

Grand River Conservation Authority

Report number: GM-07-26-71

Date: July 27, 2026

To: Members of the Grand River Conservation Authority

Subject: Eastern Lake Erie Regional Conservation Authority Transition Committee Update

Recommendation:

THAT Report Number GM-07-26-71 – Eastern Lake Erie Regional Conservation Authority Transition Committee Update be received as information.

Summary:

On June 26, 2026, the Minister of the Environment, Conservation and Parks issued a Direction under section 1.14 of the *Conservation Authorities Act* requiring conservation authorities to complete their 2027 budget and apportionment processes prior to the February 1, 2027 transition date associated with the provincial consolidation of conservation authorities. The Direction establishes specific timelines and reporting requirements intended to support continuity of governance, financial planning, and service delivery during the transition period.

To ensure compliance with the Direction and to provide certainty during a period of potential governance change resulting from both the 2026 municipal election cycle and the anticipated establishment of the Eastern Lake Erie Regional Conservation Authority, staff are advancing the 2027 budget schedule. The revised timeline will allow the current Board to complete the budget, apportionment, and municipal consultation process prior to any potential changes in Board composition and well in advance of the provincial transition date.

The report provides an overview of the Minister's Direction, its implications for the GRCA's 2027 budget process, and the steps being taken to ensure compliance while maintaining continuity of operations throughout the transition period.

Report:

On June 26, 2026, the Minister of Environment, Conservation and Parks (MECP) issued a Direction under section 1.14 of the *Conservation Authorities Act* to all conservation authorities. The Direction specifically addresses budget and apportionment matters leading up to the transition date. The Direction will remain in effect from June 26, 2026, until the transition date, currently set as February 1, 2027.

The Direction requires each conservation authority to complete its 2027 budget process prior to amalgamation and in accordance with the *Conservation Authorities Act* and applicable regulations.

Specifically, each authority must:

- Develop and approve its 2027 budget before the transition date.
- Hold meetings to approve municipal apportionment amounts and the final 2027 budget no later than thirty (30) calendar days prior to the transition date.
- Provide copies of the final approved budget to the Minister, participating municipalities, specified municipalities, and the Ontario Provincial Conservation Agency (OPCA) prior to the transition date.
- Issue all legislatively required notices of apportionment to participating and specified municipalities prior to the transition date.
- Provide written notification to both the MECP and OPCA upon completion of key budget milestones, including approval of the draft budget, approval of apportionment amounts, approval of the final budget, and issuance of apportionment notices.

2027 Budget Timing and Governance Considerations

In response to the Minister's Direction, staff are recommending that the 2027 budget process be advanced from the schedule used in recent years. While the Direction requires conservation authorities to complete their budgets prior to February 1, 2027, there are additional governance considerations that support completing the process earlier.

In recent years, the draft budget has typically been presented to the Board in October, followed by municipal consultation through the fall, an apportionment vote in January, and final budget approval in February. For the 2027 budget process, staff anticipate presenting the draft budget to the Board in July 2026, followed by municipal consultation during the summer, an apportionment vote in September 2026, and final budget approval in October 2026.

The accelerated schedule is intended to ensure that the current Board remains fully constituted throughout the budget approval process. The October 2026 municipal elections, subsequent municipal appointments to conservation authority boards, and the anticipated February 1, 2027 establishment of the Eastern Lake Erie Regional Conservation Authority all have the potential to affect Board composition during the period when the budget would traditionally be considered.

Participating municipalities appoint members to the GRCA Board and appointment terms vary among municipalities. Many current appointments are expected to conclude following the municipal election, with newly elected councils being constituted later in 2026. While municipalities will be encouraged to make appointments or reappointments as soon as possible following the election, timing challenges may occur as municipalities complete their own governance processes.

There are also additional uncertainties regarding future Board composition. Some current members have indicated that they do not intend to seek re-election, and the *Conservation Authorities Act* requires municipalities to ensure that at least 70 per cent of their appointed members are municipal councillors unless an exception is granted by the Minister. In addition, details regarding the composition of the future Eastern Lake Erie Regional Conservation Authority Board have not yet been provided by the Province.

Advancing the budget process will ensure the 2027 budget is approved by the current Board, provide participating municipalities with certainty regarding their budget contributions, and ensure compliance with provincial requirements well in advance of the statutory transition date.

Municipal Consultation

Consistent with established practice, once the Board has reviewed the draft budget, staff will circulate the draft budget to participating municipalities for consultation. Staff will also be available to present the draft budget and respond to questions from municipal councils and staff upon request.

Staff intend to provide participating municipalities with information regarding conservation authority appointments following the 2026 municipal election, consistent with previous election-year processes. This communication will help support timely municipal appointments and continuity of Board governance during the transition period.

Next Steps

GRCA staff will continue to prepare the 2027 budget in accordance with existing legislative requirements and the Minister's Direction. Staff will ensure that all budget approvals, municipal consultations, notification requirements, and reporting obligations are completed within the timelines established by the Province.

Staff will continue to participate in provincial transition activities and will provide further updates to the Board as additional direction, guidance, or legislative amendments are received regarding the transition to the Eastern Lake Erie Regional Conservation Authority.

Financial Implications:

The Minister's Direction does not alter existing municipal apportionment methodologies or budget approval requirements for the 2027 budget year. Staff time will be required to satisfy the additional provincial reporting and notification requirements associated with the Direction. At this time, no direct financial impacts beyond existing budget processes have been identified

Other Department Considerations:

Not applicable.

Submitted by:

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