, Labour Relations fees
- Health and Safety Equipment, Inspections, Training
- Conservation Ontario fees
- Corporate Professional Development
- General expenses

**TABLE 9**  
**GRAND RIVER CONSERVATION AUTHORITY**  
**Corporate Services**

<b>Budget 2019</b>		Surplus available to offset Municipal Levy Increase
<b>Expenses:</b>		
	25	
Salary and Benefits	1,897,000	
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	369,000	
Insurance	57,000	
Other Operating Expenses	1,544,768	
Amount set aside to Reserves		
<b>TOTAL EXPENSE</b>	<b>3,867,768</b>	
<b>Funding</b>		
MNR Grant	70,000	
Recoverable Corporate Services Expenses	70,000	
Funds taken from Reserves	465,000	
<b>TOTAL FUNDING</b>	<b>605,000</b>	
Net Result before surplus adjustments	3,262,768	
Deficit from Other Programs offset by 2018 Surplus Carryforward		(250,400)
2018 Surplus Carried Forward to 2019 used to reduce Levy		469,695
<b>Net Funded by General Municipal Levy</b>	<b>3,262,768</b>	<b>219,295</b>

<b>Budget 2018</b>		Surplus available to offset Municipal Levy Increase
<b>Expenses:</b>		
	1,990,000	
Salary and Benefits	1,990,000	
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	337,300	
Insurance	55,000	
Other Operating Expenses	1,087,687	
Amount set aside to Reserves		
<b>TOTAL EXPENSE</b>	<b>3,469,987</b>	
<b>Funding</b>		
MNR Grant	70,000	
Recoverable Corporate Services Expenses	70,000	
Funds taken from Reserves	15,000	
<b>TOTAL FUNDING</b>	<b>155,000</b>	
Net Result before surplus adjustments	3,314,987	
Deficit from Other Programs offset by 2017 Surplus Carryforward		(41,700)
2016 Surplus Carried Forward to 2017 used to reduce Levy		412,314
<b>Net Funded by General Municipal Levy</b>	<b>3,314,987</b>	<b>370,614</b>

<b>ACTUAL 2018</b>		Surplus available to offset Municipal Levy Increase
<b>Expenses:</b>		
	1,878,053	
Salary and Benefits	1,878,053	
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	317,991	
Insurance	53,378	
Other Operating Expenses	739,139	
Amount set aside to Reserves	210,000	
<b>TOTAL EXPENSE</b>	<b>3,198,561</b>	
<b>Funding</b>		
MNR Grant	70,000	
Donations/Other	9,049	
Recoverable Corporate Services Expenses	66,023	
<b>TOTAL FUNDING</b>	<b>145,072</b>	
Net Result before surplus/(deficit) adjustments	3,053,489	
Deficit from Other Programs offset by 2016 Surplus Carryforward		(46,688)
2017 Surplus Carried Forward to 2018 used to reduce Levy		412,314
<b>Net Funded by General Municipal Levy</b>	<b>3,053,489</b>	<b>365,626</b>

## **TABLE 10 (a)**

### **Conservation Lands, Rental Properties, Forestry & Misc**

The Conservation Land Management Program includes all expenses and revenues associated with acquisition and management of land owned/managed by the Authority. This includes protection of *Provincially Significant Conservation Lands*, woodlot management, rental/lease agreements and other revenues generated from managing lands and facilities. These expenses do not include those associated with recreation and education programs on GRCA lands.

#### ***Specific Activities:***

- acquire and manage significant wetlands and floodplain lands, e.g. the Luther Marsh Wildlife Management Area, the Keldon Source Area, the Bannister-Wrigley Complex, and the Dunnville Marsh
- operate “passive” conservation areas in order to conserve forests and wildlife habitat. Some are managed by municipalities or private organizations (Chicopee Ski Club in Kitchener, Scott Park in New Hamburg, etc.)
- develop and maintain extensive trail network on former rail lines owned by GRCA and municipalities (much of this is part of the Trans-Canada Trail network). Necessary funding is raised by The Grand River Conservation Foundation
- rent 733 cottage lots at Belwood Lake and Conestogo Lake; hold leases on over 1200 hectares of agricultural land and 19 residential units, and over 50 other agreements for use of GRCA lands. Income from these rentals aids in the financing of other GRCA programs
- host controlled hunts at various locations including Luther Marsh Wildlife Management Area and Conestogo Lake
- carry out forestry disease control, woodlot thinning and selective harvesting on GRCA lands in accordance with the Forest Management Plan while generating income from sale of timber. Income generated helps pay for future forest management activities
- where appropriate, dispose of lands that have been declared surplus and continue to identify and plan for disposition of other surplus lands. Proceeds from future dispositions will be used for acquisition of “Environmentally Significant Conservation Lands” and for other core programs
- payment of non-insured losses and deductibles for vandalism, loss or theft; miscellaneous amounts recovered from insurance settlements

- investment income arising from reserves and funds received in advance of program expenses

## **TABLE 10 (b)**

### **HYDRO PRODUCTION**

This program generates revenue from ‘hydro production’.

#### *Specific Activities:*

- generate hydro from turbines in 2 large dams, Shand and Conestogo; the income is used to fund GRCA programs and repay reserves accordingly for the cost of building/repairing turbines.

## **TABLE 10 (c)**

### **CONSERVATION AREAS**

These programs include costs and revenues associated with delivering recreational programs on GRCA lands and include the costs and revenues associated with day-use, camping, concessions and other activities at GRCA active Conservation Areas.

#### *Specific Activities:*

- operate 11 “active” Conservation Areas (8 camping and 3 exclusively day-use) that are enjoyed by over 1.7 million visitors annually. It is estimated that these visitors also help generate significant revenues for the local tourism industry
- offer camping, hiking, fishing, swimming, boating, picnicking, skiing and related facilities
- provide 2,200 campsites – second only to the provincial park system as a provider of camping accommodation in Ontario

**TABLE 10**  
**GRAND RIVER CONSERVATION AUTHORITY**  
**OTHER PROGRAMS - OPERATING - SUMMARY of Results**

	Conservation Lands	Property Rentals	MISC	(a) Cons Lands, Rental, Misc	(b) Hydro Production	(c) Conservation Areas	TOTAL Other Programs
<b>Budget 2019 - OPERATING</b>							
<b>Expenses:</b>							
Salary and Benefits	1,144,800	576,000	-	1,720,800	43,500	4,502,000	
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	149,600	74,500	-	224,100	-	177,000	
Insurance	147,300	16,500	-	163,800	-	-	
Property Taxes	-	101,000	-	101,000	-	62,000	
Other Operating Expenses (consulting etc)	654,000	826,700	70,000	1,550,700	89,500	2,844,000	
Amount set aside to Reserves	70,000	-	-	70,000	70,000	300,000	
<b>TOTAL EXPENSE</b>	<b>2,165,700</b>	<b>1,594,700</b>	<b>70,000</b>	<b>3,830,400</b>	<b>203,000</b>	<b>7,885,000</b>	<b>11,918,400</b>
<b>Funding</b>							
Donations	50,000	-	-	50,000	-	-	
Self Generated	86,000	2,875,000	148,000	3,109,000	473,000	7,885,000	
Funds taken from Reserves	1,000	150,000	-	151,000	-	-	
<b>TOTAL FUNDING</b>	<b>137,000</b>	<b>3,025,000</b>	<b>148,000</b>	<b>3,310,000</b>	<b>473,000</b>	<b>7,885,000</b>	<b>11,668,000</b>
<b>NET Surplus/(Deficit) for programs not funded by general levy</b>	<b>(2,028,700)</b>	<b>1,430,300</b>	<b>78,000</b>	<b>(520,400)</b>	<b>270,000</b>	<b>-</b>	<b>(250,400)</b>
<b>Budget 2018 - OPERATING</b>							
<b>Expenses:</b>							
Salary and Benefits	1,042,500	574,000	-	1,616,500	42,000	4,177,000	
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	156,500	73,000	-	229,500	-	173,000	
Insurance	143,000	15,500	-	158,500	-	-	
Property Taxes	-	98,000	-	98,000	-	60,000	
Other Operating Expenses (consulting etc)	605,000	834,900	70,000	1,509,900	88,000	2,700,000	
Amount set aside to Reserves	-	-	-	-	70,000	300,000	
<b>TOTAL EXPENSE</b>	<b>1,947,000</b>	<b>1,595,400</b>	<b>70,000</b>	<b>3,612,400</b>	<b>200,000</b>	<b>7,410,000</b>	<b>11,222,400</b>
<b>Funding</b>							
Donations	65,000	-	-	65,000	-	-	
Self Generated	86,000	2,900,700	148,000	3,134,700	470,000	7,410,000	
Funds taken from Reserves	1,000	100,000	-	101,000	-	-	
<b>TOTAL FUNDING</b>	<b>152,000</b>	<b>3,000,700</b>	<b>148,000</b>	<b>3,300,700</b>	<b>470,000</b>	<b>7,410,000</b>	<b>11,180,700</b>
<b>NET Surplus/(Deficit) for programs not funded by general levy</b>	<b>(1,795,000)</b>	<b>1,405,300</b>	<b>78,000</b>	<b>(311,700)</b>	<b>270,000</b>	<b>-</b>	<b>(41,700)</b>
<b>Actual 2018 - OPERATING</b>							
<b>Expenses:</b>							
Salary and Benefits	1,107,523	534,906	-	1,642,429	59,521	4,301,700	
Travel, Motor Pool, Expenses, Telephone, Training and Development, IT	125,881	63,787	-	189,668	538	190,292	
Insurance	136,906	15,106	-	152,012	-	-	
Property Taxes	-	105,575	-	105,575	-	61,812	
Other Expenses	527,556	877,485	63,754	1,468,795	74,618	3,178,210	
Amount set aside to Reserves	42,885	125,000	-	167,885	202,000	841,000	
<b>TOTAL EXPENSE</b>	<b>1,940,751</b>	<b>1,721,859</b>	<b>63,754</b>	<b>3,726,364</b>	<b>336,677</b>	<b>8,573,014</b>	<b>12,636,055</b>
<b>Funding</b>							
Donations	82,988	-	1,009	83,997	-	37,349	
Self Generated	101,132	2,888,225	170,778	3,160,135	556,736	8,536,246	
Funds taken from Reserves	-	214,904	-	214,904	-	-	
<b>TOTAL FUNDING</b>	<b>184,120</b>	<b>3,103,129</b>	<b>171,787</b>	<b>3,459,036</b>	<b>556,736</b>	<b>8,573,595</b>	<b>12,589,367</b>
<b>NET Surplus/(Deficit) for programs not funded by general levy</b>	<b>(1,756,631)</b>	<b>1,381,270</b>	<b>108,033</b>	<b>(267,328)</b>	<b>220,059</b>	<b>581</b>	<b>(46,688)</b>

## OTHER INFORMATION

### **1. INFORMATION SYSTEMS & TECHNOLOGY - COMPUTER CHARGES**

The work of the IS&T Group including wages, capital purchases and ongoing maintenance and operations is funded through the Information Systems and Technology Reserve. The IS&T Reserve is sustained through a charge back framework. A “Computer Charge” is allocated to the individual programs based on the number of users and the nature of system usage or degree of reliance on IS&T activities and services.

The *Information Systems and Technology* (IS&T) group leads GRCA’s information management activities; develops and acquires business solutions; and oversees investment in information and communications technology as detailed below:

#### *Specific Activities:*

- Develop and implement GRCA's long-term information management, information technology and communications plans.
- Assess business needs and develop tools to address requirements, constraints and opportunities. Acquire and implement business and scientific applications for use at GRCA. Manage information technology and business solutions implementation projects on behalf of GRCA, GRCF and the Lake Erie Source Protection Region.
- Develop, and implement GRCA’s Geographic Information Systems (GIS) technology and spatial data infrastructure. Manage GRCA’s water-related data. Create and maintain standards for the development, use and sharing of corporate data. Develop policies and implement tools to secure GRCA’s data and IT and communications infrastructure.
- Acquire, manage and support GRCA’s server, storage, network and personal computer infrastructure to support geographic information systems (GIS); flood forecasting and warning, including real-time data collection; database and applications development; website hosting; electronic mail; internet access; personal computing applications; and administration systems, including finance, property and human resources.
- Develop and operate a wide area network connecting 14 sites and campus style wireless point-to-multipoint networks at Head Office, Conservation Areas, Nature Centres and Flood Control Structures. Develop and operate an integrated Voice over IP Telephone network covering nine sites and 220 handsets. Support and manage mobile phones, smart phones and pagers. Develop, implement and maintain GRCA’s IS&T disaster recovery plan.
- Operate on-line campsite reservation and day-use systems with computers in 10 Conservation Areas. Provide computers and phone systems for use at outdoor education centres.
- Build and maintain working relationships with all other departments within GRCA. Develop and maintain partnerships and business relationships with all levels of government, Conservation Ontario, private industry and watershed communities with respect to information technology, information management, business solutions and data sharing.



## **2. VEHICLE, EQUIPMENT – MOTOR POOL CHARGES**

Motor Pool charges are allocated to the individual sections based on usage of motor pool equipment. Effectively, motor pool charges are included with administrative costs or other operating expenses, as applicable, on Tables 1 to 10.

### *Specific Activities:*

- Maintain a fleet of vehicles and equipment to support all GRCA programs.
- Purchases of new vehicles and/or equipment.
- Disposal of used equipment.
- Lease certain equipment.

# **SECTION B**

## **BASE PROGRAMS – CAPITAL**

## **SECTION B – CAPITAL BUDGET**

Capital Spending in 2018 includes spending in the following program areas:

- Water Resources Planning
- Flood Forecasting and Warning
- Water Control Structures
- Conservation Areas

Water Resources Planning expenditures will be for water quality monitoring equipment.

Flood forecasting and warning expenditures will be for software systems and gauge equipment.

Water Control Structures expenditures will include the following projects:

- Brantford Dikes - floodwall repairs and permanent closure of abandon railway openings
- Cambridge Dikes - floodwall repairs, coordinated closely with City of Cambridge
- Bridgeport Dikes - address seepage issues
- Conestogo Dam - gate control system upgrades and concrete repair designs
- Shand Dam - standby generator enhancements and temporary stoplog design to allow isolation of gates
- Wellesley Dam - concrete and embankment repairs
- New Dundee Dam - gate refurbishment
- St. Jacobs Dam - concrete and embankment repairs

Conservation Area capital spending includes expenditures as part of the regular maintenance program as well as spending on major repairs and new construction. In 2019, major capital projects within the Conservation Areas will include:

- Elora Gorge – Pines campground expansion
- Eora Gorge – Planning for new day use area
- Byng – washroom
- Brant – playground
- Pinehurst – automatic gates
- Guelph Lake - workshop

Corporate Services capital spending represents the portion of overall Information Services and Motor Pool expenses that are funded by the Information Technology (IT) and Motor Pool (MP) reserve. See “Other Information” above for spending descriptions for IT and MP.

## SECTION B - Capital Budget

GRAND RIVER CONSERVATION AUTHORITY

### Budget 2019

	Water Resources Planning & Environment	FFW	Flood Control Expenses	Conservation Land Management (Sch 4)	Conservation Areas	Corporate Services	BUDGET TOTAL
<b>Expenses:</b>							
WQ Monitoring Equipment & Instruments	110,000						110,000
Flood Forecasting Warning Hardware and Gauges		190,000					190,000
Flood Control Structures-Major Maintenance			1,500,000				1,500,000
Conservation Areas Capital Projects					2,590,000		2,590,000
Net IT/MP Capital Spending not allocated to Departments						207,700	207,700
<b>TOTAL EXPENSE</b>	<b>110,000</b>	<b>190,000</b>	<b>1,500,000</b>	<b>-</b>	<b>2,590,000</b>	<b>207,700</b>	<b>4,597,700</b>
<b>Funding</b>							
Prov & Federal Govt			700,000				700,000
Self Generated					965,000		965,000
Funding from Reserves	50,000				1,625,000	207,700	1,882,700
<b>TOTAL FUNDING</b>	<b>50,000</b>	<b>-</b>	<b>700,000</b>	<b>-</b>	<b>2,590,000</b>	<b>207,700</b>	<b>3,547,700</b>
<b>Net Funded by General CAPITAL Levy</b>	<b>60,000</b>	<b>190,000</b>	<b>800,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,050,000</b>

### BUDGET 2018 - CAPITAL

	Water Resources Planning & Environment	FFW	Flood Control Expenses	Conservation Land Management (Sch 4)	Conservation Areas	Corporate Services	BUDGET TOTAL
<b>Expenses:</b>							
WQ Monitoring Equipment & Instruments	110,000						110,000
Flood Forecasting Warning Hardware and Gauges		190,000					190,000
Flood Control Structures-Major Maintenance			1,500,000				1,500,000
Conservation Areas Capital Projects					1,820,000		1,820,000
Net IT/MP Capital Spending not allocated to Departments						290,000	290,000
<b>TOTAL EXPENSE</b>	<b>110,000</b>	<b>190,000</b>	<b>1,500,000</b>	<b>-</b>	<b>1,820,000</b>	<b>290,000</b>	<b>3,910,000</b>
<b>Funding</b>							
Prov & Federal Govt			700,000				700,000
Self Generated					670,000		670,000
Funding from Reserves	50,000				1,150,000	290,000	1,490,000
<b>TOTAL FUNDING</b>	<b>50,000</b>	<b>-</b>	<b>700,000</b>	<b>-</b>	<b>1,820,000</b>	<b>290,000</b>	<b>2,860,000</b>
<b>Net Funded by General CAPITAL Levy</b>	<b>60,000</b>	<b>190,000</b>	<b>800,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,050,000</b>

### ACTUAL 2018 - CAPITAL

	Water Resources Planning & Environment	FFW	Flood Control Expenses	Conservation Land Management (Sch 4)	Conservation Areas	Corporate Services	ACTUAL TOTAL
<b>Expenses:</b>							
WQ Monitoring Equipment & Instruments	97,368						97,368
Flood Forecasting Warning Hardware and Gauges		161,212					161,212
Flood Control Structures-Major Maintenance			1,274,516				1,274,516
Conservation Areas Capital Projects					1,791,805		1,791,805
Funding to Reserves		30,000	60,000			6,189	96,189
Net IT/MP Expenses in excess of chargebacks						237,419	237,419
<b>TOTAL EXPENSE</b>	<b>97,368</b>	<b>191,212</b>	<b>1,334,516</b>	<b>-</b>	<b>1,791,805</b>	<b>243,608</b>	<b>3,658,509</b>
<b>Funding</b>							
Prov & Federal Govt			576,318			6,189	582,507
Self Generated					623,805		623,805
Funding from Reserves					1,168,000	237,419	1,405,419
<b>TOTAL FUNDING</b>	<b>-</b>	<b>-</b>	<b>576,318</b>	<b>-</b>	<b>1,791,805</b>	<b>243,608</b>	<b>2,611,731</b>
<b>Net Funded by General CAPITAL Levy</b>	<b>97,368</b>	<b>191,212</b>	<b>758,198</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,046,778</b>

**SECTION C**  
**SPECIAL PROJECTS**

## **SECTION C – SPECIAL PROJECTS**

This category of activity represents projects that the GRCA undertakes where special one time and/or multi-year funding is applicable. The duration of these projects is typically one year although in some instances projects may extend over a number years, such as Source Protection Planning. External funding is received to undertake these projects.

The main project in this category is the provincial Source Protection Planning program under the *Clean Water Act, 2006*. Plan development work commenced in 2004, with plan implementation starting in 2015. Work includes research and studies related to the development and updates of a Drinking Water Source Protection Plan for each of the four watersheds in the Lake Erie Source Protection Region. The focus in 2019 is on completing updates to the Grand River Source Protection Plan, including water quantity risk assessment studies, development of water quantity policies, updating water quality vulnerability assessments, and the development of the first annual progress report for the Grand River Source Protection Plan.

Other special projects in the area of watershed stewardship include the “Rural Water Quality Program” grants, Emerald Ash borer infestation management, floodplain mapping projects, Upper Blair subwatershed study, waste water optimization project, water festivals, Dunnville Fishway study, the Mill Creek Ranger stream restoration project and numerous ecological restoration projects on both GRCA lands and private lands in the watershed.

## SECTION C - Special Projects Budget

GRAND RIVER CONSERVATION AUTHORITY

### Budget 2019

EXPENDITURES	ACTUAL 2018	BUDGET 2018	BUDGET 2019
Grand River Management Plan	87,714	20,000	70,000
Subwatershed Plans - City of Kitchener	77,683	100,000	100,000
Dunnville Fishway Study	-	-	30,000
Natural Heritage Study-Wellington	37,887	30,000	-
Waste Water Optimization Program	122,831	135,000	140,000
Floodplain Mapping	425,964	850,000	560,000
RWQP - Capital Grants	954,884	800,000	800,000
Brant/Brantford Children's Water Festival	26,187	26,000	26,000
Haldimand Children's Water Festival	27,980	40,000	25,000
Species at Risk	37,510	70,000	70,000
Ecological Restoration	137,911	270,000	130,000
AGGP-UofG Research Buffers	27,741	-	-
Great Lakes SHSM Event	3,004	-	-
Great Lakes Agricultural Stewardship Initiative	4,895	-	-
Trails Capital Maintenance		-	150,000
Emerald Ash Borer	350,184	400,000	600,000
Lands Mgmt - Land Purchases/Land Sale Expenses	269,473	-	-
Lands Mgmt - Development Costs	-	50,000	50,000
Mill Creek Rangers	28,236	35,000	35,000
Parkhill Hydro Turbine Project	80,721	300,000	-
Dickson Trail and Boardwalk Rehabilitation	15,679	20,000	-
<b>Total SPECIAL Projects 'Other'</b>	<b>2,716,484</b>	<b>3,146,000</b>	<b>2,786,000</b>
<b>Source Protection Program</b>	<b>1,384,626</b>	<b>1,575,000</b>	<b>835,000</b>
<b>Total SPECIAL Projects Expenditures</b>	<b>4,101,110</b>	<b>4,721,000</b>	<b>3,621,000</b>
<b>SOURCES OF FUNDING</b>			
Provincial Grants for Source Protection Program	1,384,626	1,575,000	835,000
OTHER GOVT FUNDING	1,894,028	1,675,000	1,630,000
SELF-GENERATED	154,428	381,000	386,000
FUNDING FROM/(TO) RESERVES	668,028	1,090,000	770,000
<b>Total SPECIAL Funding</b>	<b>4,101,110</b>	<b>4,721,000</b>	<b>3,621,000</b>

# **APPENDIX A**



## **GRAND RIVER CONSERVATION AUTHORITY MEMBERS (2019)**

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### ***Region of Waterloo (including Cities of Kitchener, Waterloo, Cambridge and Townships of North Dumfries, Wellesley, Wilmot and Woolwich***

Les Armstrong (Wilmot), Jim Erb (Waterloo), Sue Foxton (North Dumfries), Michael Harris (Kitchener), Helen Jowett (Cambridge), Geoff Lorentz (Kitchener), Kathryn McGarry (Cambridge), Jane Mitchell (citizen appointment), Joe Nowak (Wellesley), and Warren Stauch (citizen appointment)

### ***Regional Municipality of Halton***

Vacant (as of February 15, 2019)

### ***Haldimand and Norfolk Counties***

Bernie Corbett and Dan Lawrence

### ***City of Hamilton***

George Stojanovic

### ***County of Oxford***

Bruce Banbury

### ***City of Brantford***

David Neumann and Vic Prendergast

### ***City of Guelph***

Bob Bell and Rodrigo Goller

### ***Townships of Amaranth, East Garafraxa, Southgate and Melancthon and Town of Grand Valley***

Guy Gardhouse

### ***Townships of Mapleton and Wellington North***

Bruce Whale

### ***Municipality of North Perth and Township of Perth East***

Don Brunk

### ***Township of Centre Wellington***

Ian MacRae

### ***Town of Erin, Townships of Guelph-Eramosa and Puslinch***

Chris White

### ***County of Brant***

Brian Coleman and Joan Gatward

# Grand River Conservation Authority

**Report number:** GM-02-19-18

**Date:** February 22, 2019

**To:** Members of the Grand River Conservation Authority

**Subject:** Report of the Audit Committee

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## **Recommendation:**

THAT Report Number GM-02-19-18 - Report of the Audit Committee of the Grand River Conservation Authority be received, approved and attached to the minutes of this meeting.

## **Summary:**

Not Required

## **Report:**

The Audit Committee met on February 13, 2019 at 9:30 a.m. to review the 2018 Financial Statements prepared by the Grand River Conservation Authority (GRCA) staff and reported on by KPMG LLP, Chartered Professional Accountants, the external auditors appointed by the GRCA. These Audited Financial Statements and Schedules are attached to agenda item 14B.

Staff had the opportunity to discuss the performance of the auditors without them being present. The auditors were given the same opportunity with respect to management. Both parties confirmed a good working relationship.

The Audit Committee reviewed the Terms of Reference, dated February 23, 2018 and did not recommend any changes (copy attached).

The Audit Committee is satisfied that the Financial Statements, Notes and Schedules fairly present the financial position of the GRCA.

The Audit Committee made the following recommendations:

### **Motion: AUD-19-03:**

THAT the Audit Committee Recommends to the General Membership that the Terms of Reference for the Audit Committee dated February 13, 2019, be approved.

### **Motion: AUD-19-04:**

THAT the Audit Committee recommends to the General Membership that the Gauge Reserve be increased by \$90,000; and,

THAT the Information Systems and Technology Reserve be increased by \$50,000; and,

THAT the Watershed Restoration Reserve be increased by \$7,000; and,

THAT the Financial Statements of Grand River Conservation Authority as at December 31, 2019, and the Report of the Auditors thereon be received and approved.

**Motion: AUD-19-05:**

THAT the Audit Committee recommends to the General Membership that KPMG Chartered Professional Accountants be appointed as Grand River Conservation Authority Auditors for the year ending December 31, 2019 at a fee not to exceed \$36,900.00.

**Prepared by:**

Helen Jowett  
Chair, Audit Committee

# Grand River Conservation Authority

## Audit Committee Terms of Reference

### **Composition of the Audit Committee:**

An Audit Committee shall be appointed annually, at the Annual General Meeting. The Audit Committee will be composed of the Chair of the Authority, who will be the Chair of the Audit Committee, the Vice-chair and five other members appointed by and from the General Membership. The terms of reference for the Audit Committee shall be reviewed annually by the General Membership and attached to the Minutes of the meeting at which they are approved or confirmed (By-law 1-2018 Section B.13).

The Audit Committee shall meet at least twice per year, with the first meeting to take place after the Auditors have prepared the Auditors' Report, at such time and place as the Chair of the Committee shall decide (By-law 1-2018, Section B.13).

The Audit Committee reports to the General Membership. It is understood that the chair of the Audit Committee and the external auditor will have direct access to each other at all times, to discuss matters relevant to the audit. The Audit Committee may also invite members of the public to attend Audit Committee meetings in a non-voting capacity to act as a resource, to aid in understanding the financial statements and the processes and internal controls used in support of financial reporting.

### **Members of the Audit Committee must:**

1. Be impartial, independent and without conflict of interest, which includes not having a business relationship with GRCA.
2. Have sufficient knowledge and/or experience to understand and interpret financial statements. This knowledge may be gained through training provided by GRCA after being appointed to the Audit Committee.

### **Responsibilities of the Audit Committee are:**

1. To review the audited financial statements of the GRCA and recommend approval of those statements (or otherwise) to the General Membership at the Annual General Meeting.
2. To review the results of the external audit and direct staff regarding any action required in response to auditor's recommendations.
3. To review the effects of any changes in accounting practices or policies on the financial statements and/or recommend appropriate changes in accounting practices or policies to the General Membership. This will include a review of significant accruals, provisions and estimates included in the financial statements.
4. To review the system of Internal Control and the effectiveness of those controls in protecting the assets of GRCA and ensuring effective and accurate financial reporting.
5. To review, in consultation with Management and Auditors, any material contingency facing GRCA and evaluate the appropriateness of GRCA's disclosure of such items.
6. To review any other matter that in its judgement should be taken into account in reaching its recommendation to the General Membership concerning the approval of the audited financial statements.
7. To recommend the appointment of Auditors and approval of the audit fee for the upcoming year.
8. To review services provided by the auditor outside of the audit, to ensure that such services are appropriately provided by the firm also acting as auditor.

**GRAND RIVER CONSERVATION AUTHORITY**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**GRAND RIVER CONSERVATION AUTHORITY**

**INDEX TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

Independent Auditors' Report

**Statements**

1. Statement of Financial Position
2. Statement of Operations and Change in Accumulated Surplus
3. Statement of Cash Flows
4. Statement of Change in Net Financial Assets

Notes to the Financial Statements



KPMG LLP  
115 King Street South  
2nd Floor  
Waterloo ON N2J 5A3  
Canada  
Tel 519-747-8800  
Fax 519-747-8830

## INDEPENDENT AUDITORS' REPORT

To the Members of Grand River Conservation Authority

### **Opinion**

We have audited the financial statements of Grand River Conservation Authority (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations and change in accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada  
February 22, 2019

**GRAND RIVER CONSERVATION AUTHORITY**  
(Established by the Conservation Authorities Act)

**Statement of Financial Position**

**As at December 31, 2018**  
(with comparative figures for 2017)

	<u>2018</u>	<u>2017</u>
<b>Financial Assets</b>		
Cash	\$ 2,343,757	\$ 2,848,480
Investments (Note 2)	27,517,997	25,793,092
Accounts Receivable - Government Grants	1,224,415	616,183
Accounts Receivable - Municipal Levies and Other	183,293	90,797
Other Receivables	1,073,807	841,335
	<u>32,343,269</u>	<u>30,189,887</u>
<b>Financial Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	3,622,171	3,074,669
Deferred Revenue (Note 3)	4,522,832	4,010,667
Deposits	291,477	269,129
	<u>8,436,480</u>	<u>7,354,465</u>
<b>Net Financial Assets</b>	<u>23,906,789</u>	<u>22,835,422</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 4)	88,748,529	89,358,860
Prepaid Expenses and Inventory	239,921	274,121
	<u>88,988,450</u>	<u>89,632,981</u>
<b><u>ACCUMULATED SURPLUS</u></b>	<u>\$ 112,895,239</u>	<u>\$ 112,468,403</u>

**ACCUMULATED SURPLUS COMPRISED OF**

<b>Accumulated Surplus - Reserves - Operating</b>	(Note 9)	\$ 6,817,580	\$ 6,353,936
<b>Accumulated Surplus - Reserves - Capital</b>	(Note 9)	15,010,386	14,361,616
<b>Accumulated Surplus - Reserves - Motor Pool</b>	(Note 9)	1,849,049	1,981,677
<b>Accumulated Surplus - Other</b>		469,695	412,314
<b>Accumulated Surplus - Tangible Capital Assets</b>		88,748,529	89,358,860
<b><u>ACCUMULATED SURPLUS</u></b>		<u>\$ 112,895,239</u>	<u>\$ 112,468,403</u>

Commitments and Contingencies (Notes 7 and 8)

(see accompanying notes to the financial statements)

**GRAND RIVER CONSERVATION AUTHORITY**  
**STATEMENT OF OPERATIONS AND CHANGE IN ACCUMULATED SURPLUS**  
**For the Year Ended December 31, 2018**  
(with comparative figures for 2017)

**STATEMENT 2**

	<b>Budget 2018 Note 6</b>	<b>Actual 2018</b>	<b>Actual 2017</b>
<b>Revenue</b>			
<b>Municipal</b>			
Grants:			
<i>General-Operating</i>	\$ 10,302,000	\$ 10,302,000	\$ 10,025,000
<i>General-Capital</i>	1,050,000	1,050,000	1,050,000
<i>Special</i>	140,000	98,571	-
Other	800,000	1,023,016	1,132,936
<b>Total Municipal Revenue</b>	<b>12,292,000</b>	<b>12,473,587</b>	<b>12,207,936</b>
<b>Government Grants</b>			
MNR Transfer Payments	871,073	871,073	871,073
Source Protection Program-Provincial	1,587,000	1,384,626	1,570,408
Other Provincial	1,442,500	944,800	933,723
Federal	70,000	441,116	433,700
<b>Total Government Grants</b>	<b>3,970,573</b>	<b>3,641,615</b>	<b>3,808,904</b>
<b>Self-Generated</b>			
User Fees and Sales:			
<i>Enquiries and Permits</i>	491,400	458,583	515,729
<i>Plan Input and Review</i>	410,000	450,331	457,368
<i>Nursery and Woodlot Management</i>	465,000	499,498	460,894
<i>Conservation Lands Income</i>	71,000	58,247	53,610
<i>Conservation Areas User Fees</i>	8,000,000	9,160,052	8,480,836
<i>Nature Centres and Camps</i>	942,000	983,252	928,125
<i>Merchandising and Sales</i>	-	1,926	473
Property Rentals	2,900,700	2,888,225	2,937,919
Hydro Generation	470,000	556,736	572,154
Grand River Conservation Foundation	399,000	421,412	698,380
Donations	314,000	158,285	72,602
Landowner Contributions	200,000	199,270	200,118
Investment Income	450,000	555,037	442,984
Miscellaneous Income	48,000	17,896	98,391
Gain on Sale of Tangible Capital Assets	-	734,173	-
<b>Total Self-Generated Revenue</b>	<b>15,161,100</b>	<b>17,142,923</b>	<b>15,919,583</b>
<b>Total Revenue</b>	<b>\$ 31,423,673</b>	<b>\$ 33,258,125</b>	<b>\$ 31,936,423</b>
<b>Expenditures</b>			
Watershed Management and Monitoring	7,613,527	7,847,769	7,212,094
Source Protection Program	1,575,840	1,385,466	1,571,248
Resource Planning	1,977,900	1,942,897	1,872,317
Watershed Stewardship	4,175,671	4,077,477	4,331,959
Conservation Land Management	4,609,560	4,351,846	4,681,624
Recreation and Education	9,102,577	9,953,569	9,077,813
Corporate Services / Information Systems and Motor Pool	3,449,114	3,272,265	3,103,770
<b>Total Expenditures</b>	<b>\$ 32,504,189</b>	<b>32,831,289</b>	<b>\$ 31,850,825</b>
<b>Annual Surplus/(Deficit)</b>	<b>(1,080,516)</b>	<b>426,836</b>	<b>85,598</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>0</b>	<b>112,468,403</b>	<b>112,382,805</b>
<b>Accumulated Surplus, End of Year</b>	<b>0 \$</b>	<b>112,895,239</b>	<b>\$ 112,468,403</b>

## STATEMENT 3

**GRAND RIVER CONSERVATION AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2018**  
(with comparative figures for 2017)

	<u>Actual 2018</u>	<u>Actual 2017</u>
<b><u>Operating Activities</u></b>		
Annual surplus	\$ 426,836	\$ 85,598
Items not involving cash:		
Amortization	3,154,578	3,172,761
Loss (gain) on sale of tangible capital assets	(734,173)	106,388
Change in non-cash operating assets and liabilities:		
Accounts receivable	(933,200)	(126,757)
Prepaid expenses and inventory	34,200	29,316
Accounts payable and accrued liabilities	547,502	318,075
Deferred revenue and deposits	534,513	85,022
Net change in cash from operating activities	<u>3,030,256</u>	<u>3,670,403</u>
<b><u>Capital Activities</u></b>		
Cash used to acquire tangible capital assets	(3,021,677)	(2,441,387)
Proceeds on sale of tangible capital assets	1,211,603	95,779
Net change in cash from capital activities	<u>(1,810,074)</u>	<u>(2,345,608)</u>
<b><u>Investing Activities</u></b>		
Change in investments	(1,724,905)	(391,022)
Net change in cash from investing activities	<u>(1,724,905)</u>	<u>(391,022)</u>
<b>Net change in cash</b>	<b><u>(504,723)</u></b>	<b><u>933,773</u></b>
Cash, beginning of year	2,848,480	1,914,707
<b>Cash, end of the year</b>	<b><u>\$ 2,343,757</u></b>	<b><u>\$ 2,848,480</u></b>

(see accompanying notes to the financial statements)

## STATEMENT 4

**GRAND RIVER CONSERVATION AUTHORITY**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the Year Ended December 31, 2018**  
(with comparative figures for 2017)

	<u>Actual 2018</u>	<u>Actual 2017</u>
Annual surplus	\$ 426,836	\$ 85,598
Acquisition of tangible capital assets	(3,021,676)	(2,441,387)
Amortization of tangible capital assets	3,154,578	3,172,761
Loss (gain) on sale of tangible capital assets	(734,173)	106,388
Proceeds on sale of tangible capital assets	<u>1,211,602</u>	<u>95,779</u>
	1,037,167	1,019,139
Net changes in prepaid expenses and inventory	34,200	29,316
<b>Net change in financial assets</b>	<u>1,071,367</u>	<u>1,048,455</u>
<b>Net financial assets, beginning of year</b>	<b>22,835,422</b>	<b>21,786,967</b>
<b>Net financial assets, end of year</b>	<b>\$ <u><u>23,906,789</u></u></b>	<b>\$ <u><u>22,835,422</u></u></b>

(see accompanying notes to the financial statements)



**GRAND RIVER CONSERVATION AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**(1) Summary of Significant Accounting Policies**

The financial statements of Grand River Conservation Authority (the "Authority") are prepared by management in accordance with the Chartered Professional Accountants of Canada Public Sector Accounting Handbook. Significant aspects of the accounting policies adopted by the Authority are as follows:

**(a) Basis of Accounting**

The Authority follows the accrual method of accounting for revenues and expenditures. Revenues are normally recognized in the year in which they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

**(b) Deferred Revenue and Deposits**

Balance includes funds that have been advanced to the Authority from government agencies and/or the general public and as at year end the funds have not been expended for the purpose for which they were received. In most instances, service and/or product delivery is anticipated to be performed in the following fiscal period. Typical balances include tree planting cash receipts, rural water quality program funding from municipalities, advance payments on conservation area camping reservations and special projects funding that has been paid in advance of project completion. These amounts will be recognized as revenues in the fiscal year the services are performed.

(c) **Classification of Expenditures**

Expenditures are reported in nine main categories, which follow the format adopted by Conservation Ontario. By following these guidelines, there will be consistency of reporting by all Conservation Authorities in Ontario. These are further explained as follows:

**Watershed Management and Monitoring**

Watershed Management and Monitoring includes expenditures and revenues for programs which provide the information required to develop appropriate resource management strategies and to identify priority actions to maintain a healthy watershed. Also included are the maintenance and operations of all Flood and Erosion Control Structures and the operations of the Flood Forecasting and Warning system.

**Source Protection Program**

The Source Protection Program includes expenditures and revenues for the development of a "Drinking Water Source Protection" plan for the Lake Erie Source Protection Region (includes Grand River, Longpoint Region, Kettle Creek, and Catfish Creek Conservation Authorities).

**Resource Planning**

Resource Planning includes expenditures and revenues associated with reviewing official plans, zoning bylaws, development plans and other planning proposals, in accordance with Conservation Authority and Municipal Agreements. It also includes, administration of floodplain regulations and watershed management consulting outside of the Grand River watershed, which is performed on a fee-for-service basis and generates a profit.



### **Watershed Stewardship**

Watershed Stewardship includes those activities associated with providing service and/or assistance to private and public landowners, and community groups on sound environmental practices that will enhance, restore or protect natural heritage features on their properties.

### **Conservation Land Management**

Conservation Land Management includes all expenditures and revenues associated with the acquisition and management of land owned/managed by the Authority. This includes the protection of provincially significant conservation lands, woodlot management, rental/lease agreements and other revenues generated from managing lands and facilities. These expenditures do not include those associated with recreation and education programs on Authority lands.

### **Recreation and Education**

Recreation and Education includes expenditures and revenues associated with delivering recreational and educational programs on Authority lands at a number of active conservation areas and nature centres.

### **Corporate Services**

Corporate services include the costs associated with head office facilities and functions other than technical staff and associated programs.

### **Information Systems and Motor Pool**

Net Information Systems and Motor Pool usage charges includes the support areas that are charged out to other cost centres on an "as used" basis. Information Systems consists of the head office, conservation area and nature centre computer systems. User cost centres incur a charge for their computer use. Motor Pool is the vehicles and equipment that are used for operations and capital projects by other cost centres. When equipment or vehicles are used, the cost centre is charged for the use of the asset.

(d) **Investments**

Investments include term deposits and Federal and Provincial Government bonds in accordance with the investment policy that was approved by the general membership. Investments are carried at the redemption amount adjusted for unamortized purchase premiums or discounts. Premiums and discounts are amortized on an effective-yield basis over the term to maturity. Interest income is recorded as it accrues. When the value of any investment is identified as impaired, the carrying amount is adjusted to the estimated realizable value and any adjustments are included in investment income in the year the impairment is recognized.

(e) **Accounts Receivable**

Accounts Receivable is reported net of any allowance for doubtful accounts.

(f) **Inventory**

Inventory is valued at the lower of cost or replacement cost.

(g) **Interest Allocation**

The Authority follows the policy of consolidating funds on hand for investment purposes. Interest income is generally recognized into income unless the provisions of a relevant agreement or legislation require that the income be restricted, then restricted interest income is recognized in deferred revenue until used for the purpose or purposes specified.

(h) **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 dates of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include accrued liabilities, contaminated site liability, contingencies and tangible capital assets. Actual results could differ from estimates.

(i) **Tangible Capital Assets**

Tangible capital assets are recorded at cost which include 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 in a straight line basis over their estimated useful lives as follows:

<b>Asset</b>	<b>Useful Life - Years</b>
Site Improvements	10 - 50
Buildings	10 - 50
Furniture and Equipment	10 - 15
Motor Pool	5 - 10
Communications and Computer	5
Water Control Structures	20 - 80

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.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in the financial statements.

(j) **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(k) **Contaminated sites**

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.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- a) An environmental standard exists
- b) Contamination exceeds the environmental standard
- c) The Authority is directly responsible or accepts responsibility for the liability
- d) Future economic benefits will be given up, and
- e) A reasonable estimate of the liability can be made.

(2) **Investments**

Investments include the following amounts:

	<b>2018</b>	<b>2017</b>
Term Deposit maturing in one years (Interest rates vary between 1.80% and 3.036%) Market value at December 31, 2018 - \$2,803,451 (2017 - \$758,285)	\$ 2,726,046	\$ 726,046
Bonds maturing within one year (Interest rates vary between 2.35% and 2.81%) Market value at December 31, 2018 - \$5,577,926 (2017 - \$4,995,214)	5,578,000	4,987,000
Bonds maturing within one to five years (Interest rates vary between 1.30% and 2.50%) Market value at December 31, 2018 - \$8,925,806 (2017 - \$6,252,590)	9,030,000	6,308,000
Bonds maturing within six to ten years (Interest rate 2.25%) Market Value at December 31, 2018 - \$1,928,336 (2017 - \$3,194,095)	2,000,000	3,300,000
High interest savings account (Interest rates vary between 1.60% and 2.41%) Market value at December 31, 2018 - \$8,200,843 (2017 - \$10,480,242)	8,200,843	10,480,242
Sub-Total	\$ 27,534,889	\$ 25,801,287
Plus: Unamortized purchase premium/(discount)	(16,892)	(8,196)
Total	\$ 27,517,997	\$ 25,793,092

(3) Deferred Revenue

	2018	2017
<b>Balance, end of year:</b>		
Source Protection Program	\$ 571,875	\$ 618,224
Rural Water Quality Program	952,810	990,615
Water and Erosion Control Infrastructure	252,298	203,022
Other Watershed Programs	1,570,839	1,292,899
Cottage Rent	479,048	289,420
Other Miscellaneous	695,962	616,487
<b>Total Deferred Revenue</b>	<b>\$ 4,522,832</b>	<b>\$ 4,010,667</b>
<b>Balance, beginning of year:</b>		
Source Protection Program	\$ 618,224	\$ 542,408
Rural Water Quality Program	990,615	1,067,055
Water and Erosion Control Infrastructure	203,022	190,818
Other Watershed Programs	1,292,899	1,052,746
Cottage Rent	289,420	373,827
Other Miscellaneous	616,487	680,524
	<b>\$ 4,010,667</b>	<b>\$ 3,907,378</b>
Grant Contributions	4,470,407	4,756,438
Interest	449	3,561
Other	1,424,521	1,036,220
<b>Total Revenue</b>	<b>\$ 5,895,377</b>	<b>\$ 5,796,219</b>
Contributions Used	5,383,212	5,692,930
<b>Balance, end of year</b>	<b>\$ 4,522,832</b>	<b>\$ 4,010,667</b>

(4) Tangible Capital Assets

<b>Cost</b>	<b>Balance at 31-Dec-17</b>	<b>Additions</b>	<b>Disposals/ Transfers</b>	<b>Balance at 31-Dec-18</b>
Land and Land Improvements	\$ 31,218,292	\$ 107,277	\$ (432,856)	\$ 30,892,713
Site Improvements	14,639,828	636,382	(7,777)	15,268,433
Buildings	16,343,702	87,502	(139,387)	16,291,817
Furniture and Equipment	2,007,636	171,546	(203,849)	1,975,333
Motor Pool	4,292,258	493,025	(268,283)	4,517,000
Communications and Computers	1,601,808	151,477	(5,290)	1,747,995
Water Control Structures	97,197,133	390,031		97,587,164
Assets Under Construction	913,518	1,530,712	(546,275)	1,897,955
	<u>\$ 168,214,175</u>	<u>\$ 3,567,952</u>	<u>\$ (1,603,717)</u>	<u>\$ 170,178,410</u>

<b>Accumulated Amortization</b>	<b>Balance at 31-Dec-17</b>	<b>Disposals</b>	<b>Amortization Expense</b>	<b>Balance at 31-Dec-18</b>
Site Improvements	\$ 8,650,643	\$ (7,574)	\$ 435,226	\$ 9,078,295
Buildings	9,417,897	(96,424)	388,349	9,709,822
Furniture and Equipment	1,017,008	(203,849)	142,693	955,852
Motor Pool	3,284,795	(266,875)	235,995	3,253,915
Communications and Computers	1,176,907	(5,290)	142,874	1,314,491
Water Control Structures	55,308,065	-	1,809,441	57,117,506
	<u>\$ 78,855,315</u>	<u>\$ (580,012)</u>	<u>\$ 3,154,578</u>	<u>\$ 81,429,881</u>

	<b>Net Book Value 31-Dec-17</b>	<b>Net Book Value 31-Dec-18</b>
Land and Land Improvements	\$ 31,218,292	\$ 30,892,713
Site Improvements	5,989,185	6,190,138
Buildings	6,925,805	6,581,995
Furniture and Equipment	990,628	1,019,481
Motor Pool	1,007,463	1,263,085
Communications and Computers	424,901	433,504
Water Control Structures	41,889,068	40,469,658
Assets Under Construction	913,518	1,897,955
	<u>\$ 89,358,860</u>	<u>\$ 88,748,529</u>

<b>Cost</b>	<b>Balance at 31-Dec-16</b>	<b>Additions</b>	<b>Disposals/ Transfers</b>	<b>Balance at 31-Dec-17</b>
Land and Land Improvements	\$ 31,269,798	\$ -	\$ (51,506)	\$ 31,218,292
Site Improvements	14,099,069	633,857	(93,098)	14,639,828
Buildings	15,822,806	911,421	(390,525)	16,343,702
Furniture and Equipment	1,775,413	307,985	(75,762)	2,007,636
Motor Pool	4,268,821	272,821	(249,384)	4,292,258
Communications and Computers	1,506,977	151,971	(57,140)	1,601,808
Water Control Structures	96,996,604	205,390	(4,861)	97,197,133
Assets Under Construction	955,577	786,337	(828,396)	913,518
	<u>\$ 166,695,065</u>	<u>\$ 3,269,782</u>	<u>\$ (1,750,672)</u>	<u>\$ 168,214,175</u>

<b>Accumulated Amortization</b>	<b>Balance at 31-Dec-16</b>	<b>Disposals</b>	<b>Amortization Expense</b>	<b>Balance at 31-Dec-17</b>
Site Improvements	\$ 8,261,233	\$ (52,604)	\$ 442,014	\$ 8,650,643
Buildings	9,357,285	(335,730)	396,342	9,417,897
Furniture and Equipment	944,124	(72,816)	145,700	1,017,008
Motor Pool	3,245,868	(199,108)	238,035	3,284,795
Communications and Computers	1,087,694	(57,140)	146,353	1,176,907
Water Control Structures	53,506,460	(2,712)	1,804,317	55,308,065
	<u>\$ 76,402,664</u>	<u>\$ (720,110)</u>	<u>\$ 3,172,761</u>	<u>\$ 78,855,315</u>

	<b>Net Book Value 31-Dec-16</b>	<b>Net Book Value 31-Dec-17</b>
Land and Land Improvements	\$ 31,269,798	\$ 31,218,292
Site Improvements	5,837,836	5,989,185
Buildings	6,465,521	6,925,805
Furniture and Equipment	831,289	990,628
Motor Pool	1,022,953	1,007,463
Communications and Computers	419,283	424,901
Water Control Structures	43,490,144	41,889,068
Assets Under Construction	955,577	913,518
	<u>\$ 90,292,401</u>	<u>\$ 89,358,860</u>



### **Assets Under Construction**

Assets under construction having a value of \$1,530,172 (2017 - \$913,518) have not been amortized. Amortization of these assets will commence when the asset is put into service.

### **Write-down of Tangible Capital Assets**

The write-down of tangible capital assets during the year was \$nil (2017 - \$nil).

### **(5) Contaminated Site Liability**

The Authority has an estimated liability of \$812,912 as at December 31, 2018 (2017 - \$812,912) for future remediation of three of its properties. During the year the Authority expensed \$205,045 related to contaminated site costs. The properties include a former landfill site in the City of Brantford, a former industrial site in the City of Guelph and a former residential site in the City of Cambridge. These properties were purchased by the Authority in the 1970s under flood control projects. The Ministry of the Environment and Climate Change has requested remediation on the Brantford and Cambridge properties. The estimated future cost of the work at Brantford is based on a detailed remediation plan prepared by a qualified external consultant. Staff have estimated the future cost of remediation for the Guelph and Cambridge properties based on preliminary investigations carried out by an environmental consulting firm.

### **(6) 2018 Budget**

The budget figures are those adopted at the General Meeting of the Authority held February 23, 2018. The Authority only prepares a budget for the statement of operations, the budget figures in the statement of change in net financial assets has not been provided.

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(7) **Commitments**

The Authority generally enters into contracts for the construction of large infrastructure type projects. In 2018, contracts in progress include the sewage forcemain at Elora Pines, the roof at GRCA's head office administration centre, and the Haldimand County shoreline hazard mapping & risk assessment project. Total costs of approximately \$1,679,300 are expected to be incurred in 2019.

(8) **Contingencies**

The Authority recognizes that liabilities may arise due to certain contract and labour relations matters that were outstanding at year end, in the normal course of business. Legal action may be taken against the Authority for personal injury claims, property damage and other contractual matters. The outcome of these actions is not presently determinable. It is management's opinion that the Authority's insurance coverage and/or accumulated surplus will adequately cover any potential liabilities arising from these matters.

**(9) Accumulated Surplus**

Accumulated surplus consists of tangible capital asset and other surplus and reserve funds. Details of the reserve funds are as follows:

	2018	2017
<b>Operating</b>		
Property and Liability Insurance	\$ 270,383	\$ 270,383
Building and Mechanical Equipment	1,706,833	1,496,833
Small Office Equipment	7,397	7,257
Personnel	1,037,112	1,037,112
Apps' Mill Nature Centre	23,849	23,398
Laurel Creek Nature Centre	67,338	66,065
Guelph Lake Nature Centre	137,227	104,633
Shade's Mills Nature Centre	27,854	27,327
Taquanyah Nature Centre	3,636	3,567
Computer Replacement	1,200,862	1,197,993
Forestry Management	703,737	648,359
Cottage Operations	519,114	509,301
Property Rental	469,333	337,824
Planning Enforcement	425,180	417,142
Grand River Management Plan	105,178	103,190
Watershed Restoration	112,547	103,552
<b>Total Operating Reserves</b>	<b>\$ 6,817,580</b>	<b>\$ 6,353,936</b>
<b>Capital</b>		
Completion of Capital Projects	147,000	147,000
Cambridge Desiltation Pond	7,616	8,022
Gravel	239,749	235,217
General Capital	562,741	552,103
Major Dam Maintenance	2,981,946	2,812,749
Gauges	642,300	541,859
Conservation Area	4,012,440	4,274,499
Land Reserves	6,416,594	5,790,167
<b>Total Capital Reserves</b>	<b>\$15,010,386</b>	<b>\$14,361,616</b>
<b>Motor Pool</b>		
Motor Pool Equipment Replacement	1,764,064	1,900,423
Vehicle Insurance	84,985	81,254
<b>Total Motor Pool Reserves</b>	<b>\$ 1,849,049</b>	<b>\$ 1,981,677</b>
<b>Total Reserves</b>	<b>\$23,677,015</b>	<b>\$22,697,229</b>

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Land reserves represent the net proceeds of land sales and are available for approved projects including purchases of conservation lands within the Watershed in accordance with Authority policies and Provincial Regulations.

**(10) Pension and Retirement Benefits**

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

Because OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension surplus or deficit.

The latest available report for the OMERS plan was December 31, 2017. At that time the plan reported a \$5.4 billion actuarial deficit (2016 - \$5.7 billion deficit), based on actuarial liabilities of \$93.6 billion (2016 - \$87 billion) and actuarial assets of \$88.2 billion (2016 - \$81.2 billion). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

In 2018, the Authority’s contribution to OMERS was \$1,181,720 (2017 - \$1,134,297).

**(11) Related Entity**

The Grand River Conservation Foundation (“the Foundation”) is an independent organization and a Registered Charity that raises funds to finance selected operating and capital expenditures of the Authority. Although the Foundation disburses funds at the discretion of its own Board of Directors, it only funds approved projects of the Authority and the Chair of the Authority is a permanent

member of the Foundation Board. The accounts of The Grand River Conservation Foundation are not included in these financial statements.

During 2018, the Foundation contributed \$421,412 (2017 - \$698,380) to fund projects carried out by the Authority. At December 31, 2018, the amount due from the Foundation to the Authority is \$96,551 (2017 - \$205,788). This receivable is included in "Other Receivables" on the Statement of Financial Position.

**(12) Public Sector Salary Disclosure**

Grand River Conservation Authority is subject to The Public Sector Salary Disclosure Act, 1996.

Salaries and benefits that have been paid by the Authority and reported to the Province of Ontario in compliance with this legislation are listed on the Ontario Ministry of Finance website at

<https://www.ontario.ca/page/public-sector-salary-disclosure#section-0> or can be provided in an

alternate format upon request from the Authority.

**(14) Segmented Information**

<b>2017</b>								
	<b>Watershed Management and Monitoring</b>	<b>Source Protection Program</b>	<b>Resource Planning</b>	<b>Watershed Stewardship</b>	<b>Conservation Land Management</b>	<b>Recreation and Education</b>	<b>Corporate Services/IS and Motor Pool</b>	<b>Total</b>
<b>Revenue:</b>								
Levies	\$ 4,886,495	\$ -	\$ 981,832	\$ 1,999,100	\$ -	\$ 319,300	\$ 2,888,273	\$ 11,075,000
Grants	1,645,417	1,570,408	121,399	1,290,034	89,300	135,282	90,000	4,941,840
User fees and Other	-	-	973,097	635,945	3,603,961	9,409,434	526,164	15,148,601
Donations	-	-	-	268,788	183,325	284,915	33,954	770,982
<b>Total revenue</b>	<b>6,531,912</b>	<b>1,570,408</b>	<b>2,076,328</b>	<b>4,193,867</b>	<b>3,876,586</b>	<b>10,148,931</b>	<b>3,538,391</b>	<b>31,936,423</b>
<b>Expenses:</b>								
Salaries, Wages and Benefits	3,233,340	484,096	1,594,807	1,859,528	1,737,723	4,789,256	3,015,091	16,713,841
Operating Expenses	2,286,952	1,086,312	277,510	2,454,824	2,723,456	3,631,245	1,854,885	14,315,184
Amortization	1,691,802	840	-	17,607	220,445	657,312	584,755	3,172,761
Less: Chargebacks	-	-	-	-	-	-	(2,350,961)	(2,350,961)
<b>Total expenses</b>	<b>7,212,094</b>	<b>1,571,248</b>	<b>1,872,317</b>	<b>4,331,959</b>	<b>4,681,624</b>	<b>9,077,813</b>	<b>3,103,770</b>	<b>31,850,825</b>
<b>Annual surplus/ (deficit)</b>	<b>\$ (680,182)</b>	<b>\$ (840)</b>	<b>\$ 204,011</b>	<b>\$ (138,092)</b>	<b>\$ (805,038)</b>	<b>\$ 1,071,118</b>	<b>\$ 434,621</b>	<b>\$ 85,598</b>

2016								
	Watershed Management and Monitoring	Source Protection Program	Resource Planning	Watershed Stewardship	Conservation Land Management	Recreation and Education	Corporate Services/IS and Motor Pool	Total
<b>Revenue:</b>								
Levies	\$ 4,889,994	\$ -	\$ 1,001,132	\$ 1,922,300	\$ -	\$ 303,900	\$ 2,805,173	\$ 10,922,499
Grants	1,537,198	1,159,446	114,590	1,123,636	11,710	94,965	109,385	4,150,930
User fees and Other	-	-	922,763	627,372	3,937,462	9,413,513	447,597	15,348,707
Donations	-	-	-	308,528	138,043	319,885	36,376	802,832
<b>Total revenue</b>	<b>6,427,192</b>	<b>1,159,446</b>	<b>2,038,485</b>	<b>3,981,836</b>	<b>4,087,215</b>	<b>10,132,263</b>	<b>3,398,531</b>	<b>31,224,968</b>
<b>Expenses:</b>								
Salaries, Wages and Benefits	3,103,154	440,593	1,547,162	1,639,166	1,644,583	4,640,073	3,039,162	16,053,893
Operating Expenses	2,286,698	718,853	249,819	2,225,703	2,563,501	3,440,222	1,794,360	13,279,156
Amortization	1,685,091	840	-	16,636	211,823	646,349	590,255	3,150,994
Less: Chargebacks	-	-	-	-	-	-	(2,352,814)	(2,352,814)
<b>Total expenses</b>	<b>7,074,943</b>	<b>1,160,286</b>	<b>1,796,981</b>	<b>3,881,505</b>	<b>4,419,907</b>	<b>8,726,644</b>	<b>3,070,963</b>	<b>30,131,229</b>
<b>Annual surplus/ (deficit)</b>	<b>\$ (647,751)</b>	<b>\$ (840)</b>	<b>\$ 241,504</b>	<b>\$ 100,331</b>	<b>\$ (332,692)</b>	<b>\$ 1,405,619</b>	<b>\$ 327,568</b>	<b>\$ 1,093,739</b>

# Grand River Conservation Authority

Audit Findings Report  
for the year ended December 31, 2018



Chartered Professional Accountants

January 28, 2019

[kpmg.ca/audit](http://kpmg.ca/audit)







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# Executive summary



## Purpose of this report\*

The purpose of this Audit Findings Report is to assist you, as a member of the Audit Committee, in your review of the results of our audit of the statements of Grand River Conservation Authority as at and for the year ended December 31, 2018.

This Audit Findings Report builds on the Audit Plan we presented to the Audit Committee.



## Changes from the Audit Plan

There have been no significant changes regarding our audit from the Audit Planning Report previously presented to you.



## Finalizing the audit

As of February 1, 2019 we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Receipt of management representation letter dated February 22, 2019;
- Receipt of legal responses as at February 18, 2019;
- completing our discussions with the Audit Committee;
- Obtaining evidence of the Board's approval of the financial statements.

Our auditors' report will be dated upon the completion of any remaining procedures.

\*This Audit Findings Report should not be used for any other purpose or by anyone other than the Audit Committee. 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



## Audit risks and results

We also discussed with you other areas of audit focus. We have no significant matters to report to the Audit Committee in respect of them.

See page 4



## 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.

# Executive summary



## Adjustments and differences

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

See page 7



## Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in internal controls over financial reporting.



## Independence

We are independent and have extensive quality control and conflict checking processes in place.





# Audit risks and results

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

## Other area of focus

Grant revenue and deferred contributions

## Our response and significant findings

### **Grant revenue and deferred contributions.**

- We have agreed cash receipts received by GRCA from the Ministry, local Municipalities and other relevant Government entities and reconcile to revenue reported for the fiscal year.
- We have reviewed correspondence for a selection of funding received and perform substantive procedures to ensure appropriate revenue recognition criteria are applied.

**No issues noted.**

# Technology in the audit

As previously communicated in our Audit Planning Report, we have utilized technology to enhance the quality and effectiveness of the audit.

Areas of the audit where Technology and D&A routines were used	
Tool	Our results and insights
<b>Data Extraction &amp; Analytics Tools</b>	<p>KPMG was able to use the Data Extraction Tool, DataShare, to supplement information provided by the finance team such as leveraging the summarized financial data for the entire year for investigating individual variances when performing trend analysis. Data extracted is formatted into standardized reports, ensuring consistency in the way we receive and analyse data.</p> <p>KPMG was also able to extract general ledger details for all accounts for the entire year to perform journal entry testing noted below.</p>
<b>Journal Entry Analysis</b>	<p>From the fiscal 2018 general ledger details extracted above, KPMG developed criteria and leveraged data analytic tools to select journal entries that KPMG deemed to be higher risk (ie. Unusual entries such as credit to revenue without a corresponding debit to cash and/or accounts receivable).</p> <p>No issues were noted.</p>







# Financial statement presentation and disclosure

The presentation and disclosure of the financial statements are, in all material respects, in accordance with the GRCA's relevant financial reporting framework. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter.

We also highlight the following:

## Form, arrangement, and content of the financial statements

The content of the financial statements is consistent with PSAB other than the disclosure of budget information for the statement of changes in net financial assets as discussed on page 7.

## Application of accounting pronouncements issued but not yet effective

New accounting standards effective December 31, 2018 did not have an impact on GRCA's audited financial statements.

# 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

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

## 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.

Public Sector Accounting Standards requires that budget information be disclosed on the statement of changes in net financial assets. This is an uncorrected presentation difference in the financial statements.

We concur with management’s representation that the presentation difference is not material to the financial statements. Accordingly, the differences have no effect on our auditors’ report.

See Appendix 2

# Other observations



In our view, a key area for management's attention is asset management.

Year	TCA Additions (millions \$)	TCA Amortization (millions \$)	Summary observation
2013	4.0	3.2	— In aggregate, over the past six years, tangible capital assets have been acquired at a multiple of 80% of amortization, or 0.88 to 1.
2014	2.5	3.2	
2015	2.4	3.1	— To ensure that tangible capital assets are being renewed at a sustainable rate, a multiple of 1.5 – 2.0 should be maintained over the long term.
2016	2.0	3.2	
2017	2.4	3.2	— Note that large infrastructure projects can skew this analysis and need to be considered qualitatively.
2018	3.0	3.2	
<b>Average</b>	<b>2.7</b>	<b>3.2</b>	— Excluding land, the ratio of net book value to cost of tangible capital assets is 0.42 (2017 – 0.42). — This means that your assets, on average, are more than 1/2 of the way through their useful lives. Water control structures are the biggest driver, at a ratio of 0.43. We note that Authority continues to build its capital reserves for non-land acquisitions.

# Appendices



**Appendix 1: Required communications**



**Appendix 2: Management representation letter**



**Appendix 3: Audit Quality and Risk Management**

# Appendix 1: Required communications

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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 Audit Committee. The management representation letter is included in Appendix 2.

# Appendix 2: Management representation letter



KPMG LLP  
115 King Street South  
2nd floor  
Waterloo, ON N2J 5A3  
Canada

February 22, 2019

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 Grand River Conservation Authority ("the Entity") as at and for the period ended the period ended December 31, 2018.

*General:*

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 also 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:

*Responsibilities:*

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated November 23, 2018, including for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements, such as all financial records and documentation and other matters, including:
    - (i) the names of all related parties and information regarding all relationships and transactions with related parties; and
    - (ii) the 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. All significant actions are included in such summaries.
  - c) providing you with unrestricted access to such relevant information.
  - d) providing you with complete responses to all enquiries made by you during the engagement.



- e) providing you with additional information that you may request from us for the purpose of the engagement.
- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that management, and others within the entity, did not intervene in the work the internal auditors performed for you.

*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 we are 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 that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting; or
    - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the 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.





*Subsequent events:*

- 4) 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:*

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

*Estimates:*

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

*Going concern:*

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

*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.

*Non-SEC registrants or non-reporting issuers:*

- 12) 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.

Yours very truly,



Administration Centre: 400 Clyde Road, P.O. Box 729 Cambridge, ON N1R 5W6

Phone: 519-621-2761 Toll free: 1-866-900-4722 Fax: 519-621-4844 [www.grandriver.ca](http://www.grandriver.ca)

\_\_\_\_\_  
By: Mr. Joseph Farwell, Chief Administration Officer

\_\_\_\_\_  
By: Ms. Sonja Radoja, Manager of Corporate Services

\_\_\_\_\_  
By: Ms. Karen Armstrong, Deputy CAO, Secretary Treasurer

cc: Audit Committee



## **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 Chartered Professional Accountants of Canada Handbook - Public Sector Accounting Standards *related party* is defined as:

- Related parties exist 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 Chartered Professional Accountants of Canada Handbook - Public Sector Accounting Standards a *related party transaction* is defined as:

- A related party transaction is 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.



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**Attachment II – Summary of Audit Misstatements Schedule(s)**

1	Budget numbers missing from statement of changes in net financial assets	Uncorrected	Factual
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# Appendix 3: 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 summarizes the six key elements of our quality control system.

Visit our [Audit Quality Resources page](#) for more information including access to our audit quality report, [Audit quality: Our hands-on process](#).

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 four 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
- Performance evaluation
- Development and training
- 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.



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