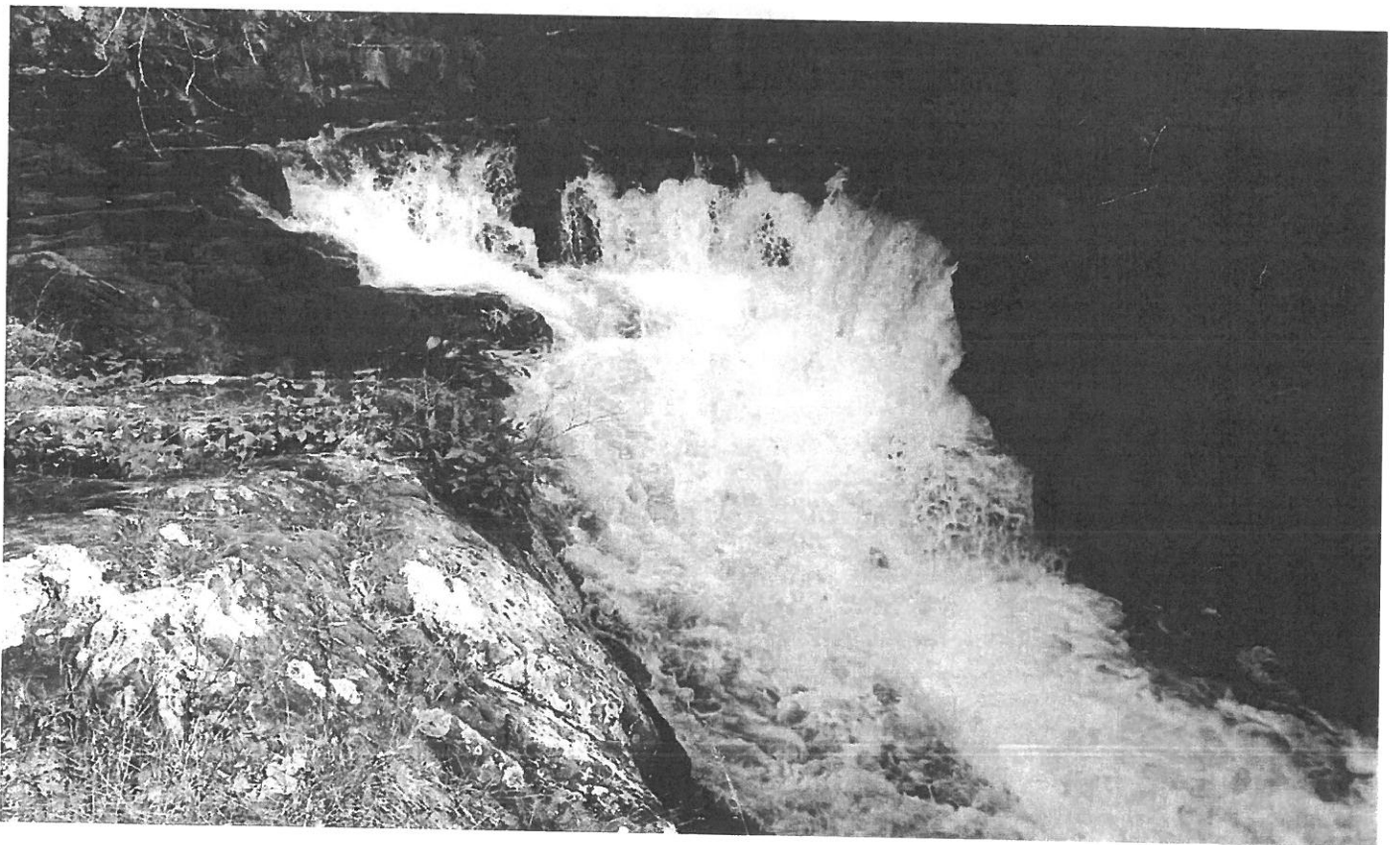


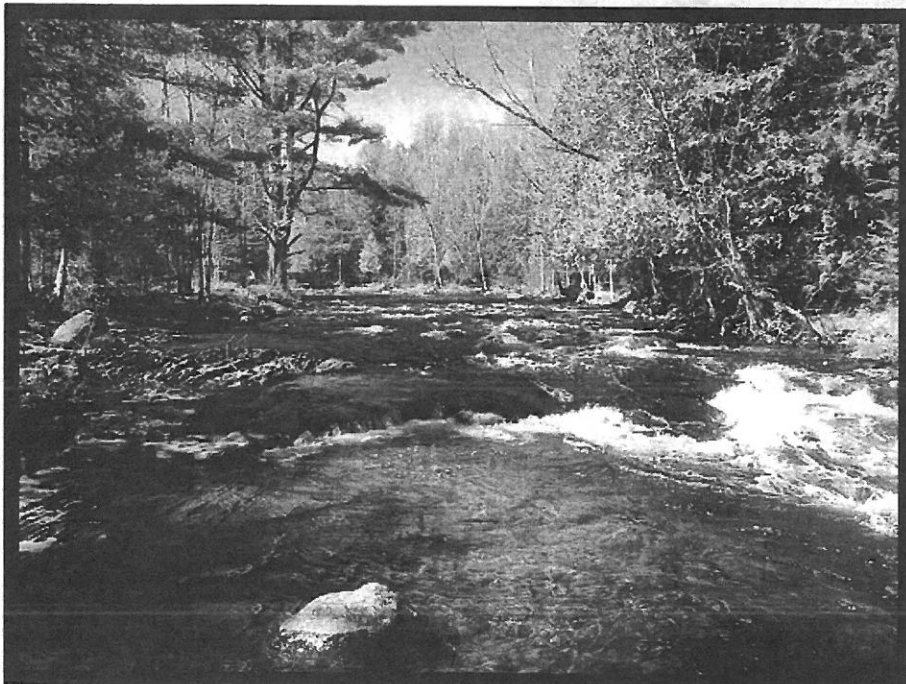


Looking to the Future



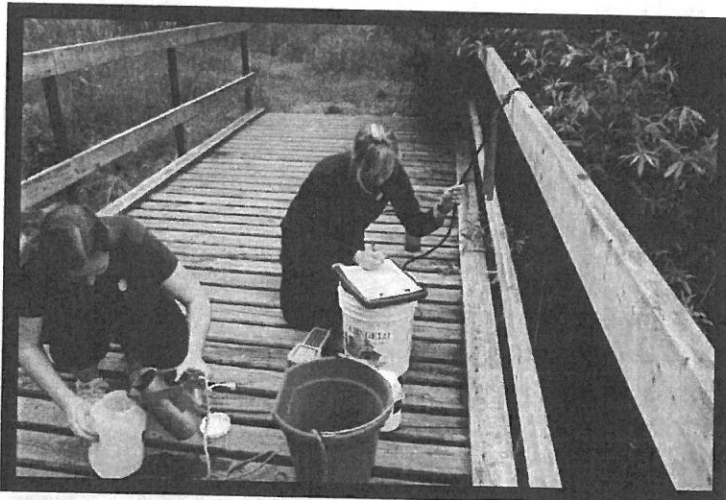
Over the past few years the Board of the Crowe Valley Conservation Authority has been concerned about our ability to maintain our programs and services due to financial constraints. Through our long term planning process we have looked at several options and have developed a proposal that will ensure the continued protection of our local watershed.

After looking at several options, we are proposing that Quinte Conservation be contracted to provide our operational services. This partnership will enable us to continue to monitor and protect our local watershed.



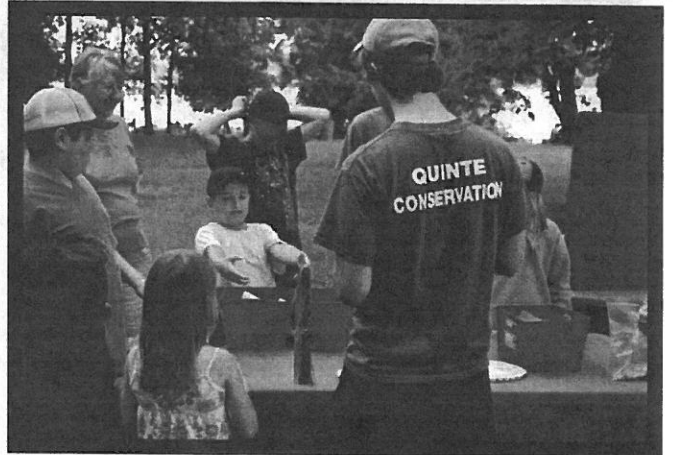
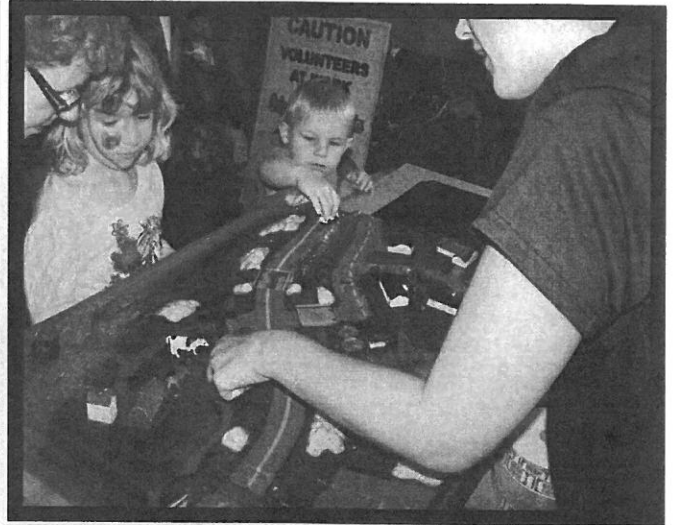
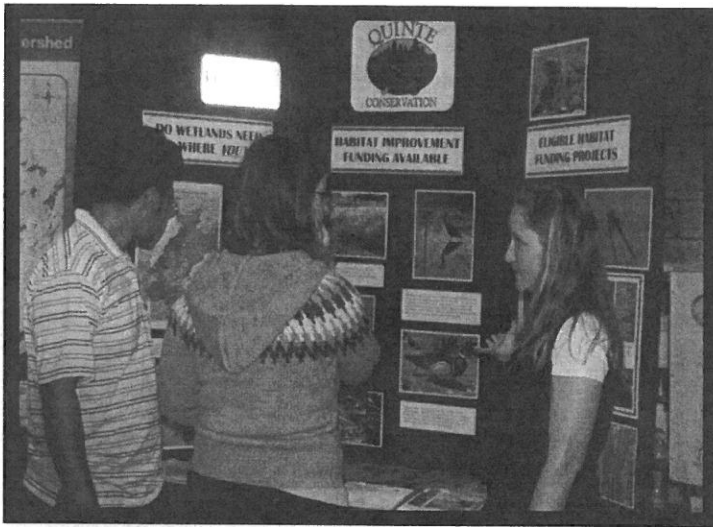
Benefits of Quinte Conservation's expertise

Quinte Conservation offers leading environmental expertise and excellent customer service. With a staff of over 25 people, their services include; Water Resources Technicians, Engineers, Regulations and Planning Staff, Forestry Specialists, Field Technicians, Education Coordinator, GIS Mapping Specialists, Communications, Corporate Services, Human Resources and other Environmental Specialists. Their Health and Safety Programs ensure that all employees are aware of potential hazards and are properly trained to follow procedures.



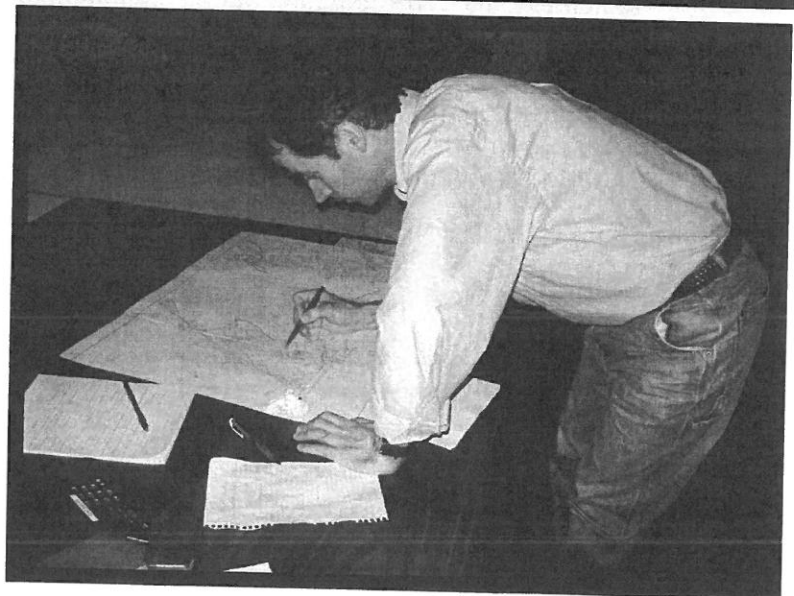
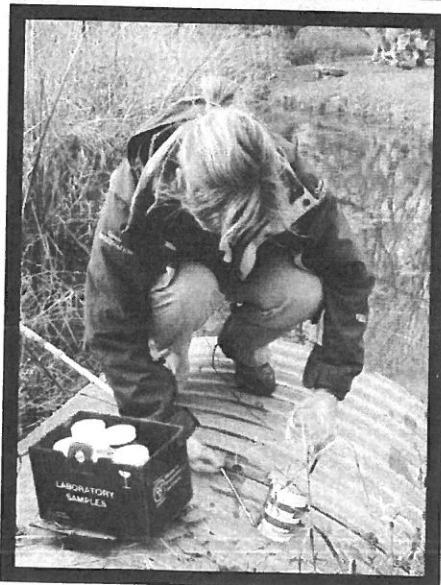
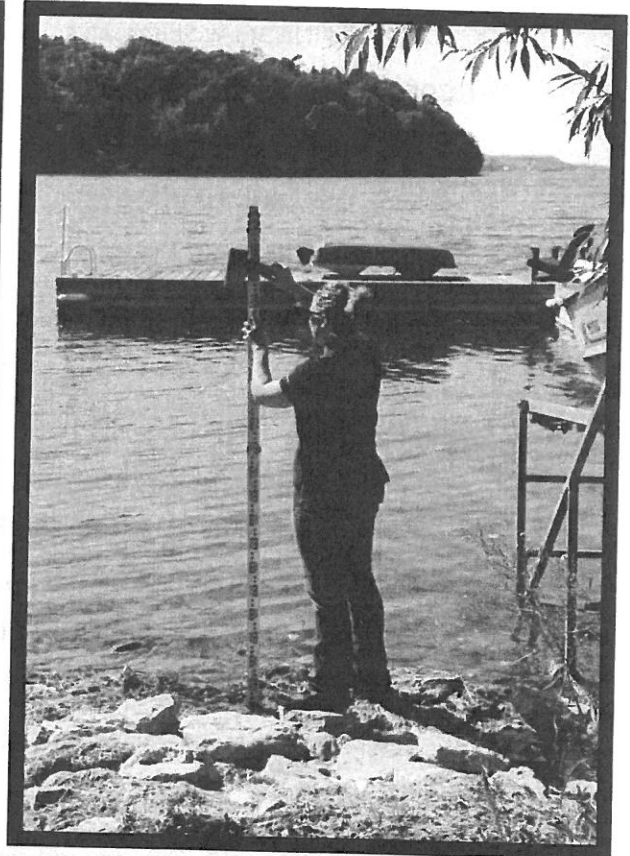
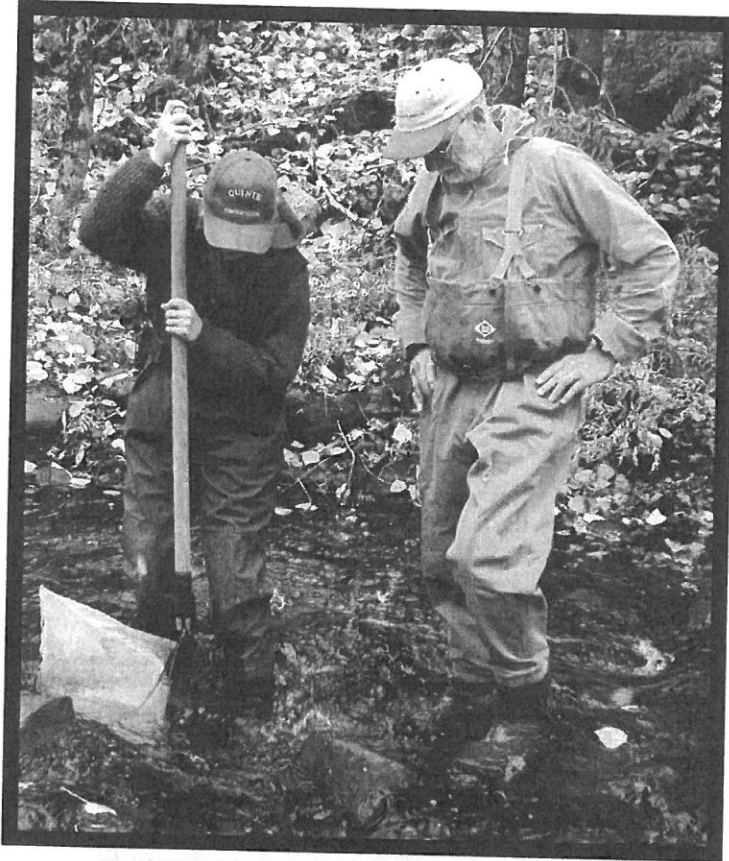
Watershed Education Programs

Quinte Conservation is a leader in Conservation Education programs in the Moira, Napanee and Prince Edward watershed. They also offer support and services to Lake Associations in the area. The same level of commitment will be given to Lake Associations in the Crowe Valley Watershed through education and stewardship programs.



Planning and Regulations

Quinte Conservation's Permits and Regulations Department work with landowners to protect life, prevent and reduce flood damage and conserve ecosystems. This same level of excellent customer service will be given to residents in the Crowe Valley Watershed.



CONTENTS

INTRODUCTION.....	7
MANAGEMENT	7
COST OF MANAGEMENT SERVICES.....	7
FINANCIAL SERVICES	7
COST OF FINANCIAL SERVICES	8
COMMUNICATIONS	8
Website and Watershed Outreach	9
COST OF COMMUNICATIONS	9
WATERSHED MANAGEMENT.....	9
Dam Operations	9
Flood Forecasting	9
Watershed Monitoring Programs	10
Capital Projects	10
COST OF WATERSHED MANAGEMENT SERVICES	10
PLANNING AND REGULATIONS.....	10
COST OF PLANNING AND REGULATIONS	11
COST AND REVENUE SUMMARIES.....	11
COST SUMMARY OF ALL PROGRAMS.....	11
CONCLUSION	12
Benefits to the CVCA	12
Benefits to QC.....	12
Implementation.....	12
FINANCIAL ANALYSIS OF QUINTE PROPOSAL VS CVCA LONG RANGE PLAN	13

INTRODUCTION

This report will examine the cost for Quinte Conservation (QC) to deliver operational services for the board of the Crowe Valley Conservation Authority (CVCA). These services would fall under the following categories:

- Management
- Financial Services
- Communications
- Watershed Management (including Dam Operations and Flood Forecasting)
- Planning and Regulations

For the purposes of this proposal, it is assumed that all programs currently in place at CVCA would stop and the office would be closed. QC would deliver these programs as an extension of programs and services run from the Quinte Conservation offices. Staff delivering services to the CVCA watershed would be trained by QC staff and work under the supervision of QC staff. It is also assumed that all CVCA vehicles and equipment would be used to make the delivery of the programs and services as economically sustainable as possible.

MANAGEMENT

The General Manager of QC will be Acting Manager of CVCA, report to the CVCA Board on all CVCA issues, attend CVCA meetings and provide all of the standard information packages to the CVCA Board prior to Board meetings. Attendance at municipal meetings or other public meetings will be by the QC General Manager or by another staff person as appointed by the QC General Manager.

The CVCA would appoint one Board Member to attend the QC meetings to represent the CVCA Board.

COST OF MANAGEMENT SERVICES	
Staff wages:	\$ 20,000
Travel and expense:	\$ 5,000
Total:	\$ 25,000

FINANCIAL SERVICES

The financial management of the CVCA operations will remain independent of the QC computerized system and will therefore be reported and audited separately. Monthly reports to the CVCA Board will continue as per normal accounting practices.

All current Capital Assets will remain in the ownership of the CVCA. CVCA will provide insurance coverage that fully protects its assets, employees (if required), volunteers, visitors and its day-to-day business activities.

QC uses AccPac accounting software and will be able to have computer and technical support set up for CVCA with the same program in the same manner as QC. Regardless of the date when the new management system may be taken, entries can be made from the current system that CVCA uses to the new system and the audit can be completed on both sets of books in the same year.

The Corporate Services staff at QC will be responsible for verifying that the processing of daily Accounts Receivable and Accounts Payable for CVCA and will ensure that all documents are supported by backup that have signatures of the appropriate signing authority

Payroll will be completed by QC and all expenses for services rendered will be invoiced to CVCA on monthly basis.

The following Signing Officers are recommending for CVCA:

- Chair of CVCA
- Vice-Chair of CVCA
- General Manager of QC
- Corporate Services Manager of QC

The addition of the CVCA operations will create an added workload for the QC Corporate Services staff and will require the addition of a new part-time position to assist the QC staff. This position could be combined with the communications/reception position to create one full-time position.

COST OF FINANCIAL SERVICES	
One part-time position:	\$30, 000
QC staff time:	\$ 10, 000
Audit fees:	\$ 10, 000
Total:	\$ 50, 000

COMMUNICATIONS

With the assumption that the CVCA office will be closed, there will be a need for an excellent communications plan so the residents of the CVCA watershed still receive first-rate service.

The first issue will be the routing of all phone calls to the QC office. This will result in an increased number of calls being received and require a part-time position that could be combined with the part-time Corporate Services position to create one full-time position. Other communication projects could be combined with the current QC communications programs.

The CVCA could benefit from the many QC education and community relations programs such as marketing, Stream of Dreams, and outreach with lake associations and volunteer groups. Such work could help the residents in the CVCA watershed become better stewards of their local environment. The extra cost to QC will be factored into this area.

Website and Watershed Outreach

Staff at Quinte will redesign the CVCA website to bring it up to date and provide links to the QC web site and others so all cottage associations and residents in the Crowe watershed will have available to them on going information and updates to keep them informed on water control operations, good stewardship practices and general information on the Crowe watershed.

COST OF COMMUNICATIONS	
One part-time position:	\$ 30, 000
One time cost to upgrade phone system:	\$ 10, 000
One time cost to upgrade CVCA website:	\$ 1, 000
QC staff time (from Communications and Education staff):	\$ 5, 000
Total:	\$ 46, 000

WATERSHED MANAGEMENT

Dam Operations

The operation of dams and water level management will be incorporated into the existing QC program and will benefit from the expertise of QC Water Management staff including the Water Resources Engineer, Hydrogeologist, Ecologist, and Technicians who will be available to provide advice on good water management decisions.

Two full-time positions will be required to make this program work efficiently. These new staff members will work as part of the QC Field Operations staff. Bringing the CVCA water control structures up to standard will be a priority. Once the structures have been upgraded, routine maintenance schedules will be developed.

All vehicles and equipment currently owned by the CVCA will be used in conjunction with QC equipment so the best and most economic program can be delivered.

Flood Forecasting

The CVCA flood forecasting program will be managed by the QC Water Resources Engineer and will be integrated into the QC computerized system. The Flood Warning Plans and communications with the media and municipalities will be integrated into the existing plans and programs at QC.

Watershed Monitoring Programs

The monitoring programs in the Crowe watershed are the same as in Quinte. The crews carrying out the monitoring will simply expand their program to include the Crowe watershed. The programs include The Provincial Water Quality Monitoring Network, The Provincial Groundwater Monitoring Network and the Ontario Benthos Biomonitoring Network. The cost for these programs may be decreased if grants or funding for summer students are available.

Capital Projects

All water control structures will be reviewed by QC's engineering staff. Current studies will be assessed and, where necessary, new assessments will be recommended. Based on all the information available and site visits, staff will compile a list of projects and place them on a list in priority based on public safety and water management. This list will be submitted to the CVCA Board for approval. Staff will also prepare a funding proposal based on levy requirements as well as submissions to the provincial Water Erosion Control Infrastructure (WECI) program.

COST OF WATERSHED MANAGEMENT SERVICES	
Two full-time positions:	\$ 140, 000
Travel and expense:	\$ 10, 000
Mapping and photography:	\$ 5, 000
Equipment rental:	\$ 5, 000
Equipment purchase and upgrades:	\$ 20, 000
Watershed Monitoring Programs:	\$ 10, 000
QC staff time:	\$ 30, 000
Total:	\$ 210, 000

220,000

PLANNING AND REGULATIONS

Currently QC employs the following Planning and Regulations staff members:

- Planning and Regulations Manager
- Regulations Officer
- Fisheries Biologist
- Planner / Ecologist
- Technical Assistant

These staff members review planning documents and issue permits. Planning and regulations staff also have the support from two engineers and a hydrogeologist.

In 2011 CVCA issued 139 permits and reviewed 131 planning documents. Based on these numbers, one full-time position will be required to provide this program. This new position will be a QC staff member. Two current QC staff members live in close proximity to the CVCA watershed which will save time and money and provide for more efficient service.

Planning and regulations applications are reviewed on a first-come-first-serve basis. Planning and Regulations staff members meet on a weekly basis and discuss all documents and applications. Generally applications in the same geographic area that require a site inspection are assigned to the same staff member to provide efficient service. All staff members are familiar with all QC watersheds (Moir, Prince Edward and Napanee). The CVCA watershed will simply be added and treated in the same way as the other watersheds.

The generic regulations will make the transition very simple. QC will be covering a larger area. QC has developed an extensive policies and procedures manual that current staff follow. This will be applied to the CVCA watershed. QC staff will review the current CVCA policies and work with the CVCA Board on any differences.

Any applications that go to a hearing will be heard by the CVCA Board and will be carried out under the supervision of the QC Planning and Regulations Manager.

COST OF PLANNING AND REGULATIONS		
One full-time position:		\$ 75,000
Travel and expenses:		\$ 15,000
Mapping and technical equipment:		\$ 5,000
Legal fees:		\$ 5,000
Total:		\$ 100,000

COST AND REVENUE SUMMARIES

In the cost summary below, \$ 11,000 of these costs will be one time costs and will not carry over into the second year.

COST SUMMARY OF ALL PROGRAMS		
Management Services:		\$ 25,000
Financial Services:		\$ 50,000
Communications:		\$ 46,000
Watershed Management:		\$ 210,000
Planning and Regulations:		\$ 100,000
Professional Services (Engineer, Hydrogeologist, Ecologist, Biologist, GIS Technician):		\$ 70,000
Total:		\$ 501,000

CONCLUSION

Benefits to the CVCA

- ✓ The most important benefit to the CVCA is that a professional team including engineers, hydrogeologists, and biologists will be available to serve their watershed
- ✓ The programs can be delivered within the budget capabilities of the CVCA member municipalities.
- ✓ The CVCA Board will remain in place and continue to deal with the issues that relate to the management of the CVCA watershed.
- ✓ All assets currently owned by the CVCA will remain under their ownership.
- ✓ Revenues from the sale of any CVCA assets will be used for upgrades and operation of CVCA water control structures.

Benefits to QC

- ✓ QC will help save the future of a neighbouring Conservation Authority.
- ✓ The sharing of four new staff positions that will also be available to work on QC projects.
- ✓ Part of the service fees will be used to cover the cost of QC staff wages.

IMPLEMENTATION

If this proposal is approved by both Quinte Conservation and Crowe Valley Board of Directors, the next step will be to sort out the details of its implementation. These details include; a legal agreement prepared by lawyers and approved by both boards, the preparation of a phase-in plan and schedule that will include the integration of staff and programs into one unit, a complete review of properties and assets with a focus on maintaining key holdings in the Crowe valley name, a review of equipment available and equipment required and the review of administrative details required to make the transition run smoothly.

Submitted by CVCA Strategic Committee: Ron Gerow, Sandy Fraser, Hector MacMillan

FINANCIAL ANALYSIS QUINTE PROPOSAL VS CVCA LONG RANGE PLAN

The Long Range Plan (LRP) for the Crowe Valley Conservation Authority was approved in November, 2012, and the financial forecast was updated October 10, 2013 to reflect the 2013 Budget and Reserve Projections. The forecast shows operating and capital spending from 2012 through 2023. The Quinte Proposal has been inserted into the financial forecast so that an apples-to-apples comparison can be made. These forecasts are shown in chart A (Long Range Plan) and chart B (Quinte Proposal).

Overall, the Quinte proposal does provide savings, but they are not significant until 2016. The restructuring costs in 2014/5 are only partially offset by capital recovery through sale of the headquarters building in Marmora. Implementation has been shown to occur in 2014, but actual dates have not been decided.

Municipal Levy:

LRP +6% for 4 more years (2014-2017) and 1-2% for 2018-2023
Quinte +6% for 2 more years (2014-2015) and slight reduction 2016-2023

Savings 2014 thru 2016 = \$38K
Savings 2017 thru 2023 = \$640K

Capital Spending:

LRP \$952K (2013 – 2023)
Quinte \$712K (2013 – 2023, inc. sale of HQ building and elimination of upgrading costs)

Reserves:

LRP \$168K in 2015 (low point in projection)
Quinte \$181K in 2015 (low point in projection)
Both Options \$822K in 2023

Restructuring Costs:

\$246K in 2014 and \$110K in 2015

Financial Analysis submitted by W. B. Rand, October 10, 2013

Chart A – CVCA Long Range Plan

CVCA Long Range Plan Financial Forecast

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue												
Municipal Levy	361,087	383,331	405,876	430,229	455,682	482,263	486,323	490,743	499,117	507,659	516,372	525,259
Other Income	322,856	503,132	<u>371,216</u>	318,438	261,471	309,904	263,517	264,572	270,147	266,743	267,862	269,003
Expenses												
Operating	727,560	696,463	597,425	609,227	621,264	633,542	646,066	658,839	671,868	685,158	698,714	712,541
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-
Capital	-	288,000	319,400	191,000	40,000	101,000	-	-	12,500	-	-	-
To (- from) reserves	- 42,838	- 97,500	- 139,732	- 51,561	55,249	57,615	103,805	96,515	85,000	89,015	86,015	82,015
Total Reserves	456,370	358,870	219,138	167,577	222,826	280,441	384,246	480,761	565,761	654,776	740,791	822,806

Chart B – Quinte Proposal

CVCA Financial Forecast - Quinte Proposal

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue												
Municipal Levy	361,087	383,331	404,907	428,855	420,120	420,120	420,120	420,120	420,120	397,011	399,361	390,842
Other Income	322,856	503,132	<u>361,216</u>	318,438	261,471	309,904	263,517	264,572	270,147	266,743	267,862	269,003
Expenses												
Operating	727,560	696,463	526,514	536,898	547,488	558,291	569,309	580,549	592,013	603,706	615,633	627,799
Restructuring	-	-	246,000	110,000	-	-	-	-	-	-	-	-
Capital	-	288,000	79,400	191,000	-	101,000	-	-	12,500	-	-	-
To (- from) reserves	- 42,838	- 97,500	- 85,688	- 92,546	132,500	69,420	113,000	103,000	84,000	58,500	50,000	31,000
Total Reserves	456,370	358,870	273,182	180,636	313,136	382,556	495,556	598,556	682,556	741,056	791,056	822,056