WALKERTON CLEAN WATER CENTRE | Building for the Future

2009–10 Annual Report

WCWC Walkerton Clean Water Centre
An agency of the Government of Ontario

CWAE Centre de Walkerton pour l'assainissement de l'eau
Un organisme du gouvernement de l'Ontario

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Joint Message from the Chair and the CEO

This year has been both exhilarating and challenging. The exhilaration comes from being able to ensure that our operations fit in with the government's priorities in such varied areas as maintaining the health of the people of Ontario, conserving and safeguarding drinking water and providing enhanced training opportunities. The most prominent challenges have been moving to a new building and dealing with uncertainty about the global economic slowdown.

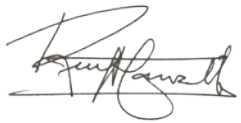
The Centre's accomplishments in 2009–10 have been varied. The most visible of these accomplishments has been the move into our new, permanent home. But as this annual report details, we have made significant progress on all eight of the goals that were outlined in our 2009-12 business plan. For example, since 2005, the Centre has provided training for more than 23,000 course participants and has published and presented numerous research papers.

The challenges the Centre faces should not be minimized. Although so far the Centre has not been significantly affected by the global economic slowdown, economic conditions might still affect its lines of business, especially some of the training modules. For example, some municipalities may find their training budgets reduced, which, at a minimum, could affect the number of people trained by the Centre. However, the Centre will continue to introduce cost-effective training courses to municipalities and to offer the mobile training units as an alternative to travelling for training.

The outlook for the coming years is bright: With a facility that meets all of our needs, we can renew our focus on expanding our training and research programs to even better meet Ontario's need for clean, safe drinking water.

We would like to thank some of the people who have made this year's accomplishments possible: the board of directors, who have guided our progress, and our talented and dedicated staff, who have made all of our goals come to life.

Also, many thanks to Murray Elston who stepped down as chair of the board of directors in August 2009. We will all miss his experienced hand at the helm, and we are pleased to note that he plans to remain on the board.



Rui De Carvalho
CHAIR, BOARD OF DIRECTORS
WALKERTON CLEAN WATER CENTRE

Dr. Saad Jasim
CHIEF EXECUTIVE OFFICER
WALKERTON CLEAN WATER CENTRE

Mandate and Vision

The mandate and vision statements developed by the Walkerton Clean Water Centre's board of directors elaborate on the objects set out in Ontario Regulation 304/04 under the Development Corporations Act and outline the Centre's long-term focus.

Mandate

The mandate of the Walkerton Clean Water Centre is:

- To deliver drinking water education and training for owners, operators and operating authorities of drinking water systems;
- In collaboration with other training organizations, to coordinate the accessibility and availability of education and training for owners and operators;
- To provide support to owners, operators and operating authorities with a primary focus on small, remote and older systems by providing information and advice about those topics outlined in Ontario Regulation 304/04 s. 3 (2);
- To demonstrate leading-edge drinking water treatment technology;
- To assess research gaps and needs, advise the Minister of the Environment on research priorities and to respond to the resulting direction from the minister. The Centre could sponsor high-priority drinking water research that contributes directly to the Centre's mandate;
- To provide, both directly and through alliances with other organizations and in coordination with the MOE, public outreach and education related to the Centre's mandate and to make technical, scientific and regulatory information more readily available including information about the standard of care requirement imposed in section 19 of the *Safe Drinking Water Act, 2002 (SDWA)*; and
- To provide other services as described in any policy direction issued by, or set out in any agreement with the minister, that helps to safeguard drinking water.

This year the Centre fulfilled an additional goal from last year's mandate, which was to establish a permanent facility headquartered in Walkerton, Ontario.

Vision

The Centre's vision is to maintain a world-class institute dedicated to ensuring the people of Ontario have safe, secure, high-quality drinking water, and for the Centre to become renowned for its innovative approach to training.

The Centre's mandate and vision are supported by clear operating objectives that guide its day-to-day business.

Corporate Profile

The Walkerton Clean Water Centre, an operational service agency of the Government of Ontario, was established in October 2004 as part of the province's response to Associate Chief Justice Dennis O'Connor's recommendations. The Centre is governed by a board of directors that has up to 12 members. It operates out of the Centre's new permanent facility, custom built for training and administration purposes.

The Centre provides training for drinking water system operators across Ontario, with a focus on smaller systems, including those serving First Nations. The new Technology Demonstration Facility is a hands-on training and research tool that demonstrates leading-edge drinking water technologies. The Centre is also responsible for delivering education, information and advice on water treatment, equipment, technology and operational requirements and environmental issues related to drinking water.

Located in the Town of Walkerton in the Municipality of Brockton, the Centre has a local, provincial, national and international profile. It offers services throughout the province and serves as a model for the development of similar facilities worldwide. As it expands its training programs and fosters research into drinking water treatment, the Centre's profile and effectiveness will continue to grow.

Corporate Governance

On the recommendation of the Premier of Ontario and the Minister of the Environment, the Lieutenant Governor-in-Council appoints the Walkerton Clean Water Centre's chair and members of the board of directors. Under the leadership of the chair, the board is responsible for overseeing the Centre's many activities.

The Centre is governed by Ontario Regulation 304/04, as well as by the Centre's bylaws and a memorandum of understanding with the Minister of the Environment. In addition, the Centre must comply with Government of Ontario directives and guidelines, including the *Agency Establishment and Accountability Directive*, to meet the government's expectations of its operations.

Accountability

The Centre is committed to public transparency and accountability. It is accountable to the Government of Ontario and the citizens of Ontario.

The board of directors is responsible for ensuring that there is an annual audit of the Centre's operations and financial transactions. This annual audit is subject to review by the Auditor General of Ontario. In addition, at any time, the minister may request an audit of the Centre's operations.

In accordance with the requirements of Ontario Regulation 304/04, the Centre must submit an annual report for each fiscal year. This 2009–10 annual report includes the Centre's audited financial statements and is part of the accountability structure. It is submitted to the Minister of the Environment, who tables it in the Ontario legislature. The report is available to the public in print, on CD or online at the Centre's website (www.wcwc.ca).

The 2008–09 annual report was tabled in the legislature on September 28, 2009.

The *Agency Establishment and Accountability Directive* also requires the Centre to prepare business plans for three-year time periods. The board oversees and directs the development and implementation of business plans, including reviewing performance measures and outcomes in consultation with the ministry.

The Centre's 2010–13 business plan was submitted in March 2010.

In addition to the annual reports and business plans, to follow government directives the Centre is responsible for developing and implementing the necessary policies and procedures to ensure transparency and accountability in its operations.

Members of the board of directors present Dr. Saad Jasim, CEO with a recognition of outstanding service plaque. Pictured left to right Lou D'Alessandro, Wayne Manley, Rui De Carvalho, Mayor Charles Bagnato, Dr. Saad Jasim, Murray Elston, Stephen Spitzig, Cathie Brown and Nancy Kodousek.

Board of Directors, 2009–10

Members of the Walkerton Clean Water Centre's board of directors are appointed by the Government of Ontario. Members hold office for a term of up to two years and are eligible for reappointment for successive terms. The board is accountable to the Ontario legislature through the Minister of the Environment. The board of directors is responsible for the overall supervision of the operations of the Centre.

The board of directors also contributes to the development of the rolling three-year business planning process by reviewing performance measures that are linked to the Centre's strategic directions.

The board meets regularly at the Centre. In addition, the board has seven committees, each chaired by a board member.

Rui De Carvalho, M.Eng., P.Eng., Chair

SENIOR VICE-PRESIDENT,
R.J. BURNSIDE & ASSOCIATES LIMITED, AND
PRESIDENT, R.J. BURNSIDE INTERNATIONAL LIMITED

Member since: October 12, 2004
Current term (as chair):
September 8, 2009 - September 7, 2011

Mr. De Carvalho is senior vice-president of R.J. Burnside & Associates Limited and president of R.J. Burnside International Limited. He has more than 30 years of experience in the water supply sector, both in Canada and internationally. Among his current responsibilities is the development and management of Burnside's international projects.

He is currently the project director for a series of projects in Mozambique related to the reconstruction of the urban water infrastructure in eight major cities. He is also the team leader on a project funded by the International Finance Corporation (World Bank Group) to develop the strategy for the government of Mozambique to engage and develop the local private sector in the delivery of urban water supply services.

Mr. De Carvalho is a member of the American Water Works Association and the Water Environment Federation. He is an environmental engineer certified by the American Academy of Environmental Engineers.

Nancy Kodousek, P.Eng., Vice-Chair

DIRECTOR OF WATER OPERATIONS,
REGION OF WATERLOO

Member since: October 12, 2004
Current term: August 21, 2008 - August 20, 2010

Ms. Kodousek has 25 years of management experience with both municipal and private sector water and wastewater infrastructure and services. She is currently the director of water services for the Region of Waterloo. She held similar management-level positions at American Water Services (formerly Azurix and Philip Utilities Management) and with the Region of Ottawa-Carleton.

Ms. Kodousek is a member of Professional Engineers Ontario, the Ontario Society of Professional Engineers, the Ontario Water Works Association and the American Water Works Association. She holds certification as a Level IV operator in water treatment, water distribution, wastewater treatment and wastewater collection.

Mayor Charles Bagnato

MUNICIPALITY OF BROCKTON

Member since: October 12, 2004
Current term: August 21, 2008 - August 20, 2010

Mayor Bagnato resides in Walkerton and has been the mayor of the Municipality of Brockton since December 2003. As a municipal councillor in 2001-03, he sat on the Walkerton Wastewater Treatment Plant committee. For six years, he was an active member of the environmental assessment steering committee regarding Walkerton's long-term water strategy.

Mayor Bagnato currently sits on several other boards, including the Brockton Police Services Board and the boards of Westario Power Inc. and Bluewater Radio, and he chairs the Saugeen Municipal Airport Commission. He also sits on 15 municipal committees and is the current chair of the Bruce County agriculture, tourism, planning and economic development committee. In 2008, he received the Bruce County Federation of Agriculture's Award of Merit for his commitment to the agricultural community.

Mayor Bagnato is past chair of the Grey-Bruce Health Unit and is a Rotarian and an active community volunteer.

Cathie Brown

SOURCE WATER PROTECTION PROJECT MANAGER, AUSABLE BAYFIELD CONSERVATION AUTHORITY AND MAITLAND VALLEY CONSERVATION AUTHORITY PARTNERSHIP

Member since: October 12, 2004
Current term: August 21, 2008 - August 20, 2011

Ms. Brown is the source water protection project manager for the Ausable Bayfield Maitland Valley Source Protection Region. She currently lectures on rural health at the University of Western Ontario in the health sciences department. Previously, Ms. Brown was the executive director of the Ontario Rural Council, responsible for the overall leadership of this non-profit, province-wide organization dedicated to facilitating rural networks and coordinating working groups.

Lou Anthony D'Alessandro

MANAGER OF HEALTH PROTECTION, GREY-BRUCE HEALTH UNIT

Member since: October 12, 2004
Current term: August 21, 2009 - August 20, 2011

Mr. D'Alessandro is the manager of health protection for the Grey-Bruce Health Unit. He manages several programs under the *Health Protection and Promotion Act*. Mr. D'Alessandro also sits on the advisory council for the local source water protection committee and on the Blue Flag Jury for Ontario beaches.

A certified public health inspector, Mr. D'Alessandro also holds certification as a Class I water quality analyst, a chief building official and a small water systems operator.

Murray J. Elston

VICE-PRESIDENT, CORPORATE AFFAIRS, BRUCE POWER

Member (as chair) since:
October 12, 2004 - August 20, 2009
Current term: August 21, 2009 - August 20, 2010

Mr. Elston is the vice-president of corporate affairs at Bruce Power. He guides all of Bruce Power's external communications, including government, community, investor and media relations.

Until recently, Mr. Elston was the president and CEO of the Canadian Nuclear Association. He is a former member of the Ontario legislature, where he served as the minister of health, chair of the management board, minister of financial institutions and chair of the public accounts committee. He sits on a number of boards, including the board of the Canadian Nurses Foundation, and is a past president of Canada's Research-Based Pharmaceutical Companies.

Wayne Manley

CONSULTANT

Member since: October 12, 2004
Current term: August 21, 2009 - August 20, 2011

Mr. Manley operates his own consulting company that provides drinking water training and operations services in southern Ontario and drinking water training for First Nations and Health Canada in northwestern Ontario.

Mr. Manley currently holds a Class IV water treatment operator licence and has more than 30 years of municipal drinking water treatment experience.

Stephen Spitzig

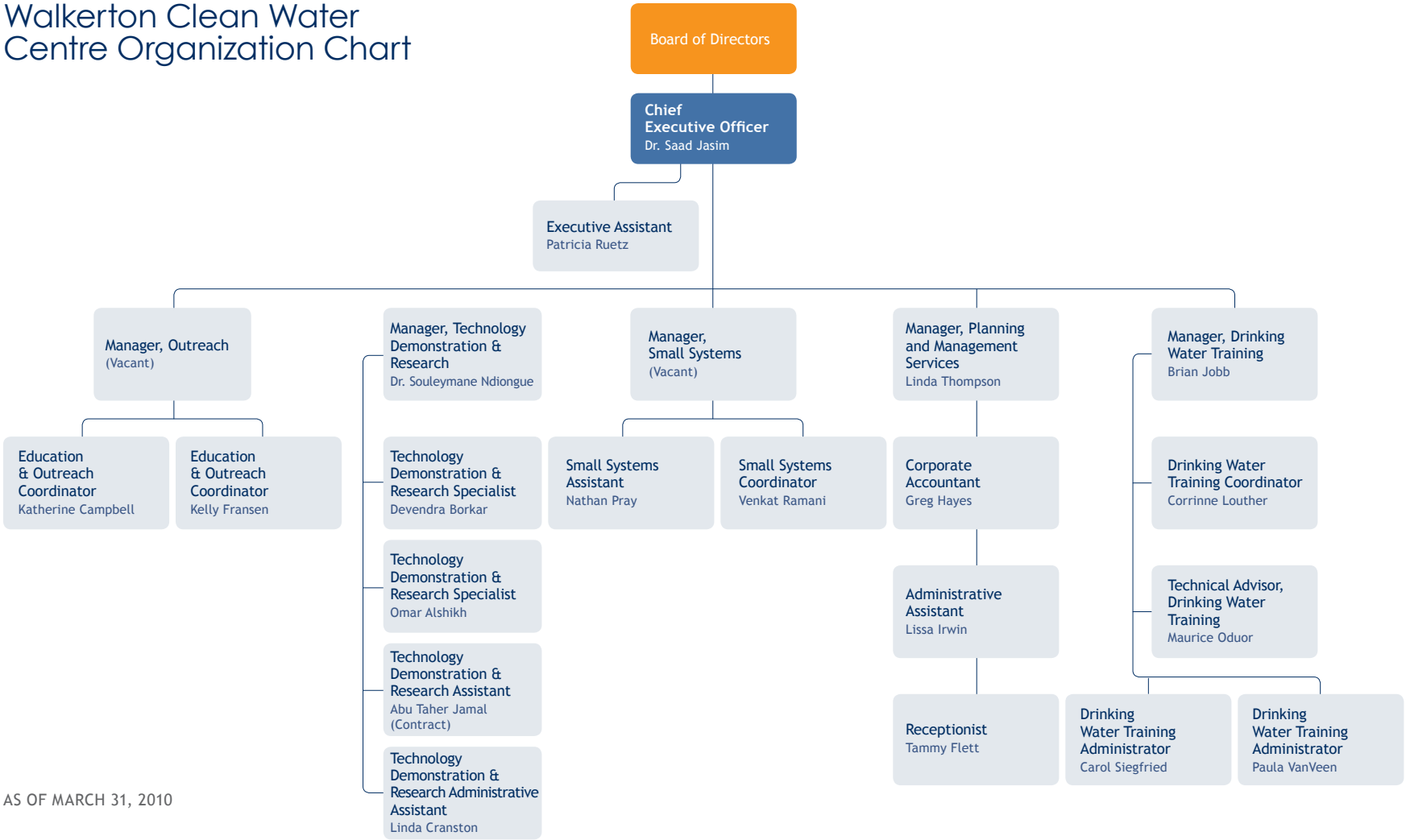
CERTIFIED MANAGEMENT ACCOUNTANT

Member since: October 12, 2004
Current term: August 21, 2008 - August 20, 2010

Mr. Spitzig, an accountant with more than 25 years of experience, owns Speedy Tax & Bookkeeping, a local accounting and income tax preparation company that services many small businesses and farms in the Walkerton area. Born and raised in the neighbouring Town of Chepstow, he has strong ties to the Walkerton area.

Mr. Spitzig received his Certified Management Accountant designation from the Society of Management Accountants of Ontario in 1999. He has an honours degree in business administration from Wilfrid Laurier University and acquired his life insurance licence in 2006 and his mutual funds licence in 2008.

Walkerton Clean Water Centre Organization Chart



AS OF MARCH 31, 2010

WCWC Walkerton Clean Water Centre
An agency of the Government of Ontario
CWAE Centre de Walkerton pour l'assainissement de l'eau
Un organisme du gouvernement de l'Ontario

Goals and Strategic Directions

The Walkerton Clean Water Centre's 2009–12 business plan sets out the following goals:

1. Develop a permanent facility in Walkerton to demonstrate leading-edge drinking water technology;
2. Train operators, operating authorities and owners of drinking water systems;
3. Provide information and advice for operators of small, remote or older drinking water systems;
4. Conduct and sponsor research;
5. Communications, marketing and sponsorship;
6. Education and outreach;
7. Develop a new generation of drinking water professionals; and
8. Governance, accountability and operations.

This annual report describes the Centre's progress toward reaching each of these goals.

Education and Outreach Coordinators Kelly Fransen (left) and Katherine Campbell speak with Jim Kerr (left) and Cliff Graham at the OWWA/OMWA annual conference May 3-6, 2009 in Toronto.

Goal 1:
Develop a permanent facility in Walkerton to demonstrate leading-edge drinking water technology

The Goal

Part of the Walkerton Clean Water Centre's original mandate was to build a permanent facility in Walkerton, Ontario. Until this year, the Centre had been operating out of two temporary spaces.

A new facility was needed to provide the Centre with more office, training, laboratory and technology demonstration space. The increased space allowed the Centre to build and expand on the following: the addition of a pilot distribution system; more office space for future staff, two additional training rooms that not only increase the Centre's training capacity but also provide a conference room that has a maximum capacity of 150 people — all in one integrated facility.

The Outcome

Construction of the new building started in October 2008 and was completed on schedule and on budget in November 2009. The 19,500-square-foot building is in Walkerton's East Ridge Business Park.

Technology Demonstration Facility

The new building's most prominent feature is the Technology Demonstration Facility, which is used for hands-on demonstrations of leading-edge technologies and for research to address challenges in water quality and treatment. These technologies provide advanced treatment to assist municipalities with water quality challenges and to provide researchers with a unique opportunity to conduct research to fill gaps in this field.

The facility provides a practical training tool for drinking water treatment facility operators and other water suppliers. It helps operators, stakeholders and the public become aware of the variety of treatment and delivery systems and technologies available. It allows the Centre to provide hands-on training in various types of water treatment equipment. The Technology Demonstration Facility is also used by colleges and universities for developing programs in water quality and treatment.

As the Centre moved from one building to another, moving delay problems closed the Technology Demonstration Facility for four and a half months. Despite that, the facility had 516 visitors in 2009–10, up from 392 visitors in 2008–09, well above the forecasted two per cent increase.

Training Space

The new building features a flexible, modern training space, which can be used in various configurations ranging from one large conference room to three separate training rooms. There is an additional training space with computer facilities in the Technology Demonstration Facility for supervisory control and data acquisition training (SCADA), and a laboratory with classroom facilities.

Office Space

Away from the training and demonstration facilities is a general office area that is large enough, and flexible enough, to meet the Centre's administrative needs for many years to come.

LEED Certification

The new facility is striving for a Certified LEED (Leadership in Energy and Environmental Design) Gold designation. LEED is a third-party building assessment and rating system that is administered in Canada by the Canada Green Building Council.

The new facility has surpassed the amount of points required for Gold certification by meeting or exceeding each credit's technical requirements. The application has been submitted for certification, and the Centre expects the new building will have LEED Gold certification by the end of the 2010-11 fiscal year.

Some of the green features of the Centre are:

- **Sustainable site:** Just over 9,950 square metres surrounding the site were designated as open green space to protect the land from future development. Because commuting to work by car is a major source of air pollution and greenhouse gas emissions, bike racks, showers and designated prime carpooling and hybrid vehicle parking spots were included in the Centre's design. There is also a low-emission hybrid vehicle available for staff use.
- **Water efficiency:** Appropriately, water conservation was a key aspect of the design for the Centre. The building achieved all water-related LEED credits, and is predicted to use 78 per cent less indoor water than a conventional building.

Rainwater collection and water re-use are important parts of the Centre's water conservation strategy. Rainwater is collected on the roof and directed to a concrete cistern below the building and is then used for toilet flushing. A second cistern stores water used in the water-testing hydrants and the outdoor holding tank. This reclaimed water is also connected to exterior hose bibs to be used for irrigation, as necessary.

- **Energy and atmosphere:** The Centre features an energy-saving ground source heat pump and a solar hot water heater and is expected to use 59 per cent less energy than a conventional building.

  To cut down on lighting power wastage, occupancy sensors and daylight sensors are located throughout the facility to turn the lights on only in occupied areas or when there is insufficient daylight.

Pictured above left to right, The Honourable John Gerretsen, the Minister of the Environment, The Honourable Dennis O'Connor, Associate Chief Justice of Ontario, Court of Appeal for Ontario and Dr. Saad Jasim, CEO Walkerton Clean Water Centre.

- **Materials and resources:** During the Centre's construction, recyclable and reusable materials were separated from waste at the site. As a result, 73 per cent of waste was diverted from the landfill.

- Also, post-construction, the Centre gained a LEED credit for following a green housekeeping program that uses only EcoLogo certified products.

- **Indoor environment:** At this building, indoor air quality was a priority. The Centre achieved all the air quality credits available under LEED for such initiatives as using only low-VOC (volatile organic compound) sealants, adhesives and paint. The Centre passed indoor air quality testing prior to occupancy.

The Location in Walkerton

Despite the obvious symbolic importance of the Centre's Walkerton site, it offers some challenges because of its location in southwestern Ontario, far from a major population centre; limited road accessibility in the winter months; lack of nearby accommodations; and, few restaurants in the Municipality of Brockton for trainees. The Centre will continue to offer courses for those who find it difficult to travel to Walkerton at various venues across Ontario and through mobile training units in northern Ontario.

Goal 2:
Train operators, operating authorities and owners of drinking water systems

The Goal

Training is at the core of what the Walkerton Clean Water Centre does. The Centre identifies emerging training needs and topics related to drinking water and oversees the development and delivery of related courses. On this basis, the Centre will continue to develop and deliver technical training and curricula and to enter into strategic alliances for training delivery.

To keep current and meet the requirements for recertification, drinking water system operators need from 20 to 50 hours of training each year (depending on the class of their municipal water system). This helps ensure that the learning needs of drinking water operators are met. The Centre offers a wide range of courses from introductory to advanced. The Centre focuses on filling the niche by continually developing specialized courses so that operators have training choices for the number of hours required per year. This requirement enables the Centre to offer an entire package of core, specialized and advanced training.

The Centre coordinates training delivered by other organizations to ensure training accessibility and availability to owners, operators and operating authorities of drinking water systems. This includes training programs related to the availability of training to small communities and First Nations drinking water system operators.

The Centre placed particular emphasis on addressing three critical gaps in drinking water system operator training as identified by the Walkerton Inquiry, namely:

- accessible training for operators in small or remote communities,
- readily available required training, and
- training for First Nations operators.

The Outcome

New Courses Developed and Delivered, 2009–10

1. Membranes for Drinking Water Treatment
2. Energy Management for Drinking Water Systems
3. Drinking Water Treatment and Troubleshooting Techniques
4. CT Requirements for Chlorine Disinfection
5. Safe Drinking Water — Lessons from Outbreaks

Accessibility

In two typical months (February and March 2010), the Centre offered 12 different courses in a wide variety of Ontario locales: Baden, Barrie, Elliot Lake, Etobicoke, Hamilton, Kingston, Kitchener, London, Markham, Ottawa, Pembroke, Red Lake, Sudbury, Thunder Bay, Timmins, Vaughan — and,

of course, Walkerton. In addition, there were individualized training sessions offered through mobile training units (MTUs).

MTUs allow instructors from the Centre to travel to remote regions of the province to deliver comprehensive hands-on training to operators. In 2009–10, the goal was to train 40 participants using the MTUs. In fact, the Centre trained 58.

The Centre makes operator training as accessible as possible by also offering a popular online training program.

Availability

Though course enrolments have dropped in some courses and increased in others, the total number of course participants is up sharply from a year ago.

COURSE	# TRAINED IN FY 2008-09	# TRAINED IN FY 2009-10	TOTAL CUMULATIVE # TRAINED 2005 TO MARCH 2010
Entry-Level Drinking Water Operator (classroom)	455	447	1,445
Preventing Waterborne Illnesses* (classroom)	519	0	4,594
Preventing Waterborne Illnesses* (correspondence)	70	0	337
Preventing Waterborne Illnesses* (online)	88	0	102
Safeguarding Drinking Water Quality (classroom)	670	1,934	2,604
Safeguarding Drinking Water Quality (correspondence)	33	218	251
SUB TOTAL	**1,835**	**2,599**	**9,333**
Operation of Small Drinking Water Systems (correspondence)	1,224	1,299	5,082
Operation of Small Drinking Water Systems (classroom)	10	56	93
Specialized (classroom)	1,464	1,878	5,420
Municipal Drinking Water Licensing Program (classroom)	934	390	1,868
Training for Public Health Inspectors (classroom)	524	0	524
Northern Centre for Advanced Technology (online safety training)	157	310	700
TOTAL	**6,148**	**6,532**	**23,020**

*PREVENTING WATERBORNE ILLNESSES WAS REPLACED WITH SAFEGUARDING DRINKING WATER QUALITY IN JANUARY 2009

Evaluation of Training

On completion of all courses offered through the Centre, all participants are invited to evaluate and rate the training experience. For overall course ratings, 91 per cent of participants ranked the courses as either “Good” or “Excellent” for all courses combined. As well, 86 per cent of participants gave course content ratings of either “Good” or “Excellent” for all courses combined.

These ratings are identical to those recorded in 2008–09.

First Nations Training

The Centre has been involved with Health Canada’s First Nations, Inuit Health Branch, Ontario Region with regard to training for drinking water operators from First Nations communities. The Centre delivers courses to Health Canada’s environmental health officers within the First Nations and Inuit Health Branch. These officers typically inspect drinking water treatment systems in First Nations and Inuit communities. The training commenced in May 2009.

Participants at the RES’EAU WaterNet Knowledge Transfer Workshop held September 30-October 2, 2009 toured the MTU and learned about the technology and courses offered on board.

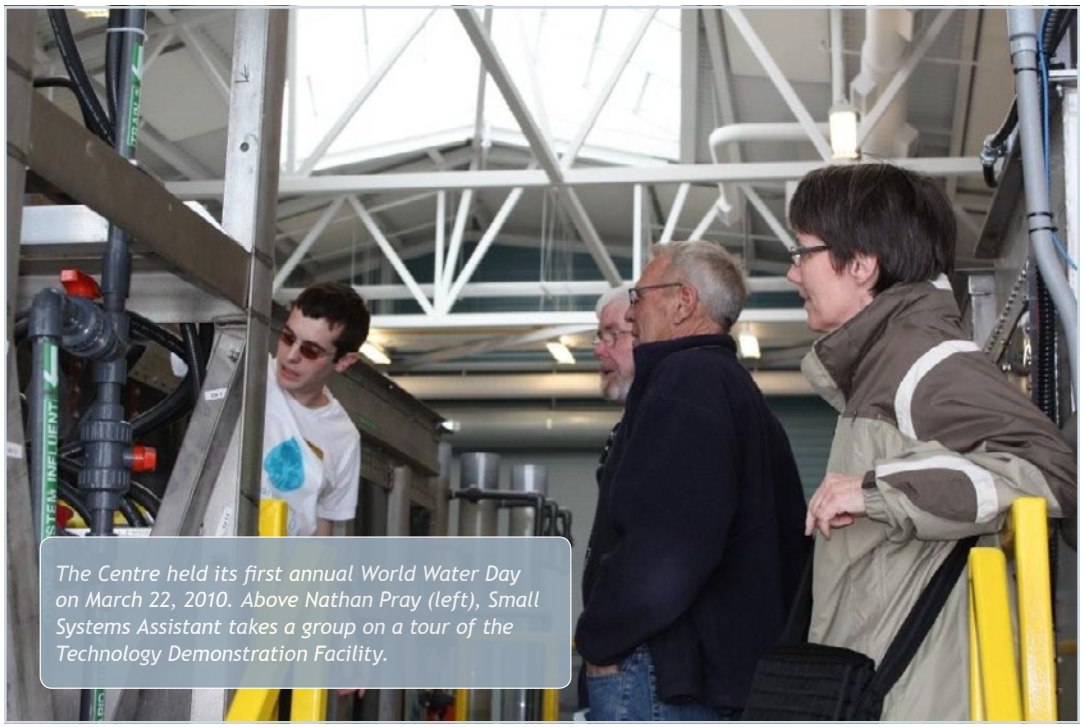
The Centre is working with agencies to further investigate the needs of operators within First Nations’ drinking water systems and to provide curricula for courses that will continue to develop and improve the capabilities of First Nations drinking water operators.

Goal 3:
Provide information and advice for operators of small, remote or older drinking water systems

The Goal

Not all owners, operators or operating authorities of drinking water systems are able to attend training sessions in Walkerton. These systems fall into three often-overlapping groups:

- **Small systems:** Operators of one-person facilities typically cannot take the time away from their duties to attend off-site workshops.
- **Remote systems:** For many operators in remote northern areas of the province, the Centre's location is simply too difficult to get to.



The Centre held its first annual World Water Day on March 22, 2010. Above Nathan Pray (left), Small Systems Assistant takes a group on a tour of the Technology Demonstration Facility.

- **Older systems:** Operators of older or unusual systems typically need more customized training than can be offered in the Centre's regular training sessions.

The primary focus of this initiative is to meet the needs of those who operate remote and small to mid-sized municipal systems, communal systems and stand-alone facilities, both private and non-private.

The Outcome

The Walkerton Clean Water Centre's staff developed a comprehensive outreach strategy called the Small Systems Program, which centres on the use of three mobile training units (MTUs).

The MTUs are cost-effective and efficient. They reduce travel costs for systems owners and municipalities and enable staff of small operations to stay in their community while they train. Using this training strategy can alleviate the staff shortages that have been problematic to small systems in the past, when it was necessary to travel to training courses.

The state-of-the-art MTUs provide training that is focused on the needs of individual drinking water operating systems, helping them meet the province's rigorous drinking water standards and legislative requirements.

As the Centre developed the Small Systems Program, it relied on its alliances with Confederation College and Sault College not only to provide training but also to attend career fairs and events where the Centre promoted itself. In addition to the two operating MTUs located at Confederation College and Sault College, a third MTU was launched in the fall of 2009 and is currently used for promoting training throughout southwestern Ontario as well as conferences and events. The business plan called for a program database that is not in place yet.

In 2009–10, the MTUs' goal was to train 40 participants. That goal was exceeded: 58 participants were trained using the MTUs. The Centre put on several training sessions specifically for communities in Ontario's Far North. In addition, several other training sessions held at other locations throughout northern Ontario had participants from the Far North.

First Nations

Ten of the 58 participants trained using the MTUs were in First Nations communities. The table provides details of the locations and courses.

COMMUNITY	COURSES
Dalles First Nation	Drinking Water Treatment and Quality Monitoring
Red Rock Indian Band	Drinking Water Treatment and Quality Monitoring Current Studies in Water Plant Operations Treatability Studies and Jar Testing
Constance Lake First Nation	Drinking Water Treatment and Quality Monitoring Current Studies in Water Plant Operations

Goal 4: Conduct and sponsor research

The Goal

The Walkerton Clean Water Centre has a well-established research program. One of its goals has been to expand on that program and incorporate the findings of the research into the Centre's training programs.

The Centre both conducts and sponsors drinking water research. In the research projects the Centre participates in directly, the Centre provides professional technical assistance and makes the Technology Demonstration Facility available for experiments. In research projects the Centre sponsors, detailed interim reports are submitted for review by the Centre's professional technical staff.

The Centre's research mandate ensures that the research the Centre either participates in or funds helps to close knowledge gaps and enhances the existing body of knowledge about safe drinking water in Ontario.

The Outcomes

The Centre has three research-related initiatives:

- sponsoring and participating in research projects,
- publishing the results of research projects, and
- providing three scholarships per year for graduate students.

During fiscal year 2009–10, the Centre actively supported seven important research projects from climate change to pharmaceuticals with priority being given to practical and innovative research that will benefit owners and operators of drinking water systems including small, remote Ontario communities.

Three research projects were completed then submitted and presented for publication (see box on this page for details on this accomplishment).

Research Papers Published in 2009–10

M.F. Rahman, E.K. Yanful, S.Y. Jasim, L.M. Bragg, M.R. Servos, S. Ndiongue and D. Borikar. *"Advanced Oxidation Treatment of Drinking Water: Part I. Occurrence and Removal of Pharmaceuticals and Endocrine Disrupting Compounds from Lake Huron Water."* Accepted for publication in Ozone Science and Engineering, 2010.

M.F. Rahman, S.Y. Jasim, E.K. Yanful, S. Ndiongue, L.M. Bragg , D. Borikar and M.R. Servos. *"Removal of Endocrine Disrupting Compounds (Edcs) and Pharmaceuticals and Personal Care Products (Ppcps) from Drinking Water Using Advanced Oxidation Process."* Oral presentation and paper for proceedings, 19th World Congress & Exhibition, International Ozone Organization, Tokyo, Japan, August 31–September 3, 2009.

D. Borikar, S. Ndiongue and S.Y. Jasim. *"Investigation of the Effect of Ozone and GAC on Organics Removal and Trihalomethanes Reduction for a Groundwater Source."* Joint Annual Conference & Trade Show, Ontario Water Works Association / Ontario Municipal Water Association, Toronto, Ontario, May 3-6, 2009.

Projects Underway or About to Begin

The Walkerton Clean Water Centre is taking part in or funding these research projects:

- Participating in a National Sciences and Engineering Research Council of Canada project titled "RES'EAU WaterNet." The project coordinates a multidisciplinary network that will investigate the urgent, complex problems of small water systems. Among the many deliverables of the research project will be the development of demonstration kits, workbooks, manuals and web-based information so that the project's research findings will reach the people responsible for operating small systems.
- Participating, with the Ministry of the Environment's Best in Science program, in the funding of an important research project called "Removal of Pharmaceuticals and Personal Care Products and Endocrine Disrupting Compounds from Drinking Water Using Novel Membrane Technologies." Other stakeholders in this project are the University of Ottawa, the National University of Singapore and Hyflux Inc., Singapore.
- The Centre is conducting a project to investigate the performance of ozone to remove seasonal taste and odour causing compounds from Ruhl Lake water.
- Continuing a research project with the University of Western Ontario titled "The Removal of Pharmaceuticals and Endocrine Disrupting Compounds with Ozone and Hydrogen Peroxide."
- Participating in and funding a University of Windsor research project titled "Evaluation of the Removal of Pharmaceuticals and Personal Care Products (PPCPs) and Endocrine Disrupting Compounds (EDCs) and the Potential of By-Products Formation during Ozone and UV Application in Drinking Water Treatment."
- Continuing with the Centre's research project titled "Impact of Climate Change on Water Quality and Treatment Processes."
- Funding a University of Waterloo research project titled "Impact of Fouling on Virus Removal by Ultrafiltration Membranes." The project will investigate the removal of viruses using the ultrafiltration membranes and conditions that are typically used at water treatment plants in Ontario.

2009 Graduate Scholarship Recipients

Syed Imran Ali

Currently enrolled in: PhD, Water Resources Engineering, University of Guelph

Summary: Research will focus on development of safe water systems for slums in South Asia.

Andrew Oosting

Currently enrolled in: School of Engineering, M.A.Sc., University of Guelph

Summary: Research will develop a model for assessing the risks that on-site sanitation systems pose to groundwater and surface water in southern Ontario.

Arthur Zastepa

Currently enrolled in: M.Sc., Chemical and Environmental Toxicology, University of Ottawa

Summary: The project will investigate the fate and persistence of cyanobacteria and cyanobacterial toxins in lake sediment and their implications for water treatment.

Goal 5: Communications, marketing and sponsorship

The Goal

To provide information, education and advice to the public about the Walkerton Clean Water Centre and Ontario's drinking water, in coordination with the Ministry of the Environment, specifically:

- the Centre's mandate, programs and services;
- the treatment processes necessary to safeguard drinking water;
- the equipment and technology used to safeguard drinking water;
- the operational requirements necessary to safeguard drinking water; and
- other environmental issues relating to drinking water.

The Outcomes

Communications

The Centre has developed a communications plan to build awareness of its ongoing work and refers to activities to be developed over the next three years. The plan outlines how the Centre intends to use marketing and communications activities in the following eight areas:

- increasing enrolment;
- increasing visits to its Technology Demonstration Facility;
- promoting the Centre's outreach to operators of small drinking water systems;
- promoting the Centre's support for drinking water research;
- communicating the importance of safe drinking water to the public;
- promoting access to its information resources;
- strengthening outreach to students; and
- communicating the Centre's year-end activities associated with its governance, accountability and operations.

Along with developing an umbrella communications plan, the Centre worked with the ministry to develop a strategy dedicated to commemorating the opening of the new permanent facility.

Marketing

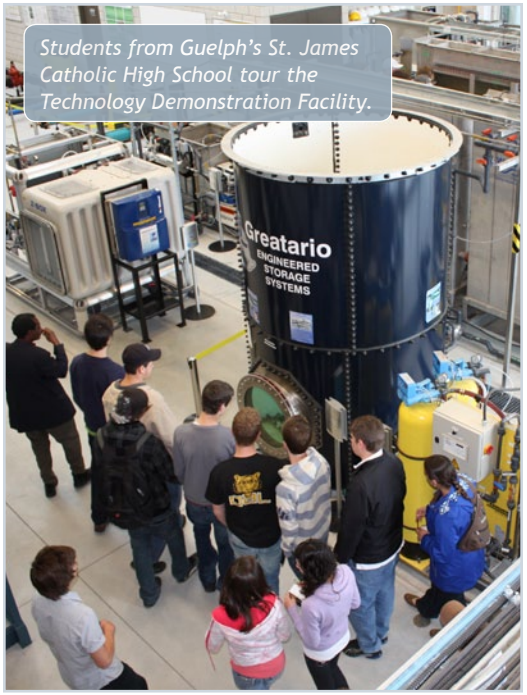
The Centre's marketing activities continue to be vital in maintaining and increasing enrolment in its specialized courses. This is particularly important given that the Centre anticipates, over the next three years, that the global economic slowdown may have some impact on its lines of business specific to discretionary training modules.

The primary means by which the Centre markets its courses and increases enrolment is through the release of its annual course catalogue. The 2009–10 course catalogue is made available online, and hard copies are distributed at events and conferences, at training courses and at Confederation College and Sault College — both of which participate in the mobile training unit program.

Sponsorships

Sponsorship commitments were down due to two large annual conferences not being funded by the Centre. The key drinking water-related events were:

- the Grey Bruce Children's Water Festival,
- the Ontario Water Works Association / Ontario Municipal Water Association Joint Annual Conference,
- the Annual Ontario Small Urban Municipalities Conference, and
- Ontario Ground Water Association regional meetings.



Students from Guelph's St. James Catholic High School tour the Technology Demonstration Facility.

Goal 6:
Education and outreach

The Goal

Through its research and training activities, the Walkerton Clean Water Centre has become a hub of information about safe drinking water. The Centre's goal is to organize that information as effectively as possible and share it as widely as it can.

Much of this information is in the form of research reports, periodicals, papers and CDs and is currently disseminated in a variety of conferences and workshops.

To reach this goal, the Centre must strengthen its knowledge and information-sharing capability and infrastructure; in effect, creating an information clearinghouse.

The Outcome

Much of this work has already been accomplished. The Centre's in-house library has been developed with water system operators' specific needs and challenges in mind.

Special Presentations

AMERICAN WATER WORKS ASSOCIATION ANNUAL CONFERENCE AND EXPOSITION: The Centre delivered a presentation on its small systems training initiatives at the conference, which was held in San Diego, California.

HALIFAX WATER: The Centre provided specialized distribution system courses for the City of Halifax, Nova Scotia, to approximately 85 participants.

ONTARIO MUNICIPAL WATER ASSOCIATION WESTERN ONTARIO CONFERENCE: The Centre made a presentation on its progress and activities to the conference, which was held in Woodstock, Ontario.

PROBUS CLUB OF SAUGEEN SHORES, PORT ELGIN: The Centre made a presentation on the progress of its activities to the Probus Club, a spin-off of the Rotary Club of Saugeen Shores.

SCIENCE NORTH: The Centre made a series of presentations that provided an overview of drinking water treatment to Sudbury-area high school students who want to pursue a career in environmental sciences.

WORLD WATER DAY: The Centre held its first annual World Water Day on March 22, 2010. Despite building occupancy issues that led to the late promotion of the event, the Centre attracted dozens of local residents to the new facility, with the goal of raising awareness of global water issues.

COLLEGES: Two of the 14 colleges that receive co-op funding of $3,500 per year chose to bring their students to the Centre for training. Also, a student worked at the Centre in a co-op placement position.

As well, several members of the Centre's staff are involved in the Ontario Water Works Association and the American Water Works Association, developing and organizing workshops, seminars and conference agendas. Staff also sit on the Operator Certification Working Group, the Operator Recruitment and Retention Committee and the Mandatory Course Committee along with the Ministry of the Environment and other stakeholders.

mind. An online abstract is posted for each library item to allow people in remote areas to have an overview of the available resources.

A quarterly bulletin is published to highlight the Centre's programs, initiatives, services and news. The bulletin is posted on the Centre's website and is printed and distributed at events and conferences. It is also distributed to Ministry of the Environment Drinking Water Management Division staff. The popularity of this bulletin is shown by the fact that almost three times as many people as usual visit the Centre's website on the day the bulletin is posted.

The Centre's strong presence at local, regional and provincial events and conferences will continue, either through staff attendance or by acting directly as host. The staff attended 29 conferences or events and made seven presentations. Staff presentations regarding the Centre and the results of its research projects increase visibility, while the presence of an exhibit and focused marketing materials facilitate the provision of information about the Centre's programs and initiatives to owners, operators and operating authorities of drinking water systems.

Attendance at industry-related events will continually enhance the Centre's presence throughout the province. For example, at the Ontario Water Works Association / Ontario Municipal Water Association Annual Joint Conference, the Centre announces the year's three university scholarship recipients, presents research papers and has a trade booth with staff representation.

The Centre provides career information in secondary schools to aspiring drinking water operators through school tours and career fairs. The Centre distributes drinking water information kits to secondary schools to attract school field trips to the facility. Twenty-seven high school students toured the Centre and 126 high school kits were distributed to 56 schools in 2009–10.

The Centre hosts an annual Education and Industry Forum in Walkerton to share knowledge and demonstrate various types of technology. At this forum, municipalities and manufacturers come together to share information and expertise on the latest, most up-to-date water treatment technologies. There was a drop in attendance by municipalities in 2009–10. It is expected that the attendance will increase in the next fiscal year due to improved accommodations with the Centre's new conference facility.

In October 2009 the Centre also hosted a seminar in Toronto on Safe Drinking Water: Lessons from Outbreaks. The seminar was delivered by Dr. Steve Hrudey, Professor Emeritus at the University of Alberta. The scientific content of the seminar drew on Dr. Hrudey's 2004 book, co-authored with Elizabeth J. Hrudey, *Safe Drinking Water – Lessons from Recent Outbreaks in Affluent Nations*.

Goal 7:
Develop a new generation of drinking water professionals

The Goal

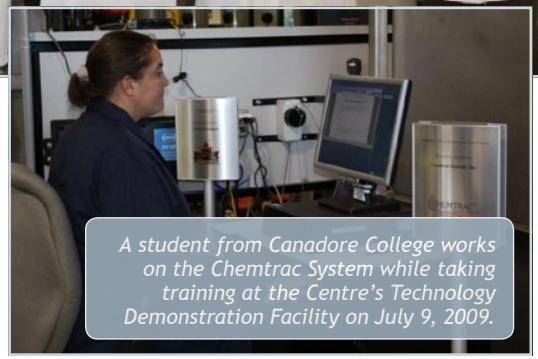
To ensure that enough well-qualified professionals are available to run the systems needed to provide Ontario with clean drinking water.

The Outcome

The Walkerton Clean Water Centre has been funding co-op programs at colleges that offer the Ministry of the Environment's Entry-Level Drinking Water Operator course and at universities that offer co-op programs related to drinking water. Every year, the Centre provides funding of $3,500 each to 14 Ontario colleges that participate in water programs. The Centre has requested that the colleges report how many students after graduation work in the drinking water industry.

Students from Canadore College attended the Centre for training on July 8, 2009. Pictured with the students are Dr. Saad Jasim (left) CEO, Omar Alshikh (top row left), Technology Demonstration & Research Specialist, Nathan Pray (top row right), Small Systems Assistant, and Dr. Souleymane Ndiongue (far right), Manager, Technology Demonstration & Research.

The college co-op funding provided to Canadore College and Centennial College was used to deliver training to the students at the Centre.



A student from Canadore College works on the Chemtrac System while taking training at the Centre's Technology Demonstration Facility on July 9, 2009.

Goal 8: Governance, accountability and operations

The Goal

To operate a world-class institute in Walkerton dedicated to safeguarding drinking water for the people of Ontario while working in accordance with:

- *Ontario Regulation 304/04* under the Development Corporations Act,
- the memorandum of understanding with the Minister of the Environment,
- applicable Treasury Board/Management Board of Cabinet directives,
- the Centre's bylaws, and
- other elements of an effective governance and accountability framework.

The Outcome

The Centre is very aware of the parameters of its governance structure. That structure is vital to the Centre's operations, but equally important is the Centre's accountability to numerous stakeholder groups. The Centre is accountable, of course, to the people of Ontario. And, in a particularly immediate way, accountable to its neighbours here in Walkerton.

Numerous initiatives in fiscal year 2009–10 have focused on governance and accountability issues:

- The memorandum of understanding was updated and renewed for another five years.
- The business plan, which was completed in 2008–09, guided the Centre's actions in 2009–10.
- As in previous years, this annual report has been prepared in an accurate and timely manner.
- The Centre's staff have undertaken various professional development activities in order to achieve the objectives in their individual development plans.

Dr. Saad Jasim, CEO (left) and John Stager, Assistant Deputy Minister/Ontario's Chief Drinking Water Inspector at the 3rd Annual Drinking Water Education & Industry Forum June 24, 2009.

Looking Forward

The Goal

For the year ahead, the Walkerton Clean Water Centre's goal is to evaluate existing programs while introducing new initiatives, as necessary, to fulfill its mandate.

The Outcome

This annual report has examined the progress of the Centre's existing programs. Some exciting new initiatives are under development, especially in the areas of training and outreach.

The Centre is planning to expand its training outreach in conjunction with existing municipal, academic institutions and First Nations, which will result in improved accessibility for the Centre's training. Aspects of this initiative will include:

Yvan Rondeau, student at Northern College, receiving his Environmental Technician Program scholarship from Professor Richard Kallio.

David Corcoran, student at Northern College, receiving his Environmental Technician Program scholarship from Professor Richard Kallio.

- expanding efforts to train operators of small systems;
- renewing focus on pragmatic, innovative research and technologies, especially for small and remote systems; and
- increasing efforts to communicate directly with, and train, First Nations operators.

The Centre will work with the Ministry of the Environment to develop an outreach strategy and begin training sessions in the winter of 2011 to assist municipal officials to better understand their drinking water oversight responsibilities.

Management's Responsibility for Financial Information

Senior management and the board of directors are responsible for the financial performance of the Walkerton Clean Water Centre. The board reviews and approves the Centre's financial statements and all information presented in this annual report. The board of directors is also responsible for ensuring that there is an annual audit of the Centre's accounts and financial transactions. The annual audit is subject to review by the Auditor General of Ontario.

Finance and Audit Committee's Responsibilities

The board's finance and audit committee receive and review the Centre's quarterly financial reports. The reports include variance summaries for the individual initiatives. The Centre's management team works closely with the finance and audit committee on reviewing the variances.

The finance and audit committee is also involved in the audit process by:

- meeting with the Centre's management team and external auditors to review any issues that need to be identified in the upcoming audit;
- reviewing the external auditors' evaluation of internal controls, together with management's response; and
- reviewing the completed reports issued by the external auditors, and management's response and subsequent follow-up to any identified weaknesses.

One of the students from Centennial College that attended the Technology Demonstration Facility for training August 12-14, 2009.

The 2009-10 fiscal year financial statements were audited by BDO Dunwoody LLP. The chartered accountant's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The "Auditors' Report" outlines the scope of the firm's examination and opinion.

Financial Discussion

Revenue

The Centre's main source of revenue for 2009–10 remained the $5 million payment from the Government of Ontario. The Centre's other main source of revenue is training income, which increased by 16.6 per cent over the previous fiscal year, from $1,666,916 to $1,944,056. Part of this increase is the result of favourable first-year registrations for the new Safeguarding Drinking Water Quality course. There were 101 actual classes for this course, compared with the 60 classes listed in the business plan.

Expenditures

The Centre's internal controls continue to effectively monitor overall expenditures.

Expenditures increased from $6,220,687 in fiscal year 2008–09 to $11,154,189 in fiscal year 2009–10. The increase was principally due to a payment of $6,078,104 to the Ontario Realty Corporation for the construction of the Centre's new premises. The majority of construction expenditures were drawn from the restricted reserves that had been built up specifically for the purpose of building the new facility.

Directly corresponding to training revenues, training expenditures rose from $1,521,019 in fiscal year 2008–09 to $1,606,401 in fiscal year 2009–10. Training expenses were 12.3 per cent over budget, reflecting the additional demand for courses that was noted in the preceding "Revenue" section.

The Centre's expenditures for research projects grew significantly, from $185,990 in fiscal year 2008-09 to $276,459 in fiscal year 2009–10.

Balance Sheet

The Centre continues to be in a very strong financial position. It recognized a surplus of $12,261,985 as of March 31, 2010, representing a decrease from the $16,458,981 surplus on March 31, 2009, due to the one-time cash outlay required to complete construction of the Centre's new facility.

The remaining surplus will fund the Centre's ongoing training, outreach and research activities.

Auditors' Report

To the Board of Directors of Walkerton Clean Water Centre

We have audited the balance sheet of Walkerton Clean Water Centre as at March 31, 2010 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants, Licensed Public Accountants
Walkerton, ON - 04.28.10

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors

P.O. Box 760, 121 Jackson Street
Walkerton, Ontario, Canada N0G 2V0
Telephone: (519) 881-1211
Fax: (519) 881-3530

Financial Details

BALANCE SHEET

March 31	2010	2009
ASSETS		
Current		
Cash (Note 5)	$ 10,994,088	$ 15,512,736
Accounts receivable (Note 5)	115,625	182,072
Prepaid expenses	53,942	33,628
	11,163,655	15,728,436
Capital assets (Note 3)	1,774,683	1,143,933
Other assets (Note 4)	645,740	499,843
	$ 13,584,078	$ 17,372,212
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 1,038,193	$ 610,495
Deferred revenue	283,900	302,736
	$ 1,322,093	$ 913,231
NET ASSETS	12,261,985	16,458,981
	$ 13,584,078	$ 17,372,212

On behalf of the Board: Director Director

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31			2010	2009
	Restricted	Unrestricted	Total	Total
Balance, beginning of year	$ 3,775,901	$ 12,683,080	$ 16,458,981	$ 15,348,608
Excess (deficiency) of revenue over expenditures	(3,775,901)	(421,095)	(4,196,996)	1,110,373
Balance, end of year (Note 5)	$ –	$ 12,261,985	$ 12,261,985	$ 16,458,981

STATEMENT OF OPERATIONS

For the year ended March 31	2010	2009
Revenue (Page 6)	$ 6,944,056	$ 6,977,063
Expenditures (Page 6)	11,154,189	6,220,687
Excess (deficiency) of revenue over expenditures from operations before interest and other income	(4,210,133)	756,376
Interest and other income	72,921	353,997
Loss on disposal of capital assets	(59,784)	–
Excess (deficiency) of revenue over expenditures for the year	$ (4,196,996)	$ 1,110,373

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF REVENUE AND EXPENDITURES

For the year ended March 31	2010	2009
REVENUE		
Province of Ontario transfer payment (Note 6)	$ 5,000,000	$ 5,250,294
Ministry of the Environment funding	–	59,853
Training registrations	1,944,056	1,666,916
	$ 6,944,056	$ 6,977,063
EXPENDITURES		
Advertising and promotion	$ 73,483	$ 211,762
Amortization	338,196	305,930
Bank charges	2,265	2,232
College and university support	53,755	42,000
Communications planning	–	9,555
Conferences	13,699	46,228
Consulting fees	1,013	165,418
Director fees	13,955	16,488
Donations	22,800	40,000
Employee benefits (Note 7)	302,128	294,650
Insurance	39,875	30,302

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF REVENUE AND EXPENDITURES

For the year ended March 31	2010	2009
EXPENDITURES – CONTINUED		
Moving expenses	$ 211,710	$ –
Office	141,726	106,987
Ontario Realty Corporation construction payments (Note 5)	6,078,104	1,378,070
Professional	17,650	17,525
Professional development	14,838	33,862
Property maintenance	8,097	10,494
Rent	168,285	122,400
Repairs and maintenance	35,921	21,444
Research projects	276,459	185,990
Salaries	1,452,148	1,366,582
Subscriptions and memberships	17,566	15,447
Training	1,606,401	1,521,019
Travel	54,943	102,395
Telephone	37,167	34,894
Utilities	7,092	9,909
Vehicle	103,802	86,661
Website	61,111	42,443
	$ 11,154,189	$ 6,220,687

The accompanying notes are an integral part of these financial statements.

WCWC Walkerton Clean Water Centre
An agency of the Government of Ontario
CWAE Centre de Walkerton pour l'assainissement de l'eau
Un organisme du gouvernement de l'Ontario

STATEMENT OF CASH FLOWS

For the year ended March 31	2010	2009
Cash provided by (used in)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures for the year	$ (4,196,996)	$ 1,110,373
Items not involving cash		
Amortization	338,196	305,930
Loss on disposal of capital assets	59,784	–
	(3,799,016)	1,416,303
Changes in non-cash working capital balances		
Accounts receivable	66,447	57,374
Prepaid expenses	(20,314)	46,351
Accounts payable and accrued liabilities	427,698	399,165
Deferred revenue	(18,836)	(208,312)
	454,995	294,578
	$ (3,344,021)	$ 1,710,881
INVESTING ACTIVITIES		
Acquisition of capital assets	(1,028,730)	(153,722)
Acquisition of curriculum rights	(145,897)	(93,250)
Proceeds on disposal of capital assets	–	3,515
	(1,174,627)	(243,457)
INCREASE (DECREASE) IN CASH DURING THE YEAR	(4,518,648)	1,467,424
Cash, beginning of year	15,512,736	14,045,312
Cash, end of year	$ 10,994,088	$ 15,512,736

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Walkerton Clean Water Centre is an operational service agency of the Province of Ontario and was established on October 1, 2004 under the authority of *The Development Corporation Act*.

In accordance with the act, the Centre's objectives are to:

a) Coordinate and deliver training for drinking water system owners and operators.
b) Provide information, education and advice about drinking water science, treatment and technology, operational requirements, and environmental issues related to drinking water to owners, operators and the public.
c) Provide advice to the Minister of the Environment on research and development priorities to achieve safe drinking water and sponsor drinking water research within the Centre's mandate.

The Centre is exempt from Federal and Provincial income taxes.

Restricted Net Assets

The Centre had committed to building an administration, conference, and technology demonstration facility through payments to the Ontario Realty Corporation. Part of the Centre's net assets had been restricted for this purpose.

Capital Assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at the estimated fair market value upon donation. Amortization is based on the estimated useful life of the asset and is calculated with a half year provision as follows:

Computer equipment	*33% declining balance*
Computer software	*50% declining balance*
Leasehold improvements	*3, 4 and 5 years straight-line*
Office furniture and equipment	*20% declining balance*
Signs	*20% declining balance*
Technical equipment	*20% declining balance*

Other Assets

Curriculum rights are recorded at cost. Since they have an unlimited useful life, the rights have not been amortized. Annually the cost of the curriculum rights will be tested for impairment.

Revenue Recognition

Transfer payments are recognized when the amount is known and collectability is reasonably assured. Revenue from training registration is recognized when payment is receivable and the course has been completed. Interest revenue is recognized as it is earned over the period of investment. Donation revenue is recognized once the Centre has possession of the goods donated.

March 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principle estimates used in the preparation of these financial statements are the collectability of accounts receivable, the determination of the estimated useful life of property, plant and equipment, and valuation of property, plant and equipment, deferred revenue and other assets when testing for impairment. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments

The Centre utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate fair values. The fair values of cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying amounts because of the short term maturity of these instruments.

All transactions related to financial instruments are recorded on a trade date basis.

The Centre classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Centre's accounting policy for each category is as follows:

a) Held-for-trading – This category is comprised of cash. It is carried on the balance sheet at fair value with changes in fair value recognized in the statement of operations. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

b) Loans and receivables – Accounts receivables and other assets have been classified as loans and receivables. They are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are expensed as incurred.

c) Other financial liabilities – Other financial liabilities include all financial liabilities other than those classified as held-for-trading and comprises accounts payable and accrued liabilities. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method. Transaction costs related to other financial liabilities are expensed as incurred.

2. CAPITAL MANAGEMENT

The Centre considers its capital to be its restricted and unrestricted net assets. The Centre's objectives when managing its capital are to safeguard its ability to continue as a going concern so it can continue to provide services. The Centre monitors its capital to ensure that it is at an appropriate level.

3. CAPITAL ASSETS

	2010		2009	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware	$ 193,310	$ 129,782	$ 174,792	$ 103,053
Computer software	38,044	29,129	36,028	21,221
Furniture and fixtures	287,497	123,156	207,970	92,011
Leasehold improvements	17,815	17,704	197,845	133,896
Signs	34,829	18,063	33,049	14,094
Technical equipment	2,323,865	802,843	1,396,973	538,449
	$ 2,895,360	$ 1,120,677	$ 2,046,657	$ 902,724
Net book value		$ 1,774,683		$ 1,143,933

4. OTHER ASSETS

	2010	2009
Curriculum rights, at cost	$ 645,740	$ 499,843

During the year, curriculum rights in the amount of $145,897 were purchased (2009 $93,250).

WCWC Walkerton Clean Water Centre
An agency of the Government of Ontario
CWAE Centre de Walkerton pour l'assainissement de l'eau
Un organisme du gouvernement de l'Ontario

5. RESTRICTED NET ASSETS

	2010	2009
Opening balance	$ 3,775,901	$ 5,032,182
Interest income	14,444	121,789
Construction payments to Ontario Realty Corporation	(3,790,345)	(1,378,070)
	$ —	$ 3,775,901

At March 31, 2010, the restricted fund bank account balance was $NIL (2009 $4,173,574), the accounts receivable resulting from the restricted fund totalled $NIL (2009 $3,434) and the accounts payable amounted to $NIL (2009 $401,107).

6. TRANSFER PAYMENTS

During the year, the Centre received $5,000,000 (2009 $5,000,000) in transfer payments from the Province of Ontario.

7. PENSION PLAN

The Centre provides pension benefits for all its full-time employees through participation in the Public Service Pension Plan which is a multi-employer defined benefit pension plan administered by the Ontario Pension Board. This plan is accounted for as defined contribution plan, as the Centre has insufficient information to apply defined benefit accounting to the plan. The Centre's contribution related to the pension plan for the period was $100,817 (2009 $90,919) and is included in employee benefits in the Statement of Revenue and Expenses.

8. COMMITMENTS

The Centre has entered into a contract with the University of Guelph, Ridgetown Campus to coordinate mandatory training courses. The contract began January 2, 2009 and will expire December 31, 2012. For each mandatory course Ridgetown administers, Walkerton Clean Water Centre pays $1,298 per classroom course or $73 per correspondence course.

Walkerton Clean Water Centre has entered into eight vehicle operating leases. These leases end May 2010, three end June 2010, December 2010, March 2011, May 2012 and October 2012 and are for monthly payments of $436, $975, $1,174, $1,445, $858, $890, $583 and $1,204 respectively. Minimum annual vehicle lease payments for 2011 are $873, $2,924, $3,522, $4,335, $7,723, $10,679, $6,996 and $14,449 for a total of $51,500.

The minimum annual lease payments on the vehicles for the next three years are as follows:

2011	**$ 51,500**
2012	**$ 21,445**
2013	**$ 9,595**

The Centre has committed to payments estimated at $8,300,000 to the Ontario Realty Corporation for building a new administration, conference, and technology demonstration facility. During the year, the Centre has made payment of $6,078,104 (2009 $1,378,070) on design and construction costs. The construction payments have been recognized as an expense in these financial statements.

The Centre is currently negotiating a long term lease with the Ontario Realty Corporation. As of the report date, no contract has been signed or agreed upon.

WALKERTON CLEAN WATER CENTRE

20 Ontario Road, P.O. Box 160 Walkerton, Ontario N0G 2V0

www.wcwc.ca

WCWC Walkerton Clean Water Centre
An agency of the Government of Ontario

CWAE Centre de Walkerton pour l'assainissement de l'eau
Un organisme du gouvernement de l'Ontario