

ontario clean water agency 2004 annual report



Ontario Clean Water Agency
Agence Ontarienne Des Eaux



Corporate Profile

The Ontario Clean Water Agency (OCWA) is an operational enterprise Agency established under the *Capital Investment Plan Act, 1993 (CIPA)*. OCWA is a leader in the provision of operation, maintenance and management of water and wastewater treatment facilities and their associated distribution and collection systems in the Province of Ontario. In addition to operations and maintenance, OCWA provides a wide range of professional project management and advisory services to assist clients undertaking construction, expansion or upgrading of their water or wastewater infrastructure.

As of December 2004, the Agency manages approximately 450 water and wastewater systems that represent 31% of Ontario's water facilities and 43% of its wastewater facilities. OCWA competes for contracts in the marketplace by offering comprehensive water and wastewater services to municipal, institutional, commercial and industrial clients.

The Agency's operations are organized into six regions, which are in turn sub-divided into hubs. Each hub has a large central water or wastewater facility and a cluster of smaller facilities located close by. The hub system allows OCWA to leverage economies of scale by spreading management and corporate support costs over a larger client base, which lowers the total average cost per customer. OCWA's organizational structure permits staff to redeploy around the hub as required to maintain compliance with regulatory standards for each facility.

An experienced Operations Manager, who reports to a Regional Operations Manager, oversees each Hub. The Regional Operations Managers in turn, report to the Vice President of Operations.

The responsibility for corporate and specialist support is shared by the Vice President of Finance and Corporate Services (whose portfolio includes Finance, Communications, Human Resources, Corporate Procurement and Training and Development), the Vice President of Business Development, the Chief Information Officer, the Vice President of Project Development and Technical Services (who is responsible for OCWA's engineering group and Corporate Compliance) and OCWA's General Counsel.

OCWA employs over 500 licensed operators, mechanics and electricians serving across the Province. A comprehensive Environmental Management System, Operational Health and Safety, and employee training program ensures that the Agency's staff stays current with changing legislative policies and industry best practices. An additional 45 employees are dedicated to overseeing the Agency's compliance with regulations and acting as a resource for the operational staff.

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2004 Annual Report Highlights

- OCWA demonstrated its commitment to compliance by improving its 2004 compliance record.
- OCWA exceeded its 2004 income targets.
- OCWA met 20 of 24 of its established performance targets identified in the 2004-2006 Business Plan.
- OCWA will ensure its continued success through investment in its employees, processes and systems to keep abreast of developments in the water and wastewater industry and the Ontario Public Service.

President's Message



Dante Pontone
President and CEO

2004 marked the beginning of the Ontario Clean Water Agency's second decade providing reliable clean water services in the Province of Ontario. I feel fortunate to have had the opportunity to contribute to OCWA since its inception. In assuming the role as President in August 2004, I committed to building on the progress the Agency has made in enhancing Agency accountabilities and refocusing our core business to demonstrate improved value for service to our clients and the Province of Ontario.

Investments made in operational compliance to address new regulations through the effective deployment of the Agency's strategy to meet the requirements of the *Safe Drinking Water Act, 2002* resulted in more compliance training for operators, the hiring of additional process compliance technicians and specialist support services to ensure our clients' facilities continue to meet stringent regulatory requirements.

The Agency's strategies to work toward a position of full cost recovery are starting to have positive results. Through stringent cost management, the Agency successfully reduced administrative costs in 2004 by \$2.4 million.

Through investing in regulatory compliance and finding more efficient ways to deliver our services, the Agency managed to achieve a net income of \$1.9 million in 2004.

OCWA's achievements would not be possible without the effort and dedication of its employees. An employee awards program was launched in 2004 to recognize those employees who best exemplify OCWA's core values. The Agency also focused on the development of youth employment opportunities corporate-wide, to help ensure OCWA's future.

In 2005, OCWA will further its commitment to demonstrating "value for service" to clients and the Province. The Agency continues to realign its corporate structure to improve support of the front-line delivery of water and wastewater services and the implementation of systems and processes to improve the transparency and accountability of OCWA's activities.

The Agency forecasts that revenues for 2005 will improve by attracting \$1.5 million in new business and that the Agency will continue to move closer to its goal of full cost recovery on Utility Operations through diligent contract management.

OCWA's staff and management are committed to supporting the goals of the Province and understand the key role that the Agency plays in protecting public health and the environment in Ontario.

A stylized, handwritten signature in black ink, appearing to read 'D. Pontone'.

Dante Pontone,
President and CEO

Corporate Governance

OCWA is an operational enterprise agency governed by a Board of Directors appointed by the Province. The Agency's powers are set out in *CIPA* and expanded upon in its Memorandum of Understanding with the Ministry of the Environment. OCWA also adheres to the Province's Agency Establishment and Accountability Directive.

Commitment to Best Practices

Corporate governance is comprised of the procedures, processes and controls that ensure proper transparency and accountability in the conduct of an organization's business. At OCWA, corporate governance includes measures to encourage the efficient use of organizational resources, and aligns the interests of the Agency, its clients, the government and citizens of Ontario.

OCWA is providing an overview of its governance procedures as part of the Agency's commitment to best practices in governance.

Role of OCWA's Board of Directors

Members of OCWA's Board of Directors are appointed by the Lieutenant-Governor-in-Council on the recommendation of the Premier and the Minister of the Environment. Members hold office for a term of three years and are eligible for reappointment for successive terms. The Board is accountable to the Provincial Legislature through the Minister of the Environment. New Board members receive an orientation package on the Agency's business, including its regulatory environment, operational issues and risks, current business strategies and legal risks.

OCWA's Board of Directors is responsible for the overall supervision of the affairs of the Agency.

The key responsibilities of the Board include:

- Working with Senior Management to set the strategic directions, goals and objectives of the Agency;
- Ensuring the Agency operates in accordance with the strategic directions, goals and objectives articulated in the Agency's approved Annual Business Plan;
- Ensuring sound financial management through its review of quarterly financial statements, annual financial plans and annual reports of the Auditor General of Ontario and the Agency's Internal Auditor and ensuring appropriate response from Management to those reports;
- Ensuring appropriate systems and controls are in place for the proper administration of the Agency; and
- Ensuring proper reporting to the Province and the public in accordance with the Agency's constating documents.

Corporate Governance (con't)

Business Planning and Performance Measurement

OCWA uses a rolling three-year business planning process that begins each year with Senior Management defining priorities and goals over a three-year period. Specific initiatives to address priorities are developed in consultation with management, and are used to formulate an annual Business Plan that considers a three-year horizon. The Board works with Senior Management to set the Agency's strategic direction and reviews related performance targets. Performance appraisals are tied to each division's operational plan supporting the corporate plan and all employees are assessed by how well they contribute to OCWA achieving its objectives.

In 2004, OCWA launched a balanced scorecard approach to supplement its ongoing results-based planning process. A cross-functional team meets regularly to review the status of a series of performance indicators and provides status reports to Senior Management.

Enhancing OCWA's Governance Model

OCWA continues to implement governance best practices at all levels of the organization to enhance transparency and accountability within the Agency.

OCWA's Board of Directors reviews governance best practices in both the private and public sectors and is committed to implementing practices that are appropriate for the Agency, given its current mandate and accountability structure.

In early 2005, the Lieutenant-Governor-in-Council appointed John Burke, Deputy Minister, Ministry of Municipal Affairs and Housing as the Chair of the

Board of Directors. The separation of the roles of the Agency's Chief Executive Officer and Chair of the Board reflects a growing trend in Board best practices in both public and private sectors.

Accountability

OCWA is held accountable by the government and citizens of Ontario in a number of ways.

Methods by which, OCWA is held accountable:

- An annual report, tabled in the Provincial Legislature and available for all Ontarians to review, either in print or online at OCWA's website (www.ocwa.com);
- An annual business plan, including performance measures submitted for review annually to the Minister of the Environment and every third year to Management Board Secretariat;
- Annual audits of OCWA's financial statements by the Office of the Auditor General of Ontario;
- Public access to Agency records under the *Freedom of Information and Protection of Privacy Act*;
- Statutory reporting requirements for each OCWA-operated facility to the Ministry of the Environment; and
- Individual facility reports for OCWA-operated water treatment facilities are available to the public by contacting OCWA's municipal clients.

Corporate Governance (con't)

Board of Director Profiles

Chair:

John Burke, Deputy Minister

Ministry of Municipal Affairs and Housing

Current Term (as Chair): 02/16/05 to 11/27/07

Current Term (as Director): 11/28/04 to 11/27/07

John Burke was appointed Deputy Minister of Municipal Affairs and Housing in February 2004. Mr. Burke was formerly the Deputy Minister of Natural Resources and the Chief Administrative Officer for the City of Ottawa; the Regional Municipality of Halton; the City of Dartmouth; the City of Gloucester and the City of North Bay. He has worked in municipal administration in Grande Prairie, Halifax and the county of Richmond, Nova Scotia.

Past-Chair:

Dante Pontone, President and CEO

Ontario Clean Water Agency

Term (as Chair): 08/09/04 to 02/16/05

Current Term (as Director): 08/09/04 to 08/08/07

Dante Pontone is President and CEO of the Ontario Clean Water Agency. Mr. Pontone started his career with the Ontario Public Service by joining the Ministry of the Environment in 1985. Mr. Pontone joined OCWA when the Agency was first created and has served in a variety of capacities including Chief Information Officer and interim Vice President of Finance and Corporate Services. Mr. Pontone also serves as a member of the Board of Directors for the Walkerton Clean Water Centre.

Past-Chair:

Carl Griffith, President and CEO

Term: 09/19/02 to 08/08/04

Ontario Clean Water Agency

Carl Griffith was appointed President and CEO and Chair of the Board of the Ontario Clean Water Agency from September 2002 to August 2004. Prior to joining the OCWA, Mr. Griffith was the Assistant Deputy Minister of the Operations Division of the Ministry of the Environment (MOE) and held Assistant Deputy Minister positions with the Corporate Management Division; the policy areas of the MOE and Corporate Management; and with the Ministry of Energy, Science and Technology. He is currently the Assistant Deputy Minister responsible for the MOE Environmental Sciences and Standards Division.

Gail Beggs, Deputy Minister

Ministry of Natural Resources

Current Term: 09/23/04 to 09/22/07

Gail Beggs was appointed Deputy Minister of the Ministry of Natural Resources in February 2004. Ms. Beggs has extensive experience dealing with environmental issues in her various roles at the Ministry of Natural Resources, the Ministry of the Environment, and as a Commissioner on the Great Lakes Fishery Commission. In 2001, Ms. Beggs served as the President and CEO of the Ontario Clean Water Agency and in 2003 served as Assistant Deputy Minister, SARS Coordination, and Cabinet Office.

Corporate Governance (con't)

Geoff Hare, Deputy Minister

Public Infrastructure Renewal

Current Term: 03/10/04 to 03/09/07

Geoff Hare was appointed Deputy Minister of the Ministry of Public Infrastructure Renewal, in November 2003. Mr. Hare has a wide range of responsibilities including: providing strategic advice on infrastructure investment; delivery of the government of Ontario's strategic capital infrastructure planning and investment process; infrastructure financing policy; and promotion of best practices in infrastructure planning, procurement, project and asset management. Mr. Hare was previously the Assistant Deputy Minister, Investment Division, at the Ministry of Economic Development and Trade and the Vice-President of Infrastructure Strategies and Communications with the Ontario SuperBuild Corporation.

Suzanne Herbert, Deputy Minister

Ministry of Northern Development and Mines

Current Term: 09/07/04 to 09/06/07

Suzanne Herbert was appointed Deputy Minister of Northern Development and Mines in September 2004. Since 1999, Ms. Herbert was the Deputy Minister of Education and has had a long history of working on issues related to children's services in the North as well as social and policy issues related to aboriginal peoples. Ms. Herbert has served the public in various roles at the Ministry of Community and Social Services, the Ministry of Housing and as the Chief Executive Officer of the Ontario Housing Corporation.

Gadi Mayman, Executive Director

Ontario Financing Authority

Current Term: 02/25/04 to 02/24/07

Gadi Mayman was appointed Chief Executive Officer of the Ontario Financing Authority (OFA) on an interim basis in November 2003. Mr. Mayman is also interim Chief Executive Officer of the Ontario Electricity Financial Corporation (OEFC) and is responsible for all of its day-to-day operations. Prior to joining the Ministry of Finance in 1991, he worked as a Treasury Officer at the Export Development Corporation in Ottawa for three years and in the International Division of the Toronto Dominion Bank for five years. As well as being a board member of the OFA and OEFC, Mr. Mayman is also Vice Chair of the Ontario Strategic Infrastructure Financing Authority (OSIFA).

Virginia West, Deputy Minister:

Ministry of the Environment

Current Term: 02/21/03 to 02/20/06

Virginia West was appointed Deputy Minister of the Ministry of the Environment effective January 21, 2003. Prior to this appointment, Ms. West served as Deputy Solicitor General of Ontario since July 5, 1999. Ms. West has served as Commissioner of Urban Planning and Development Services and Commissioner of City Property for the City of Toronto and the Chief Administrative Officer for the Borough of East York. Ms. West was called to the Bar in Ontario on April 5, 1979.

Activities and Accomplishments, 2004

Commitment to Compliant Operations

OCWA has established long-term strategies that allow the Agency to respond to its changing regulatory environment and ensure compliance by focusing on new training and re-certification requirements for operators, new drinking water regulations, and biosolids management requirements.

The Agency developed and continues to maintain its own comprehensive Environmental Management System (EMS). This system ensures that client facilities are being operated in a safe and environmentally responsible manner and includes programs for identifying and mitigating risks that may affect the facilities OCWA operates. OCWA's EMS system is based on ISO 14001, an internationally recognized standard of excellence for environmental management systems.

Safe Drinking Water Act Strategy

OCWA developed a *Safe Drinking Water Act (SDWA)* Strategy to make staff aware of the new regulations, to address the increased demand for quality testing and to respond to increasing inspections of water and wastewater facilities.

The Agency initiated its *SDWA* strategy in its 2003-2005 Business Plan to ensure OCWA-operated water facilities were equipped to meet the more stringent requirements of the *SDWA* and its related regulations. OCWA reviewed the legislation and draft regulations to determine the additional resources necessary to ensure compliance.

OCWA continues to monitor and review requirements of the *SDWA* to ensure that the Agency maintains compliance with all regulations. The success of OCWA's *SDWA* Strategy is reflected by its contribution to the significant decline in the number of Provincial Officer's Orders received in 2004. The reduction of Orders is a long-term positive result for OCWA's municipal client base and demonstrates that their facilities are being efficiently operated within the new regulatory framework.

The resources developed to respond to the *SDWA* included:

- Additional operational staff to respond to more frequent site inspections and water system sampling;
- Additional process and compliance technicians to fulfill new requirements for process documentation, reporting and provide a dedicated resource to reviewing facility compliance requirements;
- Expanded compliance and operational training initiatives for front-line staff to develop familiarity with the new regulatory requirements;
- Administrative support to track costs, training, and assist in reviewing new regulatory requirements; and
- Costs to review and implement new procedures and standard operating procedures.

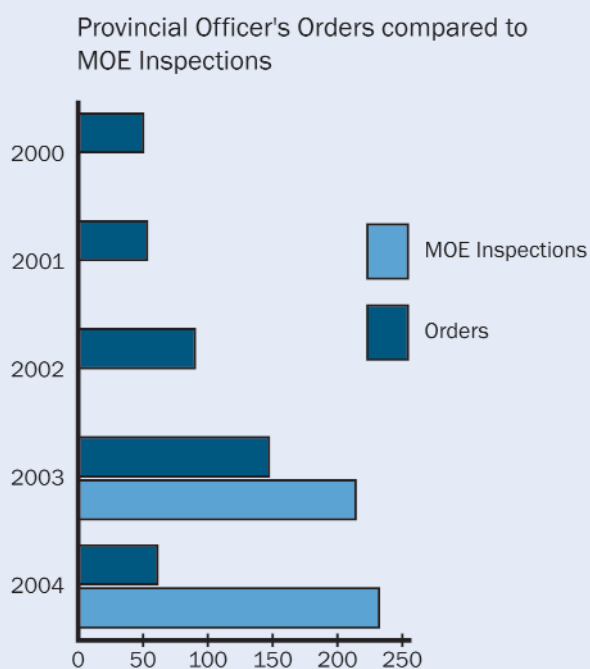
Activities and Accomplishments, 2004 (con't)

2004 Compliance Record

The Ministry of the Environment conducted 232 inspections of OCWA's 450 operated water and wastewater facilities in 2004 (up from 214 inspections in 2003). As at December 31, 2004, 61 Provincial Officers Orders were issued to facilities the Agency operates, 86 less than it received in 2003. The reduction was achieved by OCWA resolving issues detailed in 2003 Provincial Officers Orders, OCWA's *SDWA* Strategy and increased familiarity with the new with

the new regulations resulting from intensive compliance training. OCWA was not solely named on any Provincial Officer's Orders in 2004 and shared the responsibility for taking corrective actions with the owners of the facilities concerned.

OCWA received two charges in 2004 under Regulation 459/00 of the *Ontario Water Resources Act* (OWRA) with respect to a small waterworks in southwestern Ontario. The charges related to reporting an adverse sample and corrective actions in April and July 2002. In response, OCWA enhanced standard operating procedures to update water sampling and reporting protocols. Staff have received specific training on these procedures and on reporting obligations. These charges represent the only convictions OCWA has received for a water treatment facility in its eleven-year history. To date, there have been no charges issued to OCWA under the *Safe Drinking Water Act, 2002*.



* Agency tracking of MOE inspections began after the enactment of the *Safe Drinking Water Act, 2002*

Preparing for Accreditation Requirements

Regulations are being developed by the Ministry of the Environment that will require owners of municipal water systems, as a condition of their license, to have their facilities managed by an accredited operating agency. OCWA participated in the Ministry's Core Advisory Group on the development of the Drinking Water Quality Management Standards (DWQMS) and anticipates that a draft DWQMS will be released by summer 2005. OCWA has updated its Environmental Management System (EMS) to modify its facility level and corporate contingency plans in expectation of the new requirements.

Activities and Accomplishments, 2004 (con't)

Occupational Health and Safety

OCWA is committed to the principles and objectives set out in the Agency's Occupational Health and Safety Policy (OH&S). The OH&S Policy is posted in every facility OCWA operates. The OH&S Policy is reviewed annually and where necessary revisions are made and then approved by the Board of Directors.

The Agency did not receive any Ministry of Labour (MOL) orders and there were no investigations of OCWA by the MOL in 2004.

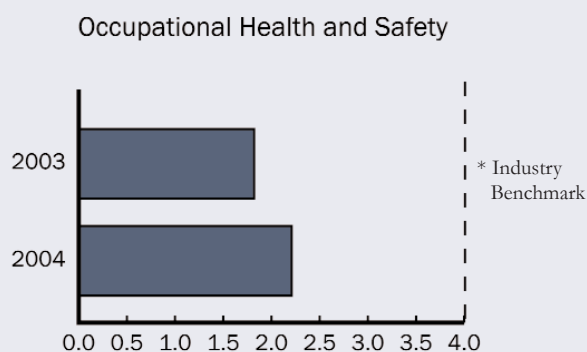
OCWA's safety record continues to surpass industry standards. OCWA benchmarks its safety record against industry averages reported by the Electrical & Utilities Safety Association (E&USA).

Operational Best Practices

OCWA re-evaluates and monitors the use of its established operational systems by Agency staff to ensure the systems provide a satisfactory return on investment.

A review of OCWA's proprietary Supervisory Control and Data Acquisition (SCADA) software was initiated in 2004 to identify cost-effective alternatives to meeting the Agency's evolving process monitoring needs. SCADA software solutions were investigated through a Request for Information process and two software packages will be reviewed in a pilot project during 2005.

OCWA monitored the use of its Workplace Management System (WMS), a value-based asset protection planning system, to determine our success in reducing reactive repairs in favour of planned maintenance to gain further efficiencies. By measuring the percentage of WMS work orders closed for all facilities in 2004, the Agency ensures the system is being used to add client value by protecting their assets.



$$\# = \frac{\text{Number of compensable accidents} \times 200,000}{\text{Number of hours worked}}$$

*Electrical & Utilities Safety Association (E&USA) Historical Average Benchmark for 2002 was 4. The E&USA is the Safe Workplace Association that was assigned to OCWA by the Workplace Safety Insurance Board (WSIB). By calculating the ratio of compensable accidents to the total number of hours worked and comparing that number to E&USA standard, the Agency can determine the effectiveness of its OH&S policy and procedures.

Activities and Accomplishments, 2004 (con't)

OCWA's Process Data Collection (PDC) system consolidates all process data, including laboratory reports, in a standardized format. This system is accessible and utilized across the Agency. The application simplifies the task of monitoring compliance by identifying parameters that exceed normal operating or compliance ranges. The reporting environment within PDC makes it easy to generate reports for Operations staff, Management, Clients and the Regulator.

The Lab Results Data Collection system (LRDC) was developed in 2004 with the intention of providing a standard, systematic and reliable method of collecting, storing and retrieving laboratory reports for each OCWA facility.

The LRDC system will help to reduce costs and maintain data integrity by eliminating manual data entry of laboratory reports. At the same time, operations staff will have a tool to enable fast and easy access to laboratory analysis that will assist them to monitor regulatory compliance. Full deployment of the LRDC system is scheduled for 2005. Some key capabilities of the system are as follows:

- Laboratories can electronically submit all analytical results for facilities operated by OCWA;
- Results will be automatically verified and transferred to OCWA's Process Data Collection system; and
- All electronically submitted laboratory reports will be stored centrally in a standardized format

Commitment to Demonstrating Value

OCWA's 2004-2006 business strategy focused its sales force on improving OCWA's business position with existing Operations and Maintenance (O&M) clients to ensure fair pricing of services and equitable sharing of risk while maintaining client satisfaction. The goal was to ensure the core foundation of the Agency's business is stable and cost-effective prior to expanding its client base.

OCWA Service Delivery Model

In 2004, the Agency reviewed the service delivery model of each Business Unit with the goal of working towards greater efficiency and focus. The responsibilities of each organizational division were analysed to minimize overlap of duties and to achieve greater organizational efficiency. The review represents the first step towards realigning corporate support and administrative services to enhance operational service delivery.

Cost Management

OCWA initiated a multi-year cost management strategy in 2003 that continued into 2004 to work toward a cost-recovery position on OCWA's operational service delivery. The strategy identified opportunities to reduce corporate spending, improve capital billing, achieve savings through managing vacancies and improved management of OCWA's fixed price contracts.

OCWA met the targets it established for its 2004 cost management strategy including no growth in corporate costs (excluding new positions necessary to meet *SDWA* requirements). This initiative

Activities and Accomplishments, 2004 (con't)

Cost Management (con't)

continues in 2005 and is in place to ensure that OCWA provides the most efficient services and the best value for dollar.

Commitment to Client Satisfaction

OCWA promotes a customer-focused approach to efficient production and delivery of its services. OCWA uses a client satisfaction survey to gauge changing client needs for service delivery and identify competitive pressures. The Survey is used to help gauge whether OCWA's performance is delivering the best value to clients.

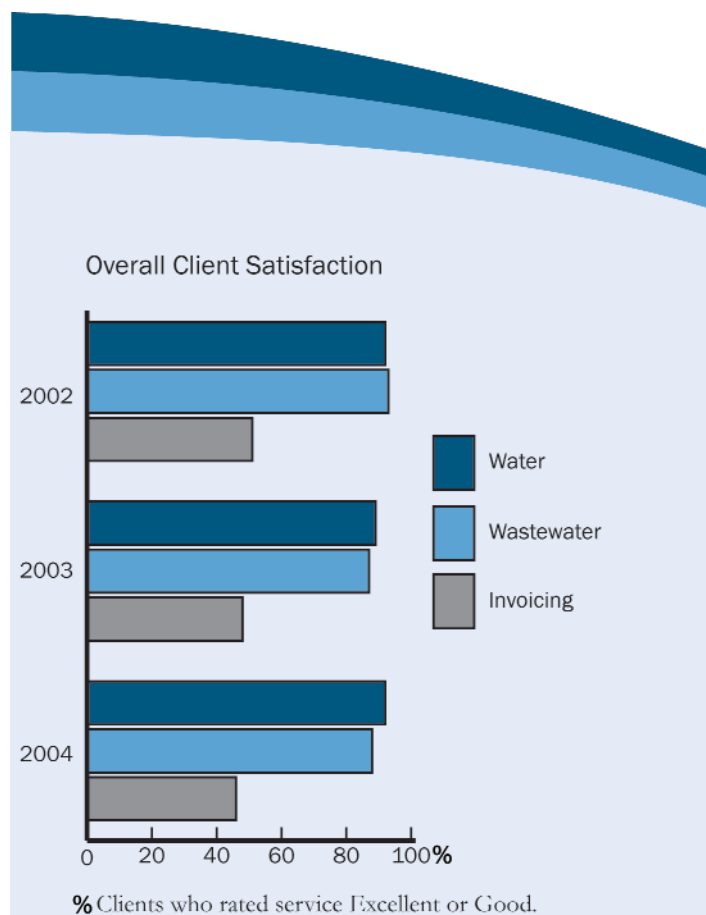
The 2004 Survey indicated that over 80% of its clients rate the delivery of OCWA's core services (providing reliable clean water and wastewater services) as "good" or "excellent."

The survey identified the opportunity to improve OCWA's invoicing format. In an effort to simplify and streamline the billing process, the Agency initiated a review of its invoice. Representatives from client municipalities were invited to participate in a one-day focus group to specifically address this issue. The group identified elements of the Agency's invoice that should be changed to make the document easier for clients to understand and process. The new invoice format was launched in March 2005.

Financing OCWA's Non-commercial Business Stream

OCWA worked with the Ministry of Environment to establish a suitable process to allow the Agency to recover costs for services outside of its commercial business stream. The strategy addresses both

recurring costs relating to emergency response capabilities and inherited litigation, as well as *ad hoc* government requests for service.



Activities and Accomplishments, 2004 (con't)

Commitment of our Employees

To demonstrate value to its clients and to the Province of Ontario, the Agency's workforce has adopted a service-oriented culture. To further develop this culture throughout OCWA, the Agency encourages quality service, team building, and innovation.

Succession Management Program

The Agency planned to introduce a Succession Management Program in 2004 to link individual potential with organizational needs to ensure that a pool of skilled employees is available to compete for key positions within the Agency. OCWA has researched best practices and developed a program outline. Implementation of the pilot program will be undertaken in 2005.

Compliance Training to Meet Changing Regulatory Needs

A key component of the Agency's training and *SDWA* strategies is ensuring that employees understand and meet the requirements of the regulatory environment in which the Agency operates.

OCWA's Process Compliance Technicians and Assistant Operations Managers received updated compliance training in 2004 so that they are better able to assist frontline Operations staff with understanding and implementation of the processes necessary to meet new regulatory requirements. All of the Agency's 52 Occupational Health and Safety Representatives also received comprehensive training in 2004 on their responsibilities under the *Occupational Health and Safety Act*. Six compliance courses were conducted in 2004, attended by 111 OCWA staff members.



On April 20th, 2004, Dave Nussey, Cluster Manager at OCWA's Essex East Hub, accepted the Biosolids Management Award in the category of Technology Innovation from the Water Environment Association of Ontario (WEAO). WEAO presents these awards to individuals and organizations that make valuable contributions in the field of Biosolids Management.

Dave Nussey and his team were able to use a wind row turner, normally used at poultry farms and composting facilities, to produce a biosolid with a much higher percentage of solids than conventional methods (an increase from 18% to 54% in 2003 and up to 72% in 2004). The product was free of vegetation, had significantly less odour, and a drier consistency making it easier to transport and spread. The new approach has reduced haulage costs and improved local farmer's acceptance of the biosolids product.



Dave's innovation has sparked international interest. Representatives from as far away as South America have toured the Belle River facility that Dave manages to investigate the use of the wind row process to biosolids management.

Activities and Accomplishments, 2004 (con't)

Compliance Training to Meet Changing Regulatory Needs (con't)

A Training Working Group was established to review and revise existing OCWA courses and ensure course material remains reflective of the current operating environment. A program review of OCWA's training service delivery model was conducted in 2004 to ensure that the training provided to staff continues to be effective and cost-efficient.

Operator Re-certification

All operators possessing grandparented water distribution and water treatment licenses are required to recertify their licenses by May 14, 2006 (Overall Responsible Operators are required to recertify by May 14, 2005). 2004 was OCWA's second year of assisting staff with grandparented licenses to become certified through examination. OCWA's strategy included the preparation of self-study materials, coordination of certification preparation courses, and ongoing tracking of the number of employees who have re-certified grandparented licenses.

Youth Employment Initiatives

Youth employment initiatives were identified as a key component of OCWA's revitalization strategy. OCWA participated in several youth employment initiatives in 2004 including: University Co-operative (Co-op) Education Programs; the Ontario Internship Program; the Summer Experience Program; six career fairs across the province and Passport to Prosperity, a High School co-op program.

Learning and Development Planning

OCWA is committed to implementing the Ontario Public Service strategy "Building Tomorrow's Workforce Today" to develop a workforce with the knowledge, skills and capabilities to meet current and future business needs by establishing a climate of continuous learning. As part of this commitment, the Agency planned to establish a Training Steering Committee to ensure that training and development at OCWA is effective, relevant and focused on the needs of the organization. The Agency did not implement this initiative in 2004 due to the realignment of resources to reassess training and development service delivery.

Performance Measures, 2004

Measure:	Outcome:	Notes:
Monitor the number of charges under the SDWA.	Achieved	No charges under the SDWA in 2004.
Complete 30 compliance audits.	Achieved	Completed 37 Audits.
Complete Facility Assessment Review for all OCWA facilities.	Achieved	100% of OCWA operated facilities were assessed.
Reduce number of Provincial Officer Orders received.	Achieved	OCWA was issued 46 orders in its 450+ facilities. OCWA responded to 156 in 2003.
Reduce number of charges/convictions.	Achieved	2 charges were laid in 2004 under the OWRA (down from 5 charges in 2003).
Complete 2004 work plans for Outpost5™ improvements.	Not Achieved	Initiative re-profiled in year due to staff turnover in key instrument technician position. Work Plan approach revised.
Pilot for OCWA's proprietary SCADA software replacement by year-end 2004.	Not Achieved	SCADA Pilot underway in 2005. SCADA Pilot delayed to accommodate indepth analysis of two options.
PDC data entered and confirmed for all OCWA facilities.	Achieved	
90% of WMS work orders closed for all facilities.	Achieved	94% of WMS work orders closed for all facilities within 30 days.
All clients advised of their SDWA costs in the first quarter of 2004.	Achieved	
Conduct Client Satisfaction Survey.	Achieved	Over 80% of clients rate delivery of core services as good or excellent.

Measure:	Outcome:	Notes:
No growth in corporate costs and 10% increase in gross margin.	Achieved	Associated with OCWA's goal of achieving full cost recovery.
Quarterly tracking of status toward full Operator license re-certification.	Achieved	OCWA on track to meet May 2006 (ORO) and May 2007 deadlines.
Conduct two Process Compliance Technician Training Sessions.	Achieved	All PCT's received compliance training in 2004.
Deliver compliance training to Assistant Operations Managers.	Achieved	All AOM's received compliance training in 2004.
Deliver OH&S training to Agency's Health and Safety Representatives.	Achieved	
Update two courses by year-end 2004.	Achieved	
Conduct review of training service delivery model by year-end 2004.	Achieved	Results to be considered in context of corporate office re-alignment.
Succession Management Program fully implemented by year-end 2004.	Not Achieved	Re-profiled due to competing priorities in Human Resources Dept. Pilot will be launched in 2005.
50% participation by managers in learning planning information sessions in 2004 and Agency learning priority identified.	Not Achieved	Re-profiled due to realignment of resources to reassess training and development service delivery.
Two interns hired through Ontario Internship Program	Achieved	
19 summer employment program placements.	Achieved	
Attend career fairs in each of OCWA's five regions.	Achieved	

2005 and Beyond

OCWA is committing to “Demonstrate Value” to its clients and the Province. OCWA will earn the trust of clients and the Province by demonstrating value for service through good governance, transparent processes and accountable decision-making. OCWA will continue to demonstrate that the cost of its services represents good value to clients.

OCWA will continue to focus on the provision of efficient and compliant operations, maintenance and management services to our clients. OCWA will achieve this goal through the following strategic priorities:

Being the most trusted provider: OCWA earns trust of clients by demonstrating value for service through good governance, transparency and accountability.

Full cost recovery: OCWA will endeavor to recover the full cost of operations. This includes moving towards full cost recovery from all municipal clients and seeking compensation from the Province for activities performed at the request of the Province.

Focus on efficient and compliant operations: OCWA will focus on the provision of efficient and compliant operations, maintenance and management services to its clients.

Investing in OCWA's future: OCWA will ensure its success through investment in its employees, processes and systems to keep abreast of developments in the water and wastewater industry and the Ontario Public Service (OPS).

In 2004, OCWA revisited its mission statement and updated it to be more reflective of the commitment to its clients and shareholder. In addition, a new vision statement was created:

VISION

To be the most trusted provider of clean water services in Ontario, protecting public health and the environment and delivering best value to our clients and the Province of Ontario.

MISSION

To demonstrate service excellence to our clients through the delivery of safe, reliable and cost-effective water and wastewater operations and maintenance services that meet or exceed regulatory requirements.

VALUES

The Agency's values remain unchanged and continue to be the foundation of everything OCWA does:

- Being respectful of colleagues and clients
- Acting with integrity and fairness
- Delivering quality service to meet the needs of our clients
- Collaborating through teamwork
- Fostering innovation
- Accepting responsibility and being accountable

Manager's Responsibility for Financial Information

Management and the Board of Directors are responsible for the financial statements and all other information presented in this Annual Report. The financial statements have been prepared by management in accordance with generally accepted accounting principles and, where appropriate, include amounts based on management's best estimates and judgments.

The Ontario Clean Water Agency is dedicated to the highest standards of integrity in its business. To safeguard assets, the Agency has a sound set of internal financial controls and procedures that balance benefits and costs. Management has developed and maintains financial and management controls, information systems and management practices to provide reasonable assurance of the reliability of financial information in accordance with the bylaws of the Agency. Internal audits are conducted to assess management systems and practices, and reports are issued to the Senior Management Committee.

The Board of Directors ensures that management fulfills its responsibilities for financial information and internal control. The Board of Directors meets quarterly to oversee the financial activities of the Agency and at least annually to review the financial statements and the external auditor's report thereon, and recommend them to the Minister of the Environment for approval.

The Auditor General has examined the financial statements. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the Auditor's examination and opinion.



Dante Pontone
President and CEO



Brenda Baker
Vice President of Finance and Corporate Services

Financial Discussion

Assets

At December 31, 2004, OCWA's cash balance was \$14 million. This is an increase of \$4.6 million from the \$9.4 million balance at December 31, 2003. This increase primarily resulted from the repayment of loans and from payments against outstanding project management contract commitments.

Accounts Receivable from Municipalities and other customers increased to \$30.8 million. This is an increase of \$5 million from the \$25.8 million balance at December 31, 2003. This is primarily due to financing arrangements related to long-term projects.

OCWA continues to generate interest revenue from its loan portfolio comprised of a \$120 million loan to the Ontario Strategic Infrastructure Financing Authority (OSIFA), municipal loans inherited from the Province at the time OCWA was formed, as well as other loans OCWA has negotiated. The balance of OCWA's loan portfolio declined by \$5 million during 2004 due to a combination of scheduled payments and early retirements. This reduction is a continuation of the trend reported last year as municipal clients continue to take advantage of lower market interest rates to pay off higher interest loans. Rates of interest on existing loans range from 2.0% to 13.69% with loan renewals being made at prevailing interest rates.

Liabilities

OCWA has no long-term debt. Liabilities reflect current debt and a provision for long-term employee benefits (LTEB). The LTEB account is topped up at 2.5% of salaries, and reflected in operating costs, to ensure at least 90% coverage of the total amount required to sever all OCWA employees, which is approximately \$7.6 million.

Equity of Ontario

Equity as of December 31, 2004, was \$190.4 million compared to \$189.6 million at December 31, 2003, an increase of \$0.8 million. The Net Income of \$1.9 million was offset by \$1.1 million in payments related to inherited litigation.

Income

Net Income for 2004 was \$1.9 million; this is a \$4 million improvement over 2003, which had a net loss of \$2.1 million. The improvement was due to cost savings and the change in GST legislation, partially offset by a loss in Utility Operations due to the termination of contracts.

Utility operations continue to face pressure resulting from cost increases for sludge haulage (4%), chemicals (4%) and natural gas (7%) that were above the projected inflation increase of 2.69%. Increases were mitigated by the favourable impact of the GST legislation change.

Comprehensive and General liability insurance costs have tripled since 2001. This cost increase was partially mitigated by assuming higher risk as a result of increasing the Agency's deductibles. The Agency continues to manage corporate costs, resulting in a further reduction of corporate indirect spending of \$1.0M over plan.

Net Income from financing continues to be impacted significantly due to continued low market interest rates. 2004 Net Income from financing was \$6.5 million, which is a 12% decrease from 2003.

Auditor's Report

To the Ontario Clean Water Agency,
the Minister of the Environment
and to the Minister of Finance

I have audited the balance sheet of the Ontario Clean Water Agency as at December 31, 2004 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2004 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
March 23, 2005



Jim McCarter, CA
Auditor General

Balance Sheet - Assets

As at December 31, 2004

<i>(in thousands of dollars)</i>	2004	2003
Current assets:		
Cash and cash equivalents	\$13,966	\$9,419
Accounts receivable, net		
Municipalities and other customers	30,848	25,780
Ministry of the Environment	65	291
Goods and services tax receivable	1,339	1,013
Prepays	2,640	855
Current portion of investments receivable:		
Water and wastewater facilities (note 3)	2,684	3,080
Facilities under construction (note 4)	8,225	4,374
	59,767	44,812
Non-current assets:		
Investments receivable for water and wastewater facilities (note 3 and note 13)	33,383	38,300
Investments receivable for facilities under construction (note 4)	297	5,607
Loans receivable - Top-up loans (note 5)	305	352
Loan receivable - OSIFA (note 6)	120,000	120,000
Provincial assistance advances	-	451
Fixed assets, net (note 7)	6,007	6,973
	159,992	171,683
Total Assets	\$219,759	\$216,495

See accompanying notes to the financial statements

Balance Sheet - Liabilities and Equity

As at December 31, 2004

<i>(in thousands of dollars)</i>	2004	2003
Current liabilities:		
Accounts payable and accrued liabilities	\$20,334	\$17,692
Current portion of long-term liabilities (note 10)	1,000	1,000
	21,334	18,692
Long-term liabilities:		
Municipal contributions payable (note 9)	1,442	1,425
Employee future benefits (note 10)	6,597	6,754
	8,039	8,179
Equity of Ontario:		
Contributed surplus (note 12)	96,855	97,951
Retained earnings	93,531	91,673
	190,386	189,624
Contingencies (note 13)		
Total Liabilities and Equity	\$219,759	\$216,495

See accompanying notes to the financial statements

On behalf of the Board,



Dante Pontone
Director



Suzanne Hebert
Director

Statement of Income and Retained Earnings

As at December 31, 2004

<i>(in thousands of dollars)</i>	2004	2003
Utility Operations Revenues:		
Utility operations	\$103,274	\$99,119
Fees	1,772	1,920
Total Operating Revenues	105,046	101,039
Operating Expenses:		
Salaries and benefits (note 10 and note 11)	47,186	44,506
Other operating expenses	60,806	61,003
Amortization of fixed assets	1,783	2,095
Fixed asset write-off	-	1,198
Electronic Operating Systems (note 1c)	845	1,700
Total Operating Expenses	110,620	110,502
Net Loss - Utility Operations	(5,574)	(9,463)
Financing Revenues:		
Interest from investments and loan receivable	6,598	7,292
Interest on facilities under construction receivable	45	234
Total Financing Revenues	6,643	7,526
Financing Expenses:		
Interest	19	30
Loan administration expenses	32	32
Amortization of fixed assets	60	60
Total Financing Expenses	111	122
Net Income - Financing	6,532	7,404
Net Income (Loss) for the Year Before Property Transfer Initiative and GST Rebate	958	(2,059)
Property Transfer Initiative (note 14)	(62)	(7)
GST Rebate (Note 13)	962	-
Net Income (Loss) for the Year	1,858	(2,066)
Retained earnings, opening balance	91,673	93,739
Retained earnings, ending balance	\$93,531	\$91,673

See accompanying notes to the financial statements

Statement of Cash Flows

As at December 31, 2004

<i>(in thousands of dollars)</i>	2004	2003
Cash provided by (used for)		
Operating activities:		
Net Income (Loss)	\$1,858	(\$2,066)
Items not affecting cash:		
Amortization of fixed assets	1,843	2,155
Fixed asset write-off	-	1,198
	3,701	1,287
Changes in non-cash operating working capital		
- Accounts receivable	(5,394)	(2,140)
- Prepaids	(1,785)	(358)
- Accounts payable and accrued liabilities	2,642	(59)
- Ministry of the Environment	226	2,209
- Deferred revenue	-	(35)
	(4,311)	(383)
Net cash flows from operating activities	(610)	(904)
Financing Activities:		
Decrease in investments receivable for water and wastewater facilities	5,313	4,084
Decrease (increase) in investments receivable for facilities under construction	1,459	(5,958)
Increase (decrease) in municipal contributions payable	17	(8)
(Decrease) increase in future employee benefits payable	(157)	350
Decrease in provincial assistance advances receivable	451	1,678
Increase in loan receivable - OSIFA	-	(120,000)
Decrease in loans receivable - Top-up loan	47	200
Changes in contributed surplus	(1,096)	(2,379)
Net cash flows from financing activities	6,034	(122,033)
Fixed assets - acquired	(877)	(1,283)
Increase/(Decrease) in Cash	4,547	(122,412)
Cash and Cash Equivalents, Opening Balance	9,419	131,831
Cash and Cash Equivalents, Ending Balance	\$13,966	\$9,419

See accompanying notes to the financial statement

Notes to Financial Statements

The Ontario Clean Water Agency (The “Agency”) was established on November 15, 1993, under the authority of The *Capital Investment Plan Act, 1993* (the “Act”).

In accordance with the Act, the Agency’s objectives include:

- assisting municipalities to provide water and wastewater services on a cost-recovery basis by financing, planning, developing, building and operating such works and services;
- financing, building and operating water and wastewater facilities on behalf of Ontario on a cost-recovery basis; and
- providing these services to protect human health and the environment, encourage conservation of water resources and support Provincial policies for land use and settlement.

The Agency is exempt from Federal and Provincial income taxes.

1. Significant Accounting Policies:

These financial statements are prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Canadian Institute of Chartered Accountants. Included below are those accounting policies that are of significance to the Agency.

(a) Cash and cash equivalents:

Cash and cash equivalents are highly liquid investments with original maturities of three months or less when purchased.

1. Significant Accounting Policies (con’t):

(b) Fixed assets:

Major capital expenditures with a future useful life beyond the current year are capitalized at cost. Amortization is provided using the declining balance method with a half-year provision in the year of purchase if the asset is available for use. Fixed assets are being amortized at annual rates as follows:

Automotive equipment	25%
Furniture and fixtures	20%
Computer hardware	33%
Computer software	50%
Machinery and equipment	20%
Leasehold improvements	Life of the lease

(c) Electronic Operating Systems:

As approved by the Board of Directors, the Agency continues to reflect spending on Electronic Operating Systems (OCWAware™) as an operating expense in the year in which it is incurred since the Agency does not anticipate recovering the costs from future utility operations.

(d) Investments receivable for facilities under construction:

Interest on borrowings and other incremental expenditures relating to facilities are capitalized during the construction period. The rate of interest is set at the start of the fiscal year by using the average one-year interest rate of the prior year, paid by the Ontario Financing Authority.

Notes to Financial Statements (con't)

1. Significant Accounting Policies (con't):

(e) Utility operations:

A portion of the contractual arrangements with clients for the operation of water and wastewater treatment facilities provides for the recovery of all costs incurred in their operations plus a management fee. Revenue is recognized at the time such costs are incurred even though agreements may provide for the collection of a portion of those costs in future years. Accordingly, costs incurred in excess of amounts billed and to be recovered in future years are classified as "Investments receivable in water and wastewater facilities."

(f) Use of estimate:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures for the period. Actual amounts could differ from these estimates.

2. Fair Value Of Financial Instruments:

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximates fair value due to the short-term maturities of these instruments. Due to prepayment options, the carrying value of the balance of the financial assets and long-term liabilities approximates their fair value.

3. Investments Receivable For Water And Wastewater Facilities:

(a) These investments represent the outstanding principal portion of amounts receivable from clients for capital expenditures undertaken by the Agency on their behalf, and recoverable operating costs, if any, not billed. In addition, it includes capitalized interest on certain facilities that will be collected from clients during future years.

(b) The investments receivable are supported by agreements that bear interest at rates between 2.0% and 13.69%. Scheduled principal repayments of the investments are as follows:

(in thousands of dollars)

2005	\$2,684
2006	2,856
2007	3,039
2008	3,234
2009	3,441
Thereafter	20,813
	36,067
Add: Current portion	2,684
	<u>\$33,383</u>

4. Investments Receivable For Facilities Under Construction:

"Investments receivable for facilities under construction" represent new water and wastewater facilities or major capital improvements to existing facilities that have been undertaken by the Agency on behalf of its clients. Annually, the net recoverable amount from the customer is transferred to "Investments receivable for water and wastewater facilities." Certain clients pay the entire balance of their amount, accumulated as facilities under construction, within one year.

Notes to Financial Statements (con't)

5. Loans Receivable - Top-up Loans:

The Agency made loans to municipalities to finance water and wastewater facilities that have received provincial assistance under the Municipal Assistance Program. The loans were made for terms of up to 20 years at interest rates between 8.1% and 8.85% set by the Province at the time the loan was granted.

6. Loan Receivable - OSIFA:

On April 15, 2003, the Agency provided a loan of \$120 million to the Ontario Strategic Infrastructure Financing Authority (OSIFA), an agency of the provincial government, in exchange for a promissory note that matures on March 1, 2023. The interest on the note is paid quarterly, with a rate set at four basis points below the average monthly Certificate of Deposit Overnight Rate. The market value of the note approximates cost.

7. Fixed Assets:

<i>(in thousands of dollars)</i>	Cost	Accumulated Amortization	Net Dec. 31, 2004	Net Dec. 31, 2003
Furniture and fixtures	\$1,776	\$1,244	\$532	\$638
Automotive equipment	164	97	67	98
Computer hardware	6,500	5,107	1,393	1,377
Computer software	3,252	2,813	439	531
Leasehold improvements	6,858	3,470	3,388	4,107
Machinery and equipment	504	316	188	222
	\$19,054	\$13,047	\$6,007	\$6,973

8. Lease Commitments:

Annual lease payments under operating leases for rental of office equipment, premises and vehicles in aggregate are as follows:

<i>(in thousands of dollars)</i>	
2005	\$1,957
2006	1,667
2007	1,445
2008	1,089
2009	1,089
Thereafter	288
	\$6,446

9. Municipal Contributions Payable:

<i>(in thousands of dollars)</i>	Dec. 31, 2004	Dec. 31, 2003
Municipal contributions held for future repairs	\$1,442	\$1,425

At December 31, 2004, the Agency held funds that will be used for future repairs amounting to \$1.4 million (2003 - \$1.4 million). The \$1.4 million is included in cash and cash equivalents.

10. Non-pension Employee Future Benefits:

The Agency is responsible for accrued legislated severance and its workers compensation obligations.

The costs of these employee future benefits have been estimated to amount to \$7.6 million (2003 - \$7.8 million) of which \$1.0 million has been classified as current liability. The amount accrued in 2004 was \$0.8 million (2003 - \$0.7 million) and is included in salaries and benefits expense in the Statement of Income and Retained Earnings.

Notes to Financial Statements (con't)

10. Non-pension Employee Future Benefits (Con't):

Included in employee future benefits is an estimated workers compensation obligation in the amount of \$1.1 million for the fiscal year ended December 31, 2004. This amount has been determined from the most recent available actuarial calculations provided by the Workplace Safety and Insurance Board (WSIB) as at December 31, 2003.

The valuation at December 31, 2004 is not expected to be provided by WSIB until after the date of the financial statements preparation. It is management's opinion that the balance at December 31, 2003 will not be materially different. Adjustment to the estimated WSIB obligation cumulative balance, if any, will be made in the year the actual balance is provided by WSIB.

The cost of post-retirement, non-pension employee benefits is paid by Management Board Secretariat and therefore is not included in the financial statements.

11. Pension Plan:

The Agency provides pension benefits for all its full-time employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) that are both multiemployer defined benefit pension plans established by the Province of Ontario. These plans are accounted for as defined contribution plans, as the Agency has insufficient information to apply defined benefit accounting to these pension plans. The Agency's contribution related to the pension plans for the period was \$2.1 million (2003 - \$1.9 million) and is included in salaries and benefits in the Statement of Income and Retained Earnings.

12. Contributed Surplus:

The opening contributed surplus was received from the Province of Ontario in the form of the book value of net assets in excess of obligations assumed.

The adjustments to the opening balance relates to repair and maintenance costs that were agreed to prior to the establishment of the Agency. The funds committed for such repair and maintenance are spent on various undertakings, the largest of these undertakings has a spending limit of \$7.5 million for capital repairs as approved by the Agency's Board of Directors. Of the \$7.5 million approved, a cumulated \$6.0 million has been spent. On other undertakings, a cumulated \$4.7 million has been spent. The adjustment also includes a write off of provincial assistance advances.

<i>(in thousands of dollars)</i>	Dec. 31, 2004	Dec. 31, 2003
Opening balance, January 1	\$97,951	\$100,330
Adjustments to opening balance	(1,096)	(2,379)
	\$96,855	\$97,951

13. Contingencies:

Litigation

The Agency is the defendant in a number of lawsuits. Most of these claims are covered by insurance after the application of a deductible, ranging from \$2,500 to \$50,000, depending on when the event of the claim occurred and the nature of the claim. The outcome of the lawsuits cannot be determined at this time. Losses, if any, will be accounted for in the period of settlement.

Notes to Financial Statements (con't)

13. Contingencies (Con't):

Goods and Services Tax (GST)

As a result of a GST audit by the Canada Revenue Agency (CRA), the Agency was advised by the CRA that it was entitled to claim a refund for some of the GST on certain purchases, as the Agency had not claimed the full amount of the rebate to which it is entitled. The claim was approved in January 2004 and the refund has been recorded in first quarter of 2004.

Investments receivable for water and wastewater facilities

In August of 1999, the Agency entered into a loan agreement to finance the construction of a water pipeline. The outstanding loan balance including accumulated interest was \$17.3 million at December 31, 2004. The loan agreement specified that repayment would be through sales of water, rather than according to a predetermined schedule. To date, no principal or interest payments have been made. Currently, the pipeline and payments of the outstanding loan is the subject of ongoing discussions amongst various levels of government. If sales of water remain insufficient to make principal and interest payments, under the terms of the loan agreement, effective May 1, 2006, the Agency could take over the marketing of the pipeline from the existing operator. Due to these current uncertainties, the Agency is unable to estimate the potential impairment, if any, of the loan under this loan agreement. As such, no allowance for loan impairment has been provided for in the financial statements.

14. PROPERTY TRANSFER INITIATIVE:

In 1997, the Province passed legislation requiring the transfer of ownership of water and wastewater facilities from the Agency to municipalities. The Property Transfer Initiative captures all real estate conveyance costs associated with the title transfers. The transfers have been completed and \$4.6 million has been spent.

15. Related Party Transactions:

As a result of the relationship of the Agency with the Province, the following related party transactions exist and have been disclosed in the notes to the financial statements:

- (a) The Agency received revenue of \$1 million during 2004 from the Ministry of the Environment for water, wastewater treatment and other services it provided. The services were provided at the same rate as the other municipalities.
- (b) The Agency provided a \$120 million loan to the Ontario Strategic Infrastructure Financing Authority (OSIFA), as described in note 6.
- (c) The Agency relies on the Management Board Secretariat to process their payroll and administer their benefits. The Management Board Secretariat absorbs these administrative costs.

Notes to Financial Statements (con't)

16. Salaries:

The "Public Sector Salary Disclosure Act, 1996" requires disclosure of Ontario public-sector employees paid an annual remuneration in excess of \$100,000. The salary portion of an individual's compensation includes base salary, overtime payments, vacation/lieu time payouts, incentive and/or lump sum merit payments, and one-time relocation and/or resettlement payments. Listed below by name, position, salary paid and taxable benefits are those within OCWA whose salary exceeded \$100,000 for the year 2004.

Name	Position	Salary Paid	Benefits
Atkinson, Daniel	V.P., Operations	\$110,609.69	\$192.44
Baker, Brenda	V.P., Finance and Corporate Services	\$106,878.96	\$185.44
Carter, John	Manager, Project Development & Technical Services	\$113,733.38	\$189.85
Chiasson, Linda	V.P., Business Development	\$106,407.73	\$185.08
Chin, Edward	Manager, Administration & Procurement	\$100,346.78	\$169.71
Clappison, Steve	Thermal Operator 4	\$101,676.17	\$120.15
Ethier, Marc	Regional Operations Manger, Midwest	\$100,275.55	\$167.28
Fernandes, Mervyn	Thermal Operator 4	\$106,940.62	\$120.15
Kind, Robin	(Acting) General Counsel	\$162,657.99	\$276.79
Pontone, Dante	President and Chief Executive Officer	\$118,788.81	\$203.83
Quarisa, Frank	V.P., Project Development & Technical Services	\$106,551.56	\$185.41
Rinas, Wilhelm	General Counsel	\$111,960.60	\$191.99
Sasaki, Lauren	Legal Counsel	\$119,839.63	\$205.49
West, Phillip A.	Thermal Operator 3	\$110,539.92	\$108.09

Officers of the Agency

Name	Position
Atkinson, Daniel	V.P., Operations
Baker, Brenda	V.P., Finance and Corporate Services
Chiasson, Linda	V.P., Business Development
Kind, Robin	(Acting) General Counsel and Secretary to the Board of Directors
Pontone, Dante	President and Chief Executive Officer
Quarisa, Frank	V.P., Project Development & Technical Services
Reid, Nick	General Manager, South Peel
Witlarge, Sandra	Controller

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Ontario Clean Water Agency
Agence Ontarienne Des Eaux

