

November 18, 2024

Attention: Municipal CAOs, Clerks and Treasurers,

Subject: Upper Thames River Conservation Authority (UTRCA) 2025 Draft Budget

The Upper Thames River Conservation Authority (UTRCA) Board of Directors and Staff are pleased to provide you with its proposed 2025 Budget for your information. The 2025 Draft Budget currently forecasts operating expenditures of \$26,538,076 which requires a municipal contribution of \$9,051,726. In 2025, the UTRCA will leverage each municipal dollar to bring in almost three additional dollars towards conservation activities that benefit watershed residents and local communities.

Additional details are included in the enclosed:

- 2025 Draft Budget: Overview
- Municipal Specific Insert
- 2025 Draft Budget

The proposed increase in 2025 is \$1,052,137 for general operating purposes to provide a balanced budget for mandatory programs and services. The actual change for individual municipalities will vary based on the Modified Current Value Assessment formula used by the province. Capital expenditures of \$15,464,600 are proposed, of which \$11,682,500 is for Water and Erosion Control Structures major maintenance and capital projects where benefit-based levy rates are applied. Capital projects proposed for Conservation Areas will be funded with existing campground reserves.

Notice is provided pursuant to the Approval apportionment under subsections 25(1) and 27(1) of the Conservation Authorities Act (CAA) and Amounts owing under subsection 27.2(2) of the CAA. It is the Board of Directors intention to finalize and approve the budget and levy at the Annual General Meeting in February. The meeting date will be confirmed and provided to municipal Clerks once the 2025 meeting schedule is approved.

Please share the attached 2025 Draft Budget with Council and appropriate staff. I would be pleased to attend and review the proposed budget at a council meeting. Please contact either Michelle Viglianti (vigliantim@thamesriver.on.ca) or Tracy Annett (annettt@thamesriver.on.ca) to arrange. We welcome your comments.

Sincerely,



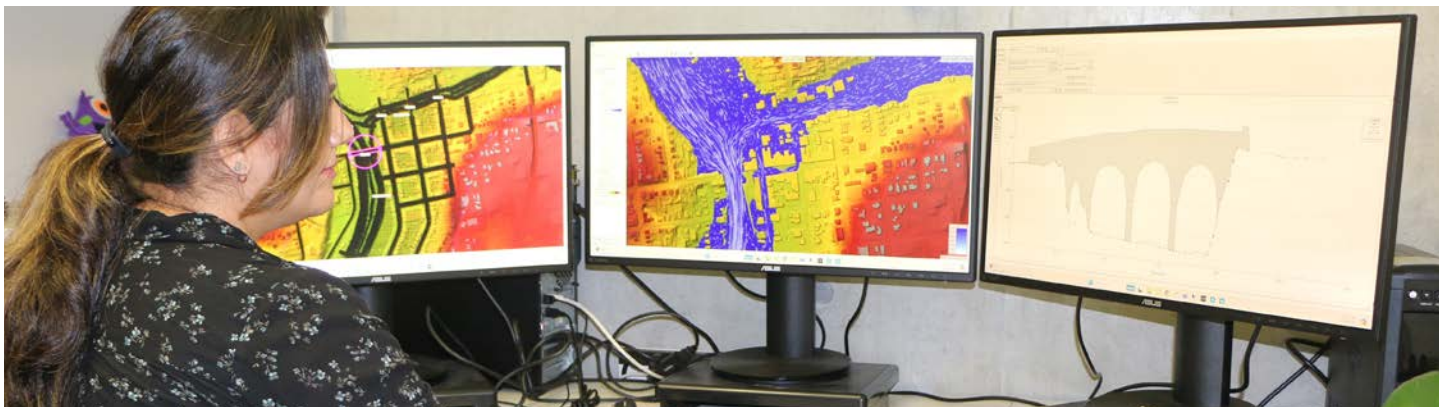
Tracy Annett
General Manager/Secretary-Treasurer

Encl.

2025 Draft Budget: Overview

The Upper Thames River Conservation Authority's (UTRCA) 2025 Draft Budget reflects expected costs to support legislative requirements, local environmental needs, and municipal and public demands for service.

The budget separates the UTRCA's programs and services into three categories, consistent with Section 21 of the Conservation Authorities Act (CA Act) and as required by Mandatory Programs and Services Regulation O.Reg. 686/21.



Category 1 Programs and Services

Mandatory Category 1 programs and services are defined in provincial regulation. These are the only programs that can be funded with municipal levy.

- Planning and regulations:
 - Regulations and enforcement under the CA Act (Prohibited Activities, Exemptions and Permits)
 - Planning activities
- Water management:
 - Flood forecasting and warning
 - Infrastructure operations and maintenance
 - Mapping, studies, and information management
 - Climate change risk and mitigation
 - Low water response
 - Natural hazards outreach
- Land management:
 - Land management, risk, enforcement
 - Lands strategy implementation
 - Public access to UTRCA lands for passive recreation
 - Natural heritage conservation on UTRCA lands
- Provincial surface water and groundwater monitoring programs
- Drinking water source protection
- Watershed strategy implementation
- Essential corporate costs

Category 1 Budget Considerations

Stabilizing Funding for Category 1 Programs and Services

In 2024, the municipal levy supported close to 60% of the cost of providing the UTRCA's mandatory programs and services, resulting in a forecast deficit of \$1.2 million dollars. The previous five years of budgets also had projected deficits.

The 2025 Draft Budget increases the municipal share of Category 1 expenses to 67%. This increase in levy, in conjunction with other sources of funding, allows the UTRCA to present a balanced budget for Category 1 programs, helping to ensure that continued deficit budgets will not unduly impact reserves. Consistent and dependable funding for mandatory programs and services is critical to ensure the Authority delivers these services and fulfills its provincial mandate.

Significant Increase in Capital Projects for Specific Municipalities

Considerable capital work has been planned for 2025 as the UTRCA continues to maintain aging infrastructure. Inflation has meant rising costs and it is difficult to estimate project costs for future projects with certainty.

The 2025 Draft Budget includes increases to capital project costs, which can vary significantly for benefiting municipalities. Staff are meeting with each municipality to discuss the timing and phases of implementation and levying. The UTRCA has applied for alternative funding to offset capital costs to member municipalities.

Limited Alternative Funding Sources

The UTRCA's mandatory Category 1 programs and services require long-term stable funding to meet our legislative responsibilities, but alternative funding sources are very limited.

- The ongoing provincial freeze on planning and permitting fees limits the amount of user fees that can be collected. Currently, the UTRCA only recoups approximately 33% of the cost of providing planning and development services.
- Funding available through the province's Water and Erosion Control Infrastructure program has remained at \$5M province-wide for more than 20 years.

- The UTRCA's share of the provincial Conservation Authorities Act transfer payment, which had not increased in more than 20 years, was cut in half to \$181,000 in 2019.
- While the UTRCA has provincial funding to deliver the Drinking Water Source Protection program until March 2027, the province has capped overhead costs. This potential gap in program funding can be accommodated in 2025 but future budgets may need to include a Clean Water Act levy.

Municipal Levy

The UTRCA levies the member municipalities for operating and capital costs for mandatory Category 1 programs and services. There are two levy components:

General Levy:

- Supports all Category 1 programs and services.
- Apportioned among member municipalities according to the Modified Current Value Assessment (MCVA), in compliance with Budget and Apportionment Regulation (O.Reg. 402/22).
- Appears as 94% operating budget and 6% capital budget in the 2025 Draft Budget.

Benefit-based Levy:

- Supports specific structures (i.e., dams, channels, dykes), which are all Category 1 costs.
- Local share of the costs is funded by the municipalities that benefit from the structure.
- Wildwood and Pittock Dams both have two main benefitting municipalities with the balance of their costs shared among all member municipalities.
- For all other structures, including Fanshawe Dam, the municipality where each structure is located is the sole beneficiary and pays all the local share of that structure's operating and capital costs.
- Appears as 80% capital budget and 20% operating budget for structures in the 2025 Draft Budget.

Category 2 Programs and Services

Category 2 programs and services are delivered on behalf of a municipality, with funding under agreement with that municipality. Examples include:

- Drinking water source protection risk management services
- Municipal contract work

Category 3 Programs and Services

Cost apportionment agreements have been negotiated with participating municipalities for the UTRCA's Category 3 programs and services, which include:

- Landowner stewardship and restoration
- Subwatershed planning and environmental monitoring
- Community partnerships and education

The UTRCA has been delivering these watershed-determined programs and services under the Conservation Authorities Act for over 75 years. They support landowners, communities, and youth with science-based projects and opportunities that restore and enhance watershed health and resiliency to climate change.

The cost apportioning agreements provide base contributions to stabilize funding sources, enabling the UTRCA to leverage grant programs and reduce Category 1 corporate costs. In the 2025 Draft Budget, the cost apportioning contributions leverage more than \$13 for each \$1 invested by participating municipalities.

Category 3 Budget Considerations

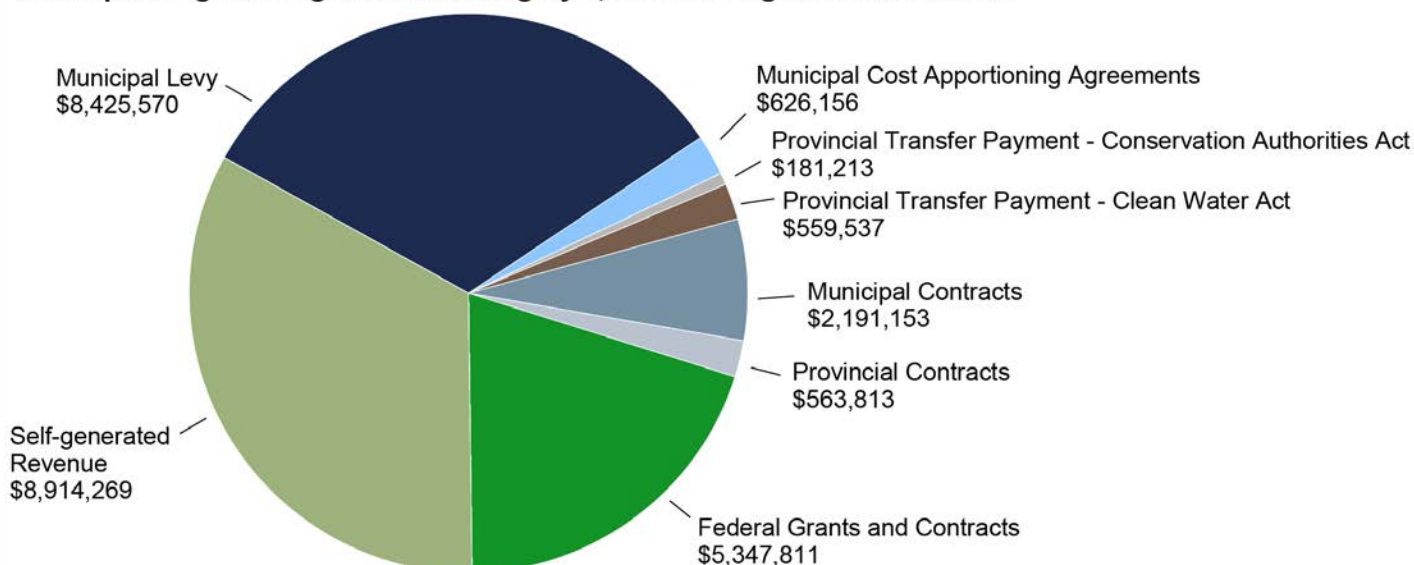
Alternative Funding Sources

Alternative funding sources support many Category 3 programs and services. The 2025 Draft Budget reflects significant federal funding for the UTRCA's landowner stewardship efforts to reduce phosphorus run off across the watershed, beginning in the fall of 2024 and continuing through 2027. While the UTRCA's total operating costs for all programs and services are 16% higher in 2025 than in 2024 due to the federal grants, the corresponding program revenue is also in the budget.

Other Category 3 Programs and Services

Campground operations are also in Category 3 but are not included in municipal cost apportioning agreements as their funding is self-generated. They will remain a separate category item in the budget, with any revenues generated from operations directed towards a reserve fund to support much needed capital improvements.

2025 Operating Funding Sources: Category 1, 2 and 3 Programs and Services



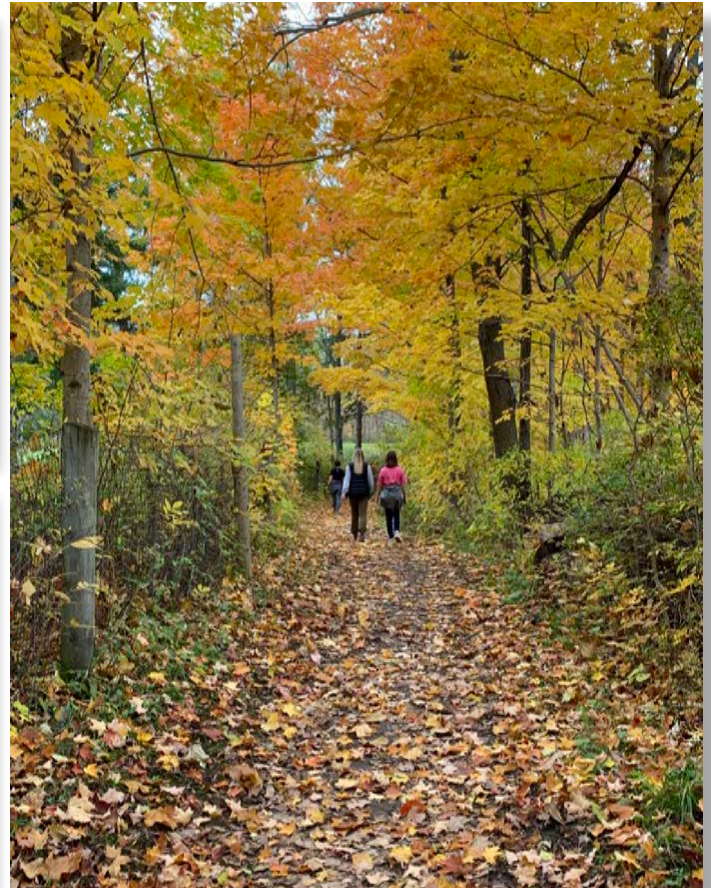
About Us

The UTRCA is a local watershed management agency that delivers programs and services to protect and manage impacts on water and other natural resources, in partnership with all levels of government, landowners, and many other organizations.

The UTRCA works in partnership with the 17 municipalities in the Upper Thames River watershed. These municipalities appoint 15 members to the Board of Directors, which sets the UTRCA's overall policy direction and is responsive to local issues and concerns.

The UTRCA is dedicated to achieving a healthy environment on behalf of the member municipalities, by:

- Protecting people and property from flood and erosion hazards and supporting safe development,
- Protecting and enhancing water quality and a sustainable water supply,
- Making science-based decisions and delivering landowner stewardship,
- Providing natural spaces and recreational opportunities,
- Empowering communities and youth,
- Leading through expertise, diversity, and accountability, and
- Supporting sustainable organizational practices and policies.



2025 Draft Budget: City of Stratford

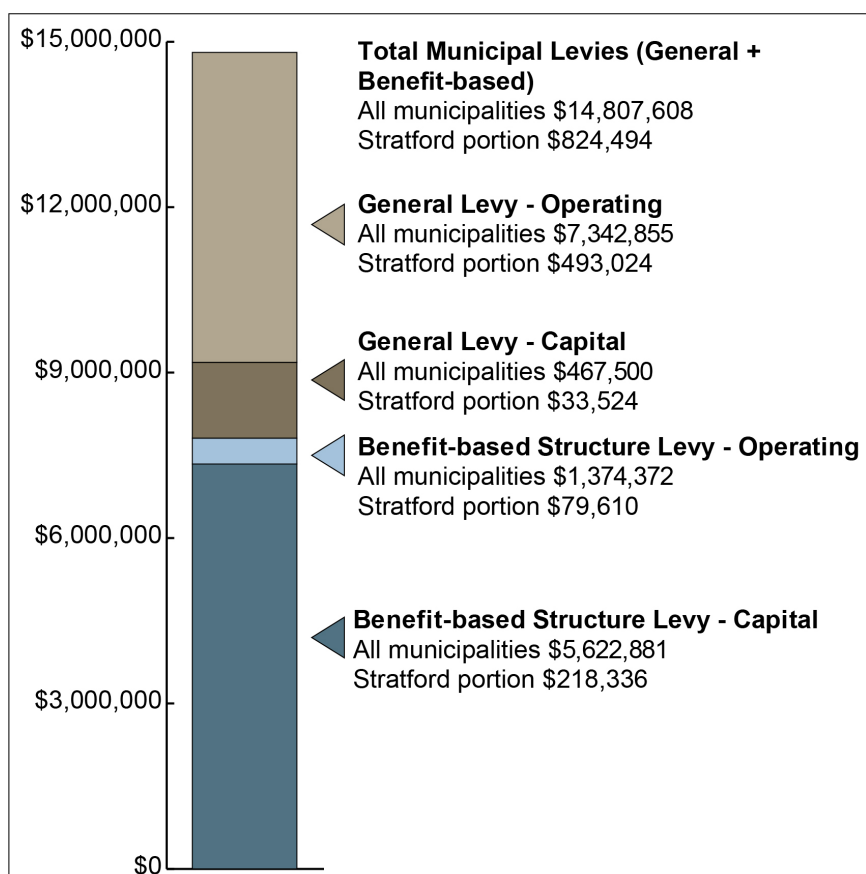
Total Municipal Contribution

| Contribution | Amount |
|--|------------------|
| Category 1 Programs and Services - General Levy* | \$526,548 |
| - Benefit-based Structure Levy (see table below) | \$297,946 |
| Category 1 Levy Total | \$824,494 |
| Category 3 Programs and Services - Cost Apportionment Agreement | \$44,901 |
| Total Municipal Contribution | \$869,395 |

Benefit-based Structure Levy

Significant cost increases have been realized for projects initiated in 2024. In some cases, capital project proposals have doubled forecasted costs. With aging infrastructure, continued structure maintenance costs are also significantly higher. Increases in levies will be seen particularly among those municipalities with benefit-based percentages on structures due to capital repairs.

| Operation, Maintenance and Capital | Levy |
|---|------------------|
| RT Orr Dam | \$250,915 |
| - Operational plan, geotechnical studies (part 1), connection of stop log gains, gate painting (part 2) | |
| Stratford Channel | \$41,806 |
| - Stop logs (2024), operational plan (2024) | |
| Wildwood Dam | \$4,128 |
| - Piezometer and stability analysis, safety boom installation | |
| Pittock Dam | \$1,097 |
| Total Benefit-based Levy | \$297,946 |



Municipal Levy

*The UTRCA levies the member municipalities for operating and capital costs for mandatory Category 1 programs and services. There are two levy components:

General Levy:

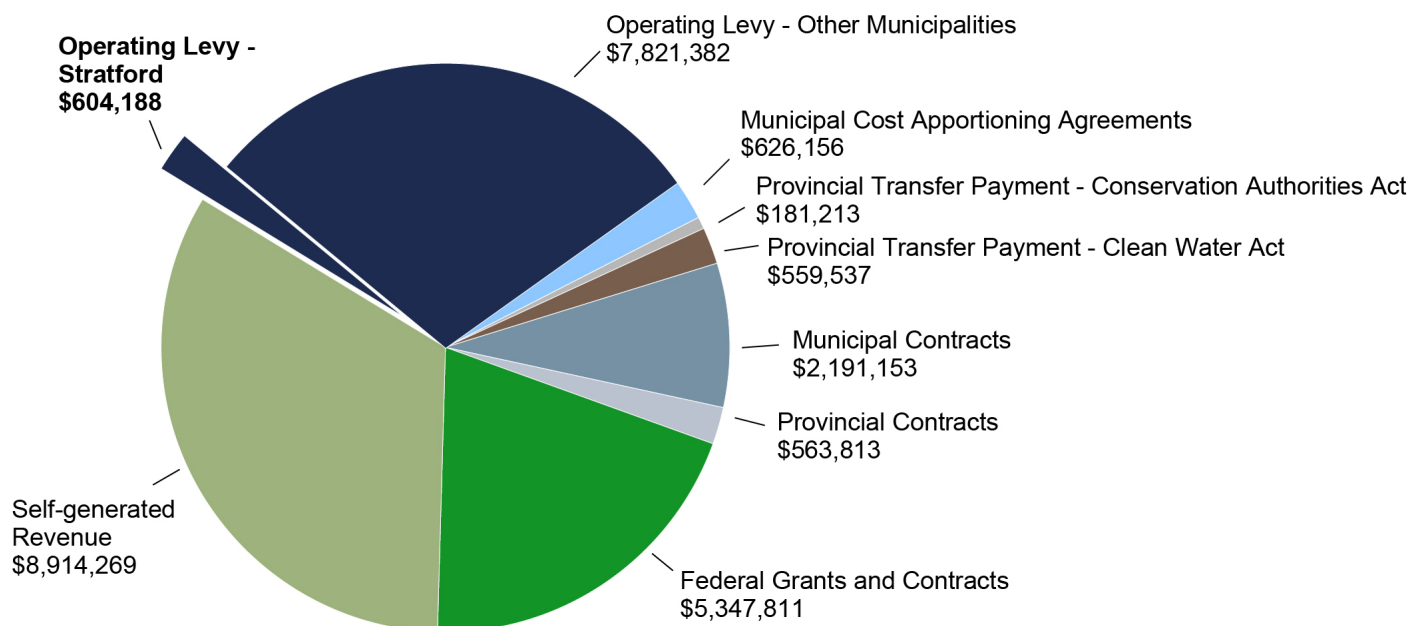
- Supports all Category 1 programs and services.
- Apportioned among member municipalities according to the Modified Current Value Assessment, in compliance with Budget and Apportionment Regulation (O.Reg. 402/22).

Benefit-based Levy:

- Supports specific structures (i.e., dams, channels, dykes), which are all Category 1 costs.

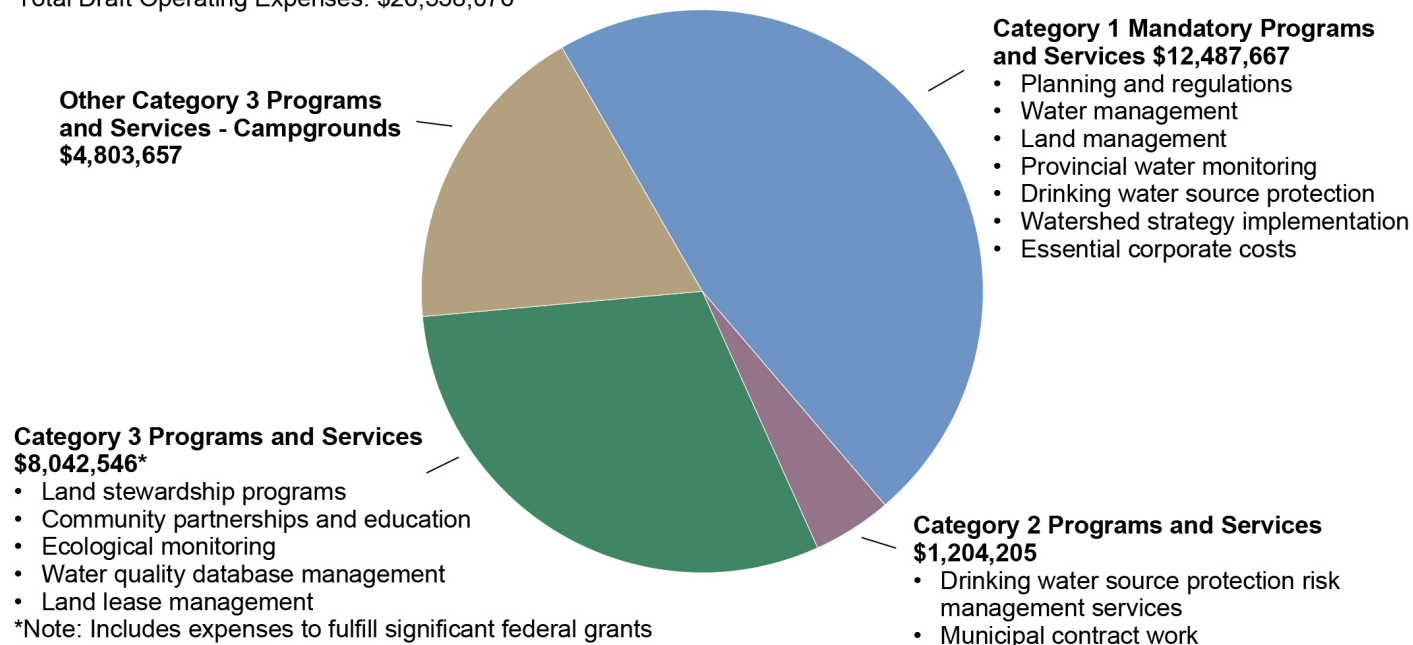
Local share of the costs is funded by the municipalities that benefit from the structure.

Category 1, 2 and 3 Programs and Services: Operating Funding Sources showing City of Stratford Portion of Operating Levy



Category 1, 2 and 3 Programs and Services: Operating Expenses

Total Draft Operating Expenses: \$26,538,076



Draft
2025
Budget

October 22, 2024

www.thamesriver.on.ca

UPPER THAMES RIVER
CONSERVATION AUTHORITY





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Budget Development Schedule

March 2024

Staff initiate workplans for 2025 to predict budget needs

June 2024

Board direction regarding budget concepts

August 2024

Board direction regarding Preliminary Draft Budget followed by municipal input sessions with senior staff

October 2024

Draft Budget presented to Board

November - February

Municipal input sessions with senior staff and Draft Budget circulation to member municipalities

January 2025

Board review of municipal comments and Draft Budget reconsideration

February 2025

Board review of Draft Budget and approval of Budget and Apportionment

2025 Draft Budget: Overview

Key Messages

- Mandatory Category 1 programs and services require long-term stable funding to meet our legislative responsibilities,
- There are very limited alternative funding sources for these mandatory programs and services.

The Upper Thames River Conservation Authority's (UTRCA) 2025 Draft Budget reflects expected costs to support legislative requirements, local environmental needs, and municipal and public demands for service. The budget meets the requirements of the Budget and Apportionment Regulation (O.Reg. 402/22) and continues to use the Modified Current Value Assessment to apportion costs for general levy and benefit-based apportionment for water and erosion control structures.

The 2025 Draft Budget separates the UTRCA's programs and services into three categories, consistent with Section 21 of the Conservation Authorities Act (CA Act) and as required by Mandatory Programs and Services Regulation O.Reg. 686/21:

- Category 1 - Mandatory programs and services defined in regulation that may be funded with municipal levy.
- Category 2 - Programs and services delivered at the request of a municipality, with funding under agreement with the benefiting municipality.
- Category 3 - Other programs and services that the Authority determines are advisable to implement within our watershed jurisdiction. These programs and services are funded through cost apportionment agreements with participating municipalities and self-generated funding sources such as user fees, government and other agency grants, donations, etc.

What are the Mandatory Programs and Services?

- Planning and regulations
 - Regulations and enforcement under the CA Act (Prohibited Activities, Exemptions and Permits)
 - Planning activities

- Water management
 - Flood forecasting and warning
 - Infrastructure operations and maintenance
 - Mapping, studies, and information management
 - Climate change risk and mitigation
 - Low water response
 - Natural hazards outreach programs
- Land management
 - Land management, risk, enforcement
 - Lands strategy implementation (strategy completed in 2024)
 - Public access on UTRCA lands for passive recreation
 - Natural heritage conservation on UTRCA lands
- Provincial water monitoring
- Drinking water source protection
- Watershed strategy implementation (strategy completed in 2024)
- Essential corporate costs

UTRCA's Category 1 programs and services are broader than those of most other conservation authorities due to the size and scope of the water and erosion control structures and program.

Budget Development

In developing the 2025 Draft Budget, staff considered the following:

- Requirements under the CA Act and regulatory amendments,
- Cost of living adjustments and pay grid step increases,
- Persistent inflation as read through the Consumer Price Index and experienced by purchases of goods and services, particularly trade contracting, engineering works, and other supplies,
- Multi-year contractual obligations and impact on timing of spending,
- Operating, capital, and program pressures in terms of constraints on time,
- Provincial planning fee freeze,
- Focus on internal efficiencies using technologies, and cost control wherever possible,

- General economic outlook combined with UTRCA's history of deficit budgeting, and
- Impacts on service delivery.

The UTRCA has used a conservative approach to spending, as well as proactive investigations into alternative sources of funding in 2024, in an effort to minimize financial impacts on member municipalities in 2025 and beyond.

The following items have informed the development of the 2025 Draft Budget:

Stabilize funding for Category 1 Mandatory Programs and Services

The Draft Budget includes a 3% increase in wages across the organization and the UTRCA is committed to fair and competitive compensation. The federal CPP Enhancement program started in 2019 will end after 2025 during which a new limit for additional maximum pensionable earnings of 14% is implemented. These enhancements have been borne for a number of years in our forecast deficits. After 2025, it is expected that payroll burdens will become more stable than in the recent past.

The count of FTEs in 2025 is higher than in 2024. This results from 2024 having only part-year FTEs for the new staff hires and 2025 containing the entire year costs for those positions.

Total operating costs in 2025 are 16% higher than in 2024 due to two significant federal grants recently approved to support Category 3 programs for reduction of nutrients on land across the watershed. The corresponding program revenue is also in the budget. Property taxes were estimated with a broad 7% increase; liability and other insurance coverages were estimated with a 9% increase.

In 2024, the municipal levy supported just under 60% of the cost of providing these mandatory services at the UTRCA, resulting in a forecast deficit of \$1.2 million dollars. The previous five years of budgets also had projected deficits.

The 2025 Draft Budget increases the municipal share of Category 1 expenses to 67%. This increase in levy provides for a balanced set

of Category 1 programs, helping to ensure that continued deficit budgets will not unduly impact reserves. Increases in municipal support are required to reduce reliance on other, undependable sources of funding and ensure the stability of these programs and services. Without consistent and dependable Category 1 funding, the UTRCA is at risk of inadequately delivering these mandatory programs and services and not fulfilling our provincial mandate.

Alternative Sources of Funding

The UTRCA continues to investigate opportunities to attract partnerships, user fees, and alternative funding sources to support all programs and services. A contract with the federal government is providing significant support for the UTRCA's rural stewardship efforts. By obtaining funding support, Category 3 programs and services leverage the municipal investment and assist in supporting Category 1 corporate costs.

The provincial government froze planning and permitting fees in 2022, limiting the amount of user fees that can be collected by the Authority. The UTRCA's Board-approved policy has been to recoup 50% of the cost of providing planning and development services. Currently, the UTRCA is able to recoup approximately 33% of these expenses.

Significant Increase in Capital Projects for Specific Municipalities

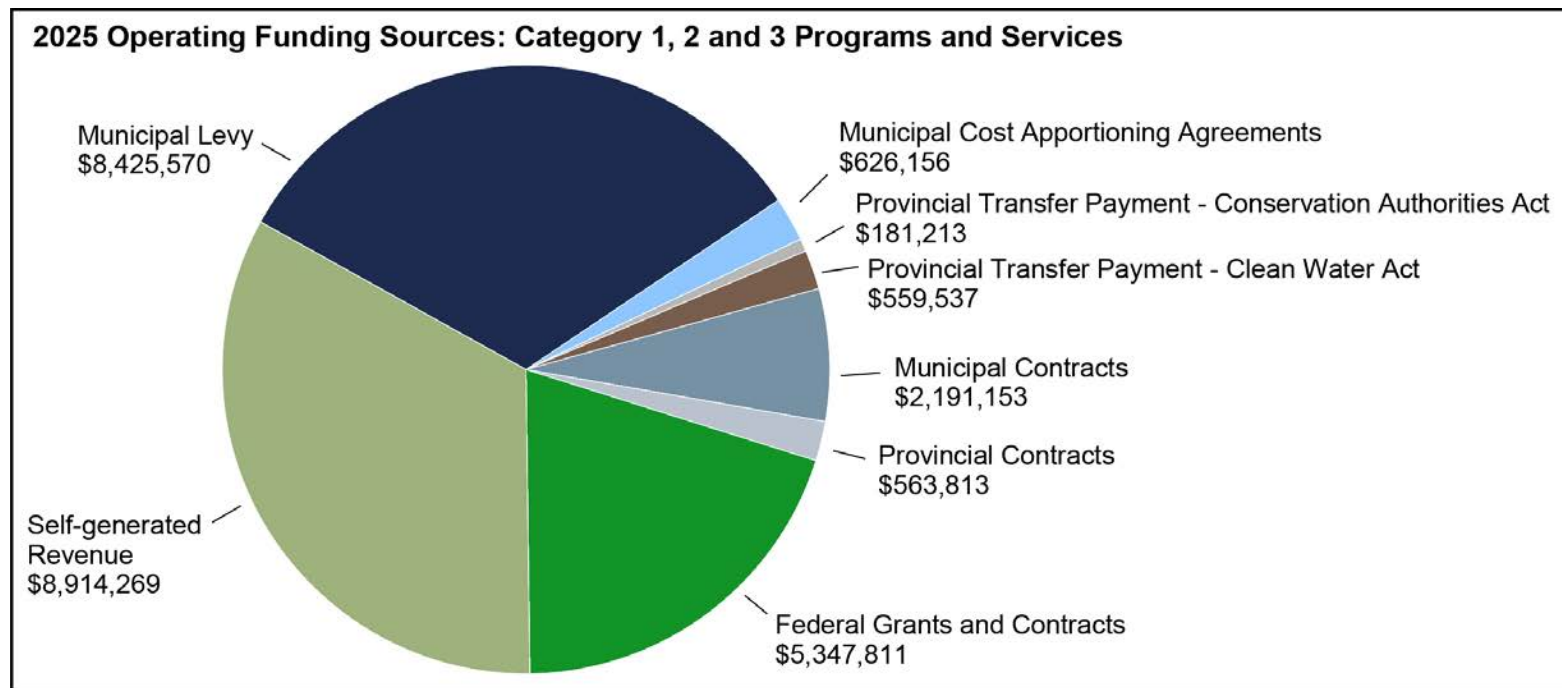
Considerable capital work has been planned for 2025 as the UTRCA continues to maintain aging infrastructure. Inflation has meant rising costs and has made it difficult to estimate project costs for future projects with certainty.

The UTRCA recognizes that the 2025 Draft Budget includes increases to capital project costs, which can vary significantly for benefitting municipalities. The Authority is sensitive to the impact on these municipalities and has been meeting with each municipality to discuss the timing and phases of implementation and levying. The UTRCA has applied for alternative funding to offset capital costs to member municipalities. This Draft Budget reflects approved funding and updated projects.

Operating Costs and Funding Sources per Category

Table 1. Summary of Operating Costs and Funding Sources per Category

| | Category 1 | Category 2 | Category 3 | Other Category 3 (Campgrounds) | TOTAL |
|---|-------------------|------------------|-------------------|-----------------------------------|-------------------|
| Operating Costs | \$12,487,667 | \$1,204,205 | \$8,042,546 | \$4,803,657 | \$26,538,076 |
| Provincial Transfer Payments - Conservation Authorities Act | 181,213 | -- | -- | -- | 181,213 |
| Provincial Transfer Payments - Clean Water Act | 559,537 | -- | -- | -- | 559,537 |
| Provincial Contracts | 267,813 | -- | 296,000 | -- | 563,813 |
| Federal Grants and Contracts | 138,143 | -- | 5,209,668 | -- | 5,347,811 |
| Municipal Contracts | 698,824 | 1,207,654 | 222,384 | 62,290 | 2,191,152 |
| Self-Generated Revenue | 2,189,780 | -- | 1,616,997 | 5,107,492 | 8,914,269 |
| Municipal Levy | 8,425,570 | -- | -- | -- | 8,425,570 |
| Municipal Cost Apportioning Agreements | -- | -- | 626,156 | -- | 626,156 |
| Total Funding Sources | 12,460,881 | 1,207,654 | 7,971,205 | 5,169,782 | 26,809,522 |
| Surplus or (Deficit) | (\$26,786) | \$3,449 | (\$71,341) | \$366,125 | \$271,446 |



Operating Budget

Table 2. Operating Budget

| | 2024 Approved Budget | 2025 Category 1 | 2025 Category 2 | 2025 Category 3 | 2025 Category 3 Campgrounds | 2025 Total Budget | 2026 Forecast |
|---|----------------------------|--------------------|--------------------|--------------------|-----------------------------------|----------------------|--------------------|
| Revenues | | | | | | | |
| Municipal Levy + Cost Apportionments (Cat. 3) | \$7,999,589 | \$8,425,570 | - | \$626,156 | - | \$9,051,726 | \$9,378,805 |
| Municipal Levy amortized from deferrals | 269,469 | 291,657 | - | 1,584 | - | 293,241 | 211,636 |
| Provincial Transfer Payment - CA Act | 181,213 | 181,213 | - | - | - | 181,213 | 181,213 |
| Provincial Transfer Payment - Clean Water Act | 600,584 | 559,537 | - | - | - | 559,537 | 578,540 |
| Municipal Contracts | 1,899,856 | 407,167 | \$1,207,654 | 220,800 | \$62,290 | 1,897,912 | 1,939,619 |
| Provincial Contracts | 383,777 | 267,813 | - | 296,000 | - | 563,813 | 438,304 |
| Federal Grants and Contracts | 2,130,709 | 138,143 | - | 5,209,668 | - | 5,347,811 | 5,444,165 |
| Land Management Agreements | 1,192,377 | 428,300 | - | 730,310 | 92,617 | 1,251,227 | 1,263,361 |
| User Fees | 6,813,969 | 1,074,630 | - | 789,187 | 5,014,875 | 6,878,692 | 7,062,398 |
| Donations and Other | 26,500 | 48,600 | - | 97,500 | - | 146,100 | 120,100 |
| Investment Revenue | 505,250 | 638,250 | - | - | - | 638,250 | 644,250 |
| Total Operating Revenues | 22,003,293 | 12,460,881 | 1,207,654 | 7,971,205 | 5,169,782 | 26,809,522 | 26,262,391 |
| Expenses | | | | | | | |
| Wages and Benefits | 14,955,606 | 10,083,106 | 757,787 | 2,214,456 | 2,509,563 | 15,564,913 | 15,947,003 |
| Property-related Expenses | 2,037,632 | 743,800 | 36,975 | 600,035 | 872,601 | 2,253,411 | 2,254,161 |
| Technical and Consulting Services | 1,031,367 | 647,035 | 28,920 | 286,904 | 203,118 | 1,165,977 | 984,911 |
| Computers and Communications | 571,789 | 512,895 | 15,100 | 32,319 | 18,362 | 578,675 | 516,361 |
| Insurance and Risk Management | 471,508 | 392,083 | 2,000 | 16,696 | 117,075 | 527,854 | 571,794 |
| Materials and Supplies | 1,126,646 | 367,090 | 77,600 | 429,545 | 286,646 | 1,160,881 | 1,167,005 |
| Staff Travel, PD, PPE, Uniforms | 216,851 | 170,503 | 20,450 | 22,825 | 41,233 | 255,011 | 255,963 |
| Fleet-related Expenses | 155,200 | 179,600 | - | 2,315 | 4,500 | 186,415 | 162,710 |
| Banking Expenses | 20,000 | 20,000 | | | | 20,000 | 21,000 |
| Other | 917,700 | 6,820 | | 3,215,080 | | 3,221,900 | 3,631,200 |
| Depreciation Expenses | 1,419,170 | 1,431,243 | | 21,026 | 148,356 | 1,600,624 | 1,473,651 |
| Corporate Allocations | 9,649 | (2,066,507) | 265,374 | 1,201,345 | 602,203 | 2,415 | 430,970 |
| Total Operating Expenses | 22,933,118 | 12,487,667 | 1,204,205 | 8,042,546 | 4,803,657 | 26,538,076 | 27,416,729 |
| Surplus or (Deficit) | (\$929,825) | (\$26,786) | \$3,449 | (\$71,341) | \$366,125 | \$271,446 | (\$154,338) |

Capital Projects

Table 3. Structure Capital Projects

| Structure | 2024 | | | | 2025 | | | | 2026 | | | | 2027 | | | |
|----------------------------------|------------------|---------------|-------------|--------------------------|------------------|---------------|--------------|-----------------------|------------------|-------------------|-------------|-------------------|------------------|-------------------|-------------|-------------------|
| | Project Revenues | | | Latest Forecast 2024 Net | Project Revenues | | Expenses | Draft Budget 2025 Net | Project Revenues | | Expenses | Forecast 2026 Net | Project Revenues | | Expenses | Forecast 2027 Net |
| | Levy | WECI* Funding | | | Levy | Other Funding | | | Levy | Potential Funding | | | Levy | Potential Funding | | |
| Fanshawe Dam | \$552,203 | \$474,703 | \$981,371 | \$45,534 | \$55,000 | - | \$55,000 | - | \$180,000 | \$165,000 | \$345,000 | - | \$1,115,000 | \$1,110,000 | \$2,225,000 | - |
| Centreville Dam | - | 750 | 31,500 | (30,750) | 34,629 | - | 2,000 | \$32,629 | 180,500 | 137,500 | 318,000 | - | 61,000 | 50,000 | 111,000 | - |
| Dorchester Mill Pond Dam | - | - | - | - | 14,500 | \$12,500 | 27,000 | - | 30,000 | 30,000 | 60,000 | - | 52,500 | 52,500 | 105,000 | - |
| Dorchester CA Dam | - | - | - | - | 2,000 | - | 2,000 | - | 12,500 | 12,500 | 25,000 | - | - | - | - | - |
| Embro Dam | 25,000 | - | - | 25,000 | 27,000 | - | 52,000 | (25,000) | 30,000 | 30,000 | 60,000 | - | - | - | - | - |
| Fullarton Dam | 7,000 | - | 25,000 | (18,000) | 105,000 | - | 87,000 | 18,000 | 20,000 | 20,000 | 40,000 | - | 40,000 | 40,000 | 80,000 | - |
| Harrington Dam | 12,500 | - | - | 12,500 | 7,000 | - | 7,000 | - | 17,500 | 25,000 | 55,000 | (12,500) | 50,000 | 50,000 | 100,000 | - |
| Ingersoll Channel | 5,000 | - | 5,000 | - | - | - | - | - | 70,000 | 70,000 | 140,000 | - | - | - | - | - |
| London Dykes | 209,500 | 345,500 | 525,000 | 30,000 | 4,445,500 | 5,862,000 | 10,307,500 | - | 1,222,000 | 2,697,500 | 3,919,500 | - | 652,000 | 1,103,000 | 1,755,000 | - |
| Mitchell Dam | 35,142 | 31,548 | 87,500 | (20,810) | 124,564 | - | 69,000 | 55,564 | 223,250 | 221,250 | 444,500 | - | 477,500 | 477,500 | 955,000 | - |
| Orr Dam | 17,642 | 100,000 | 212,500 | (94,858) | 195,000 | - | 145,000 | 50,000 | 690,000 | 630,000 | 1,265,000 | 55,000 | 187,500 | 187,500 | 375,000 | - |
| Pittock Dam | 145,414 | 45,000 | 130,298 | 60,116 | 5,000 | - | - | 5,000 | 648,040 | 632,500 | 1,280,540 | - | 80,000 | 80,000 | 160,000 | - |
| Shakespeare Dam | - | - | - | - | 4,000 | - | 4,000 | - | - | - | - | - | 45,000 | 45,000 | 90,000 | - |
| Stratford Channel | - | 10,806 | 31,612 | (20,806) | 20,806 | - | - | 20,806 | 30,000 | 30,000 | 60,000 | - | 112,500 | 112,500 | 225,000 | - |
| St Marys Floodwall | 5,000 | - | 5,000 | - | - | - | - | - | 25,000 | 25,000 | 50,000 | - | 27,500 | 27,500 | 55,000 | - |
| Wildwood Dam | 195,361 | 217,500 | 514,193 | (101,332) | 582,882 | 462,500 | 925,000 | 120,382 | 160,000 | 160,000 | 320,000 | - | 125,000 | 125,000 | 250,000 | - |
| Total Structure Capital Projects | \$1,209,762 | \$1,225,807 | \$2,548,974 | (\$113,406) | \$5,622,881 | \$6,337,000 | \$11,682,500 | \$277,381 | \$3,538,790 | \$4,886,250 | \$8,382,540 | \$42,500 | \$3,025,500 | \$3,460,500 | \$6,486,000 | - |

*WECI = Water and Erosion Control Infrastructure program

Notes:

- 1. “Other funding” in 2025 includes a significant contribution from the federal government.
- 2. “Potential funding” in 2026 and 2027 is dependent on approved WEIC applications so it is not guaranteed.
- 3. Projects and cost estimates for 2025 and beyond are prepared on a best estimate basis. As new information is received, costs are updated, and funding of projects may be updated as well.
- 4. Positive figures in the “net” columns imply that we are planning to levy later, or more, than originally envisioned in earlier years.

Table 4. Other Capital Projects

| | 2024 | | 2025 | | | | | 2026 | | | | |
|--|-----------------------|---|--------------------------|----------------|-------------|-----------------------|--|--------------------------|------------------------|-------------|-----------------------|-------------------------------|
| Other Capital Projects | New Forecast 2024 Net | 2024 Notes | Capital Maintenance Levy | Other Revenues | Expenses | Draft Budget 2025 Net | 2025 Notes | Capital Maintenance Levy | Equipment Sold/ Grants | Expenses | Draft Budget 2026 Net | 2026 Notes |
| Capital Asset Renewal Reserve | | | | | | | | | | | | |
| Watershed Conservation Centre office furnishings | (\$50,000) | For additional staff and staff under new ECCC federal grant | \$50,000 | | | \$50,000 | Levy for shortfall in 2024 | | | | - | |
| IT server equipment | - | | 58,000 | | \$58,000 | - | Hosts/servers and IT storage | \$58,000 | | \$58,000 | - | Hosts/servers and IT storage |
| Fleet vehicle and equipment replacement | (64,000) | Reduced request for new equipment | 280,000 | \$65,000 | 516,000 | (171,000) | 1 light duty truck, 1 bobcat, 2 EV trucks, 1 zero turn mower | 385,000 | \$50,000 | 435,000 | - | 5 light duty pick ups, 4 UTVs |
| EV charging stations | - | Deferred to 2025 | 55,000 | 75,000 | 130,000 | - | To use \$75K levy from 2024 in addition to \$55K for 2025 | | | | - | |
| Former Children's Safety Village fibreoptic cabling | (49,000) | Purchase and install 2 strands of fibre from Fanshawe Pioneer Village | - | | | - | | | | | - | |
| Fanshawe Conservation Area water servicing (pump, panel UV) | (20,000) | Some costs to be covered through insurance | - | | | - | | | | | - | |
| Main road waste management moloks | (21,000) | Moloks added to main FCA road | - | | | - | | | | | - | |
| Loggers and telemetry watershed-wide | - | | 24,500 | | 24,500 | - | For installation at Waubuno site | 15,800 | | 15,800 | - | Pottersburg bubbler |
| Former Children's Safety Village renovations | (70,000) | | - | 50,000 | 50,000 | - | RBC-sponsored LED work | | | | - | |
| Category 1 General Distribution Reserve | | | | | | | | | | | | |
| Lands projects and plans | - | | - | \$75,000 | 270,100 | (195,100) | Plans for Fanshawe gatehouse entranceway | - | - | - | - | |
| Category 3 Campgrounds Reserve | | | | | | | | | | | | |
| Tri-park design plans for business and gatehouse | (20,000) | Starting late in 2024 | - | | 137,500 | (137,500) | WCA entrance design, business studies | | | - | - | |
| Fanshawe CA capital projects on roads, equipment and buildings | (427,937) | | - | | 1,726,000 | (1,726,000) | Mainly roadworks | | | 1,726,000 | (\$1,726,000) | |
| Pittock CA capital projects on bridge | (20,000) | | - | 75,000 | 165,000 | (90,000) | In conjunction with City of Woodstock | | | 165,000 | (90,000) | |
| Wildwood CA roads, electrical work and playground equipment | - | | - | | 705,000 | (705,000) | | | | 705,000 | (705,000) | |
| Total Other Capital Projects | (\$741,937) | | \$467,500 | \$340,000 | \$3,782,100 | (\$2,974,600) | | \$458,800 | \$50,000 | \$3,104,800 | (\$2,521,000) | |

Municipal Levies

Table 5. Municipal Levies

| Municipality | General Distribution Rates - Operating and Capital (See Table 6. Municipal Levies Detail: MCVA General Distribution) | | | | | | | Benefit-based Distribution Rates** - Operating and Capital (See Table 7. Municipal Levies Detail: Benefit-based Distribution) | | | | | | | | Category 1 Mandatory Program Levy |
|--------------------|---|------------------------------------|--------------------|--------------|------------------------------------|-------------|--|--|-------------|---|--------------|--|--------------|--|--------------|--|
| | Clean Water Act | Conservation Authorities Act | Clean Water Act | | Conservation Authorities Act | | Category 1 Levy: General Distribution | Structure 100% (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) | | Category 1 Levy: Benefit- based Distribution | | |
| | 2024 MCVA % | 2024 MCVA % | 2025 MCVA % | 2025 Levy | 2025 MCVA % | 2025 Levy | Total | Structure | 2025 Levy | % | 2025 Levy | % | 2025 Levy | Total | Total | |
| Oxford County | 16.9295 | 16.9810 | 16.9550 | | 17.0065 | \$1,248,765 | \$1,248,765 | Ingersoll Channel | \$28,000 | 1.020 | \$9,789 | 62.120 | \$158,407 | \$196,196 | \$1,444,961 | |
| London | 63.8935 | 64.0880 | 63.8549 | | 64.0489 | 4,703,017 | 4,703,017 | Fanshawe Dam | 592,500 | 83.843 | 804,374 | 36.743 | 93,694 | 5,988,369 | 10,691,386 | |
| | | | | | | | | London Dykes | 4,491,500 | | | | | | | |
| | | | | | | | | Springbank Dam | 6,300 | | | | | | | |
| Lucan Biddulph | 0.3497 | 0.3507 | 0.3554 | | 0.3565 | 26,179 | 26,179 | - | - | 0.021 | 205 | 0.021 | 55 | 260 | 26,439 | |
| Thames Centre | 3.1877 | 3.1974 | 3.2362 | | 3.2460 | 238,349 | 238,349 | Dorchester CA Dam | 2,500 | 0.195 | 1,868 | 0.195 | 497 | 23,865 | 262,214 | |
| | | | | | | | | Dorchester Mill Pond Dam | 19,000 | | | | | | | |
| Strathroy-Caradoc* | 0.3034 | | 0.3029 | | | | | - | - | - | | - | | - | - | |
| Middlesex Centre | 2.4364 | 2.4438 | 2.4647 | | 2.4722 | 181,530 | 181,530 | - | - | 0.148 | 1,423 | 0.148 | 378 | 1,801 | 183,331 | |
| Stratford | 7.1849 | 7.2068 | 7.1492 | | 7.1709 | 526,548 | 526,548 | RT Orr Dam | 250,915 | 0.430 | 4,128 | 0.430 | 1,097 | 297,946 | 824,494 | |
| | | | | | | | | Stratford Channel | 41,806 | | | | | | | |
| Perth East | 1.4139 | 1.4182 | 1.4085 | | 1.4128 | 103,741 | 103,741 | Shakespeare Dam | 5,000 | 0.085 | 813 | 0.085 | 216 | 6,029 | 109,770 | |
| West Perth | 1.4853 | 1.4899 | 1.4573 | | 1.4617 | 107,331 | 107,331 | Fullarton Dam | 164,000 | 0.088 | 841 | 0.088 | 224 | 369,629 | 476,960 | |
| | | | | | | | | Mitchell Dam | 204,564 | | | | | | | |
| St Marys | 1.4560 | 1.4604 | 1.4585 | | 1.4630 | 107,423 | 107,423 | St Marys Floodwall | 65,000 | 14.088 | 135,156 | 0.088 | 224 | 200,379 | 307,803 | |
| Perth South | 1.1594 | 1.1629 | 1.1556 | | 1.1591 | 85,113 | 85,113 | - | - | 0.070 | 667 | 0.070 | 177 | 845 | 85,957 | |
| South Huron | 0.2003 | 0.2009 | 0.2018 | | 0.2024 | 14,860 | 14,860 | - | - | 0.012 | 116 | 0.012 | 31 | 147 | 15,007 | |
| Zorra | - | - | - | | - | - | - | Embro Dam | 40,000 | - | | - | - | 49,000 | 49,000 | |
| | | | | | | | | Harrington Dam | 9,000 | | | | | | | |
| South-West Oxford | | | | | | | | Centreville Dam | 38,629 | - | | - | | 38,629 | 38,629 | |
| Total | 100 | 100 | 100 | - | 100 | \$7,342,855 | \$7,342,855 | | \$5,958,714 | 100 | \$959,382 | 100 | \$255,000 | \$7,173,096 | \$14,515,951 | |

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

**The UTRCA uses a benefit-based method to apportion the operating expenses and capital costs for the 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 (Ontario Regulation 402/22 Section 7(6)).

Table 6. Municipal Levies Detail: MCVA General Distribution

| Category 1 Mandatory Programs | Expenses | Municipal Support |
|--|---------------------|--------------------|
| Environmental Planning and Regulations | | |
| - Regulations under S28.1 Natural Hazards | \$1,420,423 | \$899,000 |
| - Planning Activities | 1,409,998 | 881,077 |
| Water Management | | |
| - Flood Forecasting and Warning | 734,449 | 585,848 |
| - Infrastructure Operations and Maintenance (Table 7. Municipal Levies Detail: Benefit-based Distribution) | 1,840,698 | 1,219 |
| - Mapping, Studies, and Information Management | 1,400,575 | 1,344,000 |
| - Climate Change Risk and Mitigation | 276,246 | 184,444 |
| - Low Water Response | 11,108 | 13,000 |
| - Natural Hazards Outreach and Education | 511,029 | 383,064 |
| Land Management | | |
| - Lands Management (Risk, Encroachment, Enforcement) | 763,562 | 744,500 |
| - Lands Strategies (including Acquisition and Disposition) | 46,843 | 52,000 |
| - Public Access for Passive Recreation (Table 7. Municipal Levies Detail: Benefit-based Distribution) | 1,516,536 | 904,252 |
| - Natural Heritage Conservation on UTRCA lands | 437,149 | 51,250 |
| Provincial Water Monitoring | 180,675 | 170,675 |
| Drinking Water Source Protection | 559,161 | - |
| Watershed Management Strategy Implementation | 181,158 | 181,158 |
| Essential Corporate Costs | 1,198,056 | 479,869 |
| Total Operating Levy | 12,487,669 | 6,875,355 |
| Capital Maintenance Levy (not flood-control related) | 3,757,600 | 467,500 |
| Total Costs to Levy (MCVA General Distribution) | \$16,245,269 | \$7,342,855 |

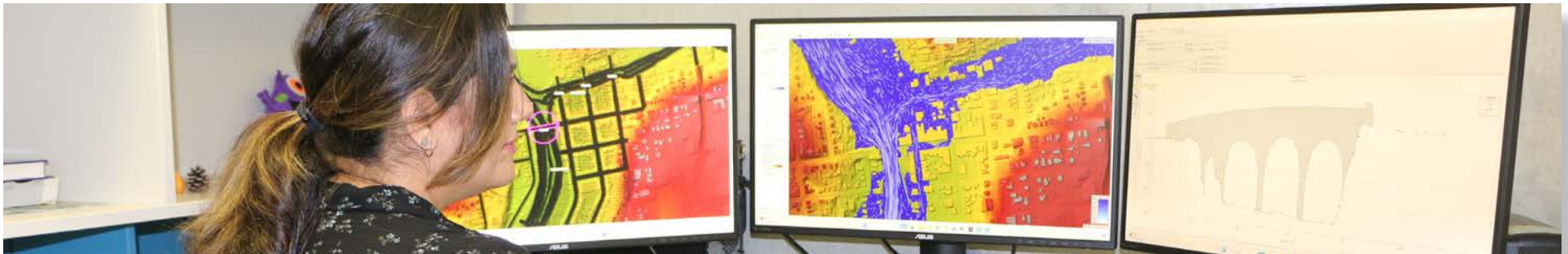


Table 7. Municipal Levies Detail: Benefit-based Distribution

| Structure | Passive Recreation | Infrastructure Operation and Maintenance | | Benefit-based Total for Structures |
|------------------------------------|-------------------------------|--|---|------------------------------------|
| | Dam Operation and Maintenance | Flood Control Structures - Operating, Routine and Preventative Maintenance | Capital Repairs and Environmental Assessments | |
| Fanshawe Dam | - | \$537,500 | \$55,000 | \$592,500 |
| Wildwood Dam | - | 376,500 | 582,882 | 959,382 |
| Pittock Dam | - | 250,000 | 5,000 | 255,000 |
| London Dykes | - | 46,000 | 4,445,500 | 4,491,500 |
| St. Marys Floodwall | - | 65,000 | - | 65,000 |
| Ingersoll Channel | - | 28,000 | - | 28,000 |
| Stratford Channel | - | 21,000 | 20,806 | 41,806 |
| Springbank Dam | \$6,300 | - | - | 6,300 |
| RT Orr Dam | 55,915 | - | 195,000 | 250,915 |
| Mitchell Dam | 80,000 | - | 124,564 | 204,564 |
| Harrington Dam | 2,000 | - | 7,000 | 9,000 |
| Embro Dam | 13,000 | - | 27,000 | 40,000 |
| Fullarton Dam | 59,000 | - | 105,000 | 164,000 |
| Shakespeare Dam | 1,000 | - | 4,000 | 5,000 |
| Dorchester CA Dam | 500 | - | 2,000 | 2,500 |
| Dorchester Mill Pond Dam | 4,500 | - | 14,500 | 19,000 |
| Centreville Dam | 4,000 | - | 34,629 | 38,629 |
| Total Levies for Structures | \$226,215 | \$1,324,000 | \$5,622,881 | \$7,173,096 |



Table 8. Year over Year Comparison of Total Municipal Contributions

| Municipality | 2024 | | | | | | 2025 | | | | | |
|--------------------------|--------------|--|--|-----------------------------|--|-------------------------------|--------------|--|--|--------------------------|--|-------------------------------|
| | MCVA 2024 | General MCVA Distribution (Operating and Capital) | Benefit- based Distribution (Operating and Capital) | Total Levy Category 1 | General MCVA Distribution (Operating programs) Category 3 Cost Apportion- ment | Total Municipal Support | MCVA 2025 | General MCVA Distribution (Operating and Capital) | Benefit -based Distribution (Operating and Capital) | Total Levy Category 1 | General MCVA Distribution (Operating programs) Category 3 Cost Apportion- ment | Total Municipal Support |
| Oxford County | 16.981 | \$1,083,785 | \$260,556 | \$1,344,341 | \$103,236 | \$1,447,577 | 17.0065 | \$1,248,765 | \$196,196 | \$1,444,961 | \$106,487 | \$1,551,448 |
| London | 64.088 | 4,090,313 | 1,712,282 | 5,802,596 | 389,623 | 6,192,219 | 64.0489 | 4,703,017 | 5,988,369 | 10,691,386 | 401,046 | 11,092,432 |
| Lucan Biddulph | 0.3507 | 22,383 | 187 | 22,570 | 2,132 | 24,702 | 0.3565 | 26,179 | 260 | 26,439 | 2,232 | 28,671 |
| Thames Centre | 3.1974 | 204,069 | 5,707 | 209,776 | 19,439 | 229,215 | 3.2460 | 238,349 | 23,865 | 262,214 | 20,325 | 282,539 |
| Strathroy Caradoc | - | | | - | | - | - | | | 0 | | 0 |
| Middlesex Centre | 2.4438 | 155,972 | 1,305 | 157,276 | 14,857 | 172,133 | 2.4722 | 181,530 | 1,801 | 183,331 | 15,480 | 198,811 |
| Stratford | 7.2068 | 459,962 | 92,489 | 552,452 | 43,814 | 596,266 | 7.1709 | 526,548 | 297,946 | 824,494 | 44,901 | 869,395 |
| Perth East | 1.4182 | 90,514 | 1,757 | 92,271 | 8,622 | 100,893 | 1.4128 | 103,741 | 6,029 | 109,770 | 8,846 | 118,616 |
| West Perth | 1.4899 | 95,090 | 130,937 | 226,028 | 9,058 | 235,086 | 1.4617 | 107,331 | 369,629 | 476,960 | 9,153 | 486,113 |
| St Marys | 1.4604 | 93,208 | 134,910 | 228,118 | 8,879 | 236,997 | 1.4630 | 107,423 | 200,379 | 307,802 | 9,161 | 316,963 |
| Perth South | 1.1629 | 74,220 | 621 | 74,841 | 7,070 | 81,911 | 1.1591 | 85,113 | 845 | 85,958 | 7,258 | 93,216 |
| South Huron | 0.2009 | 12,822 | 107 | 12,929 | 1,221 | 14,150 | 0.2024 | 14,860 | 147 | 15,007 | 1,267 | 16,274 |
| Zorra | - | | 52,500 | 52,500 | | 52,500 | - | | 49,000 | 49,000 | | 49,000 |
| South-West Oxford | - | | 4,000 | 4,000 | | 4,000 | - | | 38,629 | 38,629 | | 38,629 |
| Total | 100 | \$6,382,339 | \$2,397,358 | \$8,779,698 | \$607,951 | \$9,387,649 | 100 | \$7,342,856 | \$7,173,095 | \$14,515,951 | \$626,156 | \$15,142,107 |

Notes:

- General MCVA distribution is applied to watershed-wide programs and services.
- Benefit-based distribution is structure-specific to the benefitting municipality / municipalities.

Reserves

In 2024, the UTRCA's reserves will be restructured to reflect the changes produced by the segregation of programs and services into categories. At the same time, the Board will review new Budgetary and Reserves Policies to help guide the development of future budgets and to enable more careful consideration of reserve balances resulting from budget approvals.

The UTRCA's new budget planning tool, Questica, allows staff to forecast farther into the future and to predict future reserve balances. Financial planning is imperfect, however, and dependent on program managers' cost estimates and visions of possible future grants or fees for services.

The Reserve Forecast below identifies restructured reserve balances and the effect the 2024 approved budget would have had on those balances. That is the "As Planned" section.

The "As Expected" section attempts to define how actual results in 2024 may impact reserve balances. Against those are added the effects of the draft 2025 operating and capital budgets.

Some reserves clearly experience larger changes each year, and capital spending can be a significant part of each year's plans. The large swing in Category 1 reserves from a deficit of \$1,189,252 in the 2024 Approved Budget to a modest surplus of \$73,334 in the 2025 Draft Budget is glaring. That \$1.3M change was intentional as reserves are insufficient for continued delivery of these mandatory programs and services without adequate resources.

The UTRCA has also reached the point where capital spending must be fully funded as it is planned to take place. This approach implies consistent and likely increasing costs to member municipalities, particularly those with significant repairs at water and erosion control structures.

The campgrounds, fortunately, have a healthy reserve. When long-deferred capital spending takes place, it will be conducted with consideration for the ability of the campground operations to support the cost into the future.

In summary, should forecast 2024 financial results come to pass, and the 2025 Draft Budget is approved, we expect that the total reserve balance will begin to move in a positive direction again.

Table 9. Reserves Forecast

| As Planned | Total Reserves | Category 1 General Reserves | Lands Reserves | Donor Reserves | Capital Asset Renewal | Structures Reserves | Long-term Investment Reserve | Category 2 | Category 3 | Category 3 Campgrounds |
|---------------------------------|--------------------|-----------------------------|-----------------|-----------------|-----------------------|---------------------|------------------------------|----------------|--------------------|------------------------|
| Actual Opening 2024 | \$6,093,512 | (\$535,900) | \$30,859 | \$82,379 | \$1,866,194 | \$1,532,262 | \$146,228 | | (\$90,368) | \$3,061,858 |
| Approved Budget 2024: Operating | (929,825) | (1,189,252) | | 341 | | (44,298) | 25,000 | \$3,793 | (406,494) | 681,085 |
| Approved Budget 2024: Capital | (2,762,085) | | | | (280,000) | (173,148) | | | | (2,308,937) |
| Approved for End of 2024 | \$2,401,602 | (\$1,725,152) | \$30,859 | \$82,720 | \$1,586,194 | \$1,314,816 | \$171,228 | \$3,793 | (\$496,862) | \$1,434,006 |

| As Expected | Total Reserves | Category 1 General Reserves | Lands Reserves | Donor Reserves | Capital Asset Renewal | Structures Reserves | Long-term Investment Reserve | Category 2 | Category 3 | Category 3 Campgrounds |
|----------------------------------|--------------------|-----------------------------|-----------------|-----------------|-----------------------|---------------------|------------------------------|----------------|--------------------|------------------------|
| Actual Opening 2024 | \$6,093,512 | (\$535,900) | \$30,859 | \$82,379 | \$1,866,194 | \$1,532,262 | \$146,228 | | (\$90,368) | \$3,061,858 |
| Forecast Actuals 2024: Operating | 51,571 | (575,107) | | 63 | | (18,124) | 105,000 | \$3,793 | 30,560 | 505,386 |
| Forecast Actuals 2024: Capital | (915,085) | | | | (274,000) | (173,148) | | | | (467,937) |
| Draft Budget 2025: Operating | 271,447 | 73,334 | | (1,471) | | (178,649) | 80,000 | 3,449 | (71,341) | 366,125 |
| Draft Budget 2025: Capital | (2,697,219) | (195,100) | | | (121,000) | 277,381 | | | | (2,658,500) |
| Expected End of 2025 | \$2,804,226 | (\$1,232,773) | \$30,859 | \$80,971 | \$1,471,194 | \$1,439,722 | \$331,228 | \$7,242 | (\$131,149) | \$806,932 |

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 uses 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 20 for details).

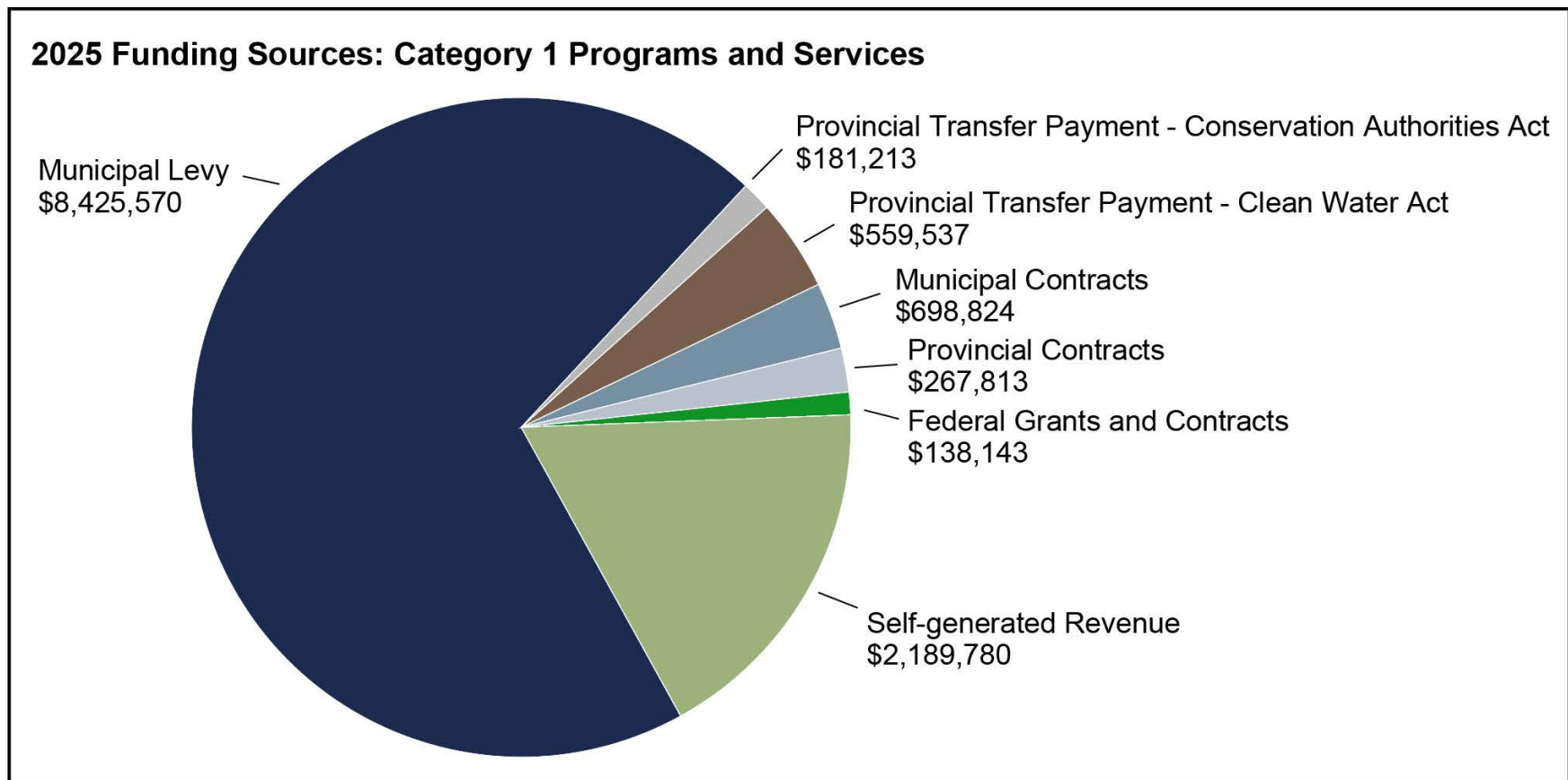


Table 10. Category 1 Operating Budget

| 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 | \$1,957,272 | \$2,780,680 | \$1,569,540 | \$110,143 | \$315,803 | \$152,027 | \$3,197,641 | \$10,083,106 |
| Property-related Expenses | 1,000 | 167,390 | 226,410 | - | - | - | 349,000 | 743,800 |
| Technical and Consulting Services | 103,000 | 50,340 | 58,406 | - | 146,484 | - | 288,805 | 647,035 |
| Computers and Communications | 23,500 | 83,362 | 18,844 | 5,000 | 27,779 | - | 354,410 | 512,895 |
| Insurance and Risk Management | 3,972 | 50,429 | 37,471 | 1,986 | - | - | 298,225 | 392,083 |
| Materials and Supplies | 200 | 85,653 | 68,257 | 2,000 | 700 | - | 210,280 | 367,090 |
| Staff Travel, PD, PPE, Uniforms | 17,800 | 17,864 | 29,654 | - | 6,485 | - | 98,700 | 170,503 |
| Fleet-related Expenses | - | - | - | - | - | - | 179,600 | 179,600 |
| Banking Expenses | - | - | - | - | - | - | 20,000 | 20,000 |
| Other | - | 6,820 | - | - | - | - | - | 6,820 |
| Depreciation Expenses | - | 654,072 | 220,303 | - | - | - | 556,868 | 1,431,243 |
| Corporate Allocations | 723,677 | 877,497 | 535,202 | 61,546 | 61,910 | 29,131 | (4,355,471) | (2,066,507) |
| Total Operating Expenses | \$2,830,421 | \$4,774,107 | \$2,764,087 | \$180,675 | \$559,161 | \$181,158 | \$1,198,058 | \$12,487,667 |

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 the Ontario Ministry of Natural Resources (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.

Legislative Changes

- 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.
- New Ontario Regulation 41/24 - Prohibited Activities, Exemptions and Permits under Section 28 of the Conservation Authorities Act, effective April 1, 2024. requires new regulatory processes, administrative procedures and new policies.
- S28 Conservation Authorities Act - Consultation on and updating of natural hazard maps to inform planning and development applications.



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 flows 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.
- Asset management planning for water and erosion control structures will continue building on the mandatory asset management plans for flood control, flow augmentation, and erosion control structures, to incorporate other UTRCA assets including recreational water control structures. Operational plans will be developed for recreational water control structures, similar to the mandatory deliverables required for the flood control and flow augmentation structures.



Land Management

The UTRCA provides public access for passive recreation on 3200 hectares of conservation lands at Fanshawe, Wildwood, and Pittcock 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.

The UTRCA has prepared a Conservation Areas and Lands Strategy to meet the requirements for a strategy for conservation area owned or managed lands, as set out in the Conservation Authorities Act and Ontario Regulation 686/21 (Mandatory Programs and Services). The UTRCA has also prepared two other, related, mandatory documents, namely a Land Inventory and a Land Acquisition and Disposition Policy.

The Lands Strategy provides guiding principles, goals, and objectives for UTRCA owned or managed lands, which include conservation areas as well as other categories of lands. Staff also developed a Lands Strategy Implementation Plan that will guide implementation for the next 10 years. The plan contains management recommendations at the property type level (e.g., rural conservation areas, wetlands, large conservation areas, etc.).

The Lands Strategy involves a multi-faceted approach that integrates conservation, sustainable land management practices, and community engagement. It will be a valuable resource for the UTRCA and will provide clarity to watershed municipalities, residents, partners, and other interest holders regarding the UTRCA's vision for our lands for future generations.



Provincial Water Monitoring

The UTRCA monitors surface water at 24 Provincial Water Quality Monitoring Network sites on a monthly basis (April to November). Water quality has been monitored in the Upper Thames watershed since the 1960s through this program, 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 were changed to biennial water quality sampling in 2023 at the discretion of MECP. Groundwater quantity is monitored year-round at all wells.

No provincial funding is received for the surface water program, and limited funding is received for the groundwater program.



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 funded by the province.



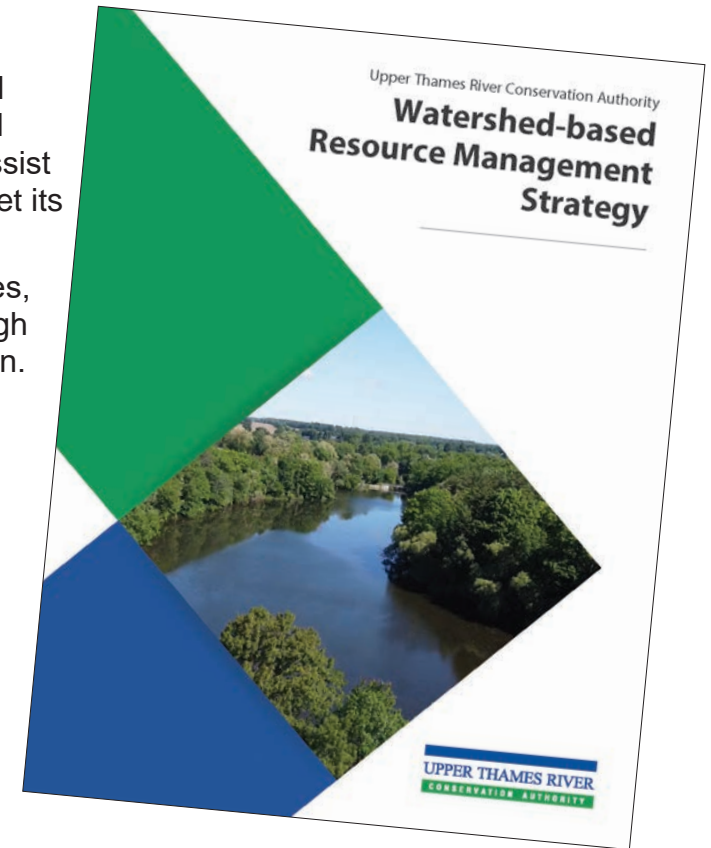
Watershed Management Strategy Implementation

The UTRCA has prepared a Watershed Strategy to meet the requirements for a Watershed-based Resource Management Strategy as set out under Section 21.1 of the Conservation Authorities Act (CA Act) and Ontario Regulation 686/21 (Mandatory Programs and Services). The goal of the Watershed Strategy is to ensure that the UTRCA's programs and services address watershed issues and priorities and reflect the organization's mandate under the CA Act.

The strategy sets out the UTRCA's guiding principles and objectives and updates the inventory of programs and services, assessing resource conditions, trends, risks, and issues that impact the effective delivery of its mandatory and municipal programs and services. It also identifies desirable future programs, services, and actions that will assist the UTRCA in delivering its mandatory and municipal programs and services and meet its objectives and long-term goals.

The strategy is being developed with input from UTRCA staff, watershed municipalities, Indigenous communities, interest holders, and the public. Information gathered through consultation efforts will be used to develop a Watershed Strategy Implementation Plan. The plan will include:

- List of challenges, issues, and risks that limit the effectiveness of the mandatory programs and services,
- Identification of gaps in programs and services needed to address the issues and mitigate the high priority risks,
- Determination of whether the programs and services comply with the regulations under 40(1)(b) of the CA Act,
- Cost estimate and high-level work plan for the implementation of those actions, if the opportunity arises and funding is available.



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 \$2,068,922 in corporate costs is allocated to the following categories of programs, which are not funded by municipal levy:

- \$265,374 to Category 2 programs,
- \$1,201,345 to Category 3 programs, and
- \$602,203 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).

2025 Funding Sources: Category 2 Programs and Services

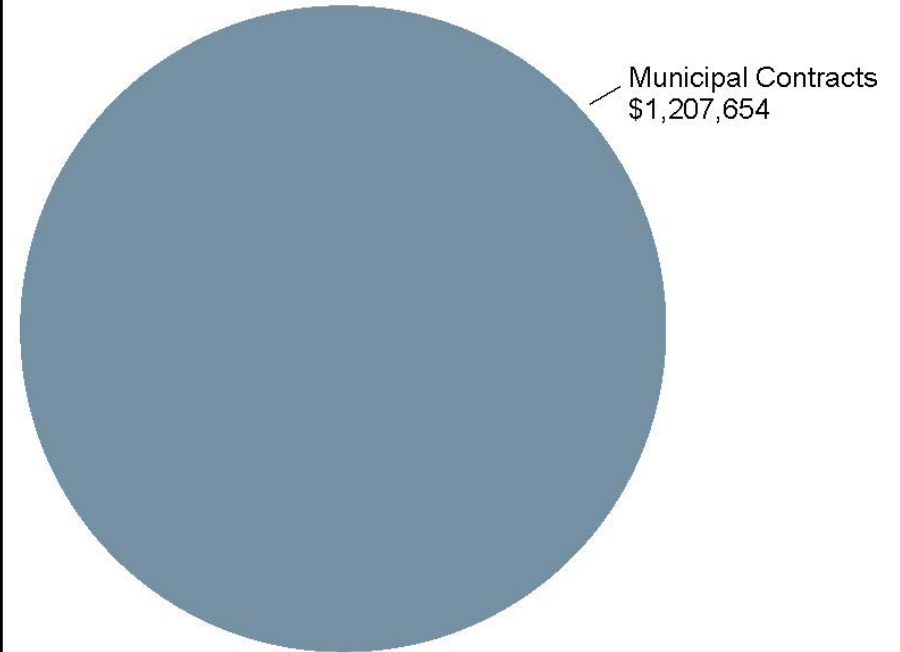


Table 11. Category 2 Operating Budget

| 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 | \$565,725 | \$69,298 | \$122,764 | \$757,787 |
| Property-related Expenses | 36,175 | - | 800 | 36,975 |
| Technical and Consulting Services | - | - | 28,920 | 28,920 |
| Computers and Communications | 2,300 | - | 12,800 | 15,100 |
| Insurance and Risk Management | - | - | 2,000 | 2,000 |
| Materials and Supplies | 67,600 | - | 10,000 | 77,600 |
| Staff Travel, PD, PPE, Uniforms | 13,650 | - | 6,800 | 20,450 |
| Fleet-related Expenses | - | - | - | - |
| Banking Expenses | - | - | - | - |
| Other | - | - | - | - |
| Depreciation Expenses | - | - | - | - |
| Corporate Allocations | 202,409 | 24,792 | 38,172 | 265,374 |
| Total Operating Expenses | \$887,859 | \$94,091 | \$222,256 | \$1,204,205 |

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, install and maintain flow devices in City of London stormwater management infrastructure (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.



VISIT AND DISCOVER
www.protectingourwater.ca

Information about your community's
sources of drinking water and what you
can do to protect them.

Your nearest Hazardous Waste Depot location.

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 are funded largely through contracts and grants, most of which require some financial support from municipalities. The budget reflects significant funding from the Canada Water Agency for phosphorus reduction programs.

2025 Funding Sources: Category 3 Programs and Services

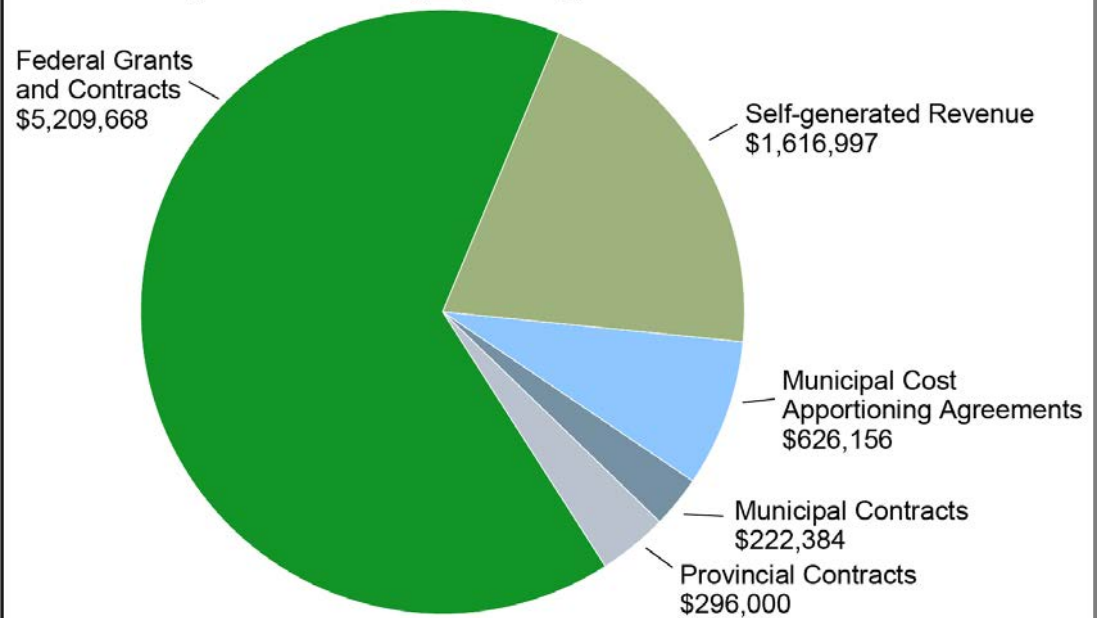


Table 12. Category 3 Operating Budget

| Expenses by Type | Community Partnerships and Education | Water Quality Database Management | Ecological Monitoring | Land Stewardship Programs | Land Lease Management | Total |
|-----------------------------------|--------------------------------------|-----------------------------------|-----------------------|---------------------------|-----------------------|--------------------|
| Wages and Benefits | \$605,384 | \$37,772 | \$422,199 | \$1,057,214 | \$91,887 | \$2,214,456 |
| Property-related Expenses | 20,260 | - | 1,000 | 282,500 | 296,275 | 600,035 |
| Technical and Consulting Services | 560 | 60,000 | 38,244 | 132,600 | 55,500 | 286,904 |
| Computers and Communications | 3,720 | 10,525 | 10,764 | 5,250 | 2,060 | 32,319 |
| Insurance and Risk Management | 1,988 | - | 139 | 2,306 | 12,263 | 16,696 |
| Materials and Supplies | 78,615 | - | 1,500 | 300,450 | 48,980 | 429,545 |
| Staff Travel, PD, PPE, Uniforms | 5,340 | 800 | 1,125 | 11,700 | 3,860 | 22,825 |
| Fleet-related Expenses | - | - | - | 800 | 1,515 | 2,315 |
| Banking Expenses | - | - | - | - | - | - |
| Other | 17,280 | - | 22,200 | 3,166,800 | 8,800 | 3,215,080 |
| Depreciation Expenses | - | 4,914 | 1,584 | - | 14,528 | 21,026 |
| Corporate Allocations | 195,496 | 11,956 | 135,500 | 831,866 | 26,528 | 1,201,345 |
| Total Operating Expenses | \$928,643 | \$125,967 | \$634,255 | \$5,791,486 | \$562,196 | \$8,042,546 |

Table 13. Category 3 Municipal Cost Apportioning Agreements

| Municipality | 2025 MCVA % | Category 3 Cost Apportionment |
|---------------------|---------------|-------------------------------|
| Oxford County | 17.0065 | \$106,487 |
| London | 64.0489 | 401,046 |
| Lucan Biddulph | 0.3565 | 2,232 |
| Thames Centre | 3.2460 | 20,325 |
| Strathroy Caradoc | - | 0 |
| Middlesex Centre | 2.4722 | 15,480 |
| Stratford | 7.1709 | 44,901 |
| Perth East | 1.4128 | 8,846 |
| West Perth | 1.4617 | 9,153 |
| St Marys | 1.4630 | 9,161 |
| Perth South | 1.1591 | 7,258 |
| <i>South Huron*</i> | <i>0.2024</i> | <i>1,267</i> |
| Zorra | - | 0 |
| South-West Oxford | - | 0 |
| Total | 100 | \$626,156 |

*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.



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 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 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.

In late 2024, the UTRCA entered into an agreement with the Canada Water Agency to deliver a five-year program. This initiative will identify areas of the watershed with the potential to produce and deliver higher amounts of phosphorus to the Thames River, and create and deliver a BMP implementation program to address the priority areas. The UTRCA will also develop a second demonstration farm highlighting on-farm drainage water recycling, in the Township of Perth South near Wildwood Conservation Area. The initiative will establish comprehensive water quality sampling across UTRCA subwatersheds to track seasonal variations and trends in phosphorus concentrations across the watershed. There will be extensive communications and outreach efforts to promote uptake and long-term maintenance of BMPs, and to share project results with interest holders, farmers, certified crop advisors, and other extension staff.



Ecological Monitoring

The UTRCA supports science-based decisions through environmental monitoring programs that include 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.



Property Lease Management

Management of the UTRCA land lease 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.

2025 Funding Sources: Other Category 3 Programs and Services - Campground Operations

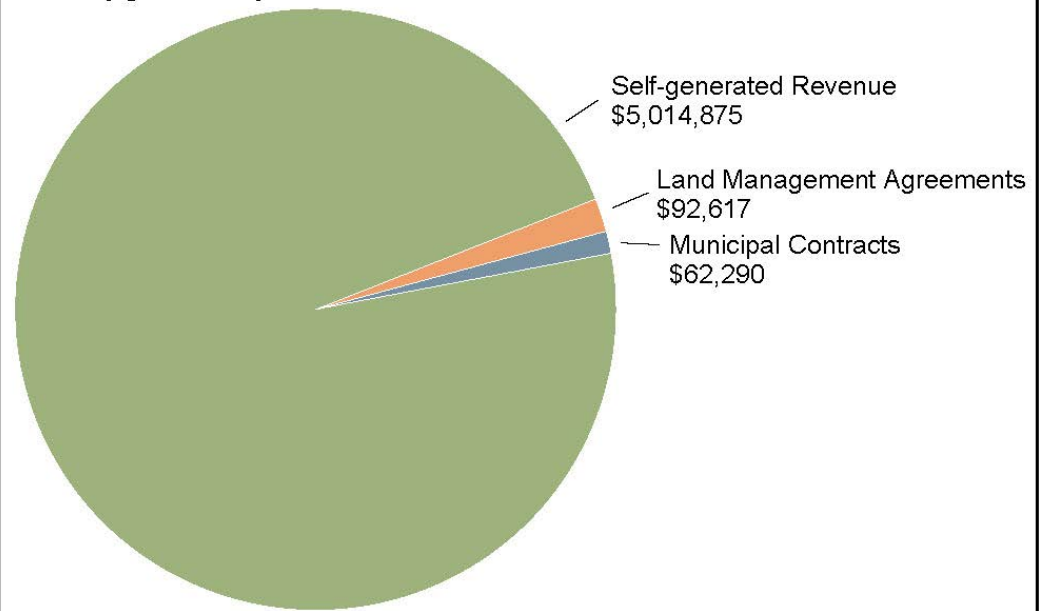


Table 14. Other Category 3 (Campground Operations) Operating Budget

| Expenses by Type | Cost |
|-----------------------------------|--------------------|
| Wages and Benefits | \$2,509,563 |
| Property-related Expenses | 872,601 |
| Technical and Consulting Services | 203,118 |
| Computers and Communications | 18,362 |
| Insurance and Risk Management | 117,075 |
| Materials and Supplies | 286,646 |
| Staff Travel, PD, PPE, Uniforms | 41,233 |
| Fleet-related Expenses | 4,500 |
| Banking Expenses | - |
| Other | - |
| Depreciation Expenses | 148,356 |
| Corporate Allocations | 602,203 |
| Total Operating Expenses | \$4,803,657 |



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. As a result of this increased interest and use, the operating dates for day-use were extended in 2024 to cover the period from April 1 through to November 30.

The state of the conservation areas and the infrastructure within them has remained 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 stakeholder consultations, conservation area business plans and asset management plans are planned and are underway.



About Us

The Upper Thames River Conservation Authority (UTRCA) is a local watershed management agency that delivers programs and services to protect and manage impacts on water and other natural resources, in partnership with all levels of government, landowners, and many other organizations. The UTRCA promotes an integrated watershed management approach that balances human, environmental, and economic needs.

The UTRCA works in partnership with the 17 municipalities in the Upper Thames River watershed. These municipalities appoint 15 members to the Board of Directors, which sets the UTRCA's overall policy direction and is responsive to local issues and concerns.

The UTRCA is dedicated to achieving a healthy environment on behalf of the member municipalities, by:

- Leading through expertise, diversity, and accountability,
- Supporting sustainable organizational practices and policies,
- Protecting people and property from flood and erosion hazards and supporting safe development,
- Protecting and enhancing water quality and a sustainable water supply,
- Making science-based decisions and delivering landowner stewardship,
- Providing natural spaces and recreational opportunities, and
- Empowering communities and youth.

The UTRCA undertakes watershed-based programs to protect people and property from flooding and other natural hazards, and to conserve natural resources for economic, social, and environment benefits. Positive actions in one part of the watershed have positive impacts downstream. All municipalities benefit when these programs are undertaken on a watershed basis.

