Ontario

DRAFT Water Quantity Management Implementation Guidance

Area-based Water Quantity Management and Priorities of Water Use

Our government is taking action through our Made-in-Ontario Environment Plan to protect lakes, waterways and groundwater supply in Ontario, now and for future generations.

In June 2020, the Ministry of the Environment, Conservation and Parks proposed changes to the Water Taking and Transfer regulation (Ontario Regulation 387/04) under the *Ontario Water Resources Act.* The ministry proposed several enhancements to the current water taking program. Two of the proposed enhancements are the focus of this guidance:

- ***Area-based water quantity management*** - adding authority that would allow the ministry to assess and manage multiple water takings together in areas of the province where water sustainability is a concern, and

- ***Priorities of water use*** - establishing provincial priorities of water use to guide decisions where there are competing demands for water.

The proposed enhancements would replace section 3 (the high use watershed maps) and section 5 (the policies that apply within high use watersheds) of Ontario Regulation 387/04 with an adaptive approach to managing water takings that can tailor assessments and management actions to local circumstances. While the ministry already has the authority to issue, cancel, amend, or impose conditions on permits, the proposed approaches are intended to provide greater transparency for ministry decisions that may affect permitted water takers in areas under stress with competing demands for water.

As the next step in our work to protect water resources in Ontario, we are seeking input on the following draft guidance to help the ministry and water users implement the above proposed enhancements to Ontario's water taking program.

Draft Guidance to Support Area-based Water Quantity Management

The proposed updates to the Water Taking and Transfer Regulation (Ontario Regulation 387/04) would amend subsection 4(2) of the regulation to enable the *Ontario Water Resources Act* section 34 Director (permit Director), based on information available to the Director, to determine that a groundwater and/or surface water source(s) is under stress. Where the permit Director makes this determination, the proposed amendments would then require the ministry to develop a strategy for managing permitted water takings within the area. In some cases, a single water user alone may not have a significant effect, but the cumulative impact of multiple water users withdrawing water may affect the sustainability of the water resources and as a result, other water users and the aquatic ecosystems that depend on them. An area-based approach can be used to better understand the cumulative impacts of multiple water users on stream flows, water levels (including surface water or groundwater) and the availability of water for other users to more effectively guide management actions in areas experiencing water quantity stress. While an area-based approach would mainly affect permitted water takers, it would also provide broader benefits by promoting the sustainability of water resources and water security for all users in the area.

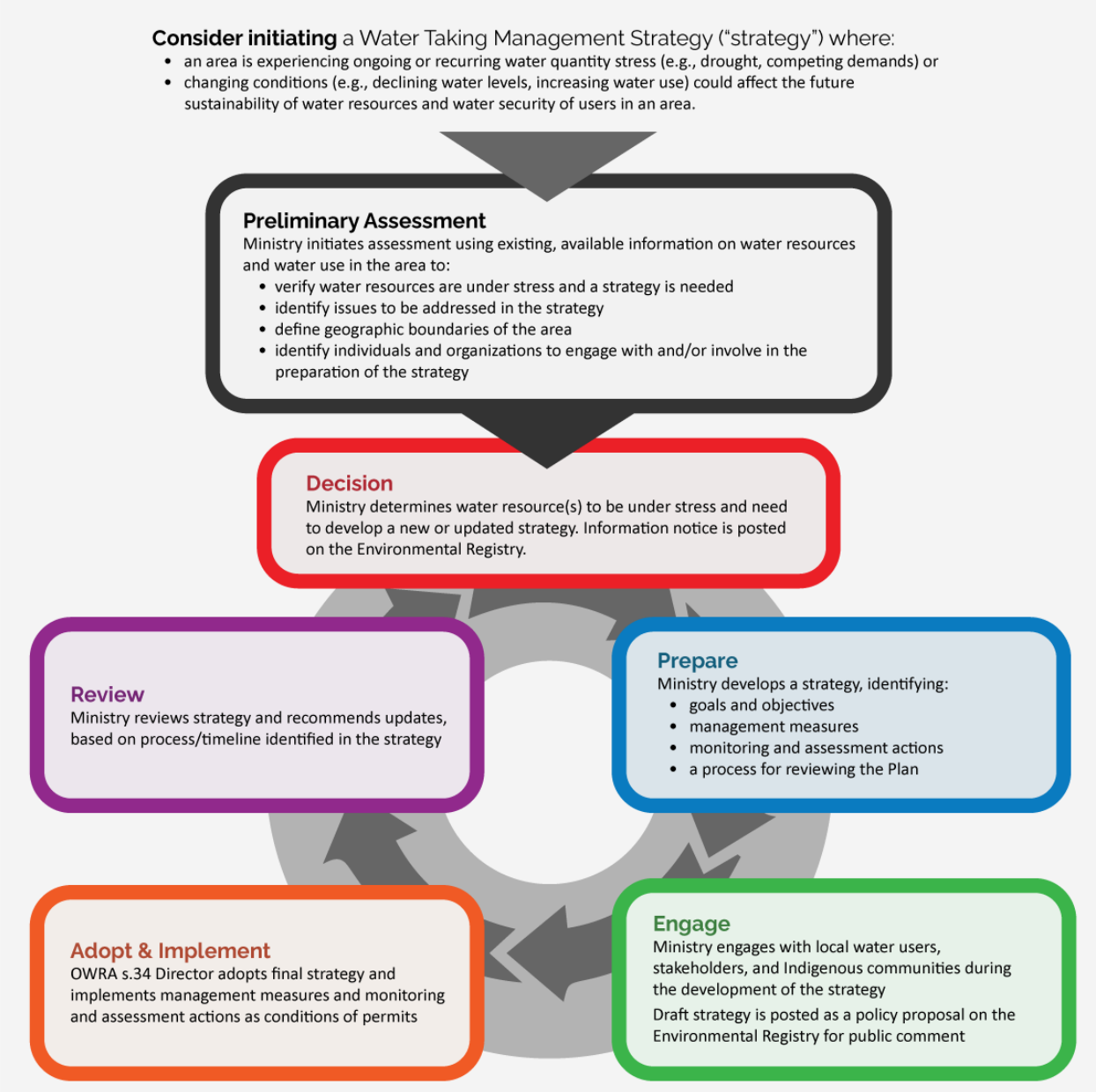
This guidance outlines how the ministry will determine when an area-based approach is needed, as authorized under the proposed regulatory amendments, and how a strategy for assessing and managing water takings in such an area will be developed. It is intended to supplement current guidance provided in the Permit to Take Water (PTTW) Manual (2005) related to "Evaluating PTTW – Water Balance and Sustainability" (p.23), which states:

> "In most cases an applicant is not responsible for larger scale assessments that extend beyond the individual water takings' area of impact. However, the Director may consider the need for a larger scale assessment to be conducted based on impacts to: natural functions of the ecosystem, water availability, use of water, and other issues as relevant.
>
> Using the above criteria and other relevant information, the Director may determine the sub-watershed, watershed or other water management units defined by the Ministry to be a high priority and begin to initiate a strategy for managing water takings and if this cannot be achieved a strategy for assessing environmental impacts."

Area-based Water Taking Management Strategy

An area-based approach involves developing a water taking management strategy (strategy) for a water quantity stressed area. This approach to assessing and managing water use is at a broader scale than the site-specific approach typically used for permit reviews or registrations of water takings to the Environmental Activity and Sector Registry (EASR). A strategy could apply to a watershed, aquifer, or any other hydrologically-defined area appropriate for managing the cumulative impact of water takings. Individual strategies will vary depending on the water stress issues being addressed and the circumstances of water use in that area. While a strategy is being developed, the permit Director would continue to exercise professional judgement in managing water takings in the area according to the framework outlined in Ontario Regulation 387/04, the PTTW Manual, and associated policies. When completed, a strategy will be used to guide the permit Director's decisions for assessing and managing water takings in that water quantity stressed area, within the context of the overall permit framework. Strategies are intended to be adapted over time, as resource conditions and water uses change. The overall process for developing a strategy is shown in Figure 1.

Figure 1: Process for developing a water taking management strategy



Considerations for Initiating a Water Taking Management Strategy

The ministry initiates a water taking management strategy at its discretion where there is documented evidence indicating:

1. An area is experiencing ongoing or recurring water quantity stress (as indicated, for example, by increased incidents of interference between water users that rely on the same water source or adverse impacts to the health of an ecosystem that relies on that water source), or

2. Changing conditions (e.g., declining surface or groundwater water levels,) are adversely affecting the sustainability of water resources and the water security of users in an area.

The ministry may become aware of potential issues through a range of ways, including; the review of permits to take water, EASRs, discussions with water users, compliance actions, information from municipalities and Indigenous communities, or from information generated from climate change or other water-focused monitoring programs, including those administered by other ministries or conservation authorities.

Preliminary Assessment

Where the development of a strategy is being considered to manage a water quantity stressed area, the ministry would gather and analyze existing available data and information to confirm that one is warranted. This preliminary assessment by the ministry would include a characterization of the state of water resources (surface and/or groundwater) and an evaluation of water use in the area of concern to determine the extent to which water use may be contributing to the stress of a ground or surface water source of supply. In undertaking the preliminary assessment, the ministry may engage with other ministries, water users, conservation authorities, municipalities and other local stakeholders, as well as Indigenous communities who may have an interest, data, knowledge, or expertise to support the assessment. Examples of the type of information the ministry may access for a preliminary assessment include:

- information related to the effects of water users, such as well interference or low stream flows

- ministry experience and information related to private wells that are prone to water shortage, vulnerable aquatic ecosystems, and areas of low hydrological resiliency where the ability to maintain a reliable water supply is limited

- information from regulated water users in the area (e.g., permit holders, EASR registrants), including stream flow data and water level monitoring and water taking reporting data

- Information from non-regulated water users in the area (e.g., private and farm domestic uses, livestock watering, the environment) about their water usage

- groundwater and surface water monitoring data

- information on water resources identified through other provincial programs, (e.g., source protection water budgets, Ontario Low Water Response, Ontario Geological Survey) or local agencies, such as municipalities or conservation authorities (e.g., watershed or sub-watershed planning supporting land use planning decisions).

This preliminary assessment would confirm whether water resources are under stress and that a strategy for managing water takings in the area is warranted. The assessment would identify the issues expected to be addressed in the strategy and determine the geographic extent of the affected area. The ministry may determine that a strategy is needed to assess and manage water takings from a particular source (e.g., watershed or aquifer) or within a localized area, such as an affected section of stream or a cluster of groundwater takings. The assessment may reveal information and knowledge gaps related to water resources and/or water use in the water stressed area. The preliminary assessment would also identify the water users, local stakeholders, and Indigenous communities that would be engaged on and/or involved in the preparation of a strategy.

If the permit Director determines through the preliminary assessment that the water resources in an area are under stress and that a strategy to manage permitted water takings is required, the Director would post an information notice on the Environmental Registry. The information notice would summarize the results of the preliminary assessment, including identifying the water resources determined to be under stress and the geographic extent of the area, and indicate the intent to develop and engage on a water taking management strategy. The notice may also describe the issues to be addressed in the strategy, as well as the process and timing for developing a strategy, including opportunities for water takers, local stakeholders, and Indigenous communities to be engaged in the process.

Preparing a Water Taking Management Strategy

If the preliminary assessment determines that water resources are under stress and that an area-based approach is warranted, the ministry will prepare a water taking management strategy. A strategy would include:

A. the *goals and objectives* of the strategy;

B. a description of *management measures* to support the goals and objectives of the strategy;

C. a description of *monitoring and assessment actions* needed to support the goals and objectives of the strategy; and

D. a process for *review, evaluation, and continuous improvement of* the strategy.

The contents of a strategy would be tailored to specific area circumstances, reflecting for example, the local environment, the scope and complexity of issues, the number and types of water users in the area, and the availability of water data and knowledge of water resources. The ability of water users to implement the measures and actions contained in a strategy in an effective and timely manner would also be considered. Details on how the ministry would engage with affected water users, local stakeholders, and affected Indigenous communities during the development of a strategy are provided below.

A. Goals and objectives

The strategy would identify goals and objectives related to addressing the causes of water quantity stress in the area. The goals and objectives would guide the management measures and monitoring and assessment actions that would be included in the strategy. While goals and objectives would be tailored to individual areas, they should be consistent with those of the *Ontario Water Resources Act* and PTTW program. The goals may be general in nature (e.g., to improve the sustainability of water resources in the area during periods of water stress). The objectives should be specific and action-oriented, with measurable indicators that quantify improvements (e.g., positive trends in stream flows).

B. Management measures

A strategy would include measures for managing water takings that are tailored to support the goals and objectives for addressing water quantity stress. When implementing the strategy, these measures would be considered by the permit Director when deciding to issue, cancel, amend, or impose conditions on permits in the area. As such, management measures may become part of permit conditions for new or increased water takings, or for some or all existing permits in the area. The strategy may also include measures that the permit Director would consider for managing other water users in the area that are contributing to water stress.

An area-based approach should help to determine how different water users are contributing to water stress in the area. Management measures would be identified based on available

information and could be adapted as additional information becomes available. Potential management measures may be examined in collaboration with affected water users, as well as affected Indigenous communities, local stakeholders, and other ministries as needed. The types of management measures that could be included in a strategy are:

- Measures to improve understanding of the effects of water takings on water availability, for example:
    - revising monitoring and reporting requirements in permits to more accurately detect effects of the water taking on the environment or other water users.
    - updating existing permits to reflect actual water needs to enable the development of accurate water budgets.
    - setting a collective expiry date for permits in the area to enable simultaneous review of permit renewal applications.
- Measures to improve water security through more efficient water use. For example:
    - requiring water users to complete a water efficiency audit, and to prepare and implement a water conservation and efficiency plan.
    - developing a drought management plan for the area that identifies requirements for individual permit holders, including developing contingencies for back up water supplies, if warranted and available.
    - encouraging or requiring water takers to find more reliable or sustainable sources.
- Measures to improve the sustainability of the water resource. For example:
    - specifying environmental triggers for when restrictions on water use should be implemented or relaxed (e.g., threshold stream flows above which water taking can be maximized and below which water takings should be reduced).
    - scheduling of water takings among multiple water users (e.g., staggering takings on different days or different hours) when identified as a viable alternative to water taking reductions.

- restricting the permitting of any new or increased water taking within a defined area or from a water source identified as vulnerable and unable to sustain additional water users.

The specific management measures included in a strategy would reflect the current level of understanding of the water resources in the area and focus on water users most impacting sustainability. The measures considered for a strategy should also recognize differences in facilities and water use characteristics among water takers in the area (e.g., size and type of operation, water infrastructure, volume of water use, current water conservation practices). For example, the types of measures that would appropriate for a small agricultural irrigator may be different than those that could be applied by a large industrial facility or a municipality.

To meet the objectives of a strategy, the ministry would examine measures to enhance water efficiency and water system optimization, or to promote the voluntary sharing of water among users before considering measures that would require reductions in water use. If it is determined that there is a need for temporary or long-term restrictions on new or existing water use in the area, the ministry will work closely with the affected water users during the developing of the strategy to determine an equitable approach to implementing such restrictions. The permit Director has existing authority under the *Ontario Water Resources Act* to revise or revoke a permit as needed and may require unpermitted water users or EASR registrants to apply for a permit. Any water management measures, including restrictions on water takings for the purposes of resolving competing demands for water among water users, would consider the proposed priorities of water use to be outlined in the Water Taking and Transfer Regulation and accompanying guidance.

C. Monitoring and assessment actions

The strategy would also identify actions to collect and consolidate information that can be used by the ministry to improve understanding of the causes and sources of water quantity stress in the area and to guide scientifically-based water management decisions. In developing a strategy, the ministry will document existing available water quantity information, identify any critical gaps in knowledge and outline additional monitoring and assessment needed to support the strategy's goals and objectives. This could include data and information needed to refine aspects of the ministry's preliminary assessment, including assessing the cumulative impacts of water users, environmental flow needs for aquatic ecosystems, or the susceptibility of water resources and uses to drought conditions. It may also include information needed to support additional analysis such as analyzing long-term trends in stream flow and water levels, or inputs needed to model existing and future water resource conditions based on changes in climate and/or water use.

While area-wide monitoring and assessment actions identified in a strategy would not be the sole responsibility of an individual water taker, the ministry may require collective monitoring and assessment by a cluster of water takers. Individual permit holders may be asked to collect and report additional information to the ministry related to their water taking and its potential impact on the environment and other users. Monitoring and assessment actions may require collaboration between water users, provincial ministries, municipalities, Indigenous communities, and conservation authorities.

D. Review, evaluation, and continuous improvement

Strategies are intended to be adapted over time, as resource conditions and water uses change. The strategy would outline a process for how it will be reviewed and updated. It is expected that the goals and objectives, management measures, and monitoring and assessment actions in a strategy would be adjusted as knowledge and/or conditions of water resources and water uses in the area change. The timing and frequency for reviewing a strategy would be case-specific, but could be based on:

- a pre-determined review schedule (e.g., after ten years; or, upon renewals of permits in an area that have a collective expiry date);
- new knowledge gained through monitoring and assessment work undertaken as part of the strategy, or other technical information that may become available;
- evidence that one or more of the strategy objectives is not being met;
- evidence that strategy objectives have been met (e.g., conditions have improved in the area); and/or
- concerns raised by water users, stakeholders and Indigenous communities with measures or actions prescribed in the strategy.

Engaging Water Users, Local Stakeholders, and Indigenous Communities on a Water Taking Management Strategy

There are two points during the process of developing a water taking management strategy where the ministry would formally initiate engagement. At the start of the process, the ministry would provide direct notification to Indigenous communities and post an information notice on the Environmental Registry identifying the water resources determined to be under stress and indicating the intent to develop and engage on a strategy for the affected area. Once a draft strategy is developed, the ministry would post the draft strategy on the Environmental Registry

as a policy proposal under section 15 of the Environmental Bill of Rights. The ministry would provide direct notification of and seek input on the draft strategy from Indigenous communities and organizations in the area. The ministry will consider comments received during engagement before finalizing and adopting the strategy.

During the development of a strategy, engagement with affected water users, local stakeholders (e.g., conservation authorities), affected Indigenous communities, and other provincial ministries would be needed. Engagement can help to shape the contents of a strategy, including by providing insight into the environmental, social, and economic implications of potential measures and actions for the local community. The specific local engagement approach for any strategy would be determined on a case-by-case basis. The ministry would tailor the level and extent of engagement based on factors such as the size of the area, the number and types of water users, and the scope and nature of the issues being addressed in the strategy. The ministry would also consider opportunities for engagement with Indigenous communities during strategy development. Indigenous communities potentially affected by the actions and measures in a strategy would be identified to ensure engagement during the development of the strategy would support the Crown's duty to consult on water takings.

In some situations, limited engagement with directly affected water users may suffice. This could be a case where a strategy is being developed to address interference among a small number of water users. A more extensive approach to engagement may be required for more complicated situations, such as larger areas where there are a significant number of affected users, affected Indigenous communities and/or interested stakeholders.

The ministry may create a collaborative group, such as a committee of local water users, to provide advice during the development of the strategy. Collaborating on the development of a strategy can provide an effective forum for sharing knowledge and expertise, including local and Indigenous knowledge, and for exploring opportunities for adapting water use practices and optimizing water systems to help address the water quantity challenges in an area.

Aligning a Water Taking Management Strategy with Other Provincial Policies and Programs

Management measures and monitoring and assessment actions taken as part of an area-based water taking management strategy must act jointly with other relevant provincial programs and policies, such as Ontario Low Water Response, drinking water source protection plans completed under the *Clean Water Act*, water management plans under the *Lakes and Rivers Improvement Act* and watershed or subwatershed plans for the area (e.g., as may be required

under the Greenbelt Plan and the Growth Plan for the Greater Golden Horseshoe or supporting implementation of the Provincial Policy Statement). A water taking management strategy developed under this policy is not intended to duplicate or conflict with other existing plans and programs, but rather to integrate with these efforts to address broader water management goals related to water quantity and water use. For example, a strategy would integrate with Ontario Low Water Response by identifying measures to manage water use during low water conditions. A strategy may complement drinking water source protection plan policies by addressing water quantity issues within an area that are beyond the scale of municipal drinking water systems. A strategy may complement watershed plans by identifying strategies and objectives for water use management. Integration with water management plans, developed and maintained under the *Lakes and Rivers Improvement Act*, could occur if waterpower facilities and water control structures have a potential role in addressing the water quantity issues within an area.

Draft Guidance to Support Priorities of Water Use

The Ministry of the Environment, Conservation and Parks considers all applications for water takings based on principles, criteria, and processes outlined in Ontario Regulation 387/04, the Permit to Take Water (PTTW) Manual (2005), and associated policies. The permit Director will not issue a permit for any new or increased water taking unless they are satisfied that the proposed taking will not cause unacceptable impacts to established water users or the environment.

When there is a shortage of water resources in an area, decisions may need to be made about how the available water will be shared among established water users, including the environment. The proposed updates to the Water Taking and Transfer Regulation (Ontario Regulation 387/04) would amend subsection 4(2) of the regulation to set out priorities of water use that the permit Director would take into account when considering whether to renew, cancel, or amend existing permits in situations where there are competing demands for water among established users. The priorities of use are intended to be applied as a last resort, only after other mechanisms in the PTTW framework used to avoid or resolve conflict among established water users have been attempted.

This guidance explains what the priorities of use are under the regulation and provides direction on when and how the priorities may be applied. When this policy is applied, it is intended to replace the existing guidelines on priorities of water use contained in the provincial document "Water Management: Policies, Guidelines, Provincial Water Quality Objectives of the Ministry of Environment and Energy" (July 1994).

What are the Priorities of Water Use?

The four priority of use categories set out in subsection 4(2) of Ontario Regulation 387/04 are shown in the Table 1, along with examples of the specific purposes of water use that are included in each category. The priority goes to the established water user in the higher priority category. The range of water uses covered by the priorities include both water takings that are required to have a permit, or required to be registered on the EASR, as well as water uses that are typically not required to have a permit (e.g., individual water takings for private domestic use or livestock watering, in-stream flows for environmental protection).

Table 1: Priorities of Water Use

PRIORITY 1 – Environment and Drinking Water (equally)

Environment

For example:

- Protection of instream flows (stream, rivers) and water levels (lakes, aquifers) for the purposes of sustainable water management, such as the protection of aquatic ecosystems or mitigating impacts of water quality degradation (including wastewater assimilation)
- Environmental remediation, including the pumping and treating of contaminated groundwater for aquifer protection

Drinking Water

For example:

- Private domestic supply for ordinary household and farm purposes
- Drinking water supplies for Indigenous communities
- Municipal drinking water systems
- Communal water supplies
- Drinking water supply for campgrounds
- Drinking water for institutions, such as:
  - schools
  - hospitals
  - colleges and universities
- Direct watering of poultry and livestock
- Aquaculture

PRIORITY 2 - Agricultural

Irrigation (including frost protection) of agricultural crops and on-farm washing activities

PRIORITY 3 - Industrial and Commercial

For example:

- Aggregates
- Brewing / soft drinks
- Food manufacturing
- Manufacturing
- Mining
- Power generation
- Golf courses
- Water bottling
- Construction
- Ski hills

PRIORITY 4 - Other
For example, uses for aesthetic and recreational purposes, such as:

- Water features
- Landscaping
- Aesthetic fish pond

Individual water users may use water for a variety of purposes that fall into different levels of priority. For example, a portion of water used by an industrial facility may provide for domestic water needs at the facility (e.g., kitchen, washrooms). In other cases, some water use may be necessary for emergency purposes, and to protect health and safety (e.g., fire protection, dewatering to maintain a dry work site, food safety) or maintain food security in the province (e.g., continuing processing of locally grown products). In applying the priorities of water use outlined above to resolve competing demands among users, the ministry would require that certain essential water uses must be maintained, regardless of where a user falls within the levels of priority.

When do the Priorities of Water Use Apply?

Priorities of water use can be used at the discretion of the permit Director to help resolve competing demands for water among established water takers due to a shortage of water within an area. Competing demands for water may be short-term or long-term; a single, recurring or continuous event; and may occur over different spatial scales, resulting from factors including drought, limited natural water availability, or a high density or close proximity of water takings.

The priorities of use may be used to resolve ongoing competing demands among established users in an area. Where competing demands are temporary but recurring (e.g., in an area prone to drought), the priorities may be applied proactively to determine how established water takers in the area will respond during future periods of water shortage.

The permit Director may consider the priorities when reviewing applications for renewals of existing permits in an area. Where urgent (e.g., a need to immediately reduce competing demands among users during a severe water shortage), the permit Director may apply the priorities, at their discretion, to amend active permits within an area to impose necessary measures to resolve such conflicts.

The priorities of water use are intended to be applied as a last resort, to complement other elements of the PTTW framework that are used to avoid or resolve conflict among water users. For example, the ministry has processes to investigate and resolve interferences that occur

between established water users that include ensuring compliance with permit conditions and working with the water users involved to identify potential solutions.

How do the Priorities of Water Use Apply?

To apply the priorities of water use, the permit Director would consider amending the permit(s) of the lower priority water taker(s) to change or impose additional conditions on the water taking in order to mitigate the impacts on an established higher priority use. For example, permits could be amended to:

- restrict the water taking (on a temporary, long-term, or permanent basis);
- require a reduction in water taking at certain times of the year when competing demands for water among users occurs;
- establish triggers for reducing water taking, such as minimum stream flows or water levels (below which no water taking may occur) to protect environmental and downstream water user needs;
- require the implementation of water conservation or water efficiency measures;
- require use of alternative water sources (e.g., offline storage ponds); or
- require more frequent reporting of water use to the ministry.

Where necessary, the permit Director may also require an established water user to obtain a permit, even if they are taking less than 50,000 litres on any day. There may be situations where a non-permitted water user is impacting a higher priority use. Requiring the water user to have a permit would enable the ministry to impose conditions and restrictions on the water taking, as necessary, to resolve the conflict.

To determine the appropriate measures in a particular case, the permit Director would refer to relevant technical information, including monitoring data and assessment reports related to the water resource and affected water users. In some instances, additional data and information may need to be requested from established water users. When requiring a lower priority water taker to restrict their water taking, the permit Director would also consider any minimum amount of water use that must be maintained for health and safety reasons, or to protect food security. Engagement with affected water users, sector associations, and other relevant ministries may be undertaken to better identify the effects of any water taking restrictions on water users, including the environment, and the broader community, recognizing there may be social and economic implications as well.

Where there are competing demands for water among users in the same priority level, the ministry would work closely with the affected water users to resolve the issue in an equitable manner. There may be measures that can be taken by individual users, such as improvements to their water use efficiency or water system optimization. There may also be collective actions that water users can take to mitigate the conflict, such as determining a schedule for coordinating water use during periods of water shortage. Where needed, the permit Director may amend existing permits to require the implementation of such measures by water takers.

Other Considerations for Applying Priorities of Water Use

Priorities of water use as a last resort

The priorities of water use are intended to be applied as a last resort, only after alternative measures to resolve competing demands for water have been exhausted. As described above, it is a tool that complements other processes in the PTTW framework that are used to avoid or address conflict among water users. Before imposing any restrictions based on priorities of use, the ministry would investigate and attempt to resolve interferences that occur between established water users, including ensuring compliance with permit conditions and working with all water users involved to identify potential solutions, such as:

For improving how an existing water source is used:

- scheduling water takings in the area to reduce the interference (e.g., staggering days and times of taking, coordinating the pumping of multiple water sources);
- implementing water conservation and efficiency of use measures; or
- optimizing a municipal or other large communal water system (e.g., adding storage capacity).

For attaining a reliable water source:

- changing how a water resource is accessed (e.g., deepening a well or pumping surface water at higher flows into a storage pond);
- changing the source of water takings (e.g., from surface water to groundwater);
- reducing takings from a source at certain times of year or during drought; or
- encouraging backup supplies for water takers in areas that are prone to drought.

Solutions considered for different water users should be commensurate with their individual facility and water use characteristics (e.g., size and type of operation, water infrastructure, volume of water use, current water conservation practices). For example, the measures that would be feasible and cost-effective for a small agricultural irrigator are different than those that could be applied by a large industrial facility or a municipality. Similarly, a water user may have implemented the best available water conservation practices for their sector and may not have opportunity to further enhance their water use efficiency.

Area-based water taking management strategies

In areas that are determined to be under stress and where there may be competing demands for water, the ministry may develop an area-based strategy for assessing and managing water takings. Through the process of developing a water taking management strategy, the ministry would work with affected water users, conservation authorities and other local stakeholders, and Indigenous communities to identify appropriate measures to apply to established water users, and potentially new water users, to resolve the issue. The priorities of water use may be an important consideration in the development of a strategy. Refer to the draft guidance above for additional information on the ministry's approach to managing water takings on an area-basis.

Protecting future drinking water supplies

Where there are competing demands involving water used for drinking water purposes (e.g., municipal, Indigenous, private domestic), drinking water needs are considered among the highest priorities. However, priorities of water use can not be used as a mechanism to "reserve" water for the long-term, future water needs of higher priority uses within an area, including municipal drinking water supplies. As mentioned above, all permit applications are reviewed with consideration of impacts to existing water users and the environment. For municipal drinking water systems, subsection 4(2) of Ontario Regulation 387/04 requires the ministry to consider the impacts that a proposed water taking would have on planned municipal use of water that has been approved (e.g., under the *Environmental Assessment Act*). Additional tools are available under the *Clean Water Act* to ensure the sustainability of at-risk municipal drinking water sources. These include developing policies to:

1. direct the ministry to use permits to manage the risk of non-municipal water takings to municipal drinking water sources;

2. direct municipalities to undertake actions related to managing their systems, water efficiency, and managing growth and development; and

3. request the province and other agencies to undertake actions to support or enhance the municipal drinking water systems (e.g., funding, additional monitoring, etc.).

Engaging stakeholders, Indigenous communities, and other ministries

In addition to working with affected water users, there may be some situations where the ministry needs to engage other stakeholders and Indigenous communities who are affected by a conflict (e.g., if water takings are interfering with an aquatic ecosystem). The scope and level of engagement needed will be determined on a case-by-case basis, depending on the specific circumstances of the situation and affected area.

The ministry may also engage other ministries that have programs to assist in developing solutions to water shortages, such as the Ministry of Natural Resources and Forestry and the Ministry of Agriculture, Food and Rural Affairs. Ontario Low Water Response is a provincial tool administered by the Ministry of Natural Resources and Forestry that enables provincial and local authorities to be prepared in the event of low water conditions. It provides a framework for cooperatively managing low water and drought mitigation and response at the local level. The Ministry of Natural Resources and Forestry also administers water management plan requirements under the *Lakes and Rivers Improvement Act*. Water management plans regulate waterpower facilities and other water control structures on a river system, and in some cases, may have an important role in helping to resolve competing demands among water users. The Ministry of Agriculture, Food and Rural Affairs can provide various resources, tools, and training that can help water users in the agricultural sector respond to water shortages.