



Finance and Administration Committee

Virtual Meeting BY ZOOM

9:00 am

June 8, 2021

AGENDA

ROLL CALL

Adoption of Agenda

Declaration of Interest (written)

1. Approval of Minutes, Finance and Administration Committee – April 9, 2021, Page # 2
2. K&P Trail and Bridge: Status and Next Steps, Report 3143/21 (Sally McIntyre), Page # 6
3. Carp River Erosion Control Project, Report 3144/21 (Sally McIntyre), Page # 11
4. NDMP Flood Risk Assessment Project – Contract Award, Report 3147/21 (Sally McIntyre)
Page # 12
5. Shabomeka Lake Dam Project: Status Update, 3145/21 (Sally McIntyre), Page # 13
6. Preliminary Financial Impact Analysis of New Regulations, Report 3146/21 (Sally McIntyre), Page #15

Other Business

ADJOURNMENT



FINANCE AND ADMINISTRATION ADVISORY COMMITTEE

Via Zoom

MINUTES

April 9, 2021

MEMBERS PRESENT:

C. Lowry, Chair
J. Atkinson
E. El-Chantiry
B. King
P. Kehoe
J. Mason
P. Sweetnam
A. Tennant

STAFF PRESENT:

S. McIntyre, General Manager
A. Millar, Treasurer
E. Levi, Recording Secretary

OTHERS PRESENT:

C. Lowry called the meeting to order at 10:00 a.m.

FAAC09/04/21-1

MOVED BY: E. El-Chantiry

SECONDED BY: P. Kehoe

Resolved, That the Agenda for the April 9, 2021 Finance & Administration Advisory Committee meeting be adopted as presented.

“CARRIED”

BUSINESS:

1. Minutes – Finance & Administration Advisory Committee Meeting – February 8, 2021

FAAC09/04/21-2

MOVED BY: J. Mason

SECONDED BY: B. King

Resolved, That the minutes of the Mississippi Valley Finance & Administration Advisory Committee meeting held on February 8, 2021 be received and approved as printed.

“CARRIED”

2. Loan Options for Shabomeka Lake Dam

Mississippi Valley Conservation Authority
Finance & Administration Advisory Committee
April 9, 2021

Page 2

A. Millar reviewed Staff Report 3121/21. Subsequent to the Board of Director's approval to secure a loan through "Infrastructure Ontario or a financial institution" for reconstruction of the Shabomeka Lake Dam, a third option to secure a loan directly from the City of Ottawa was identified. The General Manager and Treasurer will continue to explore the requirements, costs, benefits and risks of partnering with DNE to obtain a loan via Infrastructure Ontario as well as the possibility of partnering with the City of Ottawa on a debenture. This option will be presented to City of Ottawa council in May. Staff will recommend a preferred approach once these options are further explored.

E. El-Chantiry offered his assistance with moving this forward at the City and asked to remain informed of discussions between MVCA and City staff.

FAAC09/04/21-3

MOVED BY: E. El-Chantiry

SECONDED BY: P. Kehoe

Resolved, That the Committee instruct staff to negotiate borrowing options with lenders that offer a fixed interest rate for the entire debt repayment period.

"CARRIED"

3. **Amendment to 2021 Fee Schedules**

A. Millar outlined Staff Report 3122/21 where staff recommend that Schedule D of the MVCA fee schedule be updated to include costs for increased requests to deliver digital models and data which have time, cost, and risk implications. These fees are generally consistent with Rideau Valley Conservation Authority and South Nation Conservation who both charge a flat fee plus staff time for generating digital copies.

S. McIntyre advised that the majority of the requests were from consulting firms.

FAAC09/04/21-4

MOVED BY: J. Atkinson

SECONDED BY: A. Tennant

Resolved, That the Committee recommend that the Board approve amendment of Schedule D of the 2021 Fee Schedule, as presented.

"CARRIED"

4. **2021 – 2022 Insurance Renewal**

A. Millar summarized Staff Report 3123/21 regarding rate changes to MVCA's insurance premiums secured through Marsh Canada Limited. She noted the significant changes were pollution coverage notification requirements; removal of \$25,000 coverage for statutory defense under *Environmental Protection Act* for criminal charges; deductible

Mississippi Valley Conservation Authority
Finance & Administration Advisory Committee
April 9, 2021

Page 3

for vehicles increased to \$1000 from \$500; and increased cost for cyber-attacks, if MVCA wishes to increase the coverage. She noted that coverage was sufficient with the previous attack the Authority incurred.

5. CEWS Grant Update

FAAC09/04/21-5

MOVED BY: A. Tennant

SECONDED BY: P. Kehoe

Resolved, That The committee move to in-camera session for discussion of the following matter:

- **Litigation or potential litigation, including matters before administrative tribunals (e.g. Local Planning Appeal Tribunal), affecting the Authority;**

And Further Resolved, That Sally McIntyre and Angela Millar remain in the meeting.

“CARRIED”

FAAC09/04/21-6

MOVED BY: P. Kehoe

SECONDED BY: B. King

Resolved, That the committee move out of in-camera discussions.

“CARRIED”

FAAC09/04/21-7

MOVED BY: A. Tennant

SECONDED BY: B. King

Resolved, That the Committee direct staff to notify Canada Revenue Agency (CRA) of MVCA’s intent to not appeal the CEWS decision.

“CARRIED”

6. Salary Review Follow-Up

FAAC09/04/21-8

MOVED BY: E. El-Chantiry

SECONDED BY: P. Sweetnam

Resolved, That The committee move to in-camera session for discussion of the following matter:

- **Labour relations or employee negotiations;**

And Further Resolved, That Sally McIntyre and Angela Millar remain in the meeting.

“CARRIED”

FAAC09/04/21-9

MOVED BY: B. King

Mississippi Valley Conservation Authority
Finance & Administration Advisory Committee
April 9, 2021

Page 4

SECONDED BY: P. Sweetnam

Resolved, That the committee move out of in-camera discussions.

“CARRIED”

FAAC09/04/21-10

MOVED BY: P. Kehoe

SECONDED BY: E. El-Chantiry

Resolved, That the Committee recommend that the Board adjust the wage ranges for the Director of Water Resources Engineering and Manager of Planning and Regulation as set out herein, and authorize the General Manager to implement increases over the next two years, commensurate with performance.

“CARRIED”

FAAC09/04/21-11

MOVED BY: B. King

SECONDED BY: E. El-Chantiry

Resolved, That the Committee direct staff to return to the Board with a proposal for how to mitigate work load pressures in the short-term and succession planning requirements in the long-term.

“CARRIED”

ADJOURNMENT

The meeting was adjourned at 11:36 a.m.

FAAC09/04/21-12

MOVED BY: E. Eli-Chantiry

SECONDED BY: A. Tennant

Resolved, That the meeting be adjourned.

“CARRIED”

“E. Levi, Recording Secretary

C. Lowry, Chair”

REPORT

3143/21

TO:	Finance & Administration Committee
FROM:	Sally McIntyre, General Manager AND Ross Fergusson, Operations Manager
RE:	K&P Trail and Bridge: Status and Next Steps
DATE:	June 1, 2021

RECOMMENDATION

That the Finance and Administration Committee recommend that the Board direct staff to:

- a) investigate options and obtain time and cost estimates to secure clear ownership over MVCA's 35km of the K&P Trail for the purpose of purchase/sale; and**
- b) seek professional advice on the best means for restricting vehicle use of the bridge over the Clyde River.**

MVCA owns a 35 km¹ section of the K&P Trail that extends roughly from Snow Road to Barryvale. In November 2019, the Board confirmed its intent to dispose of the property. In 2020, a structural assessment of the Clyde River bridge indicated that it did not meet current standards, and the railings were replaced in partnership with the Snow Road Snowmobile Club to enable the trail to remain open during the winter of 2020/21.

Earlier this year, consultations were carried out with local stakeholders regarding long-term use of the bridge to help inform decisions regarding the construction standard to be set for replacement of the decking and railing. As well, a grant was sought to offset replacement costs. Formal discussions began with the counties of Lanark, Frontenac, and Renfrew for potential purchase of the property and, most recently, a property valuation was obtained for the Trail. The purpose of this report is to provide an update regarding findings and results to date, to outline issues of risk and liability, and to obtain direction regarding next steps.

1.0 PUBLIC CONSULTATION

Public consultation was carried out regarding replacement options for the bridge between December 17, 2020 and March 19, 2021. During this period, letters were sent to key stakeholders including businesses that have held Secondary Use Permits in recent years; a press release and

¹ Approximately 20.7 km in Lanark Highlands, 7.9 km in North Frontenac, and 6.8 km in Greater Madawaska.

social media notices were published; and a webinar was held on February 15, 2021 that was advertised in local papers. Signs were also installed at key locations on the trail. An article regarding the bridge was published in the Perth Courier and featured on Lake 88 FM. It is felt that there was good awareness in the community regarding the initiative. Nine (9) attended the webinar, which received 63 views on YouTube. Limited written response was received during the public consultation period. The following points were heard during the consultations:

- Several were unaware that the K&P Conservation Area had a Master Plan, and that the Plan stated that the trail was designated for recreational use.
- Some indicated that the trail should be maintained for recreational use only.
- Others indicated that they depend on the bridge for logging, and that the new 5 tonne limit at the bridge impacts their operations.
- Logging companies indicated that they help to maintain the trail by bringing in and grading gravel, brushing, and carrying out repairs of the culverts.
- Some have Crown Licenses and state that use of the bridge is needed to ensure success of their operation in that area.

2.0 BRIDGE COSTS AND FUNDING

Cost estimates for the recommended bridge works range from \$125,000 to \$236,000 depending upon the standard to which the bridge is repaired, as follows:

Decking	Railing	Related site works
<ul style="list-style-type: none">• \$30,000 like-for-like• \$125,000 Pre-cast concrete deck panels	<ul style="list-style-type: none">• \$20,000 all timber• \$36,000 all steel	<ul style="list-style-type: none">• \$75,000

Replacement of the railings in December 2020 was a temporary measure taken to allow the bridge to remain open last winter. A permanent railing is still required, which would be installed during replacement of the decking.

MVCA spent approximately \$20,000 in 2020 to investigate the bridge condition and prepare engineered drawings for replacement of the railings; and \$5,000 in 2021 to obtain the property valuation. A further \$99,000 is identified in the *10-year Capital Plan* for capital improvements of the bridge and trail.

The lowest cost to bring the bridge into full compliance for recreational use is approximately \$125,000. This would provide like-for-like replacement of the timber deck, with a projected life of 15 years. By comparison, concrete and proprietary decking materials cost roughly double and have an expected life of 50 years.

MVCA was unsuccessful in its grant application to the Community Foundation of Canada, but will be reapplying during the second round. If successful, the earliest that work could be carried out is late fall, and only if MVCA were to commence the design and approval processes this summer. Further investment in the design and repair of the bridge at this time is only recommended if MVCA is to be compensated by those purchasing the asset.

3.0 RISK AND LIABILITY

Several measures were implemented in December 2020 to allow for safe snowmobile use during the winter as recommended by HP Engineering Inc..² However, nothing in the consultant report provides for continued year-round use of the bridge by other vehicles.

The two elements of the existing bridge that were found to be non-compliant with current safety standards / codes are (i) the timber deck and (ii) the timber railing. These elements are considered to pose a high safety risk for public safety if they are not brought up to current safety standards; therefore, it is not recommended that this strategy be employed (i.e. maintain status quo). For the deck, this is a structural issue so if not properly addressed, failure of deck timbers could occur if loading exceeds the capacity of the timbers. For the railing, this would only be an issue if loads are actually applied to the railing (i.e. vehicular collision, cycling fall) as the railing would only be able to withstand a very low level of loading based on its current condition. In addition, the overall geometry of the railing poses a high level of risk for public safety given its height and configuration.

Some of these concerns were addressed through replacement of the railing, however, that was not a complete solution and it is recommended that additional measures be implemented to mitigate risks at the bridge. Options for consideration include:

- Install signs that indicate that the bridge is for recreational use only.
- Reduce the weight limit at the bridge from 5 tonnes a weight recommended by a qualified engineer.
- Install barriers at either end of the bridge to restrict its use to recreational use.

Unfortunately, there is a history of sign vandalism and removal along the K&P Trail and there is little confidence that signs alone will have significant or lasting impact. Barriers, depending on their design, could be moved in late fall to facilitate snowmobile use during the 2021/22 season. However, though intended as a safety measure, the addition of any barrier in the interim could

² HP Engineering Inc. *K&P TRAIL CLYDE RIVER BRIDGE (MILE 30.03) INVESTIGATION AND ANALYSIS REPORT.* February 3, 2021.

pose a safety risk to those exceeding speed limits. Professional advice would be needed to ensure that barriers were installed in a manner appropriate to the situation and intended use.

4.0 LAND REGISTRATION STATUS, VALUE AND SALE

The 1997 Provincial policy previously shared with the Board regarding the sale of Conservation Authority land was found to be out of date. The 1999 policy, currently in effect, allows for “nominal sum dispositions to municipalities” provided that “such transfers retain the lands in open space/conservation purposes” and that associated agreements “recognize the Provincial share towards the original acquisition of the land.” This supersedes previous policy and comments made regarding the need to sell conservation area properties at market rates.

Letters were sent in March 2021 to the counties of Lanark, Frontenac, and Renfrew soliciting interest in the property. They subsequently met and nominated Lanark to lead discussions with MVCA. Initial discussions have allowed for the sharing of information and preliminary discussions regarding price and legal matters.

Key matters raised for consideration at this time are the following:

- The counties agree that they are appropriate buyers given overall trail plans and administrative structures now in place. For example, the County of Lanark administers a Trails Committee made up of councillors and members of public including representatives from the local ATV and Snowmobile clubs.)
- The counties feel that the land should be transferred at nominal cost for the following reasons:
 - It is a transfer of public land between public agencies.
 - The significant cost to bring the asset up to current standards and projected operations and maintenance (O&M) costs. (The County of Lanark expended net \$2.2 million on the Ottawa Valley Rail Trail (OVRT) and Tay-Havelock Trail over the period 2018-2020, including purchase of approximately 61 km from CPR for \$115,341.
- The assessed value of the property in May 2021 was \$170,000. MVCA paid \$7,500 for the land in 1990, of which 50% was paid by MNRF.
- While MVCA has composite survey plans with Instrument Numbers on file with the three registry offices located in Renfrew, Lanark, and Frontenac, the following issues have been raised by legal counsel regarding establishing legal ownership:
 - There are approximately 20 PINs associated with the MVCA portion of the K&P trail in Lanark County alone. A full search of all PINs may be required in order to determine if all parts of the K&P have been properly registered in the name of MVCA.
 - Not all PINs were converted from the Land Registry to Land Titles and each unconverted property may require full searches to determine the reason why.

- Surveys may be required for those portions that were not converted to Land Titles.
- There may be issues associated with road rights-of-way (ROW) where ownership may not be clearly documented as resting with the local municipality.
- This, in turn, could necessitate conveyance of some portions of the trail to area municipalities prior to conveyance of the trail to the respective county.
- The above land ownership matters could take significant time and expense to resolve, so options, costs, and benefits should be considered and a preferred approach determined before proceeding.
- MVCA is still working to resolve an ownership claim made by an adjacent landowner over a very small portion of the K&P. This matter went before a judge in 2017, and the court decision was in MVCA's favour. While MVCA agreed to provide and has surveyed an easement for the owners, they have refused the proposed terms and failed to comply with the Court Order. MVCA will likely need to return to the court to have this matter resolved.

Given the above conditions, it may be desirable to enter into an Option to Purchase agreement with the counties that spells out key terms including the sharing of legal costs before proceeding to make significant additional investment in preparing the land for sale.

REPORT

3144/21

TO:	MVCA Finance & Administration Committee
FROM:	Sally McIntyre, General Manager AND Juraj Cunderlik, Director of Water Resources Engineering
RE:	Carp River Erosion Control Project
DATE:	June 2, 2021

RECOMMENDATION

That the Finance and Administration Committee recommend that the Board authorize staff to award construction of the Carp Erosion Control project following receipt of written approval of the preferred tender by the City of Ottawa.

MVCA was retained by the City of Ottawa in 2017 to project manage the environmental assessment, project design and approvals, and construction of an erosion remediation project on a small section of the Carp River located in the community of Glen Cairn. The contract compensates MVCA on a time and expense basis. All project costs such as the retaining of consultants and contractors are funnelled through MVCA and reimbursed by the City.

The environmental assessment was finalized in Spring 2021, and preparation of tender documents is nearing completion. Construction is scheduled to commence in July, and contract tendering and award are to occur between the June and July Board meetings. Accordingly, permission is being sought for leave from the following section of MVCA's *Purchasing Policy and Procedures*:

Purchases \$50,000 and above:

- *Approval of the Board of Directors is required before awarding of the successful tender and a motion to approve must be recorded in the MVCA's official minutes.*

The estimated contract value is between \$250,000-\$300,000 including a 10% contingency. MVCA staff will adhere to all other elements of the policies, and recommend that written authorization from the City of Ottawa stand in lieu of Board approval prior to awarding and executing a contract with the preferred vendor. In short, the tender would only be awarded if the City accepts in writing the vendor, the price, and any terms and conditions that may apply. A motion to approve the tender would be brought to the Board to endorse at its next meeting.

REPORT

3147/21

TO:	MVCA Finance & Administration Committee
FROM:	Sally McIntyre, General Manager
RE:	NDMP Flood Risk Assessment Project – contract award
DATE:	June 4, 2021

RECOMMENDATION

That the Finance and Administration Committee recommend that the Board delegate approval of the Purchase Order for completion of the Flood Risk Assessment project to the Board Chair or Vice Chair, for subsequent endorsement by the Board in accordance with MVCA's *Purchasing Policies and Procedures*.

MVCA and its partners Rideau Valley Conservation Authority (RVCA) and South Nation Conservation (SNC) recently learned that we were successful in receiving a grant under the National Disaster Mitigation Program (NDMP) for the completion of a Flood Risk Assessment that will allow us to prioritize areas of the watershed for the creation of new flood plain maps and updating of existing mapping.

All NDMP projects are to be completed no later than March 31, 2022. Therefore, the team has moved quickly to develop and release a competitive RFP for completion of the project. Submissions are to be received by the end of June with the goal of awarding the project in the first week of July in order to provide the consultants with the maximum time possible to complete the work.

MVCA's portion of the project is expected to exceed \$50,000 and, per MVCA's *Purchasing Policies and Procedures*, will require approval of the Purchase Order by the Board. Given that the next Board meeting isn't until the third week of July, permission is sought to delegate this responsibility to the Board Chair or Vice Chair.

This project falls within the 2021 Budget, and MVCA staff will be working with RVCA and SNC to assess, score and recommend a preferred vendor.

REPORT

3145/21

TO:	MVCA Finance & Administration Committee
FROM:	Sally McIntyre, General Manager AND Juraj Cunderlik, Director of Water Resources Engineering
RE:	Shabomeka Lake Dam Project – Status Update
DATE:	June 1, 2021

For Information

The purpose of this report is to inform the Committee of the status of this project and to flag potential concerns.

Funding

While we have heard informally that MVCA has been approved for a Water & Erosion Control Infrastructure (WECI) grant, we have yet to have this in writing. This is impeding our ability to negotiate a loan with the City of Ottawa and Infrastructure Ontario as rates change regularly and both parties want to see that the other half of the project is funded. With respect to the City of Ottawa, ongoing delays in official notification may prevent MVCA from accessing a planned green bond / debenture opportunity with the City.

Permit Approvals

The Ministry of Natural Resources and Forestry (MNRF) has signed off-on the 90% final design and is prepared to issue a permit, however, comments and approvals are still outstanding from the Ministry of Environment, Conservation, and Parks (MECP) regarding matters related to Bon Echo Provincial Park and permits to access and use park property; and from the federal Department of Fisheries (DFO) regarding potential permits for construction. We are in the process of preparing the final design documents.

Easements

North Frontenac has agreed in principle to easements on the shoreline allowance. Legal counsel is currently reviewing a draft easement agreement. Permission will be sought to survey the area subject to easement after construction is complete and new landmarks and distances are available.

Tendering and Construction

This project is to be tendered in July for construction in September. The above delays in funding and approvals could delay tendering and result in a smaller field of vendors, higher prices, and a delay in construction start. As well, a special meeting of the Board may be required if the tender process is not completed before the July Board meeting.

REPORT

3146/21

TO:	MVCA Finance & Administration Committee
FROM:	Sally McIntyre, General Manager
RE:	Preliminary Financial Impact Analysis of New Regulations
DATE:	June 2, 2021

For Information

The purpose of this report is to provide a preliminary assessment of the potential impact of proposed regulatory changes on Authority funding of existing programs and services.

DISCUSSION

Table 1 shows the program and service areas that will be impacted by the proposed regulations, and the estimated amount of operating dollars to be raised through either municipal levy or other sources of revenues if those programs and services are to continue.

Table 1: Programs and Services Affected by Proposed Regulatory Changes

Programs and Services	Mandatory	MOU or Other
Water Control Structures (WCS) – O&M	9.30%	
WCS – Preventative Maintenance	3.70%	
Flood Forecasting and Warning	6.90%	
Conservation Areas and HQ	1.00%	6.90%
Technical Studies & Watershed Planning	19.60%	5.10%
Planning and Regulations	16.90%	6.30%
Communications		3.50%
Stewardship and Education		2.50%
Visitor Services		0.70%
Vehicles and Equipment	0.40%	
Information & Communication Tech.		0.30%
Administration	14.50%	2.40%
Breakdown by Revenue Source (%)	72.30%	27.70%
Total (2021 Budget)	\$1,799,896	\$689,580

Today, roughly 11% (~\$268,800 in 2021) of revenues are generated via municipal Memoranda of Understanding (MOU) and associated fees. These MOU are largely for the provision of technical services related to the review of planning applications, biological field work, and the delivery of stewardship programs. For the purpose of this analysis, it is assumed that those revenues remain relatively constant post implementation of the regulatory changes.

If the Authority is to continue to deliver the same suite of programs and services, the balance of approximately \$420,700 will need to be raised through the negotiation of new bi-lateral or multi-lateral MOUs, the raising of existing fees and introduction of new fees, and through fundraising or grant programs.

While most programs and services deemed non-mandatory are delivered on a watershed-wide basis, site specific programs and services associated with the conservation areas are not. There is concern that one or more municipalities may not be supportive of continuing to fund the operation of conservation areas located outside their jurisdiction for recreational purposes. If that were to occur, the following scenarios/options are possible:

- The remaining municipalities could assume a greater percentage of the operating cost via MOUs;
- There could be a reduction in the scope of programs and level of service;
- There could be an increase in user fees;
- The site could be leased or sold to another operator (e.g. local municipality or County); and
- One or more sites could be closed to the general public for recreational purposes.

Fundraising and grants are not listed as they are an unreliable source of revenue and are time limited. That said, they could support seasonal operation of the sites, with all sites being closed during the winter months.

The province's consultation document¹ indicates that one or more of these actions will need to be taken by the end of 2022 to offset reductions in the mandatory portion of the municipal levy. Staff will be engaging with Board members over the coming months to discuss potential impacts and options for the organization and member municipalities.

¹ <https://ero.ontario.ca/notice/019-2986>