



July 13, 2020

Honourable John Yakabuski  
Ministry of Natural Resources and Forestry  
99 Wellesley Street West  
Suite 6630, 6<sup>th</sup> Floor  
Toronto, ON M7A 1W3

Dear Minister Yakabuski,

### **Funding of Water and Erosion Control Infrastructure**

We are writing you today on behalf of the Board of Directors of the Mississippi Valley Conservation Authority (MVCA), which is comprised of representatives from 10 municipalities located in the counties of Lennox & Addington, Frontenac, and Lanark, and from the City of Ottawa.

The purpose of this letter is to inform you that current provincial funding of water and erosion control infrastructure needs to be increased to protect the people and economy of our watershed; and to ask that you exercise your role as Minister of Natural Resources and Forestry to address this short-fall in funding. Specifically, the annual funding envelope needs to significantly increase from its current amount - set in 2003 - to meet current demands. In addition, the rules governing the spending of grants must be eased to address construction season limitations and unforeseen delays that often occur during engineered construction projects. (See attached letter from the Water and Erosion Control Infrastructure Committee on this matter.)

Our issue—underfunding of the Water and Erosion Control Infrastructure (WECI) program, is about protecting people during flood events and about ensuring they have adequate water for drinking, sanitation, irrigation, hydrogeneration, and recreational tourism—a mainstay of our economy.

The Mississippi River drops approximately 200 m over 200 km, and is one of the largest watersheds in southern Ontario. This tremendous drop in river elevation combined with the size of the watershed necessitates flood and erosion control to protect commercial interests and downstream communities. To that end, the MVCA owns and manages 11 dams, operates and maintains another four owned by the Ministry of Natural Resources and Forestry (MNRF), and supports operation and maintenance of two facilities on behalf of Ontario Power Generation (OPG).

In accordance with provincial laws, MVCA also regulates development to mitigate future flood impacts in the Mississippi River and Carp River watersheds, and approximately 283 km<sup>2</sup> that drain directly to the Ottawa River. As you may be aware, we have experienced two extreme flood events and two droughts in our jurisdiction in the past four years.

The Authority recently received notice from the MNRF that it will not receive any funding this year for reconstruction of our Shabomeka Lake Dam, or for an Environmental Assessment to replace the Kashwakamak Lake Dam, both located in the Township of North Frontenac. These two facilities are in the upper watershed and are among our largest dams. They are both over 100 years old and play a critical role in mitigating flooding to over 2,400 flood-prone properties downstream.

Under summer and drought conditions, MVCA water control structures help to maintain recreational lake levels which support a tourism sector valued at over \$50 million annually in Lanark County alone. Dams in the watershed also help ensure adequate flow for drinking water systems, and support wastewater systems in the towns of Carleton Place and Almonte, with a combined population of approximately 16,000. In short, these water control structures are important to the lives and livelihoods of taxpayers in our watershed.

In 2020, only 59 of the 102 applications submitted to the WECl program were funded. The Shabomeka and Kashwakamak projects, with a combined grant request of \$550k, were just two of the projects that did *not* receive funding. As the WECl program is only funded at \$5 million annually, these projects demonstrate that funding of the WECl program must increase to address the risk posed to Ontarians in light of aging infrastructure in a changing climate.

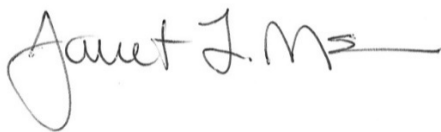
This problem is exacerbated by overly restrictive program requirements, namely: applicants must fully expend grant allocations in less than a year (in practical terms less than 6 months); and return any unspent funds to provincial reserves rather than carrying them over to the next fiscal year or reallocating them to other deserving WECl projects. In 2019, these restrictions saw over \$800k or almost 20% of program funds returned to the province rather than going towards investment in water and erosion control infrastructure in Ontario.

In November 2019, the Premier received the report of the Special Advisor on Flooding who recommended “multi-year” funding of the WECl program and, “at minimum”, no further funding cuts. In March 2020, the province issued *Protecting People and Property: Ontario's Flooding Strategy* wherein it committed to continue its “cost share funding arrangement with municipalities through the WECl program in order to support high priority repairs to conservation authority infrastructure.”

Under the WECl program, municipalities and the province share in project costs 50/50. Our municipalities have committed to pay their share of these projects. Our Board is committed to reconstructing Shabomeka Lake Dam and conducting an environmental assessment of the Kashwakamak Lake Dam in reasonable timeframes given their age, condition, and importance in the watershed. Increased funding and indexing of the WECl program would mitigate further downloading to our municipalities, and allow for timely completion of these projects.

Representatives from our Board and local councils would like to meet with you to discuss this matter. Please let us know when would be convenient to meet.

Respectfully yours,



Janet Mason,  
Board Chair



Sally McIntyre,  
General Manager

- c. MVCA Mayors and Councils  
MVCA Board of Directors  
Conservation Ontario



April 23, 2020

Kathy Woeller  
Director, Integration Branch  
Regional Operations Division, MNRF  
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Peterborough, ON, K9J 3C7  
[kathy.woeller@ontario.ca](mailto:kathy.woeller@ontario.ca)

**RE: Need for Reallocation of In-Year Water and Erosion Control Infrastructure (WECI) Funds**

Dear Ms. Woeller,

I am writing, on behalf of the Water and Erosion Control Infrastructure (WECI) Committee, to congratulate you on the speed with which your Ministry has confirmed the WECI fund, a provincial investment of \$5 million to support the maintenance of this critical infrastructure. This funding protects people and property from flooding impacts, consistent with Ontario's Flooding Strategy, and, supports an important service provided through conservation authorities in partnership with the Province and our member municipalities. It is also an important component of building healthy and safe communities.

The MNRF WECI Committee consists of senior CA staff with, cumulatively, more than 77 years of project management experience in studies and repair projects for major maintenance of critical water and erosion control infrastructure. This expertise ensures that WECI funding is allocated in the most efficient and beneficial manner possible. For over 17 years, Committee members have assisted the MNRF staff responsible for the Committee and the funding program in development of program guidelines for CA applicants, and in the review and ranking of these applications, and, in past years, reallocation of in-year funding.

The Committee is recommending that in-year funding reallocations be reinstituted for the WECI program. For 2020/2021, the funding envelope is oversubscribed by almost two-fold with an estimated total project cost of more than \$19 million for 102 project submissions from 30 CAs

across the Province. The Committee is confident that there is enough depth in the funding program applications to reallocate funding thereby maximizing a \$10 million investment in jobs and economic activity across Ontario in 2020-2021.

When dealing with major capital repair projects it is expected that project estimates at grant application time will vary from final construction costs. This occurs for many reasons, for example, material costs vary, variability in consultant and construction availability and costs, contingencies are not used, and sometimes, an unforeseen issue requiring a permit/approval arises and delays the project. In previous years, the program recognized this adjustment process throughout the funding year. Surpluses were identified during regular reporting intervals in the program and allowed for reallocation to other projects to ensure that maximum use was made of grant funding in the program which is always oversubscribed. In the past two years, these surpluses were not allowed to be reallocated and, in 2019/2020, resulted in almost \$821,000 being returned. Assuming a similar outcome for this year without in-year reallocation of funds, this would be a significant loss of potential jobs and economic activity in the current Ontario context, and lost opportunity to carry out required maintenance work.

The Committee is also recommending that MNRF undertake confirmation of funding allocations with CA project managers in advance of finalizing Transfer Payment Agreements for 2020/2021 in case there are any currently known cost changes or project cancellations. Despite this precautionary approach, it is recognized that situations may still arise for some projects over the course of the next year which may affect the feasibility or the scope and therefore the costs of the projects submitted. These situations, which may not be clear until later in the funding year for some projects, may include:

- constraints on local CA and municipal funding due to unforeseen COVID-19 pressures on 2020 budgets;
- O.Reg. 82/20 (Closure of Non-Essential Businesses) and potential supply chain disruptions (e.g. materials, consultants, contractors, etc.); and,
- Worker safety (e.g. social distancing requirements).

We trust that this letter adequately highlights the critical need for the ability to reallocate funds among WECl projects to ensure that the total project costs of \$10 million is fully spent on studies and shovel ready repair projects. These projects are an investment in jobs and economic activity (e.g. materials, consultants, contractors, etc) and are vital in protecting the people of Ontario from flood and erosion risk. This investment in critical infrastructure should be maximized to benefit local communities across the province, and ultimately, Ontario's economic recovery.

We appreciate the collaborative approach that has been taken with the WECI funding program and trust that the merit of the proposal to allow reallocation of funding will be carefully considered in support of all our efforts to continue to serve Ontarians during these challenging times.

Sincerely,

*G. Rungis*

Gus Rungis, P. Eng.,  
Chair, Water and Erosion Control Infrastructure Committee  
Senior Engineer, Water Control Infrastructure Grand River CA

c.c.:

Kim Gavine, General Manager, Conservation Ontario  
CAOs, All Conservation Authorities

Beth Brownson, A/Manager, Program Services Section, Integration Branch, Ministry of Natural Resources and Forestry (MNRF)

Dave Burritt, Supervisor, Surface Water Monitoring Centre, Integration Branch, MNRF

CA Staff, WECI Committee members:

Chris Tasker, P.Eng., Manager, Water & Information Management, Upper Thames River CA

Craig Mitchell, B.Sc., C.Tech., Senior Manager – Flood Infrastructure and Hydrometrics, Toronto and Region CA

Sandra Mancini, P.Eng., Engineering Team Lead, South Nation Conservation

CO Staff, WECI Committee members:

Bonnie Fox, Policy and Planning Manager, Conservation Ontario

Rick Wilson, Information Management Coordinator, Conservation Ontario

MNRF staff, WECI Committee member:

Scott Bates, Water Budget Program Analyst, Program Services Section, MNRF