

# Walkerton Clean Water Centre



## ANNUAL REPORT

2016-2017

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# Message from the Chair and the CEO

2016–17 was another successful year for the Walkerton Clean Water Centre (the Centre) as it continued to fulfill its mandate to coordinate and provide education, training and information to drinking water system owners, operators and operating authorities, and the public, across Ontario.

During the past year, the Centre administered and delivered mandatory courses on behalf of the Ministry of the Environment and Climate Change (the Ministry) and provided a range of specialized and hands-on training. Thirty-six hands-on courses and workshops were offered to meet the needs of drinking water professionals. A quality assurance program ensured that standards were upheld for all training initiatives and demonstrated the Centre's commitment to training excellence. To date, the Centre has provided high-quality training to more than 69,000 participants. The Centre also initiated a special project to facilitate the provision of drinking water training and continuing education to operators of First Nations drinking water systems and First Nations administrators.

The Centre's Technology Demonstration Facility served as a platform for hands-on training and pilot projects using drinking water treatment and distribution technologies. Technical tours of the Technology Demonstration Facility were provided to 424 individuals. Six publications were produced to share information about the treatment, equipment and operational requirements necessary to ensure that drinking water is safe. The Centre also increased emphasis on pilot projects and began to promote the availability of pilot testing services. Eight pilot projects were undertaken to enhance drinking water system owners, operators and operating authorities' understanding of source water quality, treatment performance, and alternative treatment parameters or technologies.

We would like to take this opportunity to acknowledge those that have made this year's accomplishments possible. We thank the Government of Ontario for financial support, the Ministry for ongoing assistance, the Board of Directors for overseeing the Centre's operations, and Centre staff for their dedication to another successful year.



A stylized, handwritten signature in black ink.

John Stager,  
*Chair, Board of Directors*



A handwritten signature in blue ink that reads "R Martiuk".

Roman Martiuk,  
*Chief Executive Officer*

# Mission, Mandate, Vision and Values

## Mission

The Centre exists to educate and support our clients as they address their water system risks in order to safeguard Ontario's drinking water.

## Objects/Mandate

Ontario Regulation 304/04, made under the *Development Corporations Act*, defines the Centre's objects, which the Centre delivers independently or in conjunction with other organizations:

- To co-ordinate and deliver education and training for owners, operators and operating authorities of drinking water systems.
- To provide information, education and advice to owners, operators and operating authorities of drinking water systems and to the public about,
  - i. the treatment of water necessary to ensure that drinking water is safe,
  - ii. the equipment and technology used to ensure that drinking water is safe,
  - iii. the operational requirements necessary to ensure that drinking water is safe, and
  - iv. other environmental issues related to drinking water.
- To sponsor research into any activities related to its objects.
- To provide advice to the Minister of the Environment and Climate Change (Minister) on research and development priorities to achieve and maintain safe drinking water.
- To conduct such further activities, consistent with its objects, as are described in any policy direction issued by the Minister or as set out in any agreement with the Minister.

## Vision

The Centre is an agency known for its innovative and practical approach to building knowledge and capacity for those responsible for water systems, emphasizing system vulnerabilities.

## Values

At the Centre we provide a positive environment which is characterized by honesty, trust and accountability. We live these values by:

- being accountable
- promoting fairness and equity
- showing respect through genuine and transparent communications
- providing a dynamic environment which encourages ideas, innovation and collaboration
- being a responsive, client-driven service organization

Participants work on the Emergency Watermain Repair module at the sixth annual Maintenancefest event held in Walkerton.



# Corporate Profile

The Centre, an operational service agency of the Government of Ontario, was established in October 2004 in response to Associate Chief Justice Dennis O'Connor's recommendations in the Report of the Walkerton Inquiry. A Board of Directors of up to 12 members governs the Centre. The Centre operates out of a facility that serves as a platform for the provision of education, training and information to drinking water system owners, operators and operating authorities across Ontario.

The Centre aims to meet the needs of drinking water professionals by delivering a comprehensive range of the highest quality training across Ontario. The Technology Demonstration Facility, with its leading-edge drinking water technologies, facilitates hands-on training and the provision of education, information and advice on water treatment and distribution equipment, technologies, operational requirements and environmental issues related to drinking water. The Centre also assesses research gaps and needs, sponsors research that contributes to its mandate and uses research results to improve training. The Centre supports the drinking water related goals and priorities of the Government of Ontario, including the goal to improve drinking water for First Nations communities by delivering training to operators of First Nations drinking water systems.



Students from Algonquin College of Applied Arts and Technology complete a training activity in the Technology Demonstration Facility.



Participants at the regional Maintenancefest event, held in St. Catharines, work on the Backflow and Cross Connection module.



# Corporate Governance

On the recommendation of the Minister, the Lieutenant Governor in Council appoints the Chair and members of the Centre's Board of Directors. Under the leadership of the Chair, the Board of Directors is responsible for overseeing the management of the Centre's activities.

The Centre is governed by Ontario Regulation 304/04, made under the *Development Corporations Act*, the Centre's bylaw, and a Memorandum of Understanding with the Minister.

## Accountability

The Centre is committed to public transparency and accountability to the people of Ontario. The Centre is required to comply with relevant government of Ontario policies, directives and guidelines, such as the Agencies & Appointments Directive, the Procurement Directive and the Travel, Meal and Hospitality Expenses Directive, to meet expectations regarding its operations.

In accordance with Ontario Regulation 304/04, the Centre must submit an annual report each fiscal year. This 2016–17 annual report includes the Centre's audited financial statements and is part of the Centre's accountability structure. The Centre submits the report to the Minister, who tables it in the Ontario legislature, at which time the report is publicly available on the Centre's website, [wcwc.ca](http://wcwc.ca).

The Board of Directors is responsible for ensuring that there is an annual external audit of the Centre's operations and financial transactions as required by both Ontario Regulation 304/04 and the Memorandum of Understanding. This annual audit is subject to review by the Auditor General of Ontario. In addition, the Ministry reviews the Centre's operations at least once every three years and the Minister may request an audit at any time.

The Agencies & Appointments Directive requires the Centre to prepare a business plan each year, covering at least three years of operation. The Board of Directors oversees and directs the development and implementation of business plans, including the review of risks, performance measures and outcomes, in consultation with the Ministry.

In addition to annual reports and business plans, the Centre is responsible for developing and implementing policies and procedures to ensure the transparency and accountability of its operations.

# Board of Directors, 2016–17

The Lieutenant Governor in Council, on the advice of the Minister, appoints the Centre’s Board of Directors. Members hold office for terms of up to three years and are eligible for reappointment for successive terms. The Board of Directors is accountable to the Ontario legislature through the Minister and is responsible for the overall supervision of the Centre’s operations. The Board of Directors meets regularly. The total annual remuneration for all members of the Board of Directors was \$22,345.00 during 2016–17.



The Board of Directors, pictured with CEO, Roman Martiuk.  
Back row, from left to right: Rui De Carvalho, Keith Maracle, Andrew Henry, Lou D’Alessandro and Roman Martiuk. Front row, from left to right: Delbert (Deb) Shewfelt, Laura Smit, John Stager and Stephen Spitzig.

## John Stager, Chair

**Member since:** December 17, 2013

**Current term:** December 17, 2015–December 16, 2018

Mr. Stager has more than 30 years of environmental management and organizational transformation experience. From 2008 to 2012, he was the Chief Drinking Water Inspector for the Province of Ontario, as well as the Assistant Deputy Minister for the Drinking Water Management Division within the Ministry of the Environment. Prior to holding that position, Mr. Stager was the Assistant Deputy Minister Lead for the Ministry's Inspections, Investigations and Enforcement modernization initiative from 2004 until 2008. In this capacity, he led a series of modernization initiatives across Ontario's 13 regulatory compliance ministries.

In 2000, Mr. Stager represented the Ontario government in Walkerton, providing cross-ministry support to individuals, families and businesses following the E-coli outbreak.

Mr. Stager holds a B.Sc. from Acadia University and is a graduate of Western's Ivey Executive Program and Harvard's Executive Program on Strategic Management of Regulatory and Enforcement Agencies. In 2008, Mr. Stager was the recipient of an Ontario government Amethyst Award for innovative leadership.

## Cathie Brown

Senior Advisor, Association of Municipalities of Ontario

**Member since:** October 12, 2004

**Vice-Chair:** February 11, 2015–February 10, 2017

**Current term:** February 11, 2015–February 10, 2017

Ms. Brown is a Senior Advisor at the Association of Municipalities of Ontario. Prior to this, Ms. Brown was the Source Water Protection Project Manager for the Ausable Bayfield Maitland Valley Source Protection Region. Formerly, she was the Executive Director of the Ontario Rural Council.

## Lou Anthony D'Alessandro

Public Health Inspector, North Bay Parry Sound District Health Unit, Environmental Health Division

**Member since:** October 12, 2004

**Current term:** August 20, 2015–August 19, 2017

Mr. D'Alessandro is a certified public health inspector and has been involved with public health for more than 35 years. He is currently employed by the North Bay Parry Sound District Health Unit in the Environmental Health Division. Mr. D'Alessandro holds certification as a water quality analyst (class 1), onsite sewage system inspector (part 8 septic systems under the Ontario Building Code) and small water systems operator. Mr. D'Alessandro has managed several programs under the *Health Protection and Promotion Act*.

## Rui De Carvalho, M.Eng., P.Eng.

Senior Vice-President, R.J. Burnside & Associates Limited

**Member since:** October 12, 2004

**Chair:** September 8, 2009–September 7, 2012

**Current term:** October 22, 2016–October 21, 2019

Mr. De Carvalho has more than 39 years of experience as a consulting engineer in the water supply sector, both in Canada and internationally. In addition to various roles on municipal water supply projects, his experience also includes more than 25 years in the planning, design and implementation of water supply and infrastructure servicing in First Nations communities in Ontario, Alberta and Labrador. More recently, Mr. De Carvalho was Burnside's Project Director on a series of major projects related to the reconstruction and management of the urban water supply infrastructure in Sub-Saharan Africa and continues to support the development and implementation of both domestic and international projects.

Mr. De Carvalho is a Designated Consultant by Professional Engineers Ontario, a Designated Environmental Engineer by the American Academy of Environmental Engineers and a member of the

International Water Association, the American Water Works Association, the Ontario Water Works Association and the Canadian Society for Civil Engineering.

### **Andrew Henry**

Division Manager, Regional Water Supply,  
Lake Huron & Elgin Area Water Supply Systems

**Member since:** May 6, 2015

**Current term:** May 6, 2015–May 5, 2017

Mr. Henry has an honours degree in civil and environmental engineering and is a registered professional engineer. Mr. Henry has held various positions in the municipal sector with the City of Etobicoke (now part of Toronto), the District of Chilliwack, British Columbia and the City of London, Ontario.

Mr. Henry has participated in numerous provincial and federal initiatives, including the development of a best practices document with the Federation of Canadian Municipalities, the development of the Drinking Water Quality Management Standard, and has participated on senior government advisory committees and work groups related to municipal drinking water licensing, source water protection, the Great Lakes, First Nations and emergency management/critical infrastructure assurance.

Mr. Henry is a member of the Lake Erie Source Protection Committee, the province's Operating Authority Accreditation Management Committee, and is a Co-Chair of the Ontario Water/Wastewater Agency Response Network. Mr. Henry has served as the Vice-Chair of the Working Group for the development of support resources for the implementation of the Drinking Water Quality Management Standard by Ontario municipalities, and a provincial review committee for the Optimization Manual for Drinking Water Systems.

Mr. Henry is also on the Ontario Municipal Water Association Board of Directors and was the President and Chair for the 2014–17 term.

### **Keith Maracle, M. Eng., P.Eng., PMP**

Managing Director, FHR Inc.

**Member since:** September 28, 2016

**Current term:** September 28, 2016–September 27, 2019

Mr. Maracle is a professional engineer and a certified project management professional. He has varied experience in all facets of drinking water and wastewater design, development and operations.

Mr. Maracle also has more than 20 years of experience working closely with large and small First Nations communities and Tribal Councils in matters related to drinking water, wastewater, infrastructure development and capital planning.

### **Delbert (Deb) Shewfelt**

**Member since:** April 10, 2013

**Current term:** April 10, 2015–April 9, 2017

Mr. Shewfelt served on Goderich Town Council as Councillor, Reeve and Mayor for more than 28 years, 22 of those years as Mayor. He also served as a Huron County Councillor for four years in the 1970s and from 2000 to 2014, and is a past Warden of Huron County (2007). Prior to his position as Mayor of Goderich, Mr. Shewfelt worked as a real estate broker and land developer.

Mr. Shewfelt has served on several boards and committees, including the Mayor's Committee of the Lake Huron Southeast Shores Initiative, Great Lakes and St. Lawrence Cities Initiative, Maitland Valley Conservation Authority (Chair) and the Joint Management Committee of the Ausable Bayfield Maitland Valley Source Protection Region. He also served on the Advisory Panel of the Ontario Drinking Water Standard of Care Committee and is a past Chair of the Ontario Municipal Water Association.

For a lifetime of dedication to municipal service and environmental protection, he received the Queen Elizabeth II Silver Jubilee Medal in 1977 and the Queen Elizabeth II Diamond Jubilee Medal in 2012.

In 2015, he was appointed to the board of ONE CARE INC., a not-for-profit health care provider offering home and community support services to citizens of Huron and Perth counties including Meals on Wheels, EasyRide transportation and respite and adult day away programs.

### **Laura Smit**

Water/Wastewater Supervisor,  
Town of Whitchurch-Stouffville

**Member since:** February 18, 2015

**Current term:** February 18, 2017–February 17, 2020

Ms. Smit has dedicated more than 15 years to the operation and maintenance of water and wastewater systems. Born and raised in Orillia, Ontario, Ms. Smit began working with the Township of Severn in 2001. She served as Wastewater Plant Manager in Jasper, Alberta, before returning to Ontario in 2008, and is now working for the Town of Whitchurch-Stouffville.

### **Stephen Spitzig, CPA, CMA**

**Member since:** October 12, 2004

**Current term:** November 5, 2016–November 4, 2019

Mr. Spitzig is an accountant in public practice with the Collins Barrow branch in Walkerton. He has been serving the farming and business community around the Walkerton area for more than 31 years.

He received his Chartered Professional Accountant designation in 2014 and has had his Certified Management Accountant designation from the Society of Management Accountants of Ontario since 1999. Mr. Spitzig also has an Honours Bachelor of Business Administration degree from Wilfrid Laurier University.

Born and raised in the town of Chepstow, Ontario, Mr. Spitzig has strong ties to the Walkerton area and supports the community through his volunteer service with various organizations.

### **Susan Todd**

Dean, School of Science and Engineering Technology,  
Durham College

**Member Since:** September 15, 2010

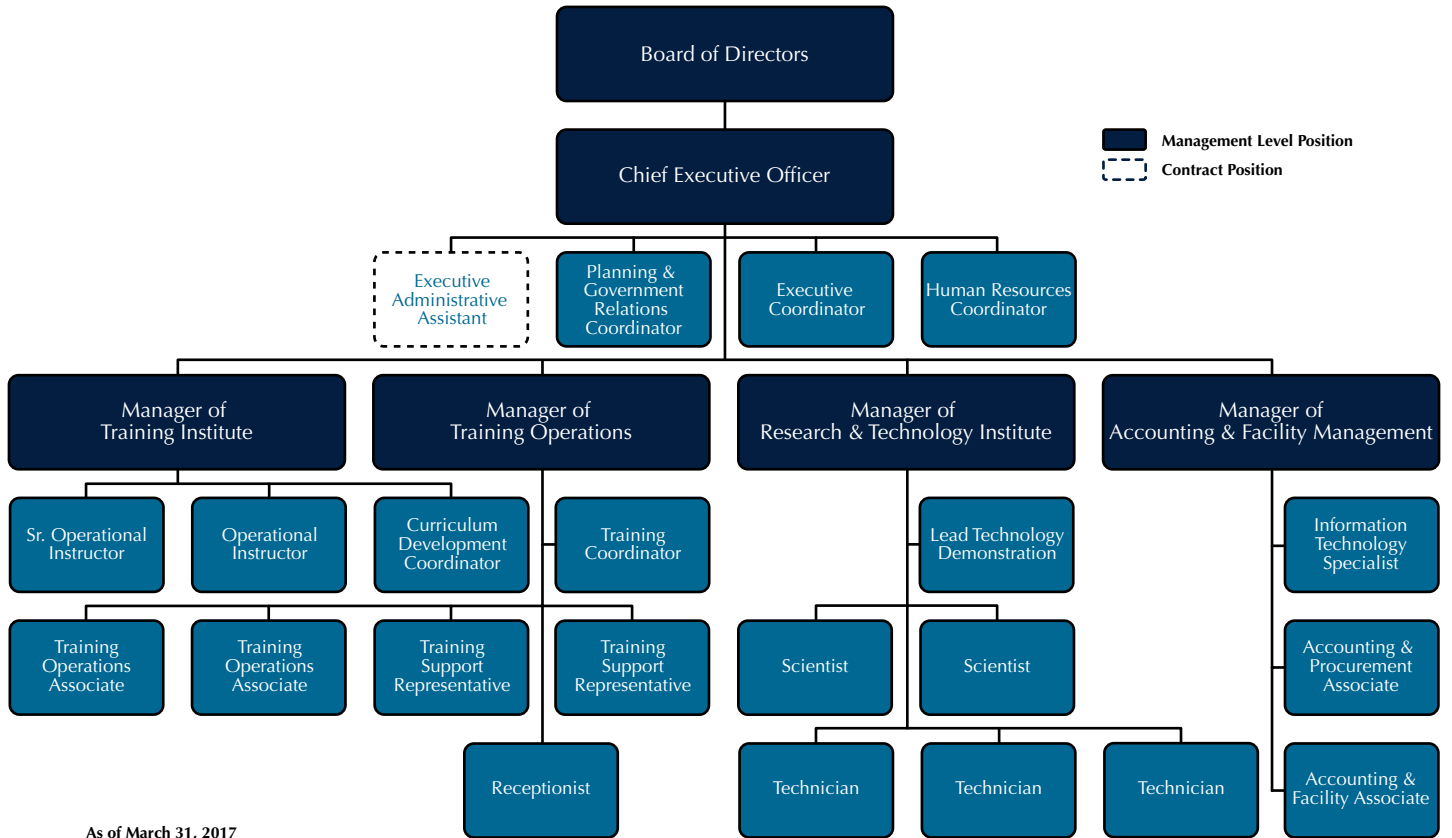
**Current term:** October 31, 2014–October 30, 2016

Ms. Todd has been involved in postsecondary education for 24 years and is currently Dean of the School of Science and Engineering Technology at Durham College in Oshawa, Ontario. Ms. Todd works with program advisory members, industrial partners, faculty, and students to ensure that the college's programs are current and innovative.

Prior to her role as Dean, Ms. Todd taught courses in chemistry, biology and mathematics at the postsecondary level and developed eight new programs for Durham College, including the Water Quality Technician program.

Ms. Todd has past experience with both private industry and the federal government.

# Organizational Chart



As of March 31, 2017



Participants in the course, Membranes for Drinking Water Treatment, complete an exercise in the Centre's laboratory.

# Goals and Strategic Directions

The Centre's business plan outlines its direction for the future, making the best use of resources to deliver on its goals. This annual report describes the Centre's progress toward reaching these goals:

1. Meeting the needs of drinking water professionals by coordinating and delivering a comprehensive range of high-quality education and training provincewide.
2. Providing information and advice about drinking water through the Technology Demonstration Facility and using the facility as a platform for hands-on training.
3. Sponsoring research that contributes directly to the Centre's objects.



# Summary of Performance for 2016–17 Activities

Initiative	Description	Performance Indicator	Status	Comments
<b>Education and Training</b>	Meet the needs of drinking water professionals by coordinating and delivering a comprehensive range of high-quality education and training provincially.	<b>Number of training participants</b> The Centre set a target to train 6,300 participants in 2016–17.	Achieved	The Centre trained 6,517 participants.
		<b>Evaluation of training quality</b> Maintain a quality assurance index of >0.850. The quality assurance index is an evaluation of training quality.	Achieved	The quality assurance index for 2016–17 was 0.929. The maximum attainable is 1.000.
		<b>Number of hands-on courses</b> Offer 27 hands-on courses.	Achieved	The Centre offered 36 hands-on courses during 2016–17.
<b>Information and Advice</b>	Provide information and advice about drinking water through the Technology Demonstration Facility and use the facility as a platform for hands-on training.	<b>Technical tours of the Technology Demonstration Facility</b> Increase the number of individuals who tour the Technology Demonstration Facility by five per cent. During 2015–16, 315 individuals received technical tours.	Achieved	The Centre provided technical tours of the Technology Demonstration Facility to 424 individuals during 2016–17, an increase of approximately 35 per cent over 2015–16.
<b>Sponsored Research</b>	Sponsor research that contributes directly to the Centre's objects.	<b>Number of publications</b> Produce 10 publications including fact sheets, refereed publications and external presentations. Publication ensures information is shared with the operators and decision-makers overseeing drinking water systems in Ontario.	Not achieved	The Centre produced six publications in 2016–17 to share information about the treatment, equipment and operational requirements necessary to ensure that drinking water is safe. Although the Centre had set a target to produce 10 publications, increased emphasis on pilot projects changed the Centre's focus during the course of the year. Through pilot projects, the Centre provides information to enhance drinking water system owners, operators and operating authorities' understanding of source water quality, treatment performance, and alternative treatment parameters or technologies.  The Centre will continue to produce publications and make information available through various channels to assist the operators and decision-makers overseeing drinking water systems in Ontario.

# Goal 1

Meet the needs of drinking water professionals by coordinating and delivering a comprehensive range of high-quality education and training provincewide.

## Training Statistics

The total number of participants trained during 2016–17 was 6,517, exceeding the target of 6,300 participants. This number includes participants in specialized courses, as well as the Ministry's three mandatory courses administered and delivered by the Centre:

- Entry-Level Drinking Water Operator
- Operation of Small Drinking Water Systems
- Diligence in Drinking Water Operations

Four new specialized courses were introduced during 2016–17. Since its inception, the Centre has trained 69,026 participants. The table on page 18 illustrates the number of participants in all of the Centre's training initiatives.

## Quality Assurance Program

The Centre is committed to training excellence and continuous improvement. The Centre maintains a quality assurance index to measure the satisfaction of training participants and the effectiveness of training. The following measurements contribute to the quality assurance index:

- Participant evaluations consisting of ratings for instructor, course content and overall course.
- Post-training participant evaluations that include questions similar to those on the initial participant evaluation forms.
- Course audits conducted by Centre staff using standardized audit checklists to provide additional information on course content and instructors.

The quality assurance index for 2016–17 was 0.929 out of a possible 1.000. The quality assurance index indicates that, for all courses combined, 92.9 per cent of survey respondents provided an overall course rating of good or excellent, of the options: very poor; poor; fair; good; and excellent.

**The Centre trained more than  
6,500 participants during 2016-17**



## Participants work on a hands-on exercise during the course, *Managing Algae in Drinking Water Systems*.

A number of other factors also contribute to the Centre's quality assurance program:

- The Training Advisory Committee — comprised of Centre staff and a broad cross-section of water sector specialists who participate voluntarily — acts as a driver for continual improvement by reviewing the Centre's annual training plan and providing recommendations on how the Centre can best meet the training needs of Ontario's drinking water sector.
- The recently revised course development processes involve greater input from a broad range of stakeholders.
- Centre instructors are required to pass a two-day train-the-trainer workshop that includes a practical evaluation of their ability to deliver training.

### **Hands-on Training**

During 2016–17, the Centre exceeded the target of offering 27 hands-on courses by offering 36. Hands-on training is popular with participants because of its interactive nature. Two successful hands-on training courses are Practical Training for Small Drinking Water System Owners and Operators and Basics for Small Drinking Water Systems. These courses were designed for small drinking water systems regulated under Ontario Regulation 170/03, made under the *Safe Drinking Water Act, 2002*, or Ontario Regulation 319/08, made under the *Health Protection and Promotion Act*.

The Centre also delivered small systems hands-on workshops in Sault Ste. Marie and Peterborough to 15 and 39 participants, respectively. Another popular hands-on training initiative is Maintenancefest, which offers a variety of training modules led by drinking water experts. Regional Maintenancefest events in St. Catharines and Thunder Bay provided training to 53 and 35 participants, respectively, and the sixth annual Maintenancefest provided training to 80 participants in Walkerton.

### **Training for Operators of First Nations Drinking Water Systems**

The Centre initiated a special project to facilitate the provision of drinking water training and continuing education to operators of First Nations drinking water systems and First Nations administrators.

**Table 1: Training Statistics\***

Course	Number Trained 2014–15	Number Trained 2015–16	Number Trained 2016–17	Three-year Cumulative Total
Entry-Level Drinking Water Operator	330	286	316	932
Treating and Distributing Safe Drinking Water (classroom)	698	— **	— **	698
Treating and Distributing Safe Drinking Water (correspondence)	176	— **	— **	176
Diligence in Drinking Water Operations (classroom)	868	1,932	1,040 ***	3,840
Diligence in Drinking Water Operations (correspondence)	140	305	244	689
Operation of Small Drinking Water Systems (correspondence)	907	946	884	2,737
Operation of Small Drinking Water Systems (online)	527	654	710	1,891
Operation of Small Drinking Water Systems (classroom)	39	—	28	67
<b>SUBTOTAL: MANDATORY COURSES</b>	<b>3,685</b>	<b>4,123</b>	<b>3,222</b>	<b>11,030</b>
Specialized courses	2,386	1,918	3,053	7,357
Standard of Care – Safe Drinking Water Act	679	478	105	1,262
Municipal Drinking Water Licensing Program (classroom)	159	97	137	393
Northern Centre for Advanced Technology courses (online health and safety courses)	312	87 ****	— ****	399
<b>SUBTOTAL: NON-MANDATORY COURSES</b>	<b>3,536</b>	<b>2,580</b>	<b>3,295</b>	<b>9,411</b>
<b>TOTAL</b>	<b>7,221</b>	<b>6,703</b>	<b>6,517</b>	<b>20,441</b>

\* Since its inception in 2004, the Centre has provided training to 69,026 participants.

\*\* This table illustrates the transition from the mandatory certificate renewal course, Treating and Distributing Safe Drinking Water, to Diligence in Drinking Water Operations, which the Centre launched on January 1, 2015. Operators require the mandatory courses to obtain or retain their certification.

\*\*\* Mandatory certificate renewal activity follows predictable cycles. Results for 2016–17, although less than 2015–16, met expectations.

\*\*\*\* Program hosting ceased on June 30, 2015.

# Goal 2

Provide information and advice about drinking water through the Technology Demonstration Facility and use the facility as a platform for hands-on training.

## Tours of the Technology Demonstration Facility

The Centre's Technology Demonstration Facility reflects the variety of drinking water treatment and distribution technologies used in Ontario. During 2016–17, the Centre provided tours of the Technology Demonstration Facility to 898 individuals. Four hundred and twenty-four of these individuals, including course participants and postsecondary students, received technical tours that provide information about the equipment and operational requirements necessary to ensure drinking water is safe. This is an increase of approximately

35 per cent from 2015–16 and exceeds the target of a five per cent increase. The remainder of the tours were non-technical and provided general information about drinking water and the Centre to the public.

The Centre supported Ontario postsecondary students by providing unique hands-on training in the Technology Demonstration Facility to 132 students during 2016–17. Ninety-three of these students were enrolled in Ontario colleges that deliver the Ministry's mandatory Entry-Level Drinking Water Operator course as part of their curriculum.



Practical Training for Small Drinking Water System Owners and Operators course participants work with equipment during a hands-on component of the course.

# Goal 3

Sponsor research that contributes directly to the Centre's objects.

## Publications

During 2016–17, the Centre's Research Advisory Committee — made up of Centre staff and individuals who participate voluntarily to provide expertise in water research — identified, evaluated and prioritized information gaps in drinking water research. The Centre produced the following six research publications, including fact sheets and external presentations, to share information about the treatment, equipment and operational requirements necessary to ensure that drinking water is safe:

- A literature review for the management of radionuclides in drinking water. This literature review was completed in March 2017.
- Distribution Factors that Control Biofilm. This fact sheet was produced to provide information to owners, operators and operating authorities of Ontario's drinking water systems.
- Effect of Small System Filters on Microcystin-LR and Cyanobacteria Cell Removal. This paper was presented at Ontario's Water Conference & Trade Show in Windsor, Ontario in May 2016.
- Pilot Plant Study: Comparison of Small System Filters on the Removal of Microcystins and Cyanobacteria. This publication was presented to Public Health — Pelee Island Working Group in May 2016.
- Reduction of Residual Aluminum in Treated Water from a Small Drinking Water System's Perspective. This paper was presented at Ontario's Water Conference & Trade Show in Windsor, Ontario in May 2016.
- Small Drinking Water Systems and Blue-green Algae Toxins. This fact sheet was produced in August 2016.

Although the Centre had a target to produce 10 publications, increased emphasis was put on pilot projects over the course of the year. During 2016–17, the Centre began to promote the availability of pilot testing services and resources were reassigned from publication to pilot projects. As a result, activity increased from two pilot projects completed during 2015–16, to eight pilot projects undertaken during 2016–17. Pilot projects are beneficial because they allow the Centre to provide information to enhance drinking water system owners, operators and operating authorities' understanding of source water quality, treatment performance, and alternative treatment parameters or technologies. They also provide more opportunities for customized learning than would be available through publications.

**424 individuals received technical tours of the Technology Demonstration Facility**



Participants work on the Fire Hydrant Inspection and Maintenance module at the sixth annual Maintenancefest event held at the Centre.

The following pilot projects were undertaken during 2016–17:

- **Organics reduction:** Organics are a significant issue in Northern Ontario identified in client consultation sessions held by the Centre during 2015–16. The Centre received four pilot project requests related to organics reduction.
- **Iron/manganese reduction:** The Centre received two pilot project requests related to iron/manganese. Iron and manganese may spark consumer complaints.
- **Arsenic reduction:** A revised drinking water standard for arsenic will come into effect January 1, 2018. This upcoming change triggered one pilot project request.
- **Radionuclide reduction:** One request regarding the reduction of radionuclides was received from a community in Northern Ontario. The Centre supported the community by providing a literature review for the management of radionuclides in drinking water.

Going forward, the Centre will continue to take action to make information available through various channels, including publications, fact sheets, external presentations and pilot project reports, to improve knowledge transfer and assist the operators and decision-makers who oversee drinking water systems.

During 2016–17, the Centre worked to expand support services through the development of a helpline.

Through the helpline, knowledgeable staff respond to technical telephone calls from clients and the public, providing information in a timely manner. The Centre also began the development of an information clearing house that, once complete, will be an online reference library of information vetted by the Centre for use by operators, owners and operating authorities of drinking water systems across Ontario, including First Nations communities.

### Sponsored Research

The following research projects, which were awarded grants from the Centre in previous years, were ongoing during 2016–17:

- **Natural Sciences and Engineering Research Council of Canada Industrial Research Chair in Water Treatment at the University of Waterloo.** The Centre is supporting a research theme related to developing strategies to deal with cyanotoxins.
- **RES'EAU WaterNET research network.** RES'EAU WaterNET research network is a Canadian cross-disciplinary strategic research network devoted to developing innovative and affordable solutions for small, rural and First Nations water systems. The project research themes include innovative and integrated treatment processes; water health assessment and modeling; and governance, risk management and compliance.

**The Centre offered 36 hands-on courses**



# Adherence to Governance, Accountability and Operations Frameworks

The Centre works to achieve its mission from within the bounds of:

- All applicable acts and regulations, including Ontario Regulation 304/04 made under the *Development Corporations Act*.
- The Memorandum of Understanding between the Minister and the Centre.
- Applicable Management Board of Cabinet directives.
- The Centre's bylaw and policies.
- Other elements of an effective governance and accountability framework.

The Centre is aware of the parameters of its governance structure, which is vital to its operations. Equally important is the Centre's accountability to stakeholder groups and the people of Ontario. During 2016–17, the Centre developed a new three-year business plan and prepared its annual report in an accurate and timely manner in accordance with the Agencies & Appointments Directive.

## Accessibility Standards

The Centre continues to meet the requirements of Ontario Regulation 429/07, Accessibility Standards for Customer Service, made under the *Accessibility for Ontarians with Disabilities Act, 2005*. The Centre's Multi-Year Accessibility Plan, compliance reports and policy on accessible customer service are available to the public on the Centre's website.

## Continuity of Operations Plan

The Centre's Continuity of Operations Plan Committee actively works to identify and manage risks and ensure that a Continuity of Operations Plan is prepared and submitted to the Ministry based on a scheduled deadline.

## French Language Services Act

The Centre reports to the Office of Francophone Affairs when it enters into agreements with third parties who provide services to the public on its behalf.



Participants work through an activity at the Drinking Water Quality Management Standard Workshop held in Innisfil.

# Looking Forward

The Centre is committed to meeting the training needs of the owners, operators and operating authorities of Ontario's drinking water systems. The Centre will continue to make the best use of resources to fulfill its mission. Ongoing and future initiatives include:

- Delivering drinking water education and training to owners, operators and operating authorities of drinking water systems.
- Providing drinking water education and training to operators of First Nations drinking water systems in support of the Ministry's collaborative work with First Nations and the federal government to help improve drinking water for First Nations communities in Ontario
- Upholding training quality standards through the quality assurance program and maintaining a quality assurance index of greater than 0.850.
- Making more hands-on courses available.
- Exploring new training formats, including eLearning, to ensure customer satisfaction.
- Increasing the number of individuals who visit the Technology Demonstration Facility for tours.
- Disseminating information by producing publications, including fact sheets, refereed publications and external presentations.
- Undertaking pilot projects to fill information gaps.
- Offering hands-on training to postsecondary students enrolled in Ontario colleges that provide the Ministry's mandatory Entry-Level Drinking Water Operator course.
- Sponsoring research that contributes directly to the Centre's mandate.

# Management's Responsibility for Financial Information

Senior management and the Board of Directors are responsible for the financial performance of the Centre. The Board of Directors reviews and approves the financial statements and all information presented in this annual report. The Board of Directors is also responsible for ensuring there is an annual external audit of the Centre's accounts and financial transactions. The annual audit is subject to review by the Auditor General of Ontario.

## Finance and Audit Committee's Responsibilities

The Board of Directors' Finance and Audit Committee receives and reviews the Centre's quarterly financial reports. The total and departmental income statement reports provide complete revenue and expenditure variances, which the Centre's management team reviews.

The Finance and Audit Committee also plays a number of important roles in the audit process, including:

- Meeting with the Centre's management team and external auditor to review any issues that need to be identified in the upcoming audit.
- Reviewing the external auditor's evaluation of internal controls with management.
- Reviewing the completed reports issued by the external auditor.
- Reviewing management's response and subsequent follow up to any identified weaknesses.

## External Audit

BDO Canada LLP audited the Centre's 2016–17 financial statements. The chartered accountant's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with public sector accounting standards. The auditor's report outlines the scope of the firm's examination and opinion.

## Financial Discussion

### Revenue

The Centre continues to recover costs through training course registration fees. During 2016–17, the Centre generated revenues of \$1.87M in course registration fees, a five per cent increase from 2015–16 fees revenue of \$1.78M. The Centre also received a transfer payment from the Government of Ontario of \$3M during 2016–17.

### Expenditures

The Centre's internal controls continue to effectively monitor overall expenditures. This is reflected by the increase in total expenditures of one per cent from \$4.34M in 2015–16 to \$4.39M in 2016–17.

### Balance Sheet

The Centre continues to be in a strong financial position with \$8.2M in cash and GIC investments. The March 31, 2017 net asset balance of \$8M will enable the Centre to continue significant contributions to drinking water education, training and pilot testing across Ontario.

# Independent Auditor's Report

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BDO Canada LLP  
121 Jackson Street  
PO Box 760  
Walkerton ON  
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## To the Members of Walkerton Clean Water Centre

We have audited the accompanying financial statements of the Walkerton Clean Water Centre, which comprise the statement of financial position as at March 31, 2017 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Walkerton Clean Water Centre as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**BDO CANADA LLP**  
**Chartered Professional Accountants,**  
**Licensed Public Accountants**  
**Walkerton, Ontario**  
**June 27, 2017**

# Statement of Financial Position

## Walkerton Clean Water Centre

March 31	2017	2016
<b>Assets</b>		
Current		
Cash	\$ 4,509,051	\$ 7,101,178
Current portion of investments (Note 2)	3,670,009	1,537,330
Accounts receivable	1,207,408	157,625
Prepaid expenses	77,563	72,737
	<b>\$ 9,464,031</b>	<b>\$ 8,868,870</b>
<b>Capital assets</b> (Note 3)	<b>987,621</b>	<b>1,050,635</b>
	<b>\$ 10,451,652</b>	<b>\$ 9,919,505</b>
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 234,278	\$ 286,316
Deferred revenue (Note 4)	2,153,428	2,218,293
	<b>2,387,706</b>	<b>2,504,609</b>
Commitments (Note 5)		
<b>Net Assets</b>	<b>8,063,946</b>	<b>7,414,896</b>
	<b>\$ 10,451,652</b>	<b>\$ 9,919,505</b>

On behalf of the Board:



Director



Director

The accompanying notes are an integral part of these financial statements.

## Statement of Changes in Net Assets

Walkerton Clean Water Centre  
For the year ended March 31

	2017 Total	2016 Total
Balance, beginning of year	\$ 7,414,896	\$ 6,938,036
Excess of revenue over expenses for the year	649,050	476,860
<b>Balance, end of year</b>	<b>\$ 8,063,946</b>	<b>\$ 7,414,896</b>

## Statement of Operations

Walkerton Clean Water Centre  
For the year ended March 31

	2017	2016
Revenue (Page 30)	\$ 4,953,682	\$ 4,784,750
Expenses (Page 30)	4,389,447	4,344,905
Excess of revenue over expenses before interest and other income	564,235	439,845
Interest and other income	84,815	63,409
Loss on disposal of capital assets	—	(26,394)
Excess of revenue over expenses for the year	\$ 649,050	\$ 476,860

The accompanying notes are an integral part of these financial statements.

# Schedule of Revenue and Expenses

## Walkerton Clean Water Centre For the year ended March 31

	2017	2016
<b>Revenue</b>		
Province of Ontario transfer payment (Note 6)	\$ 3,000,000	\$ 3,000,000
Province of Ontario transfer payment - First Nations	79,378	—
Training registrations	1,874,304	1,784,750
	<b>\$ 4,953,682</b>	<b>\$ 4,784,750</b>
<b>Expenses</b>		
Advertising and promotion	\$ 51,553	\$ 55,061
Amortization	225,611	237,275
Audit and legal	11,077	10,279
Bad debts	1,380	—
Bank charges	4,853	4,827
Conferences	16,427	16,417
Consulting services	8,710	31,994
Director fees	22,345	16,435
Employee benefits	456,565	422,562
Insurance	27,945	29,283
Minor capital expenditures	—	900
Office	142,317	124,095
Professional development	16,114	15,315
Property maintenance	1,566	—
Recruitment	5,224	657
Rent	548,100	530,592
Repairs and maintenance	26,104	29,724
Research projects	57,775	96,052
Salaries	1,804,067	1,866,494
Sponsorships	29,300	9,800
Subscriptions and memberships	20,421	20,277
Telephone	8,867	13,867
Training	815,744	690,311
Travel	49,853	37,829
Vehicle	11,172	19,002
Website and communications	26,357	65,857
	<b>\$ 4,389,447</b>	<b>\$ 4,344,905</b>

The accompanying notes are an integral part of these financial statements.



# Statement of Cash Flows

## Walkerton Clean Water Centre For the year ended March 31

	2017	2016
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating</b>		
Excess of revenue over expenses	\$ 649,050	\$ 476,860
Items not involving cash:		
Amortization of capital assets	225,611	237,275
Loss on disposal of capital assets	—	26,394
	<b>874,661</b>	740,529
Changes in non-cash working capital balances (Note 7)	<b>(1,171,512)</b>	1,862,881
	<b>(296,851)</b>	2,603,410
<b>Investing</b>		
Purchase of investments and interest reinvested	<b>(3,674,877)</b>	(1,544,690)
Redemption of investments	<b>1,542,198</b>	3,069,997
	<b>(2,132,679)</b>	1,525,307
<b>Capital</b>		
Acquisition of capital assets	<b>(162,597)</b>	(152,301)
<b>Net increase (decrease) in cash during the year</b>	<b>(2,592,127)</b>	3,976,416
Cash, beginning of year	<b>7,101,178</b>	3,124,762
Cash, end of year	<b>\$ 4,509,051</b>	\$ 7,101,178

The accompanying notes are an integral part of these financial statements.

# Notes to Financial Statements

Walkerton Clean Water Centre

March 31, 2017

## 1. Summary of Significant Accounting Policies

### Nature and Purpose of Organization

The Walkerton Clean Water Centre is an operational service agency of the Province of Ontario and was established on October 1, 2004 under the authority of The Development Corporation Act.

In accordance with the act, the Centre's objects are to:

- a) Coordinate and deliver training for drinking water system owners, operators and operating authorities.
- b) Provide advice to the Minister of the Environment and Climate Change on high-priority research to achieve safe drinking water.
- c) Sponsor drinking water research within the Centre's mandate.
- d) Make technical, scientific and regulatory information related to making safe drinking water more readily available including information about the statutory standard of care.

The Centre is exempt from Federal and Provincial income taxes.

### Basis of Presentation

The financial statements of the Centre have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board (PSAB for Government NPOs).

### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and guaranteed investment certificates with a duration of less than 90 days from the date of acquisition.

### Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at the estimated fair market value upon donation.

Labour and benefit expenses directly attributable to internally developed course curriculums are capitalized accordingly.

Amortization is based on the estimated useful life of the asset and is calculated with a half year provision as follows:

Computer equipment	33% declining balance
Computer software	50% declining balance
Course curriculums	15% declining balance
Leasehold improvements	20% declining balance
Office furniture and equipment	20% declining balance
Signs	20% declining balance
Technical equipment	20% declining balance
Vehicles	20% declining balance

# Notes to Financial Statements

Walkerton Clean Water Centre

March 31, 2017

## 1. Summary of Significant Accounting Policies (continued)

### Revenue Recognition

Transfer payments are recognized when the amount is known, collectability is reasonably assured and stipulations have been met. Revenue from training registrations is recognized when payment is receivable and the course has been completed. Interest revenue is recognized as it is earned over the period of investment. Donation revenue is recognized once the Centre has possession of the goods donated.

### Financial Instruments

The Centre classifies its financial instruments as either fair value or amortized cost. The Centre's accounting policy for each category is as follows:

#### Fair Value

The category includes cash and investments that are quoted in an active market. They are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

When a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

#### Amortized Cost

This category includes accounts receivable, and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

#### Use of Estimates

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Areas of key estimation include determination of the allowance for doubtful accounts, estimated useful life of capital assets, and impairment of curriculum rights.

# Notes to Financial Statements

Walkerton Clean Water Centre

March 31, 2017

## 2. Investments

	2017	2016
Bank of Nova Scotia GIC	\$ —	\$ 1,537,330
Bank of Nova Scotia GIC, 1.40%, due June 2017	909,528	—
Royal Bank of Canada GIC, 1.40%, due May 2017	1,242,531	—
BMO Mortgage Corporation GIC, 1.40%, due May 2017	1,012,657	—
RBC Mortgage Corporation GIC, 1.40%, due June 2017	505,293	—
	<b>\$ 3,670,009</b>	\$ 1,537,330
Less amounts due within one year included in current assets	<b>\$ 3,670,009</b>	\$ 1,537,330

## 3. Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 163,139	\$ 137,716	\$ 153,429	\$ 127,586
Computer software	99,345	59,255	46,870	45,402
Course curriculums	768,249	511,084	698,569	471,850
Leasehold improvements	52,987	40,301	52,987	37,129
Office furniture and equipment	351,981	292,429	351,981	277,541
Signs	51,041	42,467	51,041	40,324
Technical equipment	2,855,056	2,310,034	2,845,416	2,174,984
Vehicles	75,690	36,581	54,598	29,440
	<b>\$ 4,417,488</b>	<b>\$ 3,429,867</b>	\$ 4,254,891	\$ 3,204,256
Net book value		<b>\$ 987,621</b>		\$ 1,050,635

# Notes to Financial Statements

## Walkerton Clean Water Centre

March 31, 2017

### 4. Deferred Revenue

	2017	2016
Province of Ontario Transfer Payments - First Nations	\$ 1,770,622	\$ 1,850,000
Training registrations	382,806	368,293
	<b>\$ 2,153,428</b>	<b>\$ 2,218,293</b>

The Province of Ontario transfer payment is from the Ministry of the Environment and Climate Change. This payment is to be tracked separately and used for the training of First Nation operators.

The deferred training registrations are money that has been received for courses that will take place in a later fiscal year.

### 5. Commitments

Walkerton Clean Water Centre has entered into one equipment operating lease. This lease will end in October of 2018 and has monthly payments of \$111. Further, the Centre has entered into a lease agreement with Ontario Realty Corporation. This lease will end September 2017 and has monthly lease payments of \$51,771.

The minimum annual lease payments on the building and equipment for the next two years are as follows:

2018	\$ 311,950
2019	\$ 774

### 6. Transfer Payments

During the year, the Centre received \$3,000,000 (2016 - \$3,000,000) in transfer payments from the Province of Ontario.

### 7. Statement of Cash Flows

The change in non-cash working capital balances is made up as follows:

	2017	2016
Accounts receivable	(1,049,783)	26,918
Prepaid expenses	(4,826)	(16,075)
Accounts payable and accrued liabilities	(52,038)	(63,297)
Deferred revenue	(64,865)	1,915,335
	<b>\$ (1,171,512)</b>	<b>\$ 1,862,881</b>

# Notes to Financial Statements

## Walkerton Clean Water Centre

March 31, 2017

### 8. Pension Plan

The Centre provides pension benefits for all its full-time employees through participation in the Public Service Pension Plan which is a multi-employer defined benefit pension plan administered by the Ontario Pension Board. This plan is accounted for as defined contribution plan, as the Centre has insufficient information to apply defined benefit accounting to the plan. The Centre's contribution related to the pension plan for the period was \$145,247 (2016 - \$136,512) and is included in employee benefits in the statement of revenue and expenditures. As this is a multi-employer pension plan, these contributions are the Centre's pension benefit expenses. No pension liability for this type of plan is included in the Centre's financial statements. As of December 31, 2015, the Public Service Pension Plan had a year end deficit of \$434.0 million (2014 - \$331.6 million) per their audited financial statements.

### 9. Financial Instrument Risk Management

The Centre is exposed to various risks through its financial instruments. The following analysis provides a measure of the Centre's risk exposure and concentrations as at March 31, 2017.

#### **Credit Risk**

Credit risk is the risk of financial loss to the Centre if a debtor fails to make payments of interest and principal when due. The Centre is exposed to this risk relating to its cash and accounts receivable. The Centre holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Walkerton Clean Water Centre cash accounts are insured up to \$100,000 (2016 - \$100,000).

#### **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk, and equity risk. The Centre is not exposed to significant currency risk or equity risk as it does not transact materially in foreign currency or hold significant equity financial instruments.

#### **Interest Rate Risk**

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Centre is exposed to this risk through its interest bearing investments.

At March 31, 2017, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of the guaranteed investment certificates of \$30,721 (2016 - \$11,952).

#### **Liquidity Risk**

Liquidity risk is the risk that the Centre will not be able to meet all cash outflow obligations as they come due. The Centre mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.



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