



Approved **2024** Budget

February 27, 2024

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UPPER THAMES RIVER
CONSERVATION AUTHORITY



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Budget Development Schedule

- **August**
UTRCA Board direction regarding budget concepts
-
- **October**
Draft Budget presented to Board
- **October - February**
Municipal input sessions with Senior Staff and Draft Budget circulation to member municipalities for comment
-
- **January**
Board review of municipal comments and budget reconsideration
- **February**
Budget review and approval

2024 UTRCA Operating Budget: Overview

The 2024 Approved Budget represents a transition to a new budgetary framework for the Upper Thames River Conservation Authority (UTRCA). New provincial legislative requirements have necessitated a reorganization of all the Authority's programs and services into three categories, with specific funding and budgeting restrictions:

- Category 1: Mandatory programs and services,
- Category 2: Programs and services that a Conservation Authority agrees to provide on behalf of a municipality,
- Category 3: Programs and services that a Conservation Authority determines are advisable to provide to further the purpose of the Conservation Authorities Act.

The legislation also added several major new Category 1 deliverables that must be completed by the end of 2024, and service delivery standards to reduce processing times for planning and development application approvals. No provincial funding has been provided to offset the cost of this additional work.

The impact of these legislative changes is significant. Growth pressures within the region and the legislative changes for planning and development applications require additional staffing capacity to meet the new service delivery standards. Updated modelling and mapping to identify hazard lands are needed to ensure new development is safe and recognizes a changing climate. Ongoing efforts are also required to maintain up-to-date hazard mapping and modelling to expedite the approvals process. Ongoing implementation, particularly with asset management, is required to maintain an Authority-wide asset management plan once it is developed.

Key Messages

- The largest impact on the UTRCA's 2024 budget is tied to \$1.5M of provincially legislated activities. No new provincial funding was provided for these activities.
- Additional budget increases are tied to rising operational and capital costs.
- The UTRCA is mitigating the impact on municipal levy by applying program revenues.
- The UTRCA member municipalities are contributing less than 60% of the funding for provincially mandated programs.
- The municipal share of the \$22.9M Approved Operating Budget is \$8M or 35%.



Impacts on the UTRCA 2024 Budget

Legislative Changes

- Reorganization of programs and services into 3 Categories with specific funding restrictions
- New mandatory deliverables due December 2024
- New service delivery standards due December 2024
- No provincial funding to offset additional work

APPROXIMATE COST: \$1.5M

UPPER THAMES RIVER
CONSERVATION AUTHORITY

Historical

- Chronically inadequate and reduced Provincial Transfer Payment
- Insufficient reserves
- Not eligible for Canada Emergency Response Benefit during COVID

Operating Environment

- Accessing qualified staff
- Compensation updates
- Aging infrastructure and increasing cost of capital projects
- Growth development pressure
- Increased land management pressures
- Development review fees frozen
- Reduced access to provincial grant programs
- Inflation

These changes are occurring during a period of elevated inflation. The UTRCA is facing continued high insurance costs, proposals submitted at double original projections, and continued high materials and labour costs under service contracts. Further, overall compensation levels rose in 2022 in an effort to keep the organization competitive in retaining existing and attracting new staff; a situation many public sector organizations are facing. Active efforts to ensure our fees are appropriate and our costs contained have always been part of our culture, particularly during Covid when the Authority was not eligible to receive federal wage subsidies.

In the UTRCA 2024 Approved Budget, base funding from our partner municipalities provides less than 60% of total mandatory (Category 1) program costs. The UTRCA will continue to offset the municipal levy for these added pressures with outside funding, as available. While these programs are all eligible for full levy funding, the UTRCA will supplement the levy with revenues from agricultural leases, interest earned on investments, and internal program chargeback recoveries to all program areas.

Total support from our municipal members for operations of \$7,999,589 is currently forecast to sustain our programs

and services. Historical budgets have kept levy contributions depressed, resulting in lower-than-desirable reserves in the areas of water and erosion control operations and land management. The UTRCA needs to adequately fund these mandatory activities to ensure the protection of people and property.

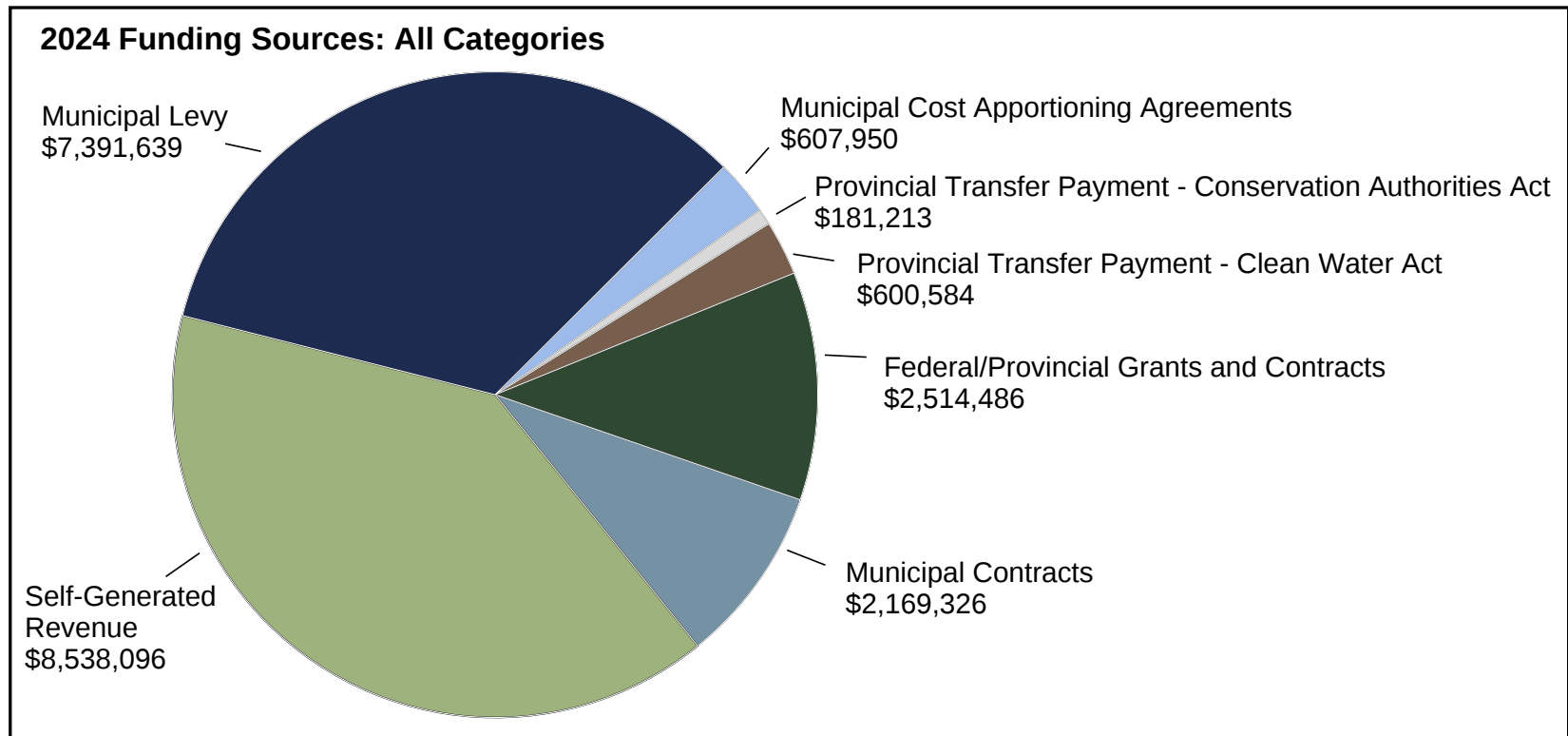
It should be noted that the campground operations in the conservation areas are sustained through park program revenues, which often generate an operating surplus. The UTRCA funds much needed capital expenditures in the parks through these surpluses.

We look forward to developing a new strategic plan in 2024 and making strides with asset management plans to ensure our continued resiliency and enable us to evolve our operations in a sustainable way.

The 2024 Approved Budget will enable the UTRCA to continue providing important programs and services in a growing watershed, support the increasing number of visitors to the conservation areas, reflect enhancements to program and service delivery objectives, and meet the requirements of the revised Conservation Authorities Act regulations.

Summary of Costs and Funding Sources per Category

	Category 1	Category 2	Category 3	Other Category 3 (Campgrounds)	TOTAL
Operating Costs	\$12,454,797	\$1,210,854	\$4,992,712	\$4,274,755	\$22,933,118
Provincial Transfer Payments - Conservation Authorities Act	181,213	--	--	--	181,213
Provincial Transfer Payments - Clean Water Act	600,584	--	--	--	600,584
Federal/Provincial Grants and Contracts	474,417	--	2,035,068	--	2,514,486
Municipal Contracts	565,763	1,214,647	320,584	68,331	2,169,326
Self-Generated Revenue	2,027,971	--	1,622,616	4,887,509	8,538,096
Municipal Levy	7,391,639	--	--	--	7,391,639
Municipal Cost Apportioning Agreements	--	--	607,950	--	607,950
Total Funding Sources	11,246,588	1,214,647	4,586,218	4,955,840	22,003,293
Surplus or (Deficit)	(\$1,208,209)	\$3,793	(\$406,494)	\$681,085	(\$929,825)



Operating Budget

	2023 Year (Unaudited)	2024 Category 1	2024 Category 2	2024 Category 3	2024 Other Category 3 (Campgrounds)	2024 Total	2025 Forecast
Revenues							
Municipal Levy + Cost Apportionments (Cat. 3)	\$6,345,096	\$7,391,639	-	\$607,950	-	\$7,999,589	\$8,959,540
Municipal Levy amortized from Deferrals	1,414,878	177,885	-	91,584	-	269,469	164,156
Provincial Transfer Payment - CA Act	181,213	181,213	-	-	-	181,213	181,212
Provincial Transfer Payment - Clean Water Act	581,656	600,584	-	-	-	600,584	600,000
Municipal Contracts	1,420,227	387,878	\$1,214,647	229,000	\$68,331	1,899,856	1,863,990
Provincial Contracts	595,585	274,777	-	109,000	-	383,777	173,574
Federal Grants and Contracts	312,438	204,641	-	1,926,068	-	2,130,709	1,958,111
Land Management Agreements	1,416,410	438,086	-	679,591	74,700	1,192,377	1,313,369
User Fees	6,680,512	1,066,635	-	934,525	4,812,809	6,813,969	7,212,824
Donations and Other	322,626	18,000	-	8,500	-	26,500	26,500
Investment Revenue	609,658	505,250	-	-	-	505,250	451,250
Total Operating Revenues	19,880,300	11,246,588	1,214,647	4,586,218	4,955,840	22,003,293	22,904,526
Expenses							
Staff Wages and Benefits	12,495,814	9,919,714	724,089	2,181,471	2,130,331	14,955,606	15,789,938
Property Related	1,979,046	745,202	32,500	408,245	851,685	2,037,632	2,035,275
Technical and Consulting Services	801,281	559,143	30,420	246,704	195,100	1,031,367	926,821
Computers and Communications	526,714	498,876	45,600	12,844	14,470	571,789	503,282
Insurance and Risk Management	431,927	340,454	2,316	11,838	116,900	471,508	656,713
Supplies	1,031,160	305,201	94,000	422,620	304,825	1,126,646	986,903
Per Diems, Travel, Other Personnel Expenses	196,527	145,416	21,550	11,410	38,475	216,851	244,288
Fleet Related	148,844	150,700	-	-	4,500	155,200	170,300
Banking Fees	20,201	20,000	-	-	-	20,000	20,000
Other Expenses	153,734	100	-	917,600	-	917,700	978,800
Depreciation Expense	1,372,833	1,258,429	-	21,026	139,715	1,419,170	1,298,998
Allocated Costs	5	(1,488,439)	260,380	758,955	478,753	9,649	26,178
Total Operating Expenses	19,158,086	12,454,797	1,210,854	4,992,712	4,274,755	22,933,118	23,637,496
Surplus or (Deficit)	\$722,213	(\$1,208,209)	\$3,793	(\$406,494)	\$681,085	(\$929,825)	(\$732,970)

Capital Projects

Water and Erosion Control Structure Capital Projects	Levy 2024*	Other Funding 2023 and 2024**	Expenditure 2024***	Net Project Costs	Notes
Fanshawe Dam					
Monitoring upgrades	10,000	10,000	20,000	-	
Safety boom design/construction	267,500	250,000	500,000	17,500	Levy in 2024 for 2023/24 WECI Project
Access elevator	25,000	25,000	50,000	-	
Operational Plan	15,000		15,000	-	As required by CA Act changes
Gate ropes	5,000		5,000	-	
Trash rack cleaning	10,000		10,000	-	
OMS Manual updates	12,500		11,966	534	Levy in 2024 for 2023/24 WECI Project
Drainage gallery and pressure relief well	27,500			27,500	Levy in 2024 for 2023/24 WECI Project
	372,500	285,000	611,966	45,534	
Wildwood Dam					
Drainage gallery and pressure relief well		40,000	80,500	(40,500)	
Condition assessment of existing drainage	12,500			12,500	Levy in 2024 for 2023/24 WECI Project
EPP and OMS Manual updates	15,361		28,243	(12,882)	Levy in 2024 for 2023/24 WECI Project
Air shaft grating and hand rail replaced	27,500		5,950	21,550	Levy in 2024 for 2023/24 WECI Project
Piezometers and stability work	55,000	55,000	110,000	-	
Safety boom design	40,000	40,000	80,000	-	
Machine guarding for hoists	7,500	7,500	15,000	-	
Operational Plan	15,000		15,000	-	As required by CA Act changes
Valve operators	7,500	7,500	15,000	-	
Monitoring upgrades	15,000	15,000	30,000	-	
	195,361	165,000	379,693	(19,332)	
Pittock Dam					
EPP and OMS Manual updates	12,500		25,298	(12,798)	Levy in 2024 for 2023/24 WECI Project
Monitoring upgrades	10,000			10,000	Levy in 2024 for 2023/24 WECI Project
Dam monitoring equipment	18,642			18,642	Levy in 2024 for 2023/24 WECI Project
Bubbler equipment	11,772			11,772	Levy in 2024 for 2023/24 WECI Project
Rip rap erosion repairs	37,500	37,500	75,000	-	
Operational Plan	15,000	-	15,000	-	As required by CA Act changes
Safety boom design	40,000	40,000	80,000	-	
	145,414	77,500	195,298	27,616	

Capital Projects - Water and Erosion Control Structure (continued)

Water and Erosion Control Structure Capital Projects	Levy 2024*	Other Funding 2023 and 2024**	Expenditure 2024***	Net Project Costs	Notes
London Dykes					
Supplementary hand rail design and install	30,000			30,000	Levy in 2024 for 2023/24 WECl Project
Operational Plan	10,000		10,000	-	As required by CA Act changes
Geotechnical review	15,000	15,000	30,000	-	
W Ldn Dyke Rehabilitation Phase 8-13 design	150,000	350,000	500,000	-	Assumes NDMP and WECl funding
Vegetation plans and rehabilitation	12,500	12,500	25,000	-	
	217,500	377,500	565,000	30,000	
St Marys Floodwall					
St Marys inspection and repair				-	Project moved to 2025
Operational Plan	5,000	-	5,000	-	As required by CA Act changes
Floodwall repairs				-	Project moved to 2025
	5,000	-	5,000	-	
Orr Dam					
Dam safety review		10,000	20,000	(10,000)	May levy in 2025
Monitoring equipment	17,642	3,750	7,500	13,892	Levy in 2024 for 2023/24 WECl Project
Gate painting		50,000	100,000	(50,000)	May levy in 2025
Piezometer locate and replace		10,000	20,000	(10,000)	May levy in 2025
Wingwall tiebacks		37,500	75,000	(37,500)	May levy in 2025
Debris and safety boom		37,500	75,000	(37,500)	May levy in 2025
Security cameras			5,000	(5,000)	May levy in 2025
	17,642	148,750	302,500	(136,108)	
Embro Dam					
Dam removal preliminary design	25,000	25,000	50,000	-	
Mitchell Dam					
Monitoring equipment	17,642			17,642	Levy in 2024 for 2023 costs
Bubbler	7,500	7,500	15,000	-	
Asbestos review/removal		20,000	40,000	(20,000)	May levy in 2025
Security cameras			2,500	(2,500)	May levy in 2025
Dam safety review	10,000	20,000	40,000	(10,000)	Levy in 2024 and 2025
	35,142	47,500	97,500	(14,858)	
Fullarton Dam					
Rehabilitation EA Phase 2	7,000	25,000	50,000	(18,000)	May levy in 2025

Capital Projects - Water and Erosion Control Structure (continued)

Water and Erosion Control Structure Capital Projects	Levy 2024*	Other Funding 2023 and 2024**	Expenditure 2024***	Net Project Costs	Notes
Centreville Dam					
Dam safety review		20,000	40,000	(20,000)	May levy in 2025
Add handrail		750	1,500	(750)	May levy in 2025
Install mesh at guardrail			1,500	(1,500)	May levy in 2025
Gabion baskets and downstream erosion		15,000	30,000	(15,000)	May levy in 2025
Vegetation removal			5,000	(5,000)	May levy in 2025
	-	35,750	78,000	(42,250)	
Stratford Channel				-	
Stop Logs replaced		15,000	30,000	(15,000)	May levy in 2025
Operational Plan (CAA)			10,000	(10,000)	May levy in 2025
	-	15,000	40,000	(25,000)	
Shakespeare Dam					
Headwall spalling and crack repairs			2,000	(2,000)	May levy in 2025
Ingersoll Channel					
Operational Plan (CAA)	5,000		5,000	-	As required by CA Act changes
Dorchester CA Dam					
Sign replacement			2,000	(2,000)	
Dorchester Mill Pond Dam					
Railings replaced		3,250	20,000	(16,750)	May levy in 2025
Harrington Dam					
Dam safety review	12,500	12,500	25,000	-	
Total Water and Erosion Control Structure Capital Projects	\$1,038,059	\$1,217,750	\$2,428,957	(\$173,148)	Negative balance depletes reserves

* To levy in 2024

** Assumes 2024/2025 grants are approved

*** Estimated costs subject to change

Acronyms

CA Act = Conservation Authorities Act

EPP = Emergency Preparedness Plan

NDMP = National Disaster Mitigation Program

OMS = Operation, Maintenance and Surveillance Manual

WEIC = Water and Erosion Control Infrastructure program

Other Capital Projects	Levy	Other Funding	Expenditure	Net Costs	Notes
WCC office furnishings			35,000	(35,000)	
IT server equipment	50,000		50,000	-	Historical budget for server equipment
Fleet vehicle and equipment replacement	220,000	25,000	330,000	(85,000)	2 EV cars, zero-turn mowers, 1 light truck
Electric vehicle (EV) charging stations	80,000	100,000	200,000	(20,000)	1 at workshop, 2 at WCC, 2 for visitor parking
CSV - fibreoptic cabling			50,000	(50,000)	
CSV renovations			70,000	(70,000)	HVAC and systems replacement, exterior renovations
FCA water servicing (pump, panel, UV)			20,000	(20,000)	Cottages - upgrade existing infrastructure
	350,000	125,000	755,000	(280,000)	Negative net cost will deplete reserves over time
Campground Facilities					
FCA, PCA, WCA business plans			75,000	(75,000)	Business operating plans for each CA (not completed in 2023)
FCA, PCA, WCA building gatehouse plans			75,000	(75,000)	Gatehouse/entrance plans for each CA (not completed in 2023)
FCA, PCA, WCA rental equipment replacement			20,000	(20,000)	Canoes and kayaks
FCA greenspace plan			15,000	(15,000)	Day use area open space design plan (not completed in 2023)
FCA electrical upgrades - seasonal sites			266,937	(266,937)	Pines Section hydro upgrades
FCA roads - day use			300,000	(300,000)	Road repairs from Fanshawe Dam north to day use area
FCA playground equipment			160,000	(160,000)	Replacement of existing equipment
FCA canoe launch - day use		50,000	175,000	(125,000)	AODA accessible launch/access/dock/ramp
FCA building - Lakeview Pavilion			50,000	(50,000)	Exterior renovations and access improvements (AODA)
FCA building - campground			200,000	(200,000)	Exterior renovations and access improvements, parking upgrades (AODA)
FCA building - Watson Porter		200,000	350,000	(150,000)	Interior/exterior renovations (kitchen, washroom, heating, doors/windows) (AODA)
FCA waste management moloks			42,000	(42,000)	3 in day-use and 3 along main road area
PCA 3rd washroom renovations			200,000	(200,000)	Interior/exterior building renovation (AODA)
PCA linear road infrastructure			125,000	(125,000)	Entrance bridge compliance repairs (shared cost with City of Woostock)
PCA washroom repairs			75,000	(75,000)	Interior/exterior renovations (AODA)
PCA moloks			20,000	(20,000)	4 recycle moloks to replace individual cans
WCA playground equipment			130,000	(130,000)	Replacement of existing equipment
	-	250,000	2,278,937	(2,028,937)	Negative net cost will deplete campground reserves over time
Total Other Capital Projects	350,000	375,000	3,033,937	(2,308,937)	
Total Capital Projects for 2024	1,388,059	1,592,750	5,462,894	(2,482,085)	

Acronyms:

AODA = Accessibility for Ontarians with Disabilities Act
CSV = former Children's Safety Village

FCA = Fanshawe Conservation Area
PCA = Pittock Conservation Area

WCA = Wildwood Conservation Area
WCC = Watershed Conservation Centre

Municipal Levies

Municipality	General Distribution Rates - Operating and Capital (See Municipal Levies Detail: General Distribution Rates on page 11)					
		Clean Water Act	Clean Water Act	Conservation Authorities Act	Conservation Authorities Act	Total Category 1 Levy - General Distribution
	2023 MCVA %	2024 MCVA %	2024	2024 MCVA %	2024	2024
Oxford County	16.9093	16.9295		16.981	\$1,083,785	\$1,083,785
London	64.0751	63.8936		64.088	4,090,313	4,090,313
Lucan Biddulph	0.3517	0.3497		0.3507	22,383	22,383
Thames Centre	3.1897	3.1877		3.1974	204,069	204,069
Strathroy-Caradoc*	0.000	0.3034		0.000	-	-
Middlesex Centre	2.4127	2.4364		2.4438	155,972	155,972
Stratford	7.2647	7.1849		7.2068	459,962	459,962
Perth East	1.4275	1.4139		1.4182	90,514	90,514
West Perth	1.4827	1.4853		1.4899	95,090	95,090
St Marys	1.4644	1.4560		1.4604	93,208	93,208
Perth South	1.2215	1.1594		1.1629	74,220	74,220
South Huron	0.2006	0.2003		0.2009	12,822	12,822
Zorra Township						
South-West Oxford						
Total	100.00	100.00	-	100.00	\$6,382,339	\$6,382,339

* Strathroy-Caradoc is currently excluded from the UTRCA's jurisdiction by Order-in-Council.

Special Benefitting Rates** - Operating and Capital (See Municipal Levies Detail: Special Benefitting Rates on page 12)							Total Category 1 Mandatory Program Levy
Structure (Single Benefitting Municipality)		Wildwood Dam (London 80%, St Marys 14%, all municipalities 6% MCVA)		Pittock Dam (Oxford County 61.1%, London 32.9%, all municipalities 6% MCVA)		Total Category 1 Levy - Special Benefitting	
Structure (100%)	2024	%	2024	%	2024	2024	
Ingersoll Channel	\$27,000	1.0189	\$5,322	62.1189	\$228,233	\$260,556	\$1,344,341
Fanshawe Dam	855,500	83.8453	437,975	36.7453	135,007	1,712,282	5,802,596
London Dykes	277,500						
Springbank Dam	6,300						
		0.0210	110	0.0210	77	187	22,570
Dorchester CA Dam	500	0.1918	1,002	0.1918	705	5,707	209,776
Dorchester Mill Pond Dam	3,500						
		-	-	-	-	-	-
		0.1466	766	0.1466	539	1,305	157,276
Stratford Channel	11,000	0.4324	2,259	0.4324	1,589	92,489	552,452
RT Orr Dam	77,642						
Shakespeare Dam	1,000	0.0851	444	0.0851	313	1,757	92,271
Mitchell Dam	116,142	0.0894	467	0.0894	328	130,937	226,028
Fullarton Dam	14,000						
St Marys Floodwall	61,000	14.0876	73,588	0.0876	322	134,910	228,118
		0.0698	364	0.0698	256	621	74,841
		0.0121	63	0.0121	44	107	12,929
Harrington Dam	14,500	-		-		52,500	52,500
Embro Dam	38,000						
Centreville Dam	4,000	-		-		4,000	4,000
\$1,507,584		100.00	\$522,361	100.00	\$367,414	\$2,397,359	\$8,779,698

**The UTRCA uses a benefit-based method to apportion the operating expenses and capital costs for the water control structures it operates and maintains. The local share of the costs (after reduction by available funding from senior government or other sources) is apportioned based on the benefit to the municipalities. For Fanshawe, Wildwood, and Pittock Dams, the shared benefit was determined when the funding for construction of the structures was discussed. For all other structures, the municipality where each structure is located is the sole beneficiary and, therefore, covers all the local share of operating and maintenance costs.

This approach is consistent with how these costs have been apportioned in the past and is described in the Conservation Authorities Act Regulations (OReg 402/22 Section 7(6)).

Note: Correction from February 27, 2024 version: Perth East total category 1 levy has been reduced by -\$2,000 to correct an editing error.

Municipal Levies Detail: General Distribution Rates - Operating and Capital

Category 1 Mandatory Programs	Program Cost	Municipal Support
Environmental Planning and Regulations		
- Regulations under S28.1 Natural Hazards	\$1,310,045	\$571,232
- Planning Activities	1,342,003	597,493
Water Management		
- Flood Forecasting and Warning	703,836	503,482
- Infrastructure Operations and Maintenance (see pg 12 Municipal Levies Detail: Special Benefitting Rates)	1,601,711	16,000
- Mapping, Studies, and Information Management	1,393,389	1,227,000
- Climate Change Risk and Mitigation	200,431	190,500
- Low Water Response	12,786	9,300
- Natural Hazards Outreach Programs	450,245	311,050
Land Management		
- Lands Management, Risk, Enforcement	1,029,292	679,850
- Lands Strategies	273,380	152,000
- Public Access for Passive Recreation (see pg 12 Municipal Levies Detail: Special Benefitting Rates)	1,239,199	806,200
- Natural Heritage Conservation on UTRCA Lands	526,218	77,232
Provincial Water Monitoring	169,981	165,000
Drinking Water Source Protection	585,068	-
Core Watershed-based Resource Management Strategy	282,097	38,000
Essential Corporate Costs	1,335,119	688,000
Total Operating Levy	12,454,800	6,032,339
Capital Maintenance Levies	735,000	350,000
Total Costs to Levy (general distribution except where noted as special benefitting rates)	\$13,189,800	\$6,382,339



Municipal Levies Detail: Special Benefitting Rates - Operating and Capital

Structure	Passive Recreation	Infrastructure Operation and Maintenance		Special Benefitting Total for Structures
	Dam Operation and Maintenance	Operation, Routine and Preventative Maintenance - Flood Control Structures	Capital Repairs and Environmental Assessments	
Ingersoll Channel		\$22,000	\$5,000	\$27,000
Fanshawe Dam		483,000	372,500	855,500
London Dykes		60,000	217,500	227,500
Springbank Dam	\$6,300			6,300
Dorchester CA Dam	500			500
Dorchester Mill Pond Dam	3,500			3,500
Stratford Channel		11,000		11,000
RT Orr Dam	60,000		17,642	77,642
Shakespeare Dam	1,000			1,000
Mitchell Dam	81,000		35,142	116,142
Fullarton Dam	7,000		7,000	14,000
St Marys Flood Wall		56,000	5,000	61,000
Harrington Dam	2,000		12,500	14,500
Embro Dam	13,000		25,000	38,000
Centreville Dam	4,000			4,000
Wildwood Dam		327,000	195,361	522,361
Pittock Dam		222,000	145,414	367,414
Total Levies for Structures under Special Benefitting	\$178,300	\$1,181,000	\$1,038,059	\$2,397,359



Year over Year Comparison of Total Municipal Contributions

Municipality	2023				2024						Year over Year \$	Notes
	Blended MCVA and Special Benefitting Rates			Total	MCVA 2024	General MCVA Distribution (Operating and Capital)	Special Benefitting Rates (Operating and Capital)	Total Levy	General MCVA Distribution Category 3 Apportionment	Total Support		
	MCVA 2023	Operating Costs	Capital Costs									
Oxford County	16.9093	\$1,076,291	30,000	\$1,106,291	16.9810	\$1,083,785	\$260,556	\$1,344,341	\$103,236	\$1,447,577	\$341,286	
London	64.0751	4,237,123	54,600	4,291,723	64.0880	4,090,313	1,712,282	5,802,595	389,623	6,192,218	1,900,496	West London Dyke
Lucan Biddulph	0.3517	19,400		19,400	0.3507	22,383	187	22,570	2,132	24,702	5,302	
Thames Centre	3.1897	181,255		181,255	3.1974	204,069	5,707	209,776	19,439	229,215	47,960	
Strathroy Caradoc	0			-	-			-		-	-	
Middlesex Centre	2.4127	133,093		133,093	2.4438	155,972	1,305	157,277	14,857	172,134	39,040	
Stratford	7.2647	441,747		441,747	7.2068	459,962	92,489	552,451	43,814	596,265	154,519	
Perth East	1.4275	81,346		81,346	1.4182	90,514	1,757	92,271	8,622	100,893	19,547	
West Perth	1.4827	124,509	68,000	192,509	1.4899	95,090	130,937	226,027	9,058	235,085	42,577	Mitchell Dam
St Marys	1.4644	104,511	45,000	149,511	1.4604	93,208	134,910	228,118	8,879	236,997	87,485	Floodwall, Wildwood Dam
Perth South	1.2215	67,383		67,383	1.1629	74,220	621	74,841	7,070	81,911	14,528	
South Huron	0.2006	11,066		11,066	0.2009	12,822	107	12,929	1,221	14,150	3,084	
Zorra		8,500	6,500	15,000	-		52,500	52,500		52,500	37,500	
South-West Oxford		5,610		5,610	-		4,000	4,000		4,000	(1,610)	
Total	100	\$6,491,835	\$204,100	\$6,695,935	100	\$6,382,339	\$2,397,358	\$8,779,697	\$607,951	\$9,387,648	\$2,691,713	

Note:

- 2023 - All programs are combined.
- 2024 - Category 1 and Category 3 programs are shown separately.

Reserve Status Forecast

	Category 1 General Reserves	Category 1 Water and Erosion Control Structure Reserves	Category 2 Reserves	Category 3 Reserves	Other Category 3 (Campground) Reserves	Total
Opening 2023 (Restructured Balances)	\$1,484,135	\$3,192,019	\$0	\$359,473	\$2,460,651	\$7,496,278
2023 Year Results (Unaudited)	434,801	(39,982)	0	(294,137)	621,531	722,213
Forecast Reserves Year End 2023	1,918,936	3,152,036	0	65,336	3,082,183	8,218,491
Budgeted for 2024 Operating	(1,208,209)		3,793	(406,494)	681,085	(929,825)
Budgeted for 2024 Capital	(260,000)	(173,148)	0	0	(2,048,937)	(2,482,085)
Budget Balance Estimate Year End 2024	\$450,727	\$2,978,888	\$3,793	(\$341,158)	\$1,714,331	\$4,806,581

UTRCA reserves have traditionally been highly segregated but the new Conservation Authorities Act regulations will necessitate restructuring the reserves along the lines of the three program areas.

The first line in the table above identifies the values of the reserves at the start of 2023 as if they had been restructured. Against those reserves, operating activities during 2023 are expected to result in a net addition to reserves of approximately \$722,000, which is a surplus (the 2023 Approved Budget suggested a deficit result for 2023). The 2023 results are not yet audited so they may change.

The results derived from the 2024 operating and capital budgets are then listed, by category. An operating deficit of \$929,825 is the proposed result shown in the budget package along with capital spending, net of revenues, of \$2,482,085 deficit across various categories. The capital projects are summarized on pages 6-9.

This table suggests that the significant investment in campground facilities planned for 2024 would cause the campground reserve to fall by the end of 2024, which is not entirely true. It is important to note that budgeted capital deficits only impact reserves once the expenditures have been made. The impact to reserves occurs

over many future years by way of amortization expense for earlier spending.

In the case of Category 1 water and erosion control structure reserves, the UTRCA attempts to ensure that full funding is available in the year the project occurs. The funding is deferred and matched to the future cost over the life of the capital improvement. This then creates zero net impact in future years, helping to ensure that future capital spending on critical infrastructure is not burdened by the continuing amortization expense from spending in earlier years. As often happens, capital projects take time to complete and sometimes there are unexpected costs. For this reason, 2024 identifies both surpluses in some projects for levy required to complete 2023 projects and shortfalls in other projects that will need to be levied in 2025.

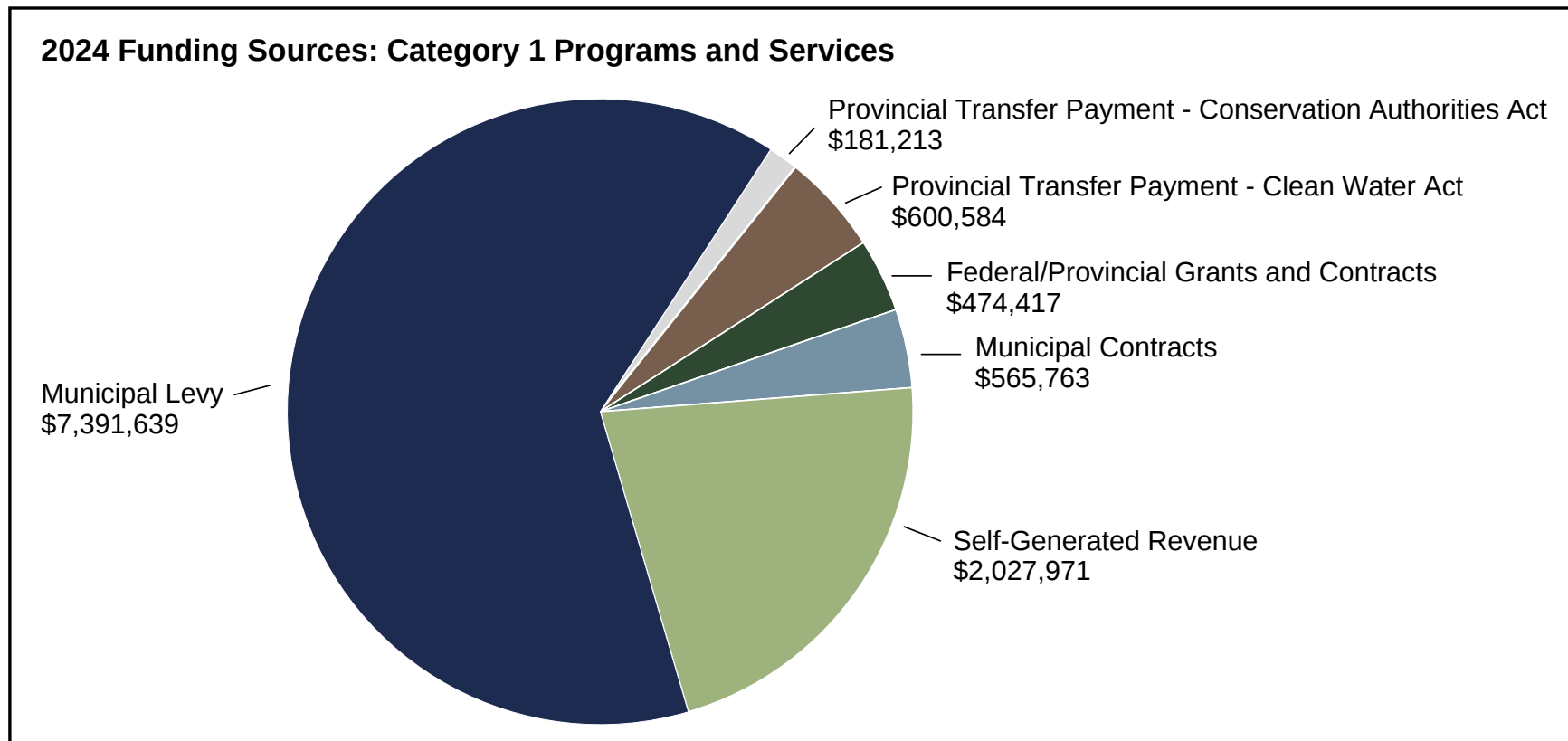
The general depletion of reserves seems to be unavoidable in the short term but must be considered with respect to the organization's future funding requirements. It should be noted that the Board of Directors has approved the development of a reserve/budgetary policy in 2024 as the Authority also works to develop comprehensive asset management plans. Both efforts will assist in guiding decisions that impact reserves.

Category 1 Programs and Services: Budget

Category 1 includes the programs and services that the Province of Ontario has deemed mandatory for a Conservation Authority to deliver.

Funding

- The CA is permitted to levy their member municipalities for the full cost of delivering these mandated programs and services. The UTRCA plans to use revenues from agricultural leases, interest earned on investments, and internal program chargeback recoveries by allocating costs, to reduce the levy impact on member municipalities.
- All corporate costs may be included as Category 1 (i.e., eligible for full levy funding) but UTRCA is allocating program-specific costs to programs and services in all three categories. Essential corporate costs that are not program-specific are included as a grouping within Category 1 below (see page 22 for detail).
- Category 1 operating costs include \$1.5M for new mandatory deliverables and service delivery standards required by the end of 2024.



Category 1 Operating Budget

Expenses by Type	Environmental Planning and Regulations	Water Management	Land Management	Provincial Water Monitoring	Drinking Water Source Protection	Watershed Management Strategy	Essential Corporate Costs	Total
Wages and Benefits	\$933,973	\$2,701,336	\$2,643,247	\$102,806	\$295,867	\$245,396	\$2,963,786	\$9,886,410
Depreciation Expenses	-	639,246	71,700	-	-	-	547,483	1,258,429
Property Related Expenses	500	147,515	274,037	-	-	-	323,150	745,202
Technical and Consulting Services	15,500	95,140	125,095	-	160,808	-	162,600	559,143
Computers and Communications	16,000	78,600	31,931	5,000	42,069	-	325,276	498,876
Insurance and Risk Management	-	51,101	17,376	-	-	-	271,977	340,454
Materials and Supplies	-	48,220	42,750	2,000	1,751	-	177,100	271,821
Fleet Related Expenses	-	-	2,000	-	-	-	148,700	150,700
Staff Travel, PD, PPE, Uniforms	9,200	14,013	40,625	-	3,878	-	77,700	145,416
Board per Diems	-	-	-	-	17,304	-	16,000	33,304
Signage and Promotion	-	2,010	14,550	-	4,120	-	12,700	33,380
Banking and Other	-	100	-	-	-	-	20,000	20,100
Corporate Allocations	240,373	812,675	695,440	60,175	59,271	36,701	(3,393,074)	(1,488,439)
Total	\$1,215,545	\$4,589,956	\$3,958,752	\$169,981	\$585,068	\$282,097	\$1,653,398	\$12,454,797

Category 1 Programs and Services: Overview

Environmental Planning and Regulations

The UTRCA provides planning and regulations services to protect people and property from natural hazards (e.g., flood and erosion hazards, wetlands, and the area of interference surrounding wetlands) and support safe development.

Natural hazard planning activities include:

- Planning Act delegated responsibility for natural hazards to be consistent with Provincial Policies,
- Technical information and advice to municipalities on circulated municipal land use planning applications (Official Plan and Zoning By-law Amendments, Subdivisions, Consents, Minor Variances) with respect to natural hazards.
- Input to municipal land-use planning documents (OP, Comprehensive ZB, Secondary plans) related to natural hazards, on behalf of MNRF (delegated to CAs in 1983).

Regulations activities under Section 28 of the Conservation Authorities Act include:

- Reviewing and processing permit applications, associated technical reports, site inspections, communication with applicants, agents, and consultants. Property inquiries and compliance/enforcement activities.
- Input to the review and approval processes under the Planning Act and other applicable law, (e.g., Environmental Assessment Act, Drainage Act, Aggregate Resources Act, with comments principally related to natural hazards, wetlands, watercourses and Section 28 permit requirements.



Legislation	Legislative Changes	Budget Impact
Bill 23 (More Homes Built Faster Act) and Bill 109 (More Homes for Everyone Act)	• Implement service delivery standards for the administration of planning and development reviews and permitting to expedite the approvals process,	\$240,000
S28 Conservation Authorities Act	• Consultation on and updating of hazard maps to inform planning and development applications.	\$517,000

Water Management

The UTRCA's water management program protects people and property and supports safe development by reducing risk due to flooding. Key components include:

- Providing flood forecasting and warning services for municipalities,
- Continually monitoring stream flow, reservoirs, and watershed conditions to assess flood, low flow, and climate change impacts and mitigation,
- Operating and maintaining water control structures (3 large dams, 3 flood control channels, 8 dykes/floodwalls), constructed in partnership with municipalities, to control flood flows and augment stream flow during dry periods.
- Mapping and modelling flood plains and other natural hazards,
- Developing, maintaining, and implementing Flood Contingency Plan for municipal and First Nation flood coordinators and other partners,
- Providing outreach and education programs and information on natural hazards,
- Operating and maintaining 12 erosion control structures,
- Operating and maintaining recreational water control structures for passive recreation, on behalf of municipalities.



Legislation	New Mandatory Deliverables	Budget Impact
Ontario Regulation 686/21	• Operational and asset management plans for water and erosion control infrastructure • Ice management plan to reduce the risks associated with natural hazards	\$195,000



Land Management

The UTRCA provides public access for passive recreation on 3200 hectares of conservation lands at Fanshawe, Wildwood, and Pittock Conservation Areas, and at 11 day-use conservation areas/tracts and an arboretum (managed in partnership with local service clubs or municipalities). Management activities include risk management, encroachment monitoring, and enforcement.

More than 2000 ha of rural properties, including 1500 ha of wetland, provide long-term protection of natural heritage. Activities include forest management, signage, gates, stewardship, restoration, and ecological monitoring.

Legislation	New Mandatory Deliverables	Budget Impact
Ontario Regulation 686/21	- Strategy to guide the management and use of CA owned/controlled properties, developed with public consultation and including periodic review and update - Land inventory containing information for every parcel of land owned or controlled by the CA - Land acquisition and disposition strategy	\$274,000

Provincial Water Monitoring

The UTRCA monitors surface water at 24 Provincial Water Quality Monitoring Network (PWQMN) sites on a monthly basis (April to November). Water quality has been monitored in the Upper Thames watershed since the 1960s under the PWQMN, which is a cooperative program of the Ministry of the Environment, Conservation and Parks (MECP) and CAs. The UTRCA uses the data in the watershed report cards and to prioritize stewardship projects.

The UTRCA monitors groundwater quantity and quality in 28 wells at 22 Provincial Groundwater Monitor Network sites in cooperation with MECP. There are 23 wells sampled for water quality annually, and five wells that have been changed to biennial sampling beginning in 2023 at the discretion of MECP. Water quantity is monitored year-round at all wells.

No provincial funding is received for either of these water monitoring programs.



Drinking Water Source Protection

The UTRCA protects municipal drinking water sources through Source Protection Plans, as part of the Thames-Sydenham Source Protection Region (Upper Thames River, Lower Thames Valley, and St. Clair Region Conservation Authorities). The UTRCA is the lead Authority for the Region, providing technical and Source Protection Committee support, organizing Source Protection Authority reports and meetings, and carrying out other activities required by the Clean Water Act and regulations.

The UTRCA assists in coordinating and implementing the Source Protection Plans (SPP). Where advisable, the UTRCA reviews and comments on any proposal made under another Act that is circulated to it, to determine whether the proposal relates to a significant drinking water threat that is governed by the SPP or the proposal's potential impact on any drinking water sources protected by the SPP.

This program is currently completely funded by the province.

Watershed Management Strategy

Legislation	New Mandatory Deliverable	Budget Impact
Ontario Regulation 686/21	Develop (with consultation), implement, and report on a Watershed-based Resource Management Strategy to inform the design and delivery of programs and services that the CA is required to provide, as well as a process for periodic review including procedures to engage with interest groups and the public. The strategy development includes compiling existing resource management plans, watershed plans, strategic plans, studies, and data.	\$276,800



Essential Corporate Costs

Corporate costs support all UTRCA program areas, the Board of Directors, member municipalities, and the public, to enable the UTRCA to operate in an accountable, efficient, and effective manner.

Under the new legislation, all corporate costs are a mandatory (Category 1) service and, therefore, eligible for full levy funding.

Rather than keeping all corporate costs in Category 1, the UTRCA is allocating program-specific corporate costs to programs and services in all three Categories. These allocated costs include property insurance, IT services, costs to operate the Watershed Conservation Centre (administration building), finance and human resources unit costs, some common communications and marketing unit costs, and shared fleet and equipment costs.

The new budget format illustrates that \$1,498,088 in corporate costs is allocated to the following programs, which are not funded by municipal levy:

- \$260,380 to Category 2 programs,
- \$758,955 to Category 3 programs, and
- \$478,753 to the campground operations (other Category 3).

Essential corporate costs that are not program-specific are grouped as a Category 1 (mandatory) cost. They include board governance, administration, health and safety programs, asset management planning, shared fleet management, shared equipment, and directors and officers insurance and liability.



Category 2 Programs and Services: Budget

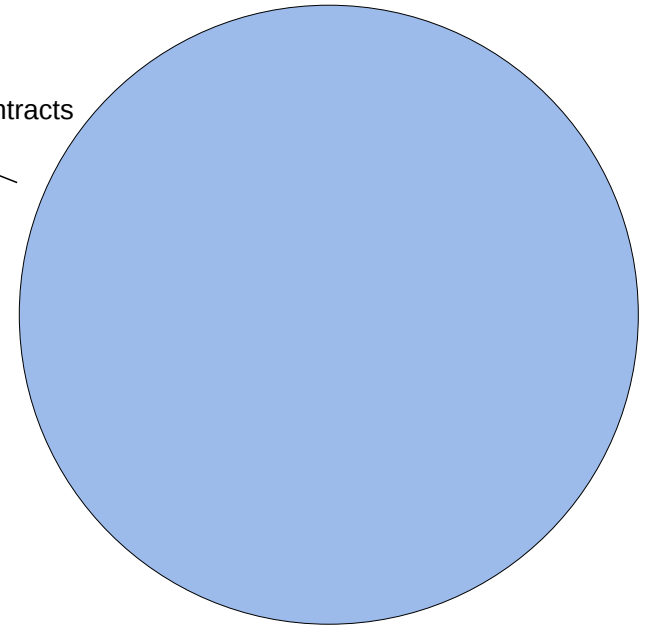
Category 2 programs and services are delivered at cost to specific municipalities under contract.

Funding

- Delivered at cost to specific municipalities under contract (cannot be funded through levy).

2024 Funding Sources: Category 2 Programs and Services

Municipal Contracts
\$1,214,647



Category 2 Operating Budget

Expenses by Type	City of London ESA/ Lands Management	City of London Water Quality Monitoring	Drinking Water Source Protection Risk Management	Total
Wages and Benefits	\$547,619	\$61,553	\$114,917	\$724,089
Property Related Expenses	31,700	-	800	32,500
Technical and Consulting Services	1,500	-	28,920	30,420
Computers and Communications	2,800	30,000	12,800	45,600
Insurance and Risk Management	-	-	2,316	2,316
Materials and Supplies	78,500	-	14,000	92,500
Staff Travel, PD, PPE, Uniforms	14,750	-	6,800	21,550
Signage and Promotion	1,500	-	-	1,500
Corporate Allocations	200,244	23,412	36,724	260,380
Total	\$878,613	\$114,965	\$217,276	\$1,210,854

Category 2 Programs and Services: Overview

City of London Contract Work

The UTRCA is contracted by the City of London to manage 12 Environmentally Significant Areas, manage beavers (in accordance with the City's beaver protocol), and monitor water quality and benthic invertebrates for environmental compliance.



Drinking Water Source Protection Risk Management Services

The UTRCA provides Drinking Water Source Protection Risk Management Inspector/ Official services for partner municipalities.

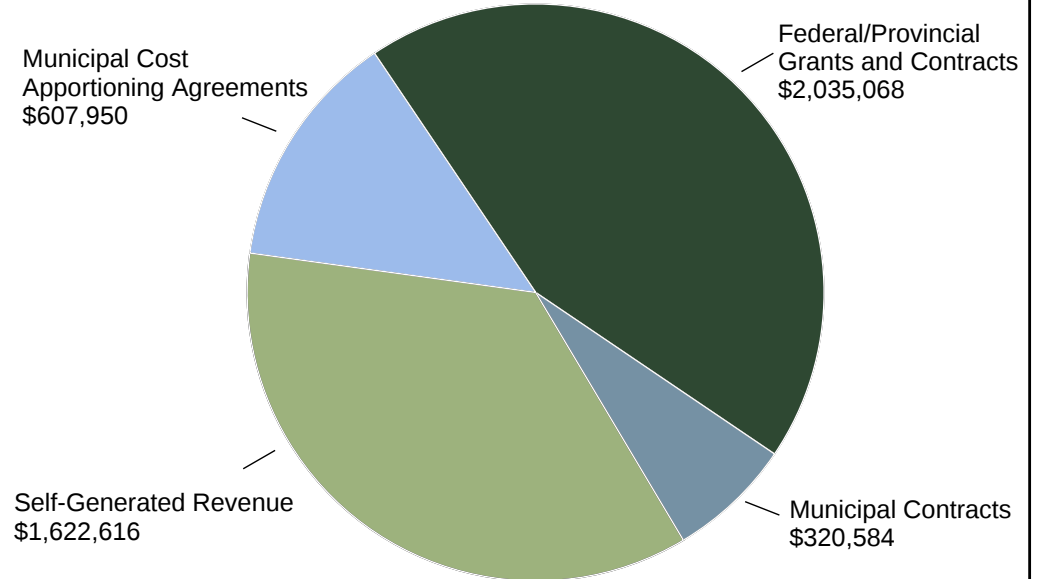
Category 3 Programs and Services: Budget

Category 3 programs and services are those that a Conservation Authority determines are advisable to provide to further the purpose of the Conservation Authorities Act.

Funding

- Multiple funding sources including municipal support through cost apportioning agreements (cannot be funded through levy).
- Category 3 programs and services will be funded largely through contracts and grants, most of which require some financial support from municipalities. Municipalities have been approached to agree to funding a proportion of these costs (MCVA) through agreement.
- The budget reflects anticipated funding from Environment and Climate Change Canada for phosphorus reduction programs.

2024 Funding Sources: Category 3 Programs and Services



Category 3 Operating Budget

Expenses by Type	Community Partnerships and Education	Water Quality Database Management	Ecological Monitoring	Landowner Stewardship Programs	Land Lease Management	Total
Wages and Benefits	\$658,567	\$33,609	\$353,016	\$910,678	\$225,601	\$2,181,471
Depreciation Expenses	-	4,914	1,584	-	14,528	21,026
Property Related Expenses	10,940	-	-	113,200	284,105	408,245
Technical and Consulting Services	460	60,000	244	119,500	66,500	246,704
Computers and Communications	4,350	3,525	394	3,750	825	12,844
Insurance and Risk Management	-	-	78	639	11,121	11,838
Materials and Supplies	57,080	-	-	291,700	68,750	417,530
Fleet Related Expenses						-
Staff Travel, PD, PPE, Uniforms	4,735	800	1,125	2,550	2,200	11,410
Signage and Promotion	4,090	-	-	-	1,000	5,090
Grants Issued	4,600	-	-	905,000	8,000	917,600
Corporate Allocations	196,684	19,449	118,681	396,766	27,375	758,955
Total	\$941,506	\$122,297	\$475,122	\$2,743,782	\$710,005	\$4,992,712



Category 3 Program Cost and Municipal Support

Program	Cost	Municipal Support
Community Partnerships and Education	\$941,506	\$414,950
- Community Involvement and Events		
- Environmental Education		
Subwatershed Planning and Monitoring	597,419	193,000
- Water Quality Database Management		
- Natural Heritage Subwatershed Planning		
- Species at Risk		
- First Nations Engagement Programs		
- Ecological Monitoring and Reporting		
Stewardship and Restoration	2,743,782	-
- Land Stewardship and Restoration		
- Clean Water Program		
- Great Lakes Connections/Phosphorus Reduction		
Land Lease Management	710,005	-
Total	\$4,992,712	\$607,950

Category 3 Municipal Cost Apportioning Agreements

Municipality	2023 MCVA %	2024 MCVA %	Category 3 Cost Apportionment
County of Oxford	16.9093	16.981	\$103,236
London	64.0751	64.088	389,623
Lucan Biddulph	0.3517	0.351	2,132
Thames Centre	3.1897	3.197	19,439
Strathroy Caradoc	0.0000	0.000	-
Middlesex Centre	2.4127	2.444	14,857
Stratford	7.2647	7.207	43,814
Perth East	1.4275	1.418	8,622
West Perth	1.4827	1.490	9,058
St Marys	1.4644	1.460	8,879
Perth South	1.2215	1.163	7,070
South Huron*	0.2006	0.201	1,221*
Total	100	100	\$607,950

*Municipality of South Huron is not participating in Category 3 programs.

Category 3 Programs and Services: Overview

Community Partnerships and Education

Community partnerships programs are designed to increase awareness of, support for, and involvement in projects that restore and enhance watershed health and resiliency to climate change.

The programs empower communities and youth, creating value for a healthy environment through opportunities to experience and learn about conservation, and build capacity in local communities by providing hands-on learning opportunities to address local environmental concerns.

The community partnerships program facilitates relationships among watershed residents, Authority staff, and member municipalities to enable the sharing of expertise and resources. The UTRCA assists community members and “friends of groups” to identify local environmental needs, access funding, and implement on-the-ground projects within their local communities.



Curriculum-based environmental education programs work closely with watershed Boards of Education to reach over 20,000 students per year with place-based information and to support the community partnerships program. The education programs help communities and youth understand how to protect their watershed resources and avoid risks from flooding and related hazards. Education programs are hosted at Fanshawe and Wildwood Conservation Areas, local natural areas, school yards/in class, and virtually.



Ecological Monitoring

The UTRCA supports science-based decisions through environmental monitoring programs that includes collecting, analyzing, and reporting on fishes, reptiles, benthic macro-invertebrates, Species at Risk, and air photos. The information collected gives an indication of stream health, water quality, habitat change, and impacts of stressors.

Environmental information is compiled and maintained in a comprehensive monitoring database that is integrated, available to watershed partners, and commonly accessed by development proponents in watershed municipalities when undertaking technical studies or assessments associated with land development activities.

The UTRCA reports on local watershed conditions every five years, in partnership with Conservation Ontario. The Upper Thames River Watershed Report Cards provide information on surface water, groundwater, forest, and wetland conditions within 28 subwatersheds to promote an understanding of local (subwatershed) health and emerging

trends as a basis for setting environmental management priorities and inspiring local environmental action.

The UTRCA is also engaging with local First Nations communities and individuals, to support the development of a more holistic approach in watershed planning that incorporates aspects of Indigenous Traditional Knowledge and an awareness of the river's spirit, in addition to western science and management objectives.

Stewardship and Restoration

The UTRCA delivers a wide range of landowner stewardship and restoration services that improve soil health, water quality and quantity, biodiversity, and climate resiliency. A healthy Thames River will also benefit Lake St Clair and Lake Erie.

Staff provide comprehensive conservation planning, technical services, and engineering planning and design for a variety of stewardship practices. Technical plans are tailored to individual farm projects, recognizing the diverse agricultural landscape across the watershed.

Staff advise on in-stream and riparian restoration as well as wetland enhancement projects that provide flood retention, reduce peak flows, mitigate erosion hazards, and improve flow regimes. Restoration programs also include invasive species identification and control, pollinator habitat creation, and prairie seeding. The forestry program, which is one of the UTRCA's longest running programs, offers the sale of native trees and shrubs, tree planting, and woodlot management services to landowners. Windbreaks and land retirement plantings reduce erosion, increase natural cover and habitat, and build climate change resilience across the watershed. Additional, in-field technical advice and planning centred around erosion control includes land management changes or structural options.

The Clean Water Program (CWP) provides a one-window service for rural landowners to access technical assistance and financial incentives to support on the ground implementation of best management practices (BMPs) that improve and protect water quality on farmland. The CWP is funded by participating municipalities, with additional funding leveraged from government, foundations, and donations.

Demonstration sites are used to test the practicality and effectiveness of BMPs to provide environmental co-benefits without sacrificing farm productivity. The UTRCA's Thorndale Demonstration Farm is an example of efforts to share information and coordinate innovation through research, demonstration projects, workshops, and field tours, in partnership with landowners, agencies, academia, and the agriculture industry.



Property Lease Management

Management of the UTRCA cottage program, rental properties, and three golf course leases are additional Category 3 activities. The revenue from these programs has often been a means to support Category 3 programs and supplement general land management needs, as well as to provide some capital funding for facility repairs.

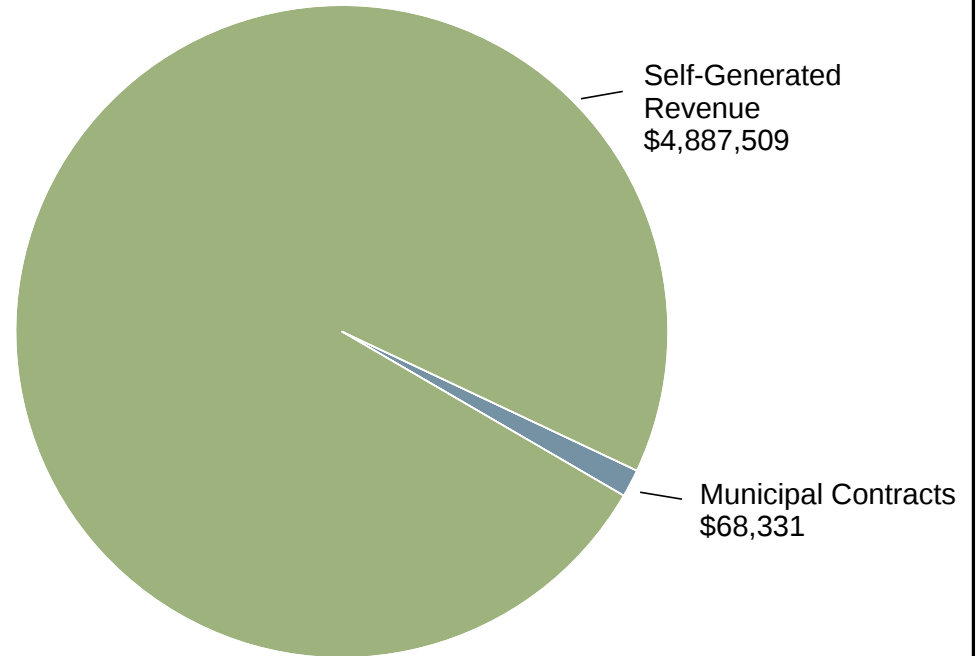
Other Category 3 - Campground Operations: Budget

Campground operations are also Category 3 programs and services but are not included in municipal cost apportioning agreements as their funding is self-generated.

Other Category 3 (Campground Operations) Operating Budget

Expenses by Type	Cost
Wages and Benefits	\$2,130,331
Depreciation Expenses	139,715
Property Related Expenses	851,685
Technical and Consulting Services	195,100
Computers and Communications	14,470
Insurance and Risk Management	116,900
Materials and Supplies	273,065
Fleet Related Expenses	4,500
Staff Travel, PD, PPE, Uniforms	38,475
Signage and Promotion	31,760
Corporate Allocations	478,753
Total Expenses	\$4,274,755

2024 Funding Sources: Other Category 3
Programs and Services - Campground Operations



Other Category 3 Programs and Services - Campground Operations: Overview

The three large, multi-use Conservation Areas (Fanshawe, Pittock, and Wildwood) offer camping and a wide range of other day use facilities and activities. Outdoor recreation at the three active Conservation Areas offers opportunities to educate the public and promote conservation messaging about the watershed's natural environment.

UTRCA campground operations offer nearly 1000 seasonal and 500 overnight campsites, more than 55 km of managed trails, and three large day use areas that host many major community events.

Throughout the pandemic, increased operational and management pressures were realized due to the increase in use and visitation. The interest in the campground and day-use operations has since remained high.

The state of the CAs and the infrastructure within them has remain unchanged over the past 50 years. Many of the assets are beyond their life expectancy and it should be anticipated that significant capital improvements will need to be funded over the next while. Through internal and stakeholders consultations, CA business plans and asset management plans are underway.

