

## **Key Recommendations and Comments Regarding Modernization of Conservation Authority Operations (ERO 013-5018) and Schedule 2 of Bill 108**

**Submitted by the Upper Thames River Conservation Authority  
May 17, 2019**

### **Recommendation 1: THAT Schedule 2 *Conservation Authorities Act* (CAA) of Bill 108 be deferred from enactment to provide CAs with an adequate opportunity to consult with their member municipalities**

The Environmental Registry of Ontario (ERO) 45 day comment period and the introduction of amendments to the Conservation Authorities Act as part of the Housing Supply Action Plan (Bill 108) has not permitted adequate time for the UTRCA's Board of Directors to explore or fully understand the proposal's implications, nor to adequately communicate with member municipalities in a meaningful way. The issue has been further complicated by the operational pressures of the flood season and the unexpected announcement of an in-year provincial funding cut of 50% to the flood management program. The UTRCA is still trying to adapt to the loss of funding (and the ripple effects of other reductions such as the 50 Million Tree Program) and how that will impact member municipalities. The range and scale of proposed changes for the public services that the UTRCA and its member municipalities provide is unprecedented and we would urge the province to defer final decisions to allow for full consultation in the interest of quality decision making that supports the public's interest, rather than having to correct decisions in the future that were made in haste or with only a single purpose in mind.

### **Recommendation 2: THAT the mandatory programs and services [proposed Section 21.1 (1)] include an additional category: "Conserving Natural Resources"**

The UTRCA is concerned about defining and limiting our core mandatory program to the items listed in the ERO and Bill 108 (i.e. natural hazards, conservation-owned lands, source water protection, Lake Simcoe watershed). This limited list fails to recognize the critical role that UTRCA plays as a watershed and natural resource management agency. As outlined in the *Conservation Authorities Act* (CAA), the objects of an authority are to "provide, in the area over which it has jurisdiction, programs and services designed to further the conservation, restoration, development and management of natural resources..." (Sec. 20(1)). Further, for the purposes of accomplishing its objects, an authority has the power to "study and investigate the watershed and to determine programs and services whereby the natural resources of the watershed may be conserved, restored, developed and managed" (Sec. 21(1)(a)). Watershed management has been the foundation for all CA programs and services since the inception of conservation authorities.

Residents of all watersheds rely on clean and sustainable drinking water, breathable air, green spaces and healthy rivers and streams for recreation, healthy soils, forests and wetlands that

provide habitat for wildlife, as well as public health and many other benefits. Being in nature restores people and helps them to stay active and healthy, reducing health care costs. The *Conservation Authorities Act* established in 1946 was predicated on responding to local issues on a watershed basis.

Including “Conserving Natural Resources” as a mandatory program would recognize the important role that the UTRCA and all conservation authorities play in protecting the function and resilience of natural resources at the watershed level. **This would be consistent with the “Made-in-Ontario Environment Plan”, which states that conserving natural resources is part of a CA’s core mandate.** CAs can assist the Province and local municipalities in addressing climate change and natural resource related issues at the watershed scale which is most cost efficient.

“Conserving Natural Resources” would include the key elements of watershed management such as water quality, quantity and vegetative cover monitoring and modelling on a watershed basis to support multiple objectives that are relevant to the watershed jurisdiction, including improvements to Great Lakes water quality, watershed resilience to climate change (e.g. flooding, biodiversity) and land use change (e.g. urbanization, agricultural intensification). It would also include other watershed scale programs such as rural and urban stewardship with local landowners and agencies that improves and protects water quality and quantity and watershed biodiversity through restoration, rehabilitation and green infrastructure.

**NOTE:** The UTRCA and all conservation authorities are the key collection agencies for core provincial monitoring programs including the Provincial Water Quality Monitoring Network (PWQMN), the Provincial Groundwater Monitoring Network (PGMN) and the Ontario Benthos Biomonitoring Network (OBBN). Conservation authorities also report on changes in provincial environmental quality every five years through their standardized Watershed Report Cards. **Without the inclusion of a new category of “Conserving Natural Resources” the legislative changes as proposed on the ERO would preclude Conservation Authority participation in these core provincial monitoring programs resulting in their likely termination, and negative impacts on human health.**

**Recommendation 3: THAT the government remove the requirements for individual Municipal Council budget agreement for watershed-based programs called “other programs and services”/ non-mandatory**

**AND THAT updates to the municipal levy regulation and training be developed in collaboration with conservation authorities and municipalities.**

The ERO posting and Bill 108 propose to fundamentally change the CA/municipal funding relationship. As a general comment, it is agreed that CAs should be transparent in how they levy municipalities for both mandatory and non-mandatory programs and services. It is further agreed that CA budgets should be presented to their municipalities on an annual basis and distinguish levy funded programs from those that are not. **This has always been the standard practice of the UTRCA.**

The creation of conservation authorities recognized that water does not stop flowing at political boundaries and that there are economies of scale through cost sharing. Members of the Board of Directors are appointed by all involved municipalities, and this watershed management governance provides an essential multi-municipality perspective on which program investments will most benefit a watershed and should be supported by a municipal levy. The provincial

proposal limits use of municipal levy to “mandatory programs and services” (standards and requirements to be prescribed in regulation) related to Natural Hazards, Conservation-owned Lands, Drinking Water Protection, and to Lake Simcoe watershed protection. “Other programs and services”/non-mandatory identified by a CA Board for their watershed would need individual Municipal Council agreement on budget for them (21.1.2(2)) and accounting with each municipality that participates in order for a municipal levy to be applied.

CAs are already governed directly by municipalities through their appointees to the CA Board. The CA Board directly controls the extent, size and scope of programs and services, and the Authority’s budget, including levy. This governance structure already provides the means for member municipalities, collectively, to opt in or out of non-mandatory programs while maintaining the benefit of a watershed focus, and economies of scale through cost sharing. A new administrative instrument (mandatory and non-mandatory levy) is being proposed, presumably, to provide municipalities with a sense of control they feel they don’t currently have. This new administrative instrument appears cumbersome at best and prone to definitional challenges. It transfers components of budget decision making to municipal councils rather than with the Board of Directors. Given the timing of municipal budgets versus the passing of a CA budget, greater uncertainty is created. Instead the UTRCA encourages a review of current training for CA Boards and municipalities with an emphasis on member roles, powers and responsibilities, as a reminder that program and budget control is already fully within their power. The existing governance structure was designed for this level of control; it seems more efficient to maximize the effectiveness of the existing governance structure through training than to create a new administrative tool that will greatly complicate the process, as well as create an additional administrative burden. It is unclear why a government that wants to reduce red tape and improve efficiencies is creating such a complicated and time consuming administrative process for watershed management programs and services. The proposal will consume resources and may unintentionally lead to financial inefficiencies and poor management of watershed resources through the “opt-out” option. In effect it undermines the mandate, premise and financial efficiencies of the multi-municipality/watershed governance of conservation authorities.

**Recommendation 4: THAT the Province continue to financially support core mandatory programs and services to be delivered by conservation authorities, as well as support CA eligibility for other provincial funding programs.**

There are currently provincial transfer payments to all CAs for natural hazards (Ministry of Natural Resources and Forestry) and source water protection (Ministry of Environment, Conservation and Parks). The Province’s ‘Made-in-Ontario Environment Plan’ recognizes how issues such as climate change can impact and threaten Ontario’s economic prosperity and the well-being of its people; and states that addressing these challenges is a shared responsibility. However, the 2019 Ontario budget cut 50% of the natural hazards program funding to conservation authorities. The impact to the UTRCA is a direct loss of \$170,000 for core services, plus the ability to leverage additional funding to support those same programs, typically at a ratio of 3:1. The actual impact is closer to \$500,000. This funding reduction seems to be a contradiction to the Environment Plan commitments and is a concerning signal that the Province is on a path to transferring the remainder of its natural hazards financial support responsibilities to municipalities who, themselves, have also seen a reduction in their own provincial transfer payments as well as cuts to public health and other shared cross sector programs. This transfer of funding responsibilities from one level of government to another does not benefit the individual taxpayer and jeopardizes critical public services. The province is encouraged to continue its investment in these core mandatory programs and services.

Additionally, individual CAs are important on-the-ground delivery agents for numerous provincial programs through special contracts. For example the UTRCA's work has been supported by funding from the Canada- Ontario Agreement (Water Management Plan, water quality stewardship, low impact development), the Provincial Species at Risk Stewardship Fund, and Great Lakes Guardian Fund. The province should ensure that the eligibility of CAs for these other provincial funding opportunities continues.

**Recommendation 5: THAT core mandatory programs may be applied to municipal levy or CAs could utilize other sources of revenue.**

Given the instability of provincial transfer payments and additional pressures on municipal budgets from various provincial funding cuts, the CA/municipal budget relationship should retain the CA Board's ability to utilize user fee revenues. It is our request that these core mandatory programs may be applied to municipal levy or could utilize other sources of revenue. For example, CAs want the option of using self-generated revenue to support conservation (owned) land management, in addition to, or rather than, municipal levy.

**Recommendation 6: That the inclusion of the Lake Simcoe Protection Act as a core program be supported and that the intent of that legislation be applied consistently across all conservation authority areas of jurisdiction.**

We note that inclusion of Lake Simcoe Protection Act as a core program seems out of place geographically. However, the intentions of the Act are certainly supported and we would suggest similar legislation or intent in all conservation authority watersheds. The Lake Simcoe Protection Act is also consistent with the watershed management principles and range of programs currently delivered by conservation authorities. Fundamentally, if the province agrees this watershed management approach is appropriate for the Lake Simcoe Watershed, it seems appropriate that it be applied across the rest of the province.

**Recommendation 7: That the province continue to financially support conservation authority responsibilities under the Clean Water Act.**

We note that the ERO proposal allows for the inclusion of Source Water Protection costs as an eligible municipal levy expense. While the province is continuing to fund Source Water Protection costs for 2019, the UTRCA is concerned that future expenses may be expected to be recovered via the municipal levy. Any downloading of costs to municipalities will create an inconsistent application of policies within Source Protection Regions. Provincial oversight, science and policy standardization, and funding was the product of the Walkerton Inquiry and was to address policy and administrative inconsistencies that contributed to the Walkerton drinking water tragedy. The UTRCA is concerned any move to transfer responsibilities away from the province, including funding, could result in inconsistent application of policies and ultimately increase risks to Ontarian's drinking water supplies.

**Other Proposals – Appointment of an Investigator (proposed Section 23.1 (4 – 8)); Duty of Members (proposed Section 14.1)**

These proposals are supported. With regard to investigations, it suggested the costs of an investigation be borne by the Province to ensure recommendations are unbiased and independent of the Authority in question.

A handwritten signature in black ink, appearing to read 'Ian Wilcox', written in a cursive style.

Ian Wilcox, General Manager  
Upper Thames River Conservation Authority