

2017-2019

ONTARIO CLEAN WATER AGENCY

BUSINESS
PLAN



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EXECUTIVE SUMMARY

OCWA's Business Plan for 2017-19 builds on the success of the growth strategies and other initiatives that have been the Agency's focus for the past few years, with strategic initiatives that are grouped into four main focus areas: delivering Total Solutions to our clients; increased productivity and efficiency; bringing value to our communities and the province; and supporting our employees.

In addition to these focus areas, we will continue to place an emphasis on:

- Maintaining our existing client base;
- Ensuring regulatory compliance;
- Providing clean, safe drinking water to Ontario communities; and,
- Protecting and improving the environment, including the Great Lakes.

OCWA's growth strategy for the next ten years is focused on becoming a "Total Solutions Provider" for all of our clients' water, wastewater and water resources needs, assisting them in managing their assets and working with them to plan, finance and ensure the long-term sustainability of their systems. We are confident that by focusing on and meeting our clients' needs, we can not only maintain our existing business and expand our client base over the next decade, but significantly increase our value to the public as well.

Continually looking for better ways to manage our operations and reduce the cost of service delivery to our municipal customers remains very important to OCWA. Looking inward and evolving to become a more efficient and effective organization is one of the ways in which we provide value to our clients.

As part of our ongoing commitment to find organizational efficiencies, we will continue to implement changes to our information technology tools and systems through the OCWA Tools Evolution Program (OTEP). We will also continue to implement changes to our organizational structure that help us to improve our productivity, reduce costs and deliver better service to our clients.

As a public Agency, we recognize that meeting our business objectives is just one component of our overall success as an organization. Much of the value that we bring to our clients, our employees and the people of Ontario comes from the work that we do to protect the environment, improve public health, support innovation in the Province and provide opportunities for economic development and growth. In the coming years, we will continue to support initiatives that bring value to our stakeholders and the public. Priorities for 2017 include: supporting Ontario water technology; working to improve drinking water for First Nations communities; addressing climate change and its impact on the systems we operate; educating our communities about the value of water; promoting a safety culture across the Agency; and ensuring that OCWA's workforce has the capacity to deliver on our long-term objectives.

ENVIRONMENTAL SCAN

FACTORS THAT WILL AFFECT FISCAL, OPERATING & MANAGEMENT OBJECTIVES 2017-19

External Factors	Internal Factors
<ul style="list-style-type: none"> • The Economy • Industry Trends • Federal and Provincial Legislation • Provincial Government Priorities 	<ul style="list-style-type: none"> • Financial Performance • Agency Organizational Review • Workforce Issues

The Economy

Ontario's economy continues to grow in a challenging global economic environment. As indicated in the 2016-17 First Quarter Update on Ontario Finances, issued by the Ministry of Finance in August, 2016, the economy is benefiting from steady economic growth in the United States, low oil prices and a more competitive Canadian dollar, with forecasters projecting that Ontario real GDP will increase by 2.5% in 2017.

The Bank of Canada's October 2016 Monetary Policy Report indicates that "the adjustment of the Canadian economy to low commodity prices is progressing against a backdrop of weak but improving global demand", with activity outside resource sectors "growing at a solid pace, driven by an expanding service sector and supported by the past depreciation of the Canadian dollar". Interest rates remain at historic lows. In October, 2016, the Bank of Canada held its key interest rate steady at 0.5%, where it has remained since July of 2015, resulting in continued low returns on the Agency's investment portfolio in the near term.

The 2016 Ontario budget maintains the government's focus on debt reduction and a commitment to balance the budget by 2017-18, while continuing to make investments that stimulate economic growth and create jobs. The budget includes a \$160 billion investment in public infrastructure over 12 years, the largest such investment in Ontario's history, which when combined with the commitment made by the federal government in its 2016 budget to invest more than \$120 billion in public infrastructure over 10 years, represents a significant opportunity for OCWA's municipal clients, many of whom have been challenged to address water and wastewater infrastructure funding needs in recent years.

Green infrastructure investments represent a significant portion of the first phase of federal infrastructure funding, with \$2 billion earmarked for the Clean Water and Wastewater fund and another \$2.24 billion allocated for water, wastewater and waste management infrastructure for First Nation communities. The fall economic statement released by the federal government in November, 2016 proposes to accelerate progress on green infrastructure by increasing the government's investment to \$21.9 billion over 11 years. Further detail on how the funding will be allocated will be included in the 2017 budget.

OCWA is working with municipal and First Nation clients to ensure that they are well positioned to take advantage of these significant funding opportunities by working with them to develop comprehensive water and wastewater asset plans that prioritize their infrastructure needs for the next decade and beyond.

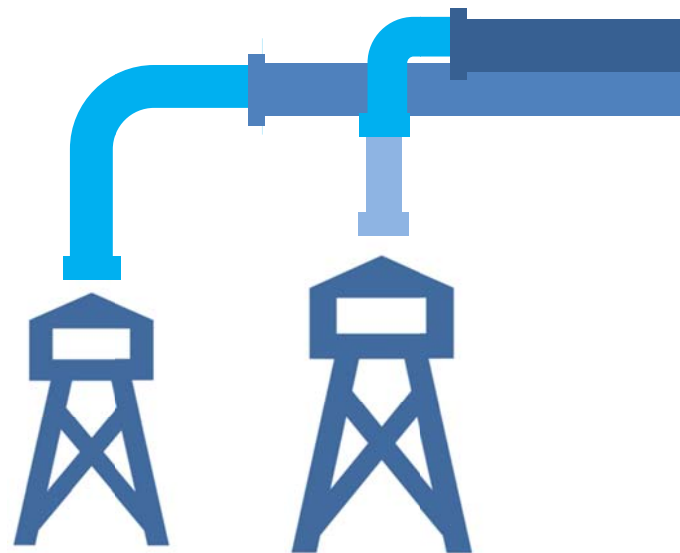
Industry Trends

There are a number of issues and trends that have been and will continue to impact the water industry in the future. The need to replace aging water and wastewater infrastructure and the corresponding need to raise the funds required to make a significant investment in long-term capital repair, replacement and upgrades continues to be the most pressing issue facing many municipalities. Aligned with the need for greater investment in capital infrastructure is the need to ensure that municipal systems have the capability to effectively manage the impact of increasingly frequent extreme weather events brought about by climate change. Other significant industry trends include the ongoing shortage of experienced, qualified operators (which is addressed in **Workforce Issues**); enhancing municipal understanding of how to reduce greenhouse gas (GHG) production through water and energy conservation and efficiency; the use of new technologies and processes, such as biosolids and wastewater resource recovery and reuse; and the increasing role played by “smart” systems and data analytics in managing municipal infrastructure.

Water infrastructure represents a significant investment for most Canadian municipalities. The 2016 Canadian Infrastructure Report Card (“Infrastructure Report Card”) estimates the replacement value of Canadian water, wastewater and stormwater infrastructure assets to be \$575 billion.

Approximately 29% of water, 35% of wastewater and 23% of stormwater assets were rated as being in “fair”, “poor” or “very poor” condition and in need of replacement within the next 20 years, with current municipal reinvestment rates falling below the targets recommended by asset management practitioners. The Infrastructure Report Card estimates the total cost of replacement to be \$173 billion.

Municipalities continue to struggle with how to address water and wastewater infrastructure deficits resulting from years of underfunding capital improvements, compounded by municipal water and sewer use rate structures that do not adequately address the full cost of operating and maintaining the systems. The Canadian Municipal Water Consortium’s most recent Canadian Municipal Water Priorities Report, released in 2015, identifies the need to implement full cost recovery and financing as one of four key priorities for advancing “discussion, collaboration and action in municipal water management”.



A history of political resistance to implementing rate structures that address the long-term operation and maintenance requirements of municipal water and wastewater systems has led to significant infrastructure funding challenges for many municipalities, which they are now being forced to address. The American Water Works Association's 2016 State of the Water Industry Report notes that some municipalities that have kept user rates low by not factoring in the cost of system renewal and replacement are now being forced to implement "painful and unexpected rate increases" as their systems near the end of their useful lives. While the recent influx of federal and provincial infrastructure funding may alleviate some of these issues for municipalities in the short term, they will still need to address the need for sustainable rate structures if they are to be able to maintain their infrastructure assets over the long term.

Water and wastewater system funding concerns have in some cases been compounded by the fact that successful conservation campaigns and a move towards metered systems, which allow municipalities to better understand water consumption patterns and manage their systems and bill according to usage, have reduced overall consumption for municipalities. While reducing individual demand has reduced some operating costs, such as chemicals and energy, and has enabled some municipalities to defer costly expansion projects, it has also reduced consumption based revenues, which puts further strain on municipalities struggling to manage the cost of running and maintaining their systems. In response to this concern, many municipalities are moving away from volumetric rates for water and wastewater services, which assess fees based on use, to rate structures that include both fixed fees for all system users and variable fees based on consumption.

Managing the infrastructure impact of severe weather events brought about by climate change is another issue of emerging concern for many municipalities. Excessive GHG production has resulted in permanent changes to our environment. Storm frequency curves, thought to be unchangeable and often based on over 100 years of data, are now changing. The frequency and severity of rainfall events can overwhelm municipal storm and wastewater systems, leading to basement flooding, combined increased sewer overflows and plant bypass events, while severe winter storms can lead to power outages that impact the operation of treatment facilities and pumping stations. With these "once in a generation" events occurring with increasing frequency, OCWA is working with municipal clients to enhance the resilience of their infrastructure through best management practices and technology.

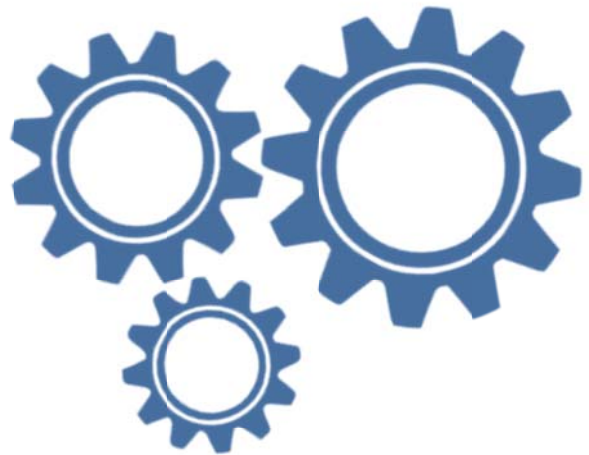
Municipalities, and the industry as a whole, are looking for better, greener ways to manage their water and wastewater systems. OCWA plays a key role in helping to maintain water infrastructure in the Province of Ontario, managing more than \$10 billion in water and wastewater assets on behalf of our clients. With OCWA's assistance, Ontario municipalities are implementing process optimization and technology improvements that reduce energy and chemical consumption, as well as reducing the environmental impact of wastewater treatment.

OCWA is working to help its municipal clients achieve significant energy savings through innovative programs like our energy savings initiative with the Independent Electricity System Operator (IESO). We are also working with municipalities and research organizations such as the Southern Ontario Water Consortium (SOWC) to support the development and implementation of technologies that enhance the production of biogases from biosolids and significantly offset the energy production used to treat wastewater, and will be working with Union Gas to develop a program to capture methane in client facilities and convert it to renewable natural gas (RNG). These initiatives are described in greater detail in **OCWA's Strategies for 2017-2019**.

A final trend having a significant impact on the water industry is the increasing role that data analytics and “smart” systems are playing in assisting municipalities in managing their infrastructure. These “smart” tools enable municipalities to take the data generated by operational, process and asset management systems and use it to make decisions that help extend the life of their assets, reduce energy and chemical use and provide better client service, ultimately leading to more strategic asset management and cost savings. OCWA is working to help our clients to benefit from the use of these smart systems by developing a packaged suite of data analytics and asset management services that municipalities can use to optimize their investment in water and wastewater infrastructure.

Federal and Provincial Legislation

The regulatory environment in which OCWA operates continues to evolve, with ongoing changes to federal and provincial legislation, regulations, policies and programs that will impact OCWA's business activities. As part of our commitment to providing total water and wastewater solutions for our clients, OCWA continually reviews and assesses the impact of new and proposed regulatory changes on Ontario municipalities and other clients and works with them to implement changes that will enable them to meet the new requirements. In addition, the Agency participates in Ministry of the Environment and Climate Change (MOECC) working groups and water and wastewater industry associations to contribute to the shaping of future regulations and stay abreast of regulatory change.



OCWA is currently monitoring a number of proposed regulatory changes with the potential to impact the Agency and its clients in the future should they be enacted. These changes include:

- Proposed Action Plan for Lake Erie under the Great Lakes Protection Act - Ontario is adopting a target phosphorus load reduction for the Ontario portion of the western and central basins of Lake Erie of 40% (from 2008 levels) by 2025, along with an aspirational interim goal of a 20% reduction by 2020. The Canada-Ontario Action Plan for Lake Erie, to be developed by 2018, will identify actions that can be taken by all sectors to meet phosphorus load reduction targets, reduce algal blooms, and help restore Lake Erie for future generations.

MOECC is currently seeking public input on proposed actions relating to phosphorus load reduction which will ultimately support the development of the draft Canada-Ontario Action Plan for Lake Erie, including:

- Establishing a legal effluent discharge limit of 0.5 mg/L of total phosphorus for municipal wastewater treatment plants (WWTPs) that have an average daily flow capacity of 3.78 million litres or more per day;

- Working with partners to reduce loadings, where feasible, through upgrades to secondary WWTPs that have an average daily flow capacity of 3.78 million litres or more per day in the Lake Erie basin to a tertiary level of treatment, as well as improvements to wastewater treatment and collection infrastructure to reduce combined sewer overflows and bypasses, and stormwater management systems (including facility rehabilitation and incorporating green infrastructure);
- Promoting and encouraging optimization of wastewater treatment as a way for municipalities to improve treatment plant performance (including lower phosphorus discharges) and achieve operational efficiencies; and
- Developing a draft policy framework for managing hauled sewage in the province.
- Proposed amendments to regulations under the Safe Drinking Water Act (SDWA) - MOECC is currently seeking feedback on the proposed amendments to several regulations under the SDWA, including: updated health-based standards in the Ontario Drinking Water Quality Standards (O. Reg. 169/03) and the Technical Support Document; further protection for children from lead in drinking water; improved reporting requirements; streamlined operator certification requirements; and corrected and clarified regulatory language where ambiguous or outdated references exist.

Provincial Government Priorities

Other proposed changes that OCWA is monitoring include:

- An updated Drinking Water Quality Management Standard (DWQMS) for Ontario;
- Updated Groundwater Under Direct Influence (GUDI) terms of reference to determine minimum treatment requirements for well-based municipal residential drinking water systems;
- An updated Procedure for Disinfection of Drinking Water in Ontario;
- Health Canada’s proposed federal guideline on manganese in drinking water; and
- Proposed federal environmental emergency regulations under the *Canadian Environmental Protection Act*.

The key priorities of the provincial government, as set forth in the September 12, 2016 Speech from the Throne, include: job creation and economic growth; investments in child care, education, health and public infrastructure; fighting the effects of climate change and reducing GHG emissions through a number of measures, including the introduction of a new cap and trade program; providing additional relief on electricity bills to ratepayers; and balancing the provincial budget in 2017.

In support of these objectives, the Premier sent a mandate letter to each member of Cabinet, outlining how their Ministries are expected to support the government in achieving its objectives. The mandate letter sent to the Minister of the Environment and Climate Change (“the Minister”) includes the following priorities:

- Leading the Fight Against Climate Change;
- Protecting Water and the Great Lakes;
- Increasing Waste Diversion;
- Modernizing Processes under the *Environmental Bill of Rights*;
- Improving Drinking Water for Indigenous Communities; and
- Supporting the Development of the Ring of Fire.

OCWA is specifically mentioned in the mandate letter under Protecting Water and the Great Lakes, with the Premier requesting that the Minister work with the Minister of Economic Development, the Minister of Growth, Research, Innovation and Science, and the Minister of Infrastructure, as well as OCWA, to continue to promote and identify ways to reduce barriers to innovation, technology deployment, adoption and commercialization of clean water technologies for municipalities and Indigenous communities, including continuing to demonstrate to other jurisdictions Ontario's leadership in clean water.

OCWA is well positioned to assist the Minister in meeting this priority. Since the *Water Opportunities Act* was introduced in 2010 with a goal of making Ontario a water technology leader, OCWA has played a role as a technology integrator, helping to bring water and wastewater technologies vetted through academic research and testing to the real-world pilot stage and working to connect technology companies with potential municipal clients. One of OCWA's key contributions is a deep understanding of the needs of the water sector, especially municipalities, from a frontline perspective as it pertains to drinking water, wastewater and water resources management. Working with partners like the Southern Ontario Water Consortium (SOWC) and WaterTAP, OCWA helps Ontario's water sector companies move from idea to market leadership while providing important economic, environmental, and public health benefits to Ontarians and addressing critical global water issues.

OCWA is also well positioned to support the Minister on a number of additional provincial priorities, particularly with respect to leading the fight against climate change, protecting water and the Great Lakes and improving drinking water for indigenous communities:

- We are helping to mitigate the impact of climate change by working with our clients to ensure that their water and wastewater facilities are climate ready and by limiting GHG emissions through power-saving programs and energy from waste.
- As the operator of over 200 wastewater treatment plants in Ontario, many located within the Great Lake Basin, we help to protect the Great Lakes and other provincial water bodies by removing phosphorus and other damaging nutrients from the 500 billion litres of wastewater that we treat annually on behalf of our clients.
- We educate the public about the importance of water and the Great Lakes, as well as the proper disposal of medications and other contaminants through our OneWater and "I Don't Flush" education programs, tours of the facilities we operate and participation in local water festivals.
- We help to ensure that First Nations communities in Ontario have clean drinking water by providing training and transition services, including remote monitoring and oversight, for First Nations communities to operate and maintain the plants within their communities.

Additional information regarding the work that OCWA is doing to support provincial priorities is included in **OCWA's Strategies for 2017-2019**.

Agency Organizational Review

In late 2014 OCWA initiated an organizational review with a goal to:

- Identify the best organizational structure to support our clients and deliver on our growth strategy;
- Improve the Agency's competitiveness by reducing its cost structure;
- Change the Agency's culture from that of an O&M contractor to a valued partner supporting clients at every stage of the asset lifecycle; and
- Develop and implement a consistent business model throughout the Agency.

Since that time, OCWA has reduced overhead costs by 20%, realigned the Agency's Executive Management Team and corporate support structure and restructured the Agency's field operations, amalgamating six Regions and 24 Hubs into ten Regional Hubs. The Agency has also begun moving services currently delivered corporately to the Regional Hubs as part of our commitment to improving local service delivery. Implementation of organizational changes identified through the review will continue throughout 2017, with a goal to have the majority of changes completed by the end of the year.

A Board Task Force was established to oversee and advise on the review, which is also addressed in **OCWA's Strategies for 2017-2019**.



Workforce Issues

OCWA requires knowledgeable and licensed operators in order to achieve the Agency's goals and meet our client obligations. Industry organizations such as the American Water Works Association and the Water Environment Federation have identified the shortage of experienced, qualified operators as an ongoing issue across North America and around the globe. In Ontario, acquiring a Level four license (the highest Operator certification level available) can take four years for individuals with enough relevant post-secondary education to meet the education requirements. For individuals without significant post-secondary education, the process is typically longer.

In order to mitigate the impact of the impending shortage of qualified operators, we have increased focus on our talent attraction strategy. Working with the Board of Directors, OCWA is developing plans to ensure that we have the ability to attract people with the requisite skill sets and the operational flexibility to address a changing marketplace. This includes ensuring OCWA is seen as an employer of choice and working to enhance our youth employment initiatives, including our co-op program and our work with colleges and universities training the next generation of water professionals. We are also working to encourage operations employees to increase their certification levels where possible.

We have also increased our focus on leadership continuity, including identifying critical position risks, successor/succession gaps and high potential employees, and are continuing to work with TBS to develop options and solutions to close our compensation gaps to ensure the sustainability of our workforce. We have also developed a structured leadership development program for aspiring managers and leaders and are continuing leadership development initiatives for our Senior Leadership Team, Operations and Corporate managers.

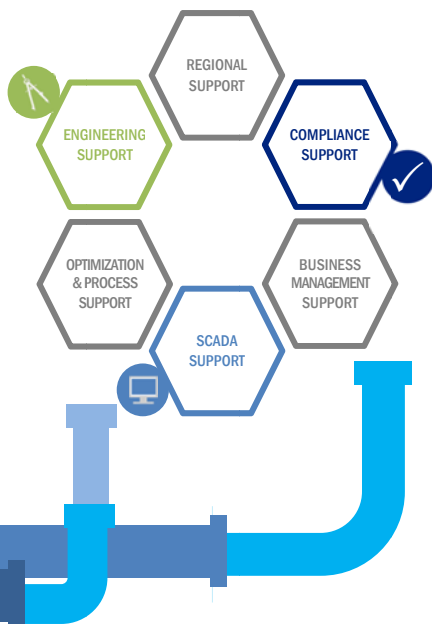
STRATEGIC DIRECTION

OCWA's Strategies for 2017-2019

Throughout 2016, OCWA's Board, Executive Management Team and Senior Leadership Team met to review the Agency's strategic direction and identify Agency priorities for the coming years. At these sessions, there was consensus that the Agency should continue with its current strategic direction in 2017-19, building on the success of the growth strategies and other initiatives that have been the Agency's focus for the past few years. These initiatives have been grouped into four main focus areas: delivering Total Solutions to our clients; increased productivity and efficiency; bringing value to our communities and the province; and supporting our employees, each of which is described in greater detail below.

Delivering Total Solutions to Our Clients

OCWA's growth strategy continues to focus on maintaining our existing client base in Ontario, expanding the scope of services that we provide to these clients and attracting new clients in the province. A core component of this strategy is the delivery of value-added service to our clients that goes beyond the delivery of O&M services and focuses on providing total solutions at every stage of the infrastructure life cycle.



Helping Clients to Develop Long-Term Infrastructure Plans

Helping to maintain the long-term sustainability of their water and wastewater infrastructure is one of the most important ways in which we deliver value to our clients. Our Regional Hub teams work closely with our process, energy, engineering and capital delivery teams to provide our clients with expert recommendations and advice on how to increase the efficiency and capacity of their systems, reduce the cost of delivery and maximize the life of their water and wastewater infrastructure. We achieve this by:

- Conducting process and energy assessments to identify opportunities for optimization and shared saving;
- Working with clients to develop “State of Good Repair” asset management plans, including long-term financial plans and rate impacts; and
- Working closely with clients to support their needs with respect to major maintenance and capital delivery.

In 2017, we will continue to enhance our asset planning and capital delivery program by developing a comprehensive framework that includes Agency-wide capital and asset planning standards, templates and delivery guidelines and working with the Regional Hub managers to ensure that long-term infrastructure planning is a core element of our client service delivery model.

Saving Energy and Mitigating the Impact of Climate Change

Throughout 2017, OCWA will continue to implement initiatives that support the goals of the province's Climate Change Action Plan by helping to reduce the production of GHGs in our client facilities. New initiatives that we are working on include developing a program to capture methane in client facilities and convert it to renewable natural gas (RNG) and implementing a pilot program to install monitoring and targeting equipment in OCWA-operated facilities as a means of establishing facility baselines for energy and GHG consumption and reducing both with operational and behavioral changes.

We will also continue to move forward with the work that we are doing with IESO to reduce energy consumption in client facilities, building on the successes that we have achieved with the program to date. The program, funded through the saveONenergy Conservation Fund, involves completing detailed energy assessments and capital improvement plans for client municipalities and then assisting them in implementing the recommended changes.

To date, we have helped our clients to realize a total of 12,000 MWh in annual energy savings through IESO energy savings initiatives and are on track to increase that total to 16,000 MWh by the end of 2017, resulting in cumulative savings of 36,000 MWh.

The IESO programs have resulted in a \$1.68 million cumulative reduction in energy costs for our clients. When combined with the more than \$6 million in energy cost avoidance that we have helped our larger clients like the Region of Peel to realize to date, this represents a significant cost savings for Ontario municipalities.

Harnessing the Potential of Big Data

Over the past few years, OCWA has been working to upgrade its foundational operational IT tools and systems to ensure that staff have ready access to the information required to make timely decisions and serve our clients in the most efficient and effective manner. The next phase of our IT program will be to develop a packaged suite of data analytics and asset management services that municipalities can use to optimize their investment in water and wastewater infrastructure. These tools will enable municipalities to take the data generated by operational, process and asset management systems and use it to make decisions that help extend the life of their assets, reduce energy and chemical use and provide better client service, ultimately leading to more strategic asset management and cost savings.

Development of this comprehensive business intelligence and data analytics or "smart" system program, known as OCWANet, will begin in 2017.

Increased Productivity, Efficiency and Effectiveness

By continually looking for better ways to manage our operations, we can improve our productivity, reduce costs and deliver better service to our clients. In 2017, we will continue these efforts.

Organizing for Growth

Ensuring that we have the right people working in the right places is essential for OCWA's future success. As noted previously in **Agency Organizational Review**, for the past two years, OCWA has been undergoing a full-scale reorganization of our operations and corporate support structure in an effort to strengthen our client focus by delivering services closer to our clients, reduce our corporate overhead costs and implement a consistent business model across the Agency. Implementation of organizational changes in support of these goals will continue throughout 2017, with a goal to have the majority of changes completed by the end of the year and all changes fully implemented by the middle of 2018.

Working Smarter Through the Use of Technology

The OCWA Tools Evolution Program (OTEP), which is described in greater detail in Appendix C, was initiated to ensure that we have the tools and information required to make timely decisions, increase operational efficiency and competitiveness, and act quickly on new opportunities. Implementation of the first phase of OTEP enhancements is expected to be completed in 2017, with work on the next phase of the program beginning shortly afterwards.

Delivering Value to Our Communities and the Province

As a public Agency, we recognize that meeting our financial and business objectives is just one component of our overall success as an organization. Much of the value that we bring to our communities and the province comes from the work that we do to protect the environment, improve public health, support innovation, and provide opportunities for economic development and growth. In the coming years we will continue to support initiatives that bring value to our stakeholders and the public.

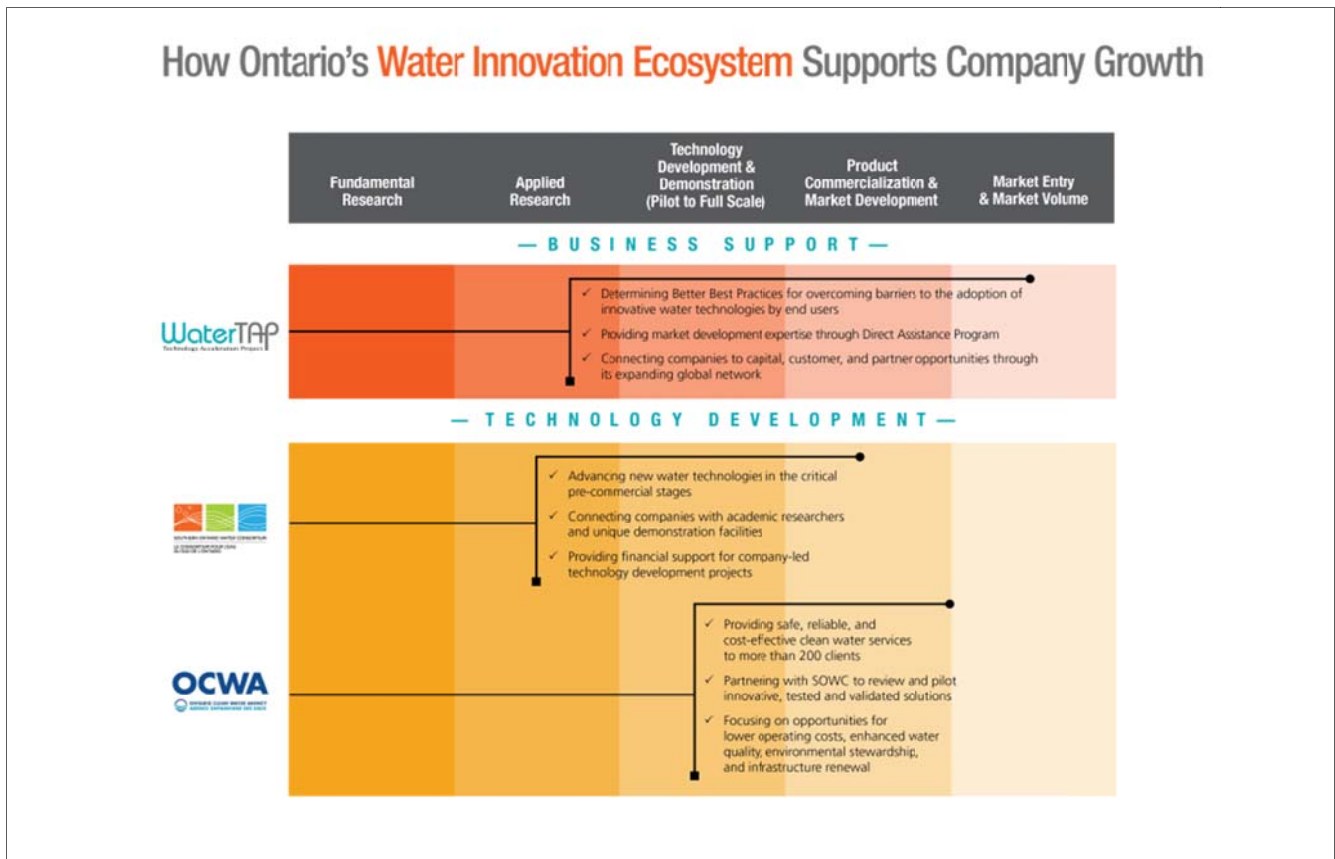
Supporting Innovative Water Technology

As noted in **Provincial Government Priorities**, OCWA has been working to support the provincial objective of making Ontario a water technology leader since the *Water Opportunities Act* was passed in 2010. We will continue to do so in 2017 and beyond.

OCWA, WaterTAP and SOWC have complementary roles to play in collaborating with companies, end users, government, and other partners to “clear the path” to advance innovative water solutions.

OCWA’s role operating a wide range of facilities across the province, from small well systems to large state-of-the-art urban treatment facilities, provides us with a thorough understanding of water and wastewater treatment issues facing Ontario municipalities. This puts us in a unique position to work with clients to pilot and adopt new and innovative technologies. Our experienced operators and process and engineering teams are able to provide clients and companies with advice on the operability of a technology under various conditions – delivering new opportunities for lower operating costs, enhanced water quality, environmental stewardship, infrastructure renewal, reduced energy and chemical consumption and reducing the “carbon footprint” of water and wastewater operations.

In addition to our role as an integrator connect technology companies with potential municipal clients, OCWA is working with SOWC and WaterTAP to educate Ontario municipalities about and advance the dissemination of emerging technologies by hosting a series of workshops that bring technology companies, municipal end-users and researchers together to discuss facilitation of technology adoption in municipalities and reduction of barriers. In 2016, we hosted workshops on how to transition from conventional wastewater treatment methods to energy neutral - “net-zero” - facilities and ultimately to energy generation facilities, and on how to facilitate the transformation to fully “smart” water utilities. In 2017, we will host additional workshops on topics that address issues faced by Ontario municipalities.



Working with First Nations Communities

Improving drinking water for First Nations communities and eliminating long-term boil water advisories (BWAs) has been identified as a priority for the Ontario government and is a priority for OCWA as well. OCWA has a long history of working with First Nations communities in Ontario, having provided a wide range of services to First Nations clients over the years, both directly and through the Safe Water Operations Program (SWOP), a federal program established to provide assistance to First Nations communities to contract with qualified service providers to supervise, assist, and train their operators on the operation and maintenance of their water treatment systems. We are committed to working with our First Nations and government partners to develop sustainable water and wastewater treatment solutions, including effective infrastructure management.

In 2017 we will continue to implement our First Nations strategy, which includes:

- Working with First Nations communities to support them in the management, operation and maintenance of their water and wastewater systems, including the elimination of long-term BWAs, with the First Nations taking the lead and OCWA providing ongoing support;
- Assisting First Nations communities in ensuring the long-term sustainability of their water and wastewater systems through the implementation of process optimization, asset management and energy management initiatives;
- Providing operational training to First Nations communities in conjunction with the Ontario First Nations Technical Services Corporation (OFNTSC) through the federal Circuit Rider Training Program;
- Supporting the education and career development of First Nations youth and other members of the community by providing scholarships and internships as water treatment operators that will enable them to achieve the certification levels required to manage their community water and wastewater systems; and
- Providing emergency response services to First Nations communities when requested.

Educating Our Communities about the Value of Water

At OCWA, we believe that it is important to support initiatives that inspire positive change and behaviour in the communities where we live and operate. In 2017 and beyond we will work to build on the success of our two core public education initiatives, the OCWA OneWater® Education Program and the “I Don’t Flush” public awareness campaign, which promote water protection, conservation and sustainability in our communities.

The OCWA OneWater® Education Program, first piloted in the 2014/15 school year, teaches the value of water to students in Grade 8 by providing activity-based lessons on water and the water cycle that align with the Ontario education curriculum. The program is built for educators and water operators to work together to deliver the program, with an OCWA operator visiting the classroom to talk to students about how water is treated in their specific community and conducting a hands-on demonstration with students. In 2016, a new learning module, “The Changing Great Lakes”, was introduced as part of the OneWater® Program. The module introduces students to the important role the Great Lakes play in our environment and looks at adaptation strategies to climate change. We will continue to expand OneWater® in 2017, adding on new client communities and integrating a First Nations perspective into the program.

The “I Don’t Flush” campaign encourages responsible use of municipal wastewater collection systems by educating the public about the impact of disposing non-flushable materials down the toilet or drain. The campaign features a website (www.idontflush.ca), Twitter feed (@idontflushnews), Facebook page (idontflush.ca) and public service announcements.

The first phase of the campaign focused on returning unused or expired medications to pharmacies, as opposed to flushing them down the toilet or drain – or throwing them in the garbage. The second phase of the campaign focused on fibrous personal hygiene products, such as wipes, dental floss, and sanitary products. The response to “I Don’t Flush” has been extremely positive, resulting in more than 50 million media impressions for the first two phases, including features on Global News, the Weather Network and Barrie This Morning, and coverage in the National Post, the Montreal Gazette, Green Living online and many other publications. Phase three of the campaign will focus on fats, oils and grease – or FOGs – which, if poured down the drain, can cause significant damage to both household plumbing and municipal wastewater systems.

Supporting Our Employees

Enhancing OCWA's Safety Culture

Ensuring the health and safety of our employees and our contractors is a priority for our clients and for everyone that works with OCWA. Our commitment to health and safety includes taking personal responsibility for working safely, identifying and taking immediate action on workplace hazards and actively supporting individual and collective well-being.

In 2016 we completed a comprehensive evaluation of OCWA's health and safety program, policies and initiatives with a goal to enhance the Agency's safety culture and enhance and improve our health and safety performance. Changes coming out of that review include the establishment of new Agency safety positions: the Director of Safety, who will have overall accountability for the Agency's health and safety program and performance, and Safety, Process and Compliance Managers, who will be accountable for implementation of Agency safety programs and performance in their individual Regional Hubs.

With the new safety positions in place at the end of 2016, our focus for 2017 will be on developing an ingrained safety culture within OCWA and implementing the rest of the improvements to the Agency's safety program that were identified during the evaluation. This includes:

- Streamlining our Health and Safety framework, policy and related procedures to clarify requirements and improve employee understanding of and adherence to the requirements;
- Establishing and tracking leading health and safety performance indicators;
- Developing and implementing improved health and safety inspection and auditing tools and risk controls; and

- Working with the Safety, Process and Compliance Managers and other Regional Hub and corporate staff to communicate with and train employees on the requirements of the restructured health and safety system and engage them in making safety an integral part of their daily activities.

Strengthening Our Skills and Capacity

OCWA operates a highly specialized business that requires a knowledgeable and, in the case of Operations, licensed workforce to achieve the Agency's goals, meet client expectations and adhere to regulatory obligations. In order to mitigate the impact of the impending shortage of qualified operators and increased Agency turnover, we are increasing the focus on our talent attraction strategy by developing plans to ensure that we have the ability to attract and retain people with the requisite skill sets and the operational flexibility to address a changing marketplace. This includes ensuring that OCWA is seen as an employer of choice and enhancing our youth employment initiatives.

One of our main goals is to be the first choice for individuals who want a career in the water industry, attracting qualified, motivated and engaged candidates to our job openings. We will achieve this by continuing to promote the Agency as a great place to work, focusing on our commitment to social responsibility and community presence, and improving recognition of our brand through social media and other channels.

Our youth strategy includes continuing to build relationships with colleges and universities, attending career fairs and enhancing our existing scholarship and co-op programs, with a goal to increase the number of co-op students that we hire as employees post-graduation.

We will also work to enhance the skills of our existing staff by encouraging our employees to pursue higher levels of certification and providing career progression incentives for operators that obtain the highest (level 3 and 4) certification.

2017-19 Strategic Goals and Performance Measures

During the strategic planning sessions that were held in 2015, the following high level strategic goals were identified. The following table outlines the 2018 performance targets for each identified goal.

STRATEGIC GOAL	PERFORMANCE MEASURES
Enhanced financial performance	<ul style="list-style-type: none"> • \$215.9 million in annual Revenue by 2019 (an 18.9% increase over 2016 forecast)
Increased organizational efficiency	<ul style="list-style-type: none"> • Organizational redesign fully implemented by Q2, 2018 • Phase one OTEP initiatives successfully implemented by Q2, 2017 • Operational flexibility to drive growth
Engaged, motivated and safe staff	<ul style="list-style-type: none"> • Maintain a favourable employee engagement rating (70% or higher) • Maintain an adequate number of staff with level 3 or 4 licenses to manage the Agency's level 3 and 4 facilities • Refreshed evidence-based Agency Health and Safety program fully in place by 2018
Improved client satisfaction rating	<ul style="list-style-type: none"> • 97% client retention rate



2017 Initiatives and Performance Measures

The following table outlines the key strategies and goals as well as performance measures for the upcoming year.

STRATEGIC INITIATIVE	GOAL	PERFORMANCE MEASURES
Strategy 1 – Delivering Total Solutions to Our Clients		
Helping Clients to Develop Long-Term Infrastructure Plans	Help clients to develop long-term plans for managing their water and wastewater infrastructure and ensuring the sustainability of their systems	<ul style="list-style-type: none"> Comprehensive asset planning and capital delivery program strategy and framework developed by Q2, 2017
Saving Energy and Mitigating the Impact of Climate Change	Help clients to decrease energy consumption and reduce the production of GHGs in their facilities	<ul style="list-style-type: none"> GHG reduction through beneficial use of methane piloted in 2017 OCWA/IESO energy program delivers cumulative energy savings of 36,000 MWh in client facilities by the end of 2017
Harnessing the Potential of Big Data	Develop a strategy for utilizing “smart” system data to enhance client operations and asset management practices	<ul style="list-style-type: none"> Business intelligence and data analytics program strategy developed by Q2, 2017
Strategy 2 - Increased Productivity, Efficiency and Effectiveness		
Organizing for Growth	Implement OCWA's new organizational structure	<ul style="list-style-type: none"> Majority of organizational changes complete by the end of 2017, with full implementation complete by mid-2018
Working Smarter Through the Use of Technology	Continue OTEP implementation	<ul style="list-style-type: none"> Majority of phase one OTEP initiatives complete by Q2, 2017 Financial system upgrade assessment completed and implementation plan developed by Q2, 2017
Strategy 3 – Delivering Value to Our Communities and the Province		
Supporting Innovative Water Technology	Support the development of innovative water and wastewater technologies by educating Ontario municipalities on emerging technologies and connecting technology companies with opportunities to test their solutions	<ul style="list-style-type: none"> Three new water and/or wastewater technologies piloted in OCWA-operated facilities in 2017 Two full-scale installations of innovative technologies in OCWA client facilities in 2017 Two or more workshops or events that promote Ontario technologies & connect Ontario technology companies to municipalities organized and facilitated in 2017

STRATEGIC INITIATIVE	GOAL	PERFORMANCE MEASURES
Working with First Nation Communities	Support the development of sustainable water and wastewater treatment solutions, including effective infrastructure management and elimination of long-term boil water advisories, for First Nation communities	<ul style="list-style-type: none"> • Four First Nations awareness training sessions delivered to staff that work with and support First Nations in 2017 • New community-based strategy for supporting the elimination of long-term boil water advisories developed by Q3, 2017
Educating Our Communities about the Value of Water	Continue to enhance and promote the OneWater and “I Don’t Flush” programs	<ul style="list-style-type: none"> • Phase three of the “I Don’t Flush” campaign generates a minimum of 20 million media impressions, for a campaign total of 70 million or more impressions • OneWater® program implemented in 40 client communities by the end of the 2017-18 school year, with a total of 2,000 children participating in the program since it was launched • OneWater® program updated to incorporate a First Nations perspective
Strategy 4 – Supporting Our Employees		
Enhancing OCWA’s Safety Culture	Develop an ingrained safety culture within the Agency by implementing a new health and safety program that ensures safety is front of mind in all tasks	<ul style="list-style-type: none"> • 2017 Reportable Incident Rate (RIR) of 2.1 or lower
Strengthening Our Skills and Capacity	Implement programs and initiatives that enhance the Agency’s ability to attract and retain qualified employees	<ul style="list-style-type: none"> • 20% of eligible operators upgrade water or wastewater treatment licenses from Class 2 to 3 • Recruitment strategy framework developed by Q2, 2017

RISK ASSESSMENT & MANAGEMENT

OCWA has a comprehensive Enterprise Risk Management ERM program that is in compliance with the Guide to the Risk-Based Approach for the Agencies and Appointments Directive (AAD). OCWA's ERM Policy and Framework, which are approved annually by our Board of Directors, outline how the Agency carries out risk management activities, including conducting risk identification and assessment, developing risk responses and risk action plans, monitoring risks and reporting on the results of the risk management process.

ERM is a process designed to identify potential events that may affect the Agency and manage risks to provide reasonable assurance regarding the achievement of our objectives and strategic plan. The Board and Executive Management Team ensure that there is a robust ERM process in place in order to make risk informed decisions, considering the appropriate level of risk, at all levels in the organization. Risks are identified and confirmed during the normal course of business, and are regularly assessed, monitored and catalogued annually in the Agency's Risk Register. Updates on the status of risk action plans are provided to EMT and the Board on a quarterly basis.

OCWA undertakes a comprehensive risk identification and assessment process on an annual basis that is aligned with the strategic planning process. Risks are assessed in terms of their potential likelihood of occurring and their potential impact on the achievement of OCWA's objectives should they occur. In assessing impact, the Agency incorporated the risk categories identified in the Guide to the Risk-Based Approach for the AAD. The range of categories and descriptions are as follows:

- **Strategic** – Risks that impact the achievement of the Agency's financial objectives as identified in the business plan, risks of failure to meet stakeholder expectations and resulting damage to stakeholder relationships, damage to the Agency's reputation and public image;
- **Accountability/Governance** – Risks related to breach of OCWA's code of business conduct, risk of failure to comply with directives and changing regulations/legislation;
- **Operational** – Risks that can impact the achievement of the Agency's operational objectives, such as changing client demand for services; risks that impact the quality of services provided to clients;
- **Workforce** – Risk that the Agency would be unable to attract the skilled workforce required to meet contractual obligations and regulatory requirements;

- **Information Technology and Infrastructure** – Risk related to major Information Technology failures and/or loss of data; risks related to implementation of major IT projects; and
- **Health and Safety, Environmental** – Risks that can impact the achievement of the Agency's compliance objectives, including risks related to public safety.

OCWA also analyzes the interconnection between risks in order to focus on mitigating risks with many interdependencies. By taking mitigating actions to reduce the likelihood of these risks, other risks are also mitigated. The result of the annual risk identification and assessment process is reported to the Board's Compliance and Operational Risk Management Committee and the Board, with a focus on the Agency's higher-priority risk areas. These higher-priority risks are determined based on EMT's and the Risk Management Program Office's judgment, with a focus on the following:

- Higher rated risks that impact multiple strategic objectives;
- Higher rated risks which are pervasive across the Agency impacting multiple business units;
- Higher rated risks with the potential to be individually significant to OCWA overall; and
- Any risks with a high impact score, even if the probability is low (e.g. a drinking water incident).

BUSINESS PLAN IMPLEMENTATION AND COMMUNICATION

Aligning Services to Plan Goals

Each member of the Agency's Senior Leadership Team will align their service area's business unit plan to reflect the strategies in the Agency's approved business plan and budget. New initiatives will be introduced by submitting a detailed business case and seeking approval of EMT and, if necessary, the Board of Directors.

Monitoring Progress

The Agency uses a performance measurement system to ensure OCWA's projects and processes are consistent with our strategic direction and that senior managers are kept informed of Agency-wide progress on identified strategic initiatives. EMT and the Board monitor progress using a quarterly report which includes plan priorities and the current status of performance measures along with discussion on specific issues and accomplishments.

Performance Measurement

As part of our commitment to improved reporting at all levels within the organization, we will continue to use a dashboard to report on additional business critical performance indicators beyond the stated goals of this plan. We will work to continuously improve upon the measures being monitored through continuous consultation with EMT, SLT and the Board of Directors.

Internal Communication of the Business Plan

A summarized version of the Agency's Strategic Plan and 2017-19 Business Plan initiatives will be distributed to OCWA management in early 2017. In addition, 'A Message from the President and CEO', a regular electronic bulletin from the President's Office, will be used to introduce the key strategic initiatives and performance measures and highlight the Agency's progress towards meeting those measures throughout the year.

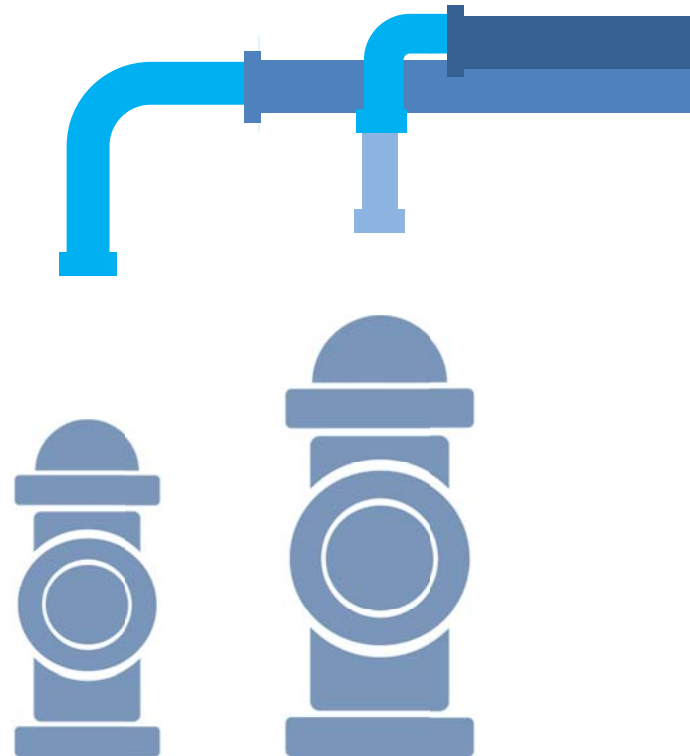
Business Plan & Annual Report Communication Timelines

The following are dates related to the communication of OCWA's Business Plan and Annual Report.

ITEM	TIMING
2017-19 Business Plan approved by OCWA's Board of Directors and submitted to MOECC	December, 2016
<i>Message from the President and CEO</i> – E-mail communication to staff outlining key business goals and financial targets and progress towards achieving them	Monthly
2016 Annual Report submission to Board of Directors	Q2, 2017
Summary of 2017-19 Business Plan initiatives provided to OCWA management	Q1, 2017
Q1 2017, Quarterly Progress Report to EMT and Board of Directors	Q2, 2017
Q2 2017, Quarterly Progress Report to EMT and Board of Directors	Q3, 2017
<i>OCWA Internet</i> – 2016 Annual Report made public	Q3, 2017 (once tabled in the Legislature)
Q3 2017, Quarterly Progress Report to EMT and Board of Directors	Q4, 2017
Q4 2017, Quarterly Progress Report to EMT and Board of Directors (included as part of the 2017 Annual Report)	Q2, 2018

Submission of the Business Plan

Following its review and approval by OCWA's Board of Directors, the Business Plan is submitted to the Minister of the Environment and Climate Change for approval by December 31 each year. A public version of the plan is made available on OCWA's internet site once approval has been received from the Minister.



Appendix A - OCWA: AN OVERVIEW

OCWA is an agency of the Province of Ontario that provides a full range of water and wastewater services to Ontario clients. Our core business is the operation and maintenance (O&M) of water and wastewater treatment facilities and their associated distribution and collection systems on behalf of municipalities, First Nation communities, institutions, and private sector companies.

Complementing our O&M expertise, OCWA provides a comprehensive range of engineering and other technical and advisory services to water and wastewater system owners.

OCWA operates more municipal water and wastewater facilities in Ontario than any other operating authority. The Agency currently operates close to 800 water and wastewater treatment facilities and associated systems on behalf of more than 170 clients and provides other technical and advisory services to a number of other clients. OCWA operates facilities ranging in size from small wells and pumping stations to large-scale urban water and wastewater systems.

Mandate

OCWA is an operational enterprise agency established under the *Capital Investment Plan Act, 1993* (CIPA) with a mandate to provide water, wastewater and other related services to our clients in a manner that protects human health and the environment and encourages the conservation of water resources. Those services include financing, planning, developing, building and operating water and wastewater facilities and their associated distribution and collection systems. OCWA's roles, powers, and responsibilities are specified in a Memorandum of Understanding (MOU) with the MOECC, which was last updated in 2012 and was reaffirmed by the Minister of the Environment and Climate Change and the Chair of OCWA's Board of Directors in 2015. OCWA conducts its business in accordance with various Management Board of Cabinet (MBC) directives as set out in the MOU.

Vision and Mission

OCWA’s vision is to be “*a trusted world leader in water*” with a mission to demonstrate service excellence through the delivery of safe, reliable and cost-effective clean water.

OCWA’s values are focused on building trust with clients and other stakeholders.

Transparent	Open and honest communication of our business activities.
Respectful	Build sound relationships with our staff, clients, and other stakeholders, by embracing diversity, acting responsibly and doing what is right.
Understanding	Confidence in the knowledge and ability of our people to meet the challenges of the water and wastewater industry. Continuously learn current trends and innovative technologies and/or processes in our industry.
Safe	Deliver clean water services to protect our employees, the communities we serve, and the environment.
Teamwork	Work together, share our collective expertise and be innovative in delivering exceptional results and achieving our mission.

Governance

OCWA is committed to implementing governance best practices at all levels of the organization to enhance transparency and accountability to clients, the government and the citizens of Ontario.

The Agency is governed by a Board of Directors, including a Chair and Vice-Chair. Members of OCWA’s Board are appointed by the Lieutenant-Governor-in-Council on the recommendation of the Premier. Collectively, OCWA’s Board has expertise in both the private and public sector, as well as in managing municipal corporations and utilities. The Board follows best practices in corporate governance, including director orientation and ongoing education, holding regular meetings and strategic planning sessions, as well as adhering to the Agency’s Board Code of Conduct.

The Board of Directors is responsible for overall Agency affairs, including setting strategic direction, monitoring performance and ensuring appropriate systems and controls are in place for the proper administration of the Agency in accordance with OCWA’s governing documents. The Board is accountable to the Minister of the Environment and Climate Change, who is accountable to the Provincial Legislature.

OCWA’s Board has established a number of Committees and Task Forces to assist them in fulfilling their corporate governance and oversight responsibilities. Current Board Committees and Task Forces include the Human Resources, Governance and Nominating; Audit and Finance; and Compliance and Operational Risk Management Committees and the First Nations, Organizational Development, Municipal Partnerships and Budget Task Forces.

Accountability

OCWA demonstrates accountability to the government and citizens of Ontario in a number of ways, including:

- Meeting the requirements of appropriate regulatory authorities (MOECC, Ministry of Labour, Medical Officer of Health, etc.) for OCWA-operated facilities;
- Providing facility reports to clients for OCWA-operated municipal water treatment facilities;
- Generating an Annual Report, submitted for approval to the Minister of the Environment and Climate Change for tabling in the Provincial Legislature and made available to all Ontarians online at www.ocwa.com;
- Producing an annual Business Plan, including performance measures, submitted for approval to the Minister of the Environment and Climate Change annually and made available to all Ontarians online at www.ocwa.com;
- Supporting annual audits of OCWA's financial statements and periodic Value for Money Audits conducted by the Office of the Auditor General of Ontario;
- Providing accessibility to Agency records under the Freedom of Information and Protection of Privacy Act;
- Complying with applicable legislation and OPS directives, including: the Agencies and Appointments Directive; *Public Sector Expense Review Act, 2009* and the Procurement and Perquisites Directives; and
- Utilizing an Enterprise Risk Management (ERM) Program to identify and assess business and operational risks.

OCWA's Operations & Activities

In addition to O&M, which is our core business, we offer our clients a broad array of related functions, including engineering, training and other technical and advisory services such as process optimization, energy management and asset management. Our goal is to assist our clients in managing their water and wastewater facilities and associated distribution and collection systems at every stage of the asset lifecycle and to help them ensure the sustainability of their water and wastewater systems. In everything we do, we are steadfastly committed to implementing innovative technologies, processes and solutions aimed at improving operational efficiency and reliability.

OCWA utilizes a hub/satellite structure whereby staff and resources are shared among large municipal plants and smaller satellite facilities to ensure geographic optimization. OCWA's typical hub structure provides economies of scale that lessen operation and maintenance costs for individual municipalities. Clients also benefit from the sharing of management, administration and specialized support services.

Over 90% of our employees are directly involved in developing, selling and delivering customer solutions and are among the most knowledgeable and experienced in the water and wastewater industry. Many of our current staff have been providing operational services to our municipal clients since before the Agency was established in 1993, having worked for our predecessor organizations, the Utility Operations Division at the MOECC and the Ontario Water Resources Commission, which was established in 1956 to oversee the Province's water resources.

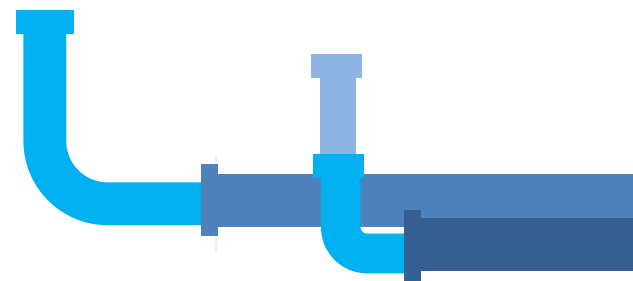
OCWA has an unmatched ability to deliver excellent compliance and safety performance across diverse regions, technologies and facility sizes. Our people treat water and wastewater for populations as large as 1.3 million in the Region of Peel and as small as 2,400 in Moose Factory, where the facility is operated remotely from Kirkland Lake.

Given our role as a public Agency, the protection of public health and safety is our top priority. Our specially-equipped and highly-trained emergency response teams are available 24 hours a day to provide immediate response to water or wastewater emergencies throughout Ontario, providing an essential resource to the Province. With locations across Ontario, we are always nearby, ready and able to provide emergency resources should the need arise. We also support the Province of Ontario in safeguarding drinking water for the people of Ontario and protecting our lakes and rivers by providing training services for water operators on behalf of the Walkerton Clean Water Centre and delivering training directly to wastewater operators across the province.

We strive to meet the objectives of the *Water Opportunities Act, 2010* by working to promote, develop, test, demonstrate and commercialize clean water technologies. Across Canada and around the world, a combination of aging infrastructure and tight municipal budgets are forcing water utilities to find ways to do more with less. Fortunately, OCWA is well positioned to help make Ontario a world leader for water technology by connecting promising technologies with pilot sites.

We're also innovating in the area of information management. OCWA is working to develop and implement integrated information technology systems to automate collection, analysis and communication of water and wastewater facility information from internet-connected sites. Our goal is to ensure that our operational staff and our clients have ready access to up-to-date information on all of the facilities that we operate.

We believe that OCWA's success with these initiatives will help the Province to conserve and sustain our water resources for present and future generations, protect the health of Ontario residents and strengthen Ontario's position as a leading global exporter of water technology products and services.



Appendix B - HUMAN RESOURCES PLAN

Staffing Overview

As of October 12, 2016, OCWA had 796 employees. Staff information provided below includes:

SUMMARY OF STAFFING NUMBERS			
	Regular	Fixed Term Contract	Total
Full-time	708	76	784
Part-time	6	6	12
Total	714	82	796

Compensation Strategy

Since OCWA is part of the OPS, we are required to follow a compensation structure established and negotiated by MGCS/TBS and do not have flexibility to adjust our compensation rates.

We continue to highlight the non-tangible benefits of employment with the Agency as a means to attract new employees and retain current employees are working with the Board of Directors to develop plans to ensure that we have the ability to attract people with the skill sets that we need and the operational flexibility to address a changing marketplace.

Workforce Planning

By analyzing our workforce demographics we are able to understand our current labour requirements and our available workforce supply to lead strategies and make informed business decisions. OCWA's HR group will continue to prepare and distribute workforce planning reports to the Agency's Executive Management Team on an annual basis, adding new information to the report as required.

Diversity

OCWA values the unique characteristics of all of our employees. Our goal is to cultivate a supportive, inclusive and respectful workplace culture that leverages the wide range of distinctive characteristics that our employees possess. We recognize that a truly inclusive organization is one that has the capacity and the will to celebrate the differences of all its employees. We are strengthening our focus on diversity to create a healthier, more respectful and representative workforce at all levels of the organization.

OCWA continues to promote OPS Employee Networks to employees. We abide by all OPS training requirements for diversity, including the new Respectful Workplace Policy and the *Accessibility for Ontarians with Disabilities Act*. We also participate in programs that promote OCWA as an inclusive place to work, including in our career fairs, summer experience program and the annual Take Our Kids to Work Day. Our scholarship program focuses on enhancing the diversity of our workforce by providing scholarships specific to indigenous individuals as well as women who are interested in careers in the water and wastewater industry.

Leadership Continuity

Strong leadership skills can improve performance, deepen employee engagement, enhance productivity and strengthen the ability of our leaders to deliver on strategic priorities. We are committed to providing leadership training and development opportunities to support their ongoing development. To meet this need, an OCWA Leadership Development program was established that meets the needs of two different streams: aspiring managers and aspiring leaders. Participants benefit from a formalized program that focuses on group and individual learning needs, career goals, interests and organizational direction. We also provide competency based leadership development and coaching on an as-needed basis.

A training and development program, based on the knowledge, competencies, experience and personal attributes required of the position, was established for the new Regional Hub Managers that were hired at the end of 2015.

Implementation of this multi-module program began in 2016 and will continue in 2017. An interactive training program, complete with leader and learner manuals, is being developed for the new Safety, Process and Compliance and Regional Hub Business Managers hired for our Regional Hubs at the end of 2016. This comprehensive training program will then be rolled out to all new OCWA Managers. In addition, we have launched the Harvard Manager Mentor program, which is an interactive management resource for both emerging and experienced leaders.

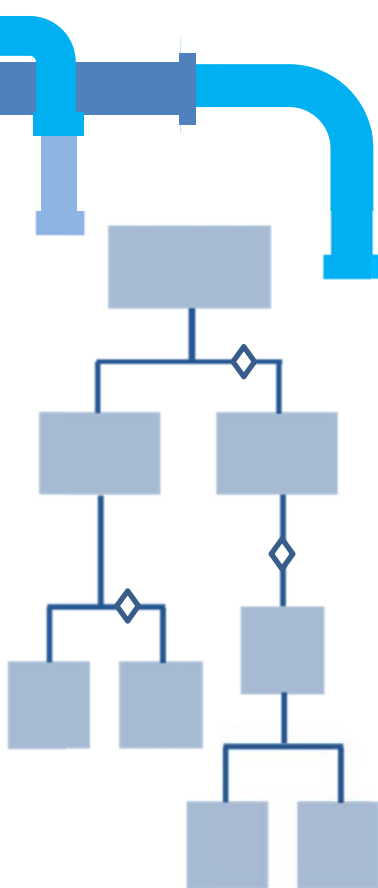
Succession management is another key element of our Leadership Development program. In order to ensure that the Agency has a steady pipeline of talent available to fill vacancies as they arise, all management positions are reviewed regularly to identify potential successors, determine their readiness to move up in the organization and assist them in developing the skills required to succeed in management positions. The establishment of new Regional Hub management positions also provides greater succession and career path opportunities for employees in the Regional Hubs.

Employee Engagement and Wellness

OCWA has been working to increase employee satisfaction as well as operational efficiency in an effort to enhance the engagement levels and productivity of our employees.

Implementing programs that improve the health and well-being of employees can improve employee morale and productivity and can reduce the costs associated with employee illness and absenteeism. OCWA supports employee wellness by regularly providing staff with information on a variety of wellness topics. Information is also provided to staff about OCWA's Employee Assistance Program, which provides employees with counseling and advice on a wide range of personal and work-related concerns that may be affecting them or their families.

In recent years, we have been focused on increasing staff engagement levels by improving leadership practices and organizational communication, reducing performance barriers and providing opportunities for career advancement. Moving forward, we will continue to strive to increase the Agency's overall engagement level and will encourage all staff to complete OCWA and OPS engagement surveys to ensure that we are able to measure the engagement level of our workforce. The next OPS survey will launch in the spring of 2017.



Appendix C – INFORMATION TECHNOLOGY PLAN

Since 2012, OCWA has made a significant investment in upgrading its information technology infrastructure and systems, with a goal to enhance client services. This program, known as the OCWA Tools Evolution Program (OTEP) was designed to deliver enhanced technology solutions to support the O&M services that we provide to our clients by providing our highly-skilled operations staff with technologies that serve our clients in the most efficient and effective manner.

Key accomplishments to date include:

- Updating the Agency's IT infrastructure, including server virtualization, telecommunication upgrades and disaster recovery;
- Developing a Master Data Management strategy, enterprise architecture model, and initial integration of data and applications through an Enterprise Service Bus, streamlining processes and enhancing data integrity;
- Implementing Supervisory Control and Data Acquisition (SCADA) system upgrades across the Province;
- Implementing an enterprise-wide Process Data Management (PDM) application; and
- Implementing a new Work Management System (WMS), including mobile work management.

These foundational process and technology improvements provide a platform from which further enhancements can be made.

Key areas of focus for 2017-19 include:

Enhancing OCWA's PDM System

OCWA's PDM system is used to store and analyze key operations and compliance data, the availability and management of which is fundamentally important to helping OCWA maintain its record of quality and compliance. Initial upgrades to the new PDM system, which provides operators with easy access to key information, including real-time data and trends that can easily be shared with clients, were finalized in 2015. Since that time work has been ongoing to implement system improvements that increase user uptake and data quality (continuous improvement).

Upgrading WMS

Infrastructure assets are critical to our clients' communities and employing world-leading technology and best maintenance practices has a significant positive impact on the operating health and life-expectancy of client assets. Enhancements are being made to OCWA's WMS to enable operators to better manage their work and maintain and manage client assets. These improvements will help to ensure that operators have access to the information required to support increasingly complex maintenance and asset management activities and will provide the capability for clients to have more direct information about their assets and the performance of their facilities.

Implementing a Handheld System Solution

OCWA's handheld solution is an integrated suite of hardware and software that allows for the operation and maintenance of water and wastewater systems regardless of where the operator is physically located. Through the handhelds, operators can pull data from a number of systems, including the WMS and the Supervisory Control and Data Acquisition (SCADA) historian.

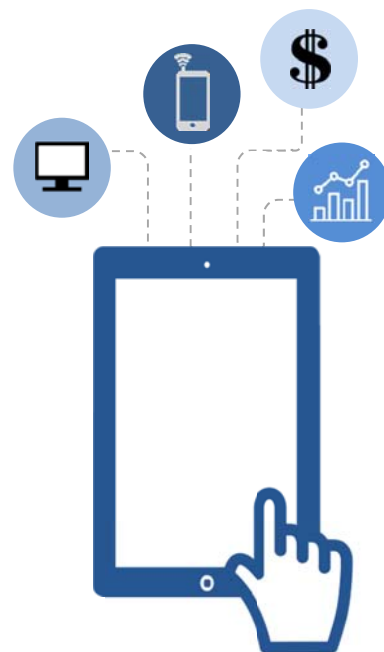
Allowing our operators to have access to key information "in-the-field", rather than just in the control room, will improve OCWA's ability to understand and manage water and wastewater systems and make fast, informed decisions. The handheld system will quickly provide operators with accurate and consistent data and is expected to result in a significant reduction in the time required for data management functions.

Upgrading OCWA's Financial System

Implementation of OCWA's long term growth strategies will require reorganization of some of our business streams to deliver new services to clients. An upgrade of the Agency's financial system is planned to begin in 2017 to ensure OCWA will be able to fully support new and existing services and provide strategic financial insight into planning, project delivery, and performance management functions.

Business Intelligence and Data Analytics

The key to business intelligence is good quality and complete data sourced from well executed and maintained foundational systems. Continually enhancing the Agency's foundational systems (PDM, WMS and Finance) and improving data integration will enable OCWA to establish mature data analytics through the implementation of business intelligence and analytics tools. Development of a comprehensive business intelligence and data analytics program will begin in 2017.



Appendix D – COMMUNICATIONS STRATEGY

OCWA’s communications strategy is focused on connecting with our various audiences in meaningful and memorable ways. Our client focused strategies and change initiatives like OTEP and our organizational review create the need to communicate important informational updates with several of our audiences on an ongoing basis. We are also communicating directly to the public through our OCWA OneWater® Education Program and the “I Don’t Flush” public awareness campaign.

OCWA’s Audiences

OCWA has identified five key audience groups towards whom our communications efforts are targeted:

- **Current clients**, who will continue to provide OCWA’s revenue base, and who need to see strategic and operational value in the services they receive so they extend their contracts, add new services and act as OCWA champions;
- **Prospective clients**, who are often learning about OCWA and its capabilities for the first time;
- **Employees**, who fulfill an important role as OCWA’s first point of contact with clients and potential influencers;
- **Partners**, who are considering working collaboratively with OCWA; and
- The **Public**, who are being exposed to the work of OCWA in the community via public awareness and educational campaigns.



Key Messages

Key messages were developed to convey important information about OCWA to stakeholders. OCWA's key messages include, but are not limited to the following:

- OCWA is a trusted partner operating more than 800 water and wastewater facilities – more than any other operator in Canada.
- OCWA is a full-cost recovery Crown Agency, reporting through the Ministry of the Environment and Climate Change.
- OCWA is a “Total Solutions Provider,” with a wide range of services supporting water-related construction, energy-optimization, conveyance, operations, facilities management and regulatory compliance.
- OCWA plays a key role in maintaining the Province of Ontario's water infrastructure, managing more than \$20 billion in water and wastewater assets on behalf of our clients.
- OCWA is Ontario's clean water expert, delivering clean safe drinking water to 4.5 million people across the province and ensuring that the more than 500 billion litres of wastewater that we treat and return to Ontario's lakes and rivers meet the highest environmental standards.
- OCWA is helping to protect the Great Lakes by optimizing nutrient removal in our wastewater facilities and educating the public about the proper disposal of medications and other wastewater system contaminants.
- OCWA helps to ensure that First Nations communities in Ontario have clean drinking water by providing training and support to the operators responsible for managing community water systems.
- OCWA is helping to reduce the impacts of climate change by working with our clients to ensure that their water and wastewater facilities are climate ready and limiting the production of greenhouse gasses by reducing power consumption in the water and wastewater facilities that we operate.
- OCWA supports the development of Ontario water technology by working in partnership with clients and Ontario technology companies to foster innovative solutions and pilot new products and services.
- OCWA is client-focused and has the proven ability to thrive within a competitive market.
- OCWA's operations teams have excellent compliance records.
- OCWA cares about the health of its customers and about the environment.
- OCWA employees are engaged with their communities, taking part in events and helping to promote water literacy through educational programs and awareness campaigns across the province.
- With locations across Ontario, OCWA is nearby, ready and able to provide emergency resources should the need arise.

Key Initiatives for 2017

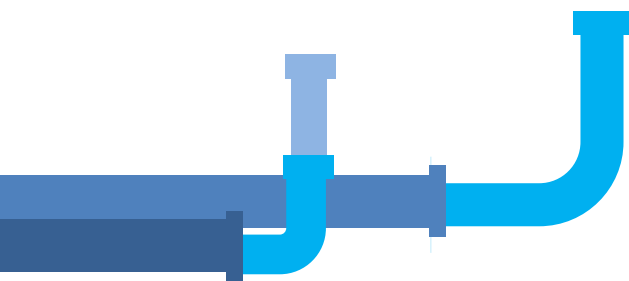
In 2017, OCWA will focus on the following communications initiatives:

- Continuing to re-brand and update promotional marketing and communication materials to focus on OCWA as a Total Water Solutions Provider and Trusted Partner;
- Increasing OCWA's profile by submitting papers and presenting at industry conferences and tradeshows;
- Expanding the OCWA OneWater® Education Program to 40 or more communities across the province, launching the new Great Lakes Climate Change Module and developing a new module with a First Nations perspective; and
- Launching phase three of the "I Don't Flush" public awareness campaign, focusing on proper disposal of fats, oils and grease to Ontario residents.

Internal Communication

In addition to the initiatives outlined above, OCWA will use its current communication tools (intranet, e-mail, and social media) to regularly highlight key information for staff throughout the organization and keep them aware of corporate direction and priorities. This will remain important as the Agency finishes implementing changes resulting from our Organizational Review. Key communications vehicles and activities include:

INITIATIVE/ ACTIVITY	PURPOSE	TIMING
Health & Safety Updates/ Safety Bulletins	Increase health and safety awareness	Ongoing
Staff Newsletter	Highlight key agency activities, initiatives and news from the field	Weekly
Leadership Conference	Update managers on business progress, leadership development and teambuilding	Annually
Board Operational Compliance Dashboard	Update the Board on key performance indicators	Quarterly
Business Plan Quarterly Report	Update EMT and the Board on business plan performance measures	Quarterly
Message from the President & CEO/Newsline	Electronic bulletins from the President's Office to communicate key events and information, including those related to the Organizational Review	As needed
Manager Updates	Keep managers up-to-date on the Organizational Review process	As needed



External Communication

OCWA will use its external newsletter, publications, website and social media to sell OCWA's value proposition to clients and prospects. These tools will be used to provide information on water and wastewater industry trends, new OCWA products and services, OCWA campaigns and educational initiatives.

INITIATIVE/ACTIVITY	PURPOSE	TIMING
E-newsletter (Waterline)	Inform clients and potential clients of industry trends and OCWA expertise	Quarterly
Website	Keeping clients, potential clients and the public up to date on OCWA service offerings and activities, as well as contact information	Ongoing
Brochures	Highlight OCWA's new product offerings and inform potential clients	Ongoing
Client Performance Reports	Provide individualized reports to select clients on activities completed on their behalf in accordance with contractual requirements	Annually
OCWA Annual Report and Corporate Social Responsibility Report	Provide a comprehensive account of OCWA's accomplishments and activities for the year, including reporting on financials and key performance measures	Annually
Community Outreach (Water Festivals, School Presentations, Community Support/Events)	Provide community support and educational presentations regarding water life cycle, monitoring and conservation	Ongoing
Sponsorships	Sponsor local community events in the communities in which OCWA operates	Ongoing
Tradeshows/Conferences	Provide an industry presence at water tradeshows to demonstrate our capabilities and service offerings. Gather industry information and present at conferences	Ongoing
Social Media/E-blasts (Twitter, Facebook, LinkedIn)	Inform clients about OCWA and industry initiatives – point them towards other industry organizations and interesting current events within the water/wastewater sector	Ongoing
Client Survey/Client Advisory Board	Gather clients/stakeholder input on OCWA/industry activities and strategies	Annually
Abstracts/Articles/ Editorials	Position OCWA and OCWA employees as industry experts	Ongoing
Award submissions	Showcase/highlight the Agency's expertise throughout various areas of the industry	Ongoing
OneWater® Education Program	Continue to roll-out program in various client communities, working with OCWA operators and local teachers	Ongoing
"I Don't Flush" public awareness campaign	Launch phase three of campaign focusing on fats, oils and grease	Spring 2017

Appendix E - INITIATIVES INVOLVING THIRD PARTIES

Over the past few years, OCWA has established relationships with a number of water technology companies to support the development and testing of their new technologies. In 2017 and beyond, we will continue to work with these companies and look for opportunities to collaborate with new partners. OCWA is also involved with a number of organizations that support water and wastewater technology and research:

- Southern Ontario Water Consortium (SOWC) - OCWA and SOWC have established a Memorandum of Understanding (MOU) that outlines how the two organizations will work together to support the research, development and demonstration of water technologies and practices and provide strategic support to technology companies. OCWA's President and CEO also sits on SOWC's Industry Advisory Council. As part of the MOU, SOWC and OCWA routinely include each other in educational events and promotional efforts, often in conjunction with organizations such as WaterTAP. These initiatives are described in greater detail in **OCWA's Strategies for 2017-2019**.
- Fleming College Centre for Alternative Wastewater Treatment - OCWA has collaborated with the Centre for Alternative Wastewater Treatment (CAWT) at Fleming College on a number of water/wastewater innovation projects, including demonstrating a number of CAWT partner technologies at OCWA-operated facilities in the City of Kawartha Lakes. OCWA's CEO is also a member of the CAWT's Technology Access Centre (TAC) Advisory Board. The TAC assists small and medium-sized enterprises in becoming more productive and innovative by allowing them access to college expertise, technology and equipment.
- Natural Sciences and Engineering Research Council of Canada (NSERC) Research Chairs - OCWA provides financial and other support to the NSERC Industrial Research Chairs in Water Treatment at the University of Waterloo and the University of Toronto. Both Research Chairs work closely with industry partners such as OCWA to identify and conduct applied research on topics that will help to improve the water treatment process and are of interest to the industry and municipal end-users. In addition to providing financial support for the NSERC Chair in Water Treatment, OCWA is currently working with the University of Waterloo to gather information, conduct a literature review, and review best available and emerging technology available to the small to medium sized wastewater treatment plants for the processing of biosolids.

Other initiatives involving third parties include the "I Don't Flush" awareness campaign which OCWA co-developed with the Clean Water Foundation and the Agency's work with IESO implementing energy saving initiatives in our client facilities throughout Ontario as under the "saveONenergy" program. These initiatives are both described in greater detail in **OCWA's Strategies for 2017-2019**.