



AN EVALUATION OF THE TRENT-SEVERN WATERWAY NATIONAL HISTORIC SITE OF CANADA STUDY OF ITS SUSTAINABLE ECONOMIC CONTRIBUTIONS TO COMMUNITIES ALONG THE WATERWAY

Executive Summary

The Study of Sustainable Economic Contributions [by the TSW] to Communities along the Waterway was expected to provide a comprehensive picture of such contributions throughout the length and breadth of the Watershed. It was also intended to identify new functions that the Waterway might undertake in the future following a change in governance.

It is the opinion of the Coalition for Equitable Water Flow, the County of Haliburton, the Haliburton Highlands Chamber of Commerce and the Haliburton County Development Corporation (the Haliburton Four) that the Study falls well short on both accounts. As a result, the Haliburton Four are concerned that the Panel is not receiving the balanced representation that it needs to do a comprehensive evaluation of the economic contributions to the communities along the Waterway.

It is undeniable that the TSW has a much bigger role to play in the economic survival of the Haliburton Sector than it does for the Corridor. Accordingly, the Haliburton Four request that the Study be revamped to give a true balanced accounting of economic impacts across the entire Trent Watershed and to support comparisons between geographic segments.

General Comments

- (a) Methodology Used in Conducting the Analysis
- (b) Confusion as to the Interpretation of a Lack of Commentary
- (c) The Importance of Trends
 - The methodological underpinnings for the Study are acceptable in light of budget limitations though the general absence of hard economic impact figures for the Haliburton Sector coming out of the research is disappointing and experience shows that 20 weeks for seasonal residency is more accurate than 10.
 - It is not made clear that the lack of comments about the existence of a particular economic impact in the Haliburton Sector may result from a lack of awareness of research that would confirm it rather than it being non-applicable.
 - For planning purposes, the Panel needs not only a snapshot of the TSW but an understanding of trends that are emerging e.g. conversion to permanent residency on RAFT (reservoir and flow through) lakes as boomers retire.

Disparities in the Treatment of the Haliburton Sector vis-à-vis the Corridor

- (d) The Haliburton Sector as an After-Thought
- (e) Minimal Effort devoted to find Documents and Statistics for the Haliburton Sector
- (f) Lack of Consistency in referring to the Haliburton Sector of the Trent Watershed
- (g) Lack of Consistency in the Treatment of Reservoir Lakes
- (h) Lack of Investigation into the Role of Reservoir Lakes for Other Waterways
 - The Haliburton Sector appears to have been shoehorned into a draft report written almost exclusively about the Corridor. Unless the Study is rewritten for full integration (best

solution), there should be a chapter devoted to the Sector that permits comparison with the geographic segments of the Corridor (second best solution).

- A ten-minute anecdotal conversation with one agency is not adequate to establish TSW economic impacts in the Haliburton Sector and tends to undermine the statement in the Study that the characterization of the Sector took in all “readily available” information.
- Lack of consistency in the use of a term to refer to the Haliburton Sector suggests that the numbers provided were derived for different areas when the geographic definition of the Sector should be constant.
- No justification is given as to why Lakes Simcoe and Couchiching, as reservoir lakes, are fully integrated into the analysis of the geographic segments while the Haliburton Sector lakes, as reservoir lakes, are excluded.
- Research into other world Waterways only yields reports on the Canal Corridors while saying absolutely nothing about sourcing their water from reservoir lakes.

(g) Gross Economic Benefits versus Net Economic Benefits

- The picture painted about economic impacts by the Study suggests that it is all positive. Such is not the case as the draw down of water as the season progresses in the Haliburton Sector causes diminishment of cottage enjoyment, damage to property and reduced occupancy for residents and tourists alike.
- The Study should be revamped to acknowledge the negative impacts and to measure its extent so that the net economic impact can be calculated.

(i) Overlooked Economic Impacts

- There are substantial economic impacts of the TSW that are not acknowledged in the Study --
- Conversion or rebuilding of cottages for full-time occupancy as houses is underway and is generating a strong positive economic impact for the Haliburton Sector
- Expansion of hydroelectric power generation is not limited to large dam structures built by large corporations. There is an opportunity for community-drive conversion of small dams for power generation in co-operation with the TSW and the placement of submersible generators in rivers with resultant long-term local revenue generation.
- Economic impacts of the TSW for the Haliburton Sector are not restricted to the RAFT lakes but must take into account the rivers connecting the lakes as well.
- Maintenance on dams by the TSW has a positive local economic impact. Current and anticipated expenditure amounts based on the results of inspections by Public Works Canada are not reported.

(k) Continuation and Enhancement of Existing Activities

- In light of the ever-increasing demand for water in the Corridor, the negative impact of further water draw down from the Haliburton Sector will only worsen with time.
- In an effort to institute a philosophy that we share the gain and share the pain, a water budgeting process should be established. Along with the budget, related programs should be put in place to promote conservation and a linking of growth in the Corridor communities to the volume of water they can draw out of their own aquifers.

(l) New Roles for a Future Managing Entity from a Haliburton Sector Perspective

- The roles that are identified are vital to the economic health of the Haliburton Sector. Unless it is a participant, the Sector is at an economic disadvantage to its competitors in the Corridor.

- In the list of new roles, there is no mention of the TSW engaging in a search to find new water resources and undertaking a major engineering study to look at ways to bring more water into the system and to reduce the pressure on the existing RAFT lakes.

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The following document consists of a series of observations about the content of the Study. It is a collaborative effort of the Coalition for Equitable Water Flow, the County of Haliburton, the Haliburton Highlands Chamber of Commerce and the Haliburton County Development Corporation (the Haliburton Four).

The agencies mentioned in the previous paragraph are particularly concerned as to what the Study indicates about the entire Haliburton Sector. That Sector takes in dozens of reservoir and flow through (RAFT) lakes in the County of Haliburton plus a small number of similar lakes in Peterborough County and the City of Kawartha Lakes.

(a) Methodology Used in Conducting the Analysis

We accept that limitations on funding led to the decision not to do a new full round of analyses but to follow the methodologies used in previous studies after adjusting, where possible, for changes in values over varying periods of time. However, we do not accept the lack of effort to put together figures for the Haliburton Sector again when such was not done in the original studies.

We also disagree with the use of 10 weeks (the traditional summer months) as the occupancy period for seasonal dwellers. We have determined that many of these dwellers have extended their occupancy period to 20 weeks (May to October) while others have upgraded their residences to permit weekend use year round as a step towards taking up permanent residency in the area upon retirement.

(b) Confusion as to the Interpretation of a Lack of Commentary

A major part of the Study is devoted to the various economic impacts of the Waterway. There are instances, such as for recreational fishing, when no commentary is provided for the Haliburton Sector. Someone unfamiliar with that area might well conclude that recreational fishing has no economic impact there when the correct answer is that the consultant found that the lack of research precluded the possibility of finding hard numbers.

It is our opinion that anecdotal statements should be inserted in the text to acknowledge that a specific impact is felt in the Haliburton Sector even if there are no hard numbers available to support it. Without such statements, the Panel does not get a full perspective as to the economic contribution of the Waterway to the upper portion of the Trent Watershed. We believe there should be a recommendation to the Panel stating that more funding is required to conduct the research needed to eliminate the information deficiencies.

The areas where deficiencies have been identified are as follow –

- marinas
- tourists and visitors
- seasonal and transient boater spending
- land-based tourism

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- recreational fishing.

(c) The Importance of Trends

The Study is a snapshot in time. It says little about trends. Knowledge of trends is needed to help the Panel to provide forward-looking recommendations to the federal Minister of Environment. For instance, it is our contention that the Study underestimates the future significance of the Haliburton Sector, relative to the rest of the Waterway, because waterfront activity such as residential construction and renovation is growing faster in the Haliburton Sector than in the Corridor.

It is also our observation that the trend in the demand for water among the communities in the Corridor is growing while there is less of it available in the Haliburton Sector. The negative economic impact of an over-commitment of water to the Corridor will worsen unless the need for further water for municipal, industrial and commercial purposes is satisfied through some other means. This includes the drilling of new local wells, replacement of a network of leaking pipes and the implementation of conservation programs.

We recommend that the consultant be asked to review their research materials and to add a section to the Study in which they offer as much commentary as to the trends that will impact on future economic health as possible. This should be done even if it can only be anecdotal.

(d) The Haliburton Sector as an After-Thought

The manner in which the Haliburton Sector appears in the Study suggests that its inclusion came about as an after-thought. It is stated very clearly that the Waterway has four geographic segments that appear in a number of tables. Percentages in those tables add up to 100. Yet, after the tables, supplementary figures and comments are sometimes provided about the Haliburton Sector. Furthermore, maps provided to give readers a sense of geographic placement for the Waterway only acknowledge the four segments along the Corridor. None of them identify where the Haliburton Sector is in relation to the other segments.

We believe that a full watershed approach should be taken in which the Haliburton Sector appears in tables and maps as the fifth geographic segment on an equal footing with the rest. Should this approach be denied then the next option is to put all of the information pertaining to the Haliburton Sector together and to make it a separate chapter in the Study.

To demonstrate just how effective a separate chapter would be, we have quickly drawn together some data from the Study and attached it as an Appendix to this Report. One apparent result of so doing is the enhancement of our ability to judge how the Haliburton Sector stacks up against the geographic segments along the Corridor.

(e) Minimal Effort to find Documents and Statistics pertaining to the Haliburton Sector

The Study acknowledges that an effort was made to contact “key economic development organizations” in each of the geographic segments. We have only been able to confirm that one contact was made in Haliburton with the Haliburton County Development Corporation (HCDC).

We consider a 10-minute telephone call in which the researcher obtained only anecdotal input rather than hard statistics as inadequate. If consultation with economic development organizations

in other parts of the Trent Watershed included extensive interviews and the gathering of statistics and reports then Haliburton should be treated in the same way.

In light of the limited portrayal of the Haliburton Sector, we feel another more extensive interview with the Haliburton County Development Corporation is warranted. Furthermore, a credible job would also include discussions with the County's Director of Economic Development, Tourism and Marketing and the Haliburton Highlands Chamber of Commerce.

(f) Lack of Consistency in referring to the Haliburton Sector of the Trent Watershed

There is a lack of consistency as to the use of a term in the text to cover the RAFT lakes portion of the Watershed. The Haliburtons, Haliburton Lakes system, Haliburton Lakes, Haliburton Highlands Watershed and Haliburton Lakes Township all appear in the text. It is not at all clear that, no matter what it is called, the geographic coverage is the same and that it always encompasses all of the RAFT lakes in the portion of the Trent Watershed north of the Corridor known as the Haliburton Sector.

Lack of consistency when using a term for a common geographic area is easy to correct. The correction process is more protracted if it is necessary to gather more data to ensure complete and consistent coverage of the common geographic area.

The same lack of attention to detail appears elsewhere as the Township of Minden Hills is referred to as Milden Hills and what is meant by Highlands Municipality Township is unknown. **The possibility that researchers, municipal staff or other Waterways in the future may consult the Study makes it imperative that it be screened for spelling errors and consistency in the use of terminology.**

(g) Lack of Consistency in the Treatment of Reservoir Lakes

If Lakes Simcoe and Couchiching are deemed to be reservoir lakes for the Waterway and are included in the analysis of the geographic segments, then why not the Haliburton Sector reservoir lakes?

(h) The Lack of Investigation into the Role of Reservoir Lakes for Other Waterways

With respect to the investigation of other examples of Canal corridors, there is no mention of the link between the corridors and the sources of their water and the interaction with communities that may have been established around those water sources.

If the reservoir lakes, as a major water supplier to the TSW are unique, then there is nothing to be done. However, if no effort was made to find a similar situation, then it should be noted in the Study as it may prompt the Panel to request further research.

(i) Gross Economic Benefits versus Net Economic Benefits

The analysis fails to acknowledge that what generates a positive economic benefit in the Corridor (e.g. larger lakes, safe boating p.48) may have a negative economic impact in the Haliburton Sector (shrinking lakes, hazardous boating) and vice versa.

For over 100 years, water flowing out from the Haliburton Sector has maintained the lakes and the canal sections of the Corridor with a continuous positive economic benefit there. But in the Sector, the lowering of water levels to maintain the draught in the Corridor for boating or to feed more water to power stations and community water works has resulted in a negative economic impact.

This happens if water management causes damage to boats, creates the need for dock extensions, makes it necessary to rehabilitate shorelines and reduces the number of occupancy days. It also puts water-based businesses in the Corridor, with whom Haliburton Sector businesses must compete, at a tangible competitive advantage.

Once the Corridor closes down in October, there is no opportunity to derive benefit from greater water availability as the TSW then proceeds to lower water levels in the RAFT lakes toward winter minimums before laying off the staff.

One must measure the net economic impact throughout the Watershed not simply focus on the gross positive economic impact in the Corridor.

(j) Overlooked Economic Impacts

A thorough review of the Study found several types of economic impact for which no mention can be found. We feel they should either be investigated and reported upon or an explanation offered as to why they have been excluded. They are as follow –

(1) Residence Conversion or Rebuilding for Full-Time Occupancy

The breakdown of economic impacts in the Study focuses on expenditures by permanent and seasonal waterfront residents on household goods and services and on the contribution they make to tax revenues because of the relatively high value of their properties.

There is no attempt to determine the injection to local economies as seasonal waterfront residents on the RAFT lakes convert or rebuild their cottages as houses so that they are ready for full-time occupancy. While particularly evident in the Haliburton Sector, there are undoubtedly occurrences within the Corridor as well.

Conversion or rebuilding, as the Study suggests, is not something to happen in the future. They are happening now as baby boomers prepare for and move into their retirement years. Obtaining and reviewing a study conducted under the auspices of the Haliburton County Development Corporation several years ago would be helpful to the consultants since it was done in anticipation of this very phenomenon.

(2) Hydroelectric Power Considerations

The Study acknowledges the direct revenue stream that the TSW derives from the 18 waterpower facilities that have been built in the Waterway. It is noteworthy that all the commentary in the Study pertaining to this subject emanates from the Ontario Waterpower Association whose focus is on large-scale facilities owned and operated by large corporations. This overlooks the prospects for community-backed micro-power facilities tied in with reservoir lake dams and submersible generators in the rivers below those dams.

(3) The Role of the Rivers

A search of the Study does not confirm or deny that economic impacts related to the RAFT lakes also includes businesses and residences that are found along the banks of the rivers that connect the lakes together then flow south out of the Sector. If they are, then there is only a need to acknowledge the facts in the text of the Study. If they are not, then efforts should be made to rectify this oversight.

(4) Maintaining the Reservoir Lake Dams

An impartial examination of the state of all reservoir lake dams by Public Works Canada has ascertained that lack of capital funding has allowed those dams to undergo significant deterioration over a long period of time. Further investment in them are also needed to replace logs with gates that can be opened and closed remotely.

The Ecoplans Report provides a table indicating how urgent work is required on the dams to maintain their integrity and reduce the wastage of water. As and when this work is undertaken on the reservoir lakes, its impact will be felt in the economy of the Haliburton Sector. The Study only refers to the impact of managing water levels without making reference to the dams. Accordingly, it must be identified as an economic impact within the Study and a dollar value put on repairs and replacement if available.

(k) Continuation and Enhancement of Existing Activities

Section 8.1 is devoted to a variety of existing TSW activities that contribute to the economic viability of communities along the Waterway. Only under Regulation of Water Levels is there any mention of “the Haliburton lakes” along with a vague reference to the impact of regulatory activity.

It was noted earlier that there is a tendency for water management to have a negative economic impact for the RAFT lakes in the Haliburton Sector. Whether or not the purpose of water management is for the protection of fish and wildlife habitat, maintenance of water quality or the provision of a dependable supply of water for hydroelectric power generation in the Corridor, all of these translate into a negative economic impact for the Sector.

We are disappointed that the consultant did not explicitly identify and explain the nature of the negative impact nor to offer suggestions as to how to mitigate it. We suggest that a water budget be negotiated each year rather than a unilateral decision be made by the TSW on water draw down from the Haliburton Sector to meet the needs of the Corridor. We also suggest that conservation measures be implemented in the communities along the Corridor to lower their total water usage. A water budget would ensure that there is a sharing of the pain and of the gain so that a diminished water availability, and the negative economic impact associated therewith, is felt in the Corridor as well as the Haliburton Sector and vice versa.

(l) New Roles for a Future Managing Entity from a Haliburton Sector Perspective

With respect to the future role of the TSW, there is no mention of money being invested by Parks Canada into developing untapped water resources. Such investments could well pay dividends to both the TSW with more water available to meet increased municipal water use needs and water for hydroelectric power generation. In the Haliburton Sector, it could translate into more development of recreational property, purchasing of goods and services, tax revenue for the municipalities and shared revenue from power generation.

As for possible new roles for the TSW as specified in Section 8.2, there is no reference to the Haliburton Sector in connection with any of them despite the fact that each of them is strategically important to that Sector. The Sector competes with jurisdictions located in the TSW Corridor for tourism dollars and would be in a position of significant disadvantage if it was excluded from strategic planning, tourism promotion, economic development, and product development initiatives. We believe that this disadvantage should be acknowledged in the document with some indication given as to how it can be mitigated.

Appendix: A Contribution of Text to a Chapter on the Haliburton Sector

The Study provides the following data on user activities in the total Impact Area:

The following provides some comparison between the RAFT lakes area and Sector 2, as it is the sector that benefits most from the water flowing out of that area. It is based on the Study data as reported in the "Population" section starting on page 20:

* Population - Total for the Impact Corridor is 293,995; for Sector 2 Impact Area - 135,644 or 46.1% of the total. RAFT area population not reported.

* Property Taxes for waterfront properties - Total for the corridor \$ 240 M all sectors (table 5.3). Assuming a distribution similar to population in the geographic segments, then the taxes from waterfront properties in Sector 2 is about \$110.6 M. Haliburton taxes for waterfront properties is \$61.5 M (table 5.5), more than half of that in Sector 2.

* Dwelling Types (pages 20-21)- Single Detached Waterfront Residences (presumed to be full time residents) - there are 6871 for the total corridor with over half in the Kawarthas (Sector 2)- i.e. say 3500. There are 2808 in the Haliburton Highlands. This is somewhat less than in Sector 2.

* Dwelling Types (pages 20-21) - Seasonal (cottagers) – there are 30,667 waterfront and 1521 second tier for the total corridor, using the population distribution as above - then there are approximately 14,137 waterfront and 700 second tier in Sector 2. In Haliburton, there are 16,186 waterfront dwellings and 343 second tier. In this category, the RAFT lakes have more waterfront and second tier residences than the lakes in Sector 2.

The Study data clearly shows the importance of the RAFT lakes economy and that it is more or less equivalent to that of Sector 2 of the Impact Corridor.