

# **The Corporation of the City of Kawartha Lakes**

## **Council Report**

**Report Number PLAN2018-055**

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**Date:** June 19, 2018  
**Time:** 2:00 p.m.  
**Place:** Council Chambers

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**Ward Community Identifier:** All

**Title:** Conservation Authorities Core Service Review - Options

**Description:** Options to Improve Conservation Authorities' Service Delivery

**Author and Title:** Anna Kalnina, Planner II

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### **Recommendations:**

**That** Report PLAN2018-055, Conservation Authorities Core Service Review, be received;

**That** the recommendation to continue Conservation Authority services as generally outlined in Option 3 to Report PLAN2018-055, be approved; and

**That** staff be directed to negotiate and update the Environmental Planning Services Memorandum of Understanding (MOU) with the four Conservation Authorities with jurisdiction in the City of Kawartha Lakes and bring back a recommended MOU to Council for approval.

**Department Head:**\_\_\_\_\_

**Financial/Legal/HR/Other:**\_\_\_\_\_

**Chief Administrative Officer:**\_\_\_\_\_

## **Background:**

Council has identified a need to review the Conservation Authorities (CA's) services provided to the City. The staff presentation is contained in Appendix A.

At the Special Council Information Meeting on March 27, 2018 (Council Resolution CC2018-06.4.4), Council received an overview presentation of the CA's roles and responsibilities, their revenue sources, services CA's provide to the City and service costs to the City. The presentation was a precursor to the following report and is contained in Appendix B.

The presentation also provided that the City of Kawartha Lakes receives its environmental planning services from four Conservation Authorities: Kawartha Region Conservation Authority (KRCA), Otonabee Region Conservation Authority (ORCA), Ganaraska Region Conservation Authority (GRCA), and Lake Simcoe Region Conservation Authority (LSRCA). The services are formalized through the Environmental Planning Services Memorandum of Understanding (MOU), with the last MOU authorized by Council on September 11, 2012 for a five-year period.

The four CA's are required or permitted by the Conservation Authorities Act to provide the following three categories of programs and services:

1. The mandatory programs and services required by regulation;
2. The municipal programs and services that CA's provide on behalf of municipalities under an MOU; and
3. Other programs and services that the City and CA's determine to be common environmental policy objectives.

The City may have some flexibility to change programs and services under items 2 and 3; however, without dissolving a CA, mandatory programs and services under item 1 cannot be affected.

The presentation also identified that a CA's budget is made up of four different revenue sources, including self-generated revenue, provincial and federal funding, and municipal levies. Municipal levies are collected from all municipalities receiving CA services. This cost-sharing model and different revenue streams ensure that participating municipalities receive more environmental services and have access to a pool of more expert staff than what each municipality pays for individually.

## **Rationale:**

The report considers and analyzes options with the objective to achieve CA service efficiencies, as it relates to costs to the City and processing timelines of development applications. The following five options cover a full range of

possible changes to the City of Kawartha Lake's relationship with its CA's – from dissolution to an enhanced partnership with one or more CA's.

Option 1 – Dissolution

Option 2 – Reduce CA services

Option 3 – Continue CA services

Option 4 – Increase CA services

Option 5 – Embrace

The options in this report will consider KRCA, its services, staff and costs as an example. The majority of the City's geography is subject to the KRCA's jurisdiction and accordingly, the City's levy is reflective of that. Also, the majority of the KRCA's jurisdiction is within the boundaries of the City of Kawartha Lakes. Therefore, changes to KRCA service delivery would impact the City the most.

### **Option 1 – Dissolution**

Section 13.1 of the Conservation Authorities Act outlines CA dissolution process. It provides that the Council of two or more participating municipalities must request a meeting, by resolution, of the members of the authority to consider dissolution. The meeting is to be public with opportunities for public members to make representations on the issue. At the meeting, two-thirds of the members of the authority must vote in favour of dissolution.

Following the vote, all participating municipalities have to demonstrate to the Province acceptable provision for future flood control, watershed interests, all assets and liabilities of the authority, and protection of drinking water sources. Provided that all requirements are met to the Province's satisfaction, the Lieutenant Governor in Council may dissolve the authority, on terms and conditions the Lieutenant Governor in Council considers appropriate.

There are no examples of successful dissolution. On February 11, 1999, dissolution of the KRCA was considered at a Special Meeting of the Board of Directors. The dissolution vote failed with only one vote made in favour of dissolution.

Dissolution of one or more CA's would have major implications on the City's budget and operations. Table 1 identifies existing KRCA services, staff and costs, as well as proportionate resources that would be required to continue services. The column titled, proportionate resourcing that may be applied to the City, was derived using 60% of the KRCA staff and costs, which is the approximate proportion of what the City of Kawartha Lakes funds for its KRCA levies. Where the City is the sole municipality paying for the services, the table indicates that 100% of the costs and staff would be required to perform the same service. All values represent an estimate of the impact of the dissolution.

Table 1: Considerations for business continuity plan

<b>KRCA services</b>	<b>KRCA staffing (full time employees (FTE))</b>	<b>Cost to KRCA (2017)</b>	<b>Proportionate resourcing that may be applied to the City</b>
<b>Planning and Regulation</b> <ul style="list-style-type: none"> <li>- Reviewing and regulating proposed development and alteration</li> </ul>	5.5 + external services	\$753,600 (user fees)	3 staff + external services, and \$452,160
<b>Flood and Water Level Monitoring</b> <ul style="list-style-type: none"> <li>- Flood forecasting and response</li> <li>- Ontario Low Water - drought response</li> <li>- Evaluation of flood prone areas</li> <li>- Maintenance of equipment (gauges)</li> </ul>	1	\$102,400 (MNRF transfer payment)	0.6 staff and \$61,685
<b>Environmental and Technical Programs</b> <ul style="list-style-type: none"> <li>- Watershed management</li> <li>- Monitoring services</li> <li>- Information and GIS services</li> </ul>	5	\$472,200 (MNRF transfer payment, service fees, grants)	3 staff and \$284,450
<b>Stewardship Program</b> <ul style="list-style-type: none"> <li>- Incentives for land stewardship, tree planting</li> <li>- Linking community with funding sources</li> </ul>	1.5	\$170,900 (grants, product sales)	1 staff and \$102,950
<b>Conservation Education</b> <ul style="list-style-type: none"> <li>- Programs for schools, seniors, community</li> </ul>	0.5	\$65,000 (100% cost recovery - grants and user fees)	0.5 staff and \$65,000 (almost entirely benefits CKL)
<b>Conservation Areas</b> <ul style="list-style-type: none"> <li>- Ken Reid , Pigeon River and Windy Ridge Conservation Areas; other properties, facility and fleet management</li> </ul>	2.5 + seasonal	\$422,800 (grants, user fees, management fees, rent)	2 staff + seasonal and 318,800

<b>KRCA services</b>	<b>KRCA staffing (full time employees (FTE))</b>	<b>Cost to KRCA (2017)</b>	<b>Proportionate resourcing that may be applied to the City</b>
<b>Source Water Protection</b> - Development of Source Protection Plan and supporting information	0.5	\$65,900 (MOECC funding)	0.3 staff and \$39,700
<b>Lake Management Planning</b> - Plan completion and its implementation	2.3	\$317,800 (supplemented through provincial grants)	100% of KRCA staff and costs
<b>Agricultural Drain Classification</b> - Update to Municipal Drain Classification (single year project)	0.5 + seasonal	\$75,000 (CKL)	100% of KRCA staff and costs
<b>Floodplain Mapping</b> - Mapping floodplains of watercourses for protection of person and property further to Provincial Policy Statement	1 + adjacent CA services	\$242,500 (CKL, Federal grant)	100% of KRCA staff and costs
<b>Risk Management Official</b> - Review and issue s.59 Notices (Source Protection) - Threat verification	1 (will be changing to 0.5)	\$115,500 (CKL)	100% of KRCA staff and costs

The following are anticipated benefits and drawbacks of dissolving one or more CA.

#### Pros

- As a result of dissolution, the City would gain in-house environmental expertise. The presence of in-house environmental expertise may potentially lead to shorter commenting timeframes.
- There are opportunities to achieve efficiencies in staff and some equipment.

**Cons:**

- There is no example of a successful dissolution; any benefits associated with dissolution are only anticipated.
- Currently, the City does not pay for the total cost of the CA services and through dissolution; cost-sharing opportunities, self-generated revenue, provincial grants and donations that make up the CA revenue would no longer be available.
- Since cost saving is one of the objectives of dissolution, it is anticipated that a smaller share of resources (staff and budget) would be allocated to CA related work. Consequently, there would be cuts to environmental services provided.
- Dissolution would lead to a loss of CA network that is important for leveraging resources, sharing information and best management practices.
- Dissolution would result in a major change to the City's business model.

**Staff does not recommend dissolving one or more CA's.** The analysis identified that dissolution would be a drastic approach, one that only dissolves a CA but not its responsibilities related to flood control, watershed interests, its assets and liabilities, and protection of drinking water sources. Without the benefit of CA's multiple revenue sources and a group of expert staff, dissolution is not anticipated to result in cost or service efficiencies for the City. Furthermore, dissolution cannot be initiated by the City of Kawartha Lakes alone; successful dissolution requires support from participating municipalities, the public, the province and the Lieutenant Governor in Council.

**Option 2 – Reduced CA Services**

The second option recognizes CA's as being the most appropriate parties for accomplishing programs and services required by the Conservation Authorities Act (i.e. regulation of hazard lands), but considers opportunities to streamline other CA services. In this option, the programs and services that are considered fall within the following two categories:

- The municipal programs and services that CA's provide on behalf of municipalities under an MOU; and
- Other programs and services that the City and CA's determine to be common environmental policy objectives.

Staff identified four potential programs and services that could either be brought in house, removed or cut. The following are anticipated benefits and drawbacks of each of the potential change.

**1. Bring the Risk Management Official/Inspector position in-house**

Further to the Clean Water Act, municipalities are responsible for appointing Risk Management Official/Inspector (RMO) to implement local Source Protection Plan Part IV policies. Municipalities may elect to appoint an RMO position in-house or delegate the responsibilities to a CA. Examples of municipalities that perform RMO duties in-house include the Region of Durham, the Region of Waterloo and the City of Barrie.

In 2013, Council determined that RMO responsibilities should be carried out by KRCA for a trial period. In 2016, Council carried recommendation to establish the RMO position permanently with KRCA.

Pros:

- The City would have an in-house trained and certified expertise.

Cons:

- The cost saving associated with an RMO position being in-house was highly contested in 2013 and Council identified that an RMO position is best suited with KRCA. Furthermore, KRCA levied costs are anticipated to decrease in the next years as this position transitions from a 1.0 to a 0.5 FTE.
- An individual can only become an RMO upon successful completion of a mandatory training approved by the Ministry of the Environment and Climate Change. None of the City staff are currently certified. KRCA currently has two trained and certified staff who are also involved in source protection. This ensures that work related to source protection is not duplicated.
- KRCA has developed a timely application review and issuance process of s.59 Notices. Development applications are processed in a timely manner, as well as the City and KRCA have an agreed upon streamlined process for emergency related work (i.e. unexpected septic issues).
- The RMO position requires a significant amount of time off-site to do site visits, threat verifications, and negotiation with non-compliant landowners. The City would need to make provisions, such as an increased number of fleet to support this position.

**Staff does not recommend bringing the RMO position in-house.** Council made the decision in 2013 to delegate RMO responsibilities to KRCA and then reaffirmed that decision in 2016, when the RMO position was made permanent with KRCA.

**2. Remove from the MOU, the requirement for KRCA to comment on development applications outside of their jurisdiction.**

The northern portion of the City is outside of CA jurisdiction. Section 6 of the MOU, however, involves KRCA to provide plan review and technical clearance

expertise, and to assist the City in making decisions on development applications regarding matters of provincial interest on lands outside of KRCA's regulated watershed boundary.

Over the past three years, KRCA has reviewed and commented between 5 to 18 applications on annual basis in the northern portion of the City. In comparison, KRCA reviews more than 350 development or site alteration proposals annually for the remainder of the City.

KRCA application fees are consistent inside and outside of its regulated watershed boundary. For applications in the northern portion of the City, however, the City has agreed to be charged an equivalent amount to that of the application fee to account for additional expenses. For instance, for a consent application (new lot creation), KRCA would charge an applicant and the City, \$500 each.

Pros:

- Development proponents will not be subject to KRCA comments and fees in the northern portion of the City, and in some cases this may contribute to a shorter review process.
- Reduce public's confusion about KRCA's ability to comment on development outside of their jurisdiction.

Cons:

- This option is not anticipated to have a large effect on the levy due to a lower volume of development or site alteration proposals in the northern portion of the City.
- In the case of a dispute about the boundaries of a feature or the presence of species at risk, there would be no environmental expertise to inform municipal decisions. To effectively resolve environmental matters, the City would need to hire qualified staff and for larger projects, the City would need to retain peer reviewers at an applicant's expense.
- The Growth Plan for the Greater Golden Horseshoe 2017 has new policies protecting the provincially identified Natural Heritage System. The northern portion of the City is almost entirely covered by the Natural Heritage System. KRCA's oversight of the northern portion of the City is therefore increasingly more important to assist the City's planning process with policy conformity.

**Staff does not recommend removing CA oversight over the northern portion of the City.** With this option, environmental protection responsibility would be shifted to the City and the City would need to hire qualified staff. For large projects, the City would need to retain peer reviewers at an applicant's expense. Any small cost savings of removing this service, therefore, would be offset if the City hires qualified staff.



However, replacing KRCA oversight with the expanded LSRCA area could be further evaluated.

### **3. Cut some of the special projects.**

KRCA undertakes special projects to assist with municipal needs and investment in the community. Municipal levy for special projects changes year to year to reflect the different phases and needs of the projects. KRCA is currently working on Lake Management Plans and their implementation as well as Floodplain Mapping Studies.

Pros:

- Special projects can be costly. For 2018, the City paid \$407,100 towards special projects.

Cons:

- In addition to the municipal levy, special projects are subsidized through provincial grants. These grants would not be available to private sector contractors.
- The onus would be shifted on development proponents to complete studies (i.e. floodplain delineation) that could have been completed through special projects. This would create further delays in the planning process.
- Lake Management Plans and Floodplain Mapping Study results are critical in informing planning policies and development decisions, as well as in protecting health and safety.
  - i. Lake Management Plans identify a myriad of information on lake health, (including phosphorous loading, E.Coli concentrations and water budget). This is important for protecting water as a drinking source and for recreational activities that promote tourism.
  - ii. The purpose of the Floodplain Mapping Study is to map or update mapping of the floodplain of various rivers and creeks. In the absence of an updated floodplain, the responsibility to map or update the boundaries falls on development proponents and effective mapping cannot be prepared on a piecemeal basis.

**Staff does not recommend cutting special projects.** These initiatives are critical to the City of Kawartha Lakes Planning Division's decision-making process, as well as they support healthy and safe communities.

### **Option 3 – Continue CA Services**

The third option proposes to update the MOU with the changes to legislation and policies since the passing of the MOU in 2012. This option, however, does not propose any changes to the relationship with the CA's. The following are anticipated benefits and drawbacks of choosing status quo option.

#### **Pro**

- This is an established and familiar order of business for the City and KRCA.

#### **Con**

- This option would not address existing concerns regarding municipal levies and processing time of applications.

**Staff recommend to continue with CA service delivery model.** This option prioritizes protecting the environment and considers the best interests of the City's departments, staff, residents and development proponents.

### **About Options 4 and 5**

Options 4 and 5 propose additional services. Although the intent of this report is to identify changes that would result in cost savings to the City and processing timeframe efficiencies, there may be opportunities to improve CA services by addressing gaps in service, making best use of synergies and meeting the needs of the public.

At this time, staff do not recommend options 4 and 5, unless further evaluation is undertaken to align these initiatives with the City departments, and consider resource implications of adding these services. However, it is important to consider the opportunities of the City-CA relationship. The following sections identify what are some of the additional services the CA's could undertake, as well as describe why these services would be beneficial.

### **Option 4 – Increased CA Services**

Option 4 proposes additional programs and services that CA's could be asked to undertake to better support the City. Staff have identified two potential examples where the service could be increased.

- 1. CA's conduct a comprehensive evaluation and/or update of features, such as significant wildlife areas, wetlands and significant hydrologic features.**

Why is this important?

- Ground-truthing existing mapped information can be very beneficial for providing preliminary comments to development proponents at the pre-consultation stage. In the absence of accurate information, staff defer it to development proponents to demonstrate the limits of environmental features.
- Determining significance of unevaluated features provides certainty to staff and development proponents.

**At this time, staff does not recommend this option.**

## **2. Open data portal to coordinate and manage information requests.**

Why is this important?

- An open data portal would allow municipalities to view and access CA data easily without the need for data licensing agreements.
- CA collected information could inform existing City operations, such as flow information for culvert/bridge replacement.
- Coordinating knowledge and resources would be beneficial for addressing the new legislative and policy requirements in relation to climate change. KRCA produced a Climate Change Strategy in 2015, the City is currently working on a Healthy Environment Plan, and at the next Official Plan review, Planning staff will be developing City's climate change policies further to Bill 139 legislative requirements and Growth Plan, 2017 policies.

**At time, staff does not recommend this option.**

## **Option 5 – Embrace**

Option 5 proposes that the City and the CA's work more closely together to have the City of Kawartha Lakes recognized as an environmental leader. More specifically, this option proposes that the City and the CA's collaborate to attract residents, visitors and economic development. Staff have identified two potential initiatives that may achieve this goal:

### **1. The City could work better together with KRCA to boost tourism to the City.**

KRCA manages three conservation areas in the City of Kawartha Lakes. Conservation areas provide public access to nature and offer a number of opportunities to boost tourism to the City. One example is proposed below.

The City's Strategic Plan supports initiatives that provide exceptional quality of life to residents and promote a vibrant and growing economy. In the times of rapid urban development and intensification in Southern Ontario, green spaces

are highly sought after not only for recreation, but increasingly for community events, business meetings and workshops. For instance, Halton Conservation, Credit Valley and Toronto Region Conservation Authorities offer wedding facilities, yoga classes, photography workshops, meditation hikes, and many more activities in their conservation areas. Environmental multi-use spaces with hydro and water allow other CA's to expand the uses of conservation areas. There are a number of benefits in investing into environmental multi-use facilities.

Why is this important?

- A new facility would bring new revenue to the CA through facility bookings.
- In addition to providing a community meeting space, a new facility would allow KRCA to expand their education services.
- Activities in conservation areas may also attract visitors to the City and bring awareness of what the City of Kawartha Lakes has to offer.
- More traffic to conservation areas may also warrant raising entrance fees. For example, a highly frequented Hilton Falls Conservation Area administered by Halton Conservation charges up to \$7 per visiting adult, whereas Ken Reid Conservation Area currently charges only \$2 per vehicle.

**At this time, staff does not recommend this option.**

## **2. Use science and information to help inform decision making for business sectors (e.g. agriculture).**

CA's have expertise in water quality monitoring, stewardship, Low Impact Development (LID), etc., which can benefit the agricultural sector. An example of this type of partnership was undertaken through the Great Lakes Agricultural Stewardship Initiative in southwestern Ontario where Ontario Soil and Crop Improvement Association and Ministry of Agriculture, Food and Rural Affairs worked with four CA's to study phosphorous management, soil health and water quality. While this example is a funded initiative organized by the agri-food sector and various levels of government, this example demonstrates the importance of partnering farmers with CA's. There are a number of benefits of this partnership.

Why is this important?

- Environmentally sustainable practices are beneficial for all stakeholders: the farming community, CA's, the City and the public.
- Collaborating with the CA's and relying on their expertise may decrease long-term costs to farmers associated with water quality management and other rehabilitative practices.

**At this time, staff does not recommend this option.**

## **Next Steps**

Council should determine the level of service and direct staff to formalize the MOU. If any of the reduced or increased service options are selected, further evaluation is required to consider the financial and staffing implications in more detail.

## **Other Alternatives Considered:**

This report provides Council with a number of options for consideration. Although staff is providing a recommendation, Council could direct staff to investigate other options.

## **Financial/Operation Impacts:**

Staff feels that the recommendation is generally the most cost effective option. Council could choose to request staff to provide more detailed costing of other options.

## **Relationship of Recommendations To The 2016-2019 Strategic Plan:**

The Council Adopted Strategic Plan identifies these Strategic Goals:

- A Vibrant and Growing Economy
- An Exceptional Quality of Life
- A Healthy Environment

This initiative aligns with an exceptional quality of life by considering improvements to the City's fiscal resource management and municipal service.

This initiative also aligns with a healthy environment by promoting and supporting services that protect and enhance the City's natural features and their functions.

## **Consultations:**

Internal:

Director of Public Works

Director of Community Services

Chief Building Official

External:

Kawartha Region Conservation Authority

## **Attachments:**

Appendix A – June 19, 2018 Staff Presentation



Appendix A -  
PLAN2018-055.pdf

Appendix B – March 27, 2018 Staff Presentation



Appendix B -  
PLAN2018-055.pdf

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