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**LAKE SIMCOE ENVIRONMENTAL MANAGEMENT STRATEGY
PHASE III UPDATE REPORT
RECOMMENDATION ON NEW GOVERNANCE STRUCTURE
AND
LAKE SIMCOE ACT INTRODUCTION**

The Planning and Economic Development Committee recommends the following:

- 1. The communication from Councillor Virginia Hackson, Chair, Lake Simcoe Region Conservation Authority, Dick Hibma, Chair, Conservation Ontario and Bill Fisch, Chairman and CEO, Regional Municipality of York, on behalf of the Lake Simcoe Environmental Management Strategy Steering Committee (LSEMS), dated November 8, 2007, to the Hon. Dalton McGuinty, Premier, the Hon. John Gerretsen, Minister of the Environment and the Hon. Donna H. Cansfield, Minister of Natural Resources, requesting a meeting to discuss the proposed governance structure for the next phase of LSEMS and the direction that may be taken for this partnership through the *Lake Simcoe Protection Act* announced in July 2007, be received; and**
- 2. The recommendations contained in the following report dated October 23, 2007, from the Commissioner of Planning and Development Services, be adopted:**

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council commend the Lake Simcoe Region Conservation Authority and the Lake Simcoe Environmental Management Strategy (LSEMS) partnership for the significant achievements that LSEMS Phase III has made over the past 7 years.
2. Regional Council advise the Province of its support for the Lake Simcoe Conservation Authority as the lead and coordinating body in a revitalized LSEMS Phase IV, subject to refinement to the current governance structure, including:
 - Additional representation from the public and industry on the LSEMS Executive Committee, Steering Committee and required Technical and Working Committees.
 - Increased stable long term funding from multiple sources.
 - The provision of dedicated administrative and technical staff within the Conservation Authority to support a stronger LSEMS partnership.
3. The Regional Clerk circulate a copy of this report to the Province of Ontario, specifically the Ministries of Public Infrastructure and Renewal, Municipal Affairs

and Housing, Natural Resources, Environment and Agriculture, Food and Rural Affairs, the Lake Simcoe Region Conservation Authority and watershed municipalities for their use in determining the future direction and structure for LSEMS.

2. PURPOSE

This report:

- Provides an update of the accomplishments of Phase III of the Lake Simcoe Environmental Management Strategy (LSEMS).
- Reviews the Recommendations of the Lake Simcoe Working Group Report and Steering Committee and makes recommendations to the Province regarding the future governance of LSEMS.
- Advises Committee and Council of the Government's announcement relating to a Proposed *Lake Simcoe Act*.

3. BACKGROUND

Lake Simcoe has been the subject of concern and remedial efforts for many years. Through the Lake Simcoe Environmental Management Strategy partnership and the Region's support of the Lake Simcoe Region Conservation Authority, the Region of York has been an active participant in efforts to improve water quality in the Lake.

Phase III of LSEMS is nearing completion. Efforts are now directed at finalizing the last elements, determining the accomplishments of Phase III and looking towards the future of this important environmental initiative.

4. ANALYSIS AND OPTIONS

In the 1970s, the Province of Ontario began studying Lake Simcoe to find out why Lake Trout populations were declining. These studies found that the health of the fishery, and of the watershed, depended upon reducing the phosphorus that was being carried into the lake. On July 27, 1990, a program called the Lake Simcoe Environmental Management Strategy, or LSEMS, was launched to begin the long undertaking to improve the health of the native coldwater fish.

During its 17 years of operation, the LSEMS program has made steady progress:

- The amount of phosphorus emptying into the lake each year has been reduced.
- Levels of dissolved oxygen in the lake's deep water zones have increased.
- There is evidence that a small number of naturally produced wild lake trout are able to survive.

4.3 Phase I and Phase II Accomplishments – 1990 to 2000

Phases I and II of LSEMS (1990 to 1994 and 1995 to 2000) were co-operative partnerships between the Province and the Lake Simcoe Region Conservation Authority with Phase II expanding the partnership to include York Region, Simcoe County, the Region of Durham and the City of Barrie. The goal of both phases was “to re-establish a naturally reproducing coldwater fish community in Lake Simcoe”.

Important accomplishments of Phases I and II that helped to improve water quality included:

- Completion of 300 projects in Phases 1 that reduced phosphorous pollution by about 14 metric tonnes per year and completion of a further 55 water quality improvement projects in Phase 2, reducing phosphorus pollution by an additional 2.5 metric tonnes each year.
- Establishment of regulations that minimized new sources of phosphorus associated with urban development.
- Creation of a model to calculate the relationship between phosphorus levels and deep water dissolved oxygen concentrations, which helped establish a lake-wide phosphorus reduction target.
- Completion of a water quality study to establish the benefits of phosphorous control measures.

The fundamental recommendation of Phase I of LSEMS was that phosphorus needed to be reduced by 25% (to about 75 metric tonnes per year) in order to restore the quality of water that would support coldwater fish. Despite funding challenges, Phase II continued to make important progress toward the 25% phosphorus reduction target to improve water quality and restore areas of the watershed.

4.4 Phase III Accomplishments - 2001 to 2008

Phase III of LSEMS has resulted in a number of important achievements including:

- Establishment of an Executive Advisory Committee and a Citizens Advisory Committee along with the formation of select Working Groups created to carry out specific tasks.
- Development of a new goal statement “to improve and protect the health of the Lake Simcoe watershed ecosystem and improve associated recreational opportunities by:
 - restoring a self-sustaining coldwater fishery
 - improving water quality
 - reducing phosphorus loads to Lake Simcoe
 - protecting the natural resources in the surrounding watershed.
- Development of a six-year business plan that links with the objective and targets developed for the LSEMS program.
- The inclusion of all municipal partners by adding representation from Bradford West Gwillimbury, Innisfil, Barrie, Oro-Medonte, Orillia and Ramara.

- Phosphorus inputs to Lake Simcoe have been reduced, to an approximate average of 62 metric tonnes per year between 1999-2004 (last LSEMS reporting), primarily through urban storm water retrofits and agricultural land/water quality improvement projects. As well, reduced rainfall and runoff during this period has also assisted in Phosphorus loading reduction.

Some of the additional achievements of the LSEMS Phase III partnership throughout the watershed include:

- Completion of 90 agricultural projects to reduce erosion, upgrade manure storage facilities, managing livestock access to streams, reforest lands, and restore wildlife habitats.
- 200 individual environmental farm plans to improve land use practices.
- 8 major projects to reduce pollution in urban storm water ponds.
- 73 private septic system replacements to reduce contamination.
- 45 projects to repair and control stream bank erosion.
- 64 projects supported by the Canada-Ontario Farm Stewardship Program, Greencover Canada and the Canada-Ontario Water Expansion Program.
- Bogart Creek Restoration Project - an ongoing initiative of local residents in partnership with the Town of Newmarket, the Conservation Foundation, the Conservation Authority, and a number of other stewardship organizations.

Within York Region, the 6 years of active LSEMS activity in Phase III resulted in 392 projects including:

- 29 Private Septic systems remediated
- 183 unused wells decommissioned
- 7 wellhead protection projects
- 29 stream bank/shoreline erosion control
- 2 clean water diversions
- 7 livestock access restriction to watercourses
- 3 manure storage systems
- 9 tree and shrub planting projects on fragile land
- 2 bypass or bottom draw pond retrofits
- 8 storm water management pond retrofits or studies
- 1 nutrient management plan.

A copy of the published Phase III Summary report is appended for information purposes.

The last project of the Phase III LSEMS, which has been extended to March 31, 2008, is completion of the Comprehensive Basin Management Plan to provide objectives that include water quality, land resources, invasive species, recreation, climate change, and sustainable growth. The LSEMS Steering Committee is currently reviewing a draft of this document prior to completion.

4.3 LSEMS Working Group on Governance

Working Group Report Recommends Changes: In 2005 the Steering Committee through the Lake Simcoe Region Conservation Authority, began a public consultation process to review achievements and map the future of LSEMS.

Stakeholders around the lake indicated a need for a more collaborative approach to encourage public participation, integrated action and broader community engagement during the development of a common set of goals and strategies to protect, restore and improve the Lake.

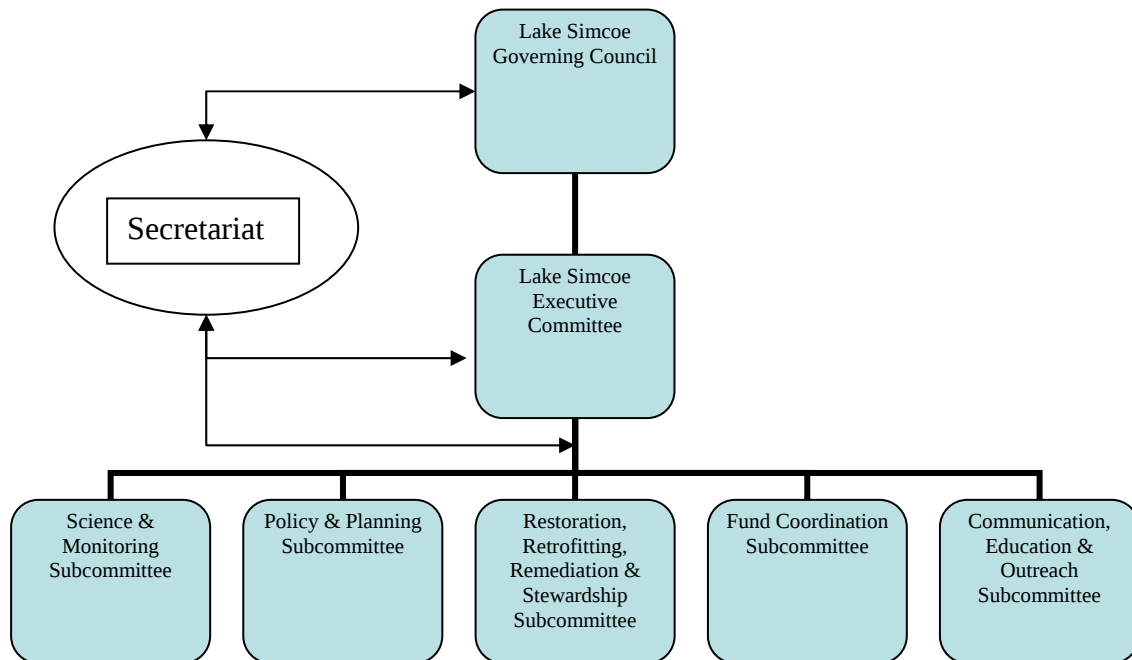
A Working Group, consisting of representatives from the Steering Committee, citizens, the farming community, local environmental and development industry interests and municipal government was formed to collaborate on an updated vision for LSEMS governance.

After discussions and review of additional watershed models the Working Group agreed that value added governance for the Lake must include the following:

- The new partnership must engage government, industry and the public equitably by promoting a **Collaborative Management Approach**.
- The new partnership will promote information sharing, collaboration and cooperation so that there is a **Unity of Purpose**.
- The new partnership will not duplicate existing responsibilities (i.e. municipalities, the Lake Simcoe Region Conservation Authority). It will provide **value added**.
- The new partnership should create an alliance of **Lake Champions Who Can Effect Change** by bringing high level political appointments at all levels of government, industry and the public together.
- The new partnership must be supported by dedicated staff and committed resources so that there is **One Voice for the Lake – One Central Point of Contact**. (The concept of One Voice does not imply the Secretariat will take over the responsibilities of the Lake Simcoe Region Conservation Authority, the Ladies of the Lake, MOE, MNR, MPIR, etc. This may consist of a small group of core staff that will comprise a Lake Simcoe Secretariat.
- The Secretariat must be sufficiently resourced so that it has **Sustainable, Reliable and Adequate Revenue** to enable it to work with all partners to promote information sharing, collaboration and cooperation.
- The Secretariat should be located (at least at the outset) in the offices of the Lake Simcoe Region Conservation Authority but should have its own website, phone number and dedicated resources. Staff from the Conservation Authority who have been providing LSEMS support should be actively engaged in the new Secretariat to promote knowledge retention and continuity.
- The new governance model needs to be **Implemented Quickly** to build on the momentum of public participation created over the past two years.

In order to operationalize these statements, the Working Group suggested, though not unanimously, a governance option shown in *Figure 1* following.

Figure 1 - Working Group Governance Option



Under this proposed structure option, the **Governing Council** would be made up of high level political appointments at all levels of government, as well as high level representatives from industry and the public. The Governing Council would represent an alliance of Lake Champions who can effect change and would be the responsible and accountable body for strategic vision and overall budget accountability. The Governing Council would meet once or several times each year.

The Working Group also discussed the establishment of a **Lake Simcoe Secretariat** as a separate and distinct entity from the Conservation Authority, to provide dedicated staff to the new partnership. The functions of the Lake Simcoe Secretariat could include:

- Coordinate, liaise and integrate partner efforts focused on Lake Simcoe by strengthening existing partnership and building new alliances.
- Track progress, produce reports and records of achievement and documentation.
- Act as a conduit and linkage to the Lake Champions.
- Support the efforts of the Executive Committee, Governing Council and any Subcommittees that emerge.

The Working Group also recommended the creation of **Functionally Aligned Subcommittees**. Subcommittees which could include:

- Science & Monitoring
- Policy & Planning
- Restoration, Retrofitting & Remediation (Stewardship)
- Fund Coordination
- Communication, Education & Outreach

The Working Group report was delivered to the Steering Committee in late June and is currently under discussion, in preparation for a Steering Committee submission, in early November to the Province, watershed municipalities and the Conservation Authority's Board of Directors. The Steering Committee submission as well as the Working Group report is expected to be considered by the Province as part of their deliberations on new legislation. The Working Group Executive Summary is appended as *Attachment 2*.

An Improved Governance Model: The governance model option from the Working Group presents a number of issues for municipal government. While the intent and principles of value-added governance, long term stable funding, increased representation from both community groups and industry and additional staff to assist in administration is supported by Regional staff, an option that proposes the establishment of a separate entity, distinct from the Conservation Authority to deliver this program is difficult to support.

The Lake Simcoe Region Conservation Authority has ably led the LSEMS partnership for the past 17 years. This has not been an easy task in the face of growth pressures, uncertain funding levels, watershed size and divergent resident interests. The Authority and its staff should be commended for their commitment over the past 17 years.

Regional staff agrees that the governance structure for the next phase of LSEMS could be refined and improved. Changes in governance have occurred before to make the partnership more responsive to changing conditions and are indicated at this juncture based on public input. In keeping with the spirit of continuous improvements, changes should be focused on those specific areas requiring change and improvements made from review of other models and the partnership's experience.

In the opinion of Regional staff, the areas of required change are threefold:

- **Widening the circle of involvement** at many levels to include representation from industry and members of public. At the outset this should include additional members on the Executive Committee or senior political level, the Steering Committee or guiding level, at the technical levels and in public involvement.
- **The provision of increased and adequate stable funding**, not solely dependant on municipal tax revenues. All levels of government and the private sector should be engaged to assist in funding appropriate levels of remediation.

- **The provision of dedicated administrative and technical staff** to support a stronger LSEMS partnership and undertake the necessary coordination and technical work.

The Working Group proposed model speaks to all of these improvement areas, but sees the expanded administrative and technical staff as being separate from the Conservation Authority. Regional staff has a number of issues with that aspect of the Working Group report particularly.

Regional Council is on record many times in opposition to the establishment of further special purpose bodies beyond those currently in existence, as well as requesting a more equitable and stable funding, not related to current conservation funding formulas for LSEMS.

Regional staff is of the opinion that a separate entity will lead to:

- Duplication of activities and confusion of roles with those of the Conservation Authority.
- Loss of corporate and institutional knowledge from the past 17 years.
- Financial inefficiency as the proposed entity requires an entirely new administrative structure.
- Difficulties in supporting the program from a technical standpoint with the limited number of qualified experts and municipal staff available to sit on the ever increasing range of advisory panels and technical subcommittees.

It is therefore recommended that Regional Council advise the Province of its support for the Lake Simcoe Conservation Authority as the lead party in a revitalized LSEMS Phase IV, subject to refinement to the current governance structure, including:

- Additional representation from the public and industry on the LSEMS Executive Committee, Steering Committee and required Technical and Working Committees.
- Increased stable long term funding from multiple sources.
- The provision of dedicated administrative and technical staff within the Conservation Authority to support a stronger LSEMS partnership.

4.4 The Next Generation - Federal and Provincial interest in the Lake

Federal Government: Earlier this year as part of federal budget, the Federal government announced the allocation of \$12 million from the \$93 million national water strategy to help clean up the Lake. The delivery mechanism however was not specified. On October 13, 2007, Federal Environment Minister John Baird and York Simcoe MP Peter Van Loan announced the creation of the Protect and Preserve the Environment of Lake Simcoe (PROPEL) committee.

This 10-person group, chaired by Town of Innisfil resident, Richard Simpson, will provide advice to Minister Baird on distributing \$12 million, over the next two years on

projects to preserve, protect and clean up the Lake. Other members of the Committee include watershed residents Annabel Slaight, Robert Matthews, Paul Harpley, Jessica Richmond, Susan Self, George Taylor, Neil Roe, Robert Bowles and David Edwards.

Regional staff will continue to monitor the evolution of this Committee, its terms of reference and the mandate and the scope of its responsibilities.

Provincial Government: In early July, in the run-up to the recent Provincial election, the Premier announced that if re-elected, the government would proceed with a *Lake Simcoe Act*.

The specific announcement by Premier Dalton McGuinty indicated that:

- The Act would build on the good science and planning work already done by the Province, municipalities, conservation authority and community groups: Inter-Governmental Action Plan, Assimilative Capacity Study and Lake Simcoe Environmental Management Strategy.
- The new Act would:
 - Increase sewage treatment standards and set strict limits on pollutants such as phosphorous
 - Create a governance structure as recommended by the Lake Simcoe Environmental Management Strategy Working Group, and
 - Promote recreational opportunities while protecting the health of the lake.

Regional staff understands from discussions with Provincial staff, that several Ministries have been working on draft legislation since the Premier's announcement and anticipate the early introduction of this *Act* when the Legislature reconvenes.

Regional Planning staff will continue to monitor this legislation and report back to Committee and Council with comments and recommendations on the proposed *Lake Simcoe Act* when tabled in the Legislature.

5. FINANCIAL IMPLICATIONS

Over the past 17 years, the Region has funded the Conservation Authority and LSEMS on an on-going basis. The total funding for LSEMS Phase III, since 2000 for LSEMS administration and communications, basin wide initiatives and water quality improvements has been approximately \$3.0 million. The 2008 budget request from LSRCA for LSEMS related projects amounts to approximately \$600,000.

The 2008 budget is still under discussion, however, a Regional contribution of \$600,000 would be leveraged against other funding from landowners, foundations and the Province to result in total contributions of approximately \$1.4 million. In addition, should the

Authority receive some of the \$12 million Federal commitment to Lake Simcoe, this would also be added to the wider municipal commitment.

The establishment of a revitalized LSEMS partnership program with long term stable funding which is not solely dependent on yearly budget discussions with municipal partners, is one of the components necessary to ensure that gains made through the past 16 years are not lost and further improvements are realized.

Other impacts associated with the Federal government initiative and Provincial initiative relating to the *Lake Simcoe Act* cannot be determined at this time. Further reports on implications will be prepared as these initiatives evolve.

6. LOCAL MUNICIPAL IMPACT

Area municipal representatives have been circulated the Phase III Progress report and the link to the Working Group report. Area municipal staff will be involved in review of the *Lake Simcoe Protection Act* when introduced.

7. CONCLUSION

Over the past 17 years, the LSEMS partnership and projects has resulted in steady improvements to water quality in Lake Simcoe. Since 2000, LSEMS Phase III (as well as natural factors) has resulted in reduction of Phosphorus loads to approximately 62 metric tonnes per year - well below the LSEMS target of 75 metric tonnes per annum. The LSEMS partnership is at a critical junction and requires changes and refinements to the governance structure, funding formula and additional staff to ensure future success.

The Working Group report on a new Governance Structure has reviewed the existing LSEMS structure as well as other watershed based models and has recommended changes in the existing governance, to widen the circle of involvement, increase profile for the Lake, provide stable funding and increased staffing. These are summarized in section 4.3 of the report. One option for a new governance structure suggested by the Working Group (though not a unanimous suggestion) was the formation of a new entity, separate and distinct from the Conservation Authority to undertake LSEMS in Phase IV. Regional staff is of the opinion that this could result in a costly, confusing and duplicative system.

It is therefore recommended that Regional Council advise the Province of its support for the Lake Simcoe Conservation Authority as the lead party in a revitalized LSEMS Phase IV subject to refinement to the current governance structure, including:

- Additional representation from the public and industry on the LSEMS Executive Committee, Steering Committee and required Technical and Working Committees.

- Increased stable long term funding from multiple sources.
- The provision of dedicated administrative and technical staff within the Conservation Authority to support a stronger LSEMS partnership.

The Provincial government has also identified its intent to proceed with a *Lake Simcoe Act* at its earliest opportunity. It is recommended that Regional staff report back to Committee and Council with comments and recommendations on the proposed *Lake Simcoe Act* when tabled in the Legislature.

For more information on this report, please contact Barbara Jeffrey, M.C.I.P., R.P.P., Manager, Land Use Policy and Environment, Long Range and Strategic Planning Branch, at 905-830-4444 ext 1526 or barbara.jeffrey@york.ca

The Senior Management Group has reviewed this report.

(Attachment 1 referred to in this clause was included in the agenda for the November 28, 2007 Committee meeting and Attachment 2 is attached to this report.)