TOWNSHIP OF WILMOT

Council Meeting Agenda

Monday, May 17, 2021

Closed Council Meeting

6:00 PM

Regular Council Meeting

Virtual

7:00 P.M.

This meeting is open to the public and is available through an online platform. Please subscribe to the Township of Wilmot You Tube Channel to watch the live stream or view after the meeting.

Delegations must register with the Information and Legislative Services Department. The only matters being discussed at this meeting will be those on the Agenda.

1. MOTION TO CONVENE INTO CLOSED SESSION

RECOMMENDATION

THAT a Closed Meeting of Council be held on Monday, March 22, 2021 at 6:00 p.m. in accordance with Section 239(2) of the Municipal Act, 2001, for the purposes of:

c) a proposed or pending acquisition or disposition of land by the municipality or local board

2. MOTION TO RECONVENE IN OPEN SESSION

RECOMMENDATION

THAT Council reconvenes in Open Session at 7:00 p.m.

This information is available in accessible formats upon request

3. MOMENT OF SILENCE

4. LAND ACKNOWLEDGEMENT – Councillor A. Hallman

5. ADDITIONS TO THE AGENDA

6. DISCLOSURE OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT

7. MINUTES OF PREVIOUS MEETINGS

7.1 Council Meetings Minutes Monday April 26, 2021

RECOMMENDATION

THAT the minutes of the following meetings be adopted as presented:

Regular Council Meeting April 26, 2021.

8. PUBLIC MEETINGS

8.1 REPORT NO. DS 2021-017

Zone Change Application 06/21

Concept Development Group In

Part of Lot 14, Concession North of Snyder's Road Parts 1 and 2, Plan 58R-1966

162 Snyder's Road East, Baden

RECOMMENDATION

THAT Report DS 2021-017 be received for information.

Registered Delegations

1) Andrea Sinclair, MHBC Planning

2) Justin Zielman

3) O'Derald Gingerich

9. PRESENTATIONS

9.1 KW Hydro Annual Report

Mr. Jerry VanOoteghem, KW Hydro Corporation

Mr. Jim Philips, KPC Chair

RECOMMENDATION

THAT the audited financial statements of Kitchener Power Corporation for the year ended December 31, 2020 as audited by KPMG LLP, as presented, are hereby received; and,

THAT Mr. James Phillips, Ms. Rosa Lupo and during their tenure, Mayor Berry Vrbanovic, Mayor Les Armstrong, Mr. Dave Schnider, Mr. Paul Singh and President & CEO Mr. Jerry Van Ooteghem be hereby elected Directors of Kitchener Power Corporation for the ensuing year; and,

THAT KPMG, LLP be hereby appointed as Auditors of Kitchener Power Corporation for the ensuing fiscal year and the Directors are authorized to set their remuneration.

10. CONSENT AGENDA

10.1 PW 2021-012

Annual OSIM Inspections Program – Award of Contract

10.2 PW 2021-011

Annual Concrete Sidewalk Program – Award of Contract

10.3 ILS 2021-17

Newdale Farm (Stewart Good) Petition and Badenview (Patrick George) Petition – Engineer Appointment Transfer

10.4 ILS 2021-18

Receipt of Petition for Drainage Works

1184 Gerber Road, N ½ Lot 10, Concession 3B

Township of Wilmot

10.5 COR 2021-018

Municipal Collaboration, Joint Township ESRI ELA

Recommendation

THAT Report Nos. PW 2021-012, PW 2021-011, ILS 2021-17, ILS 2021-18 and COR 2021-018 be approved.

11. REPORTS

11.1 DEVELOPMENT SERVICES

11.1.1 REPORT DS 2021-018

Zone Change Application 04/20

Miller Boys Inc. /

Dryden, Smith & Head Planning Consultants

142-148 Snyder's Road West, Baden

RECOMMENDATION

THAT Council approve Zone Change Application 04/20 made by Miller Boys Inc. / Dryden, Smith & Head Planning Consultants, affecting Part of 16, Concession North of Snyder's Road, to amend the current zoning to:

- permit 18 dwelling units in form of single-detached, semi-detached, townhome and apartments;
- reduce the overall required parking on site from 27 spaces to 26 spaces;
- reduce the required west side yard setback from 2.0m to 1.2m;
- reduce the required rear yard setback from 7.5m to 2.3m; and
- apply a holding symbol (H) that requires the approval of a noise study and archaeological assessment, and demonstration that sanitary sewer infrastructure constraints have been addressed, prior to development.

Registered Delegations

1) Nathan Riedel
2) Sam Head, Dryden, Smith & Head Planning Consultants

12. CORRESPONDENCE

13. BY-LAWS

13.1 By-law No. 2021-27 Zone Change Application 04/20

RECOMMENDATION

THAT By-law Nos. 2021-27 be introduced, read a first, second and third time and finally passed in Open Council.

14. NOTICE OF MOTIONS

15. ANNOUNCEMENTS

16. DELEGATIONS

16.1 Rory Farnan and Samantha Lernout, Citizens for Safe Ground Water.

16.2 Dorothy Wilson, regarding the proposed Hallman Pit.

16.3 Linda Laepple, regarding the proposed Hallman Pit.

16.4 Dave Prong, regarding the proposed Hallman Pit.

16.5 Mark Gordon, regarding the proposed Hallman Pit.

17. BUSINESS ARISING FROM CLOSED SESSION

18. CONFIRMATORY BY-LAW

18.1 By-law No. 2021-28

RECOMMENDATION

THAT By-law No. 2021-28 to Confirm the Proceedings of Council at its Meeting held on May 17, 2021 be introduced, read a first, second, and third time and finally passed in Open Council.

19. ADJOURNMENT

RECOMMENDATION

THAT we do now adjourn to meet again at the call of the Mayor.

Council Meeting Minutes

Monday, April 26, 2021

Council Meeting

Electronic Online Participation

7:00 P.M.

Members Present: Mayor L. Armstrong, Councillors A. Hallman, C. Gordijk, B. Fisher, J. Gerber and J. Pfenning

Staff Present: Chief Administrative Officer G. Whittington, Director of Information and Legislative Services D. Mittelholtz, Director of Public Works J. Molenhuis, Director of Parks, Facilities and Recreation S. Jackson, Director of Development Services H. O'Krafka, Director of Corporate Services / Treasurer P. Kelly, Fire Chief R. Leeson, Director / Curator Castle Kilbride T. Loch, Manager of Information and Legislative Services / Deputy Clerk T. Murray, Manager of Planning / EDO A. Martin

1. MOTION TO CONVENE INTO CLOSED SESSION

Resolution No. 2021-79

Moved by: Councillor J. Pfenning **Seconded by: Councillor J. Gerber**

THAT a Closed Meeting of Council be held on Monday, April 26, 2021 at 5:00 p.m. in accordance with Section 239(2), (b) and (e) and (3.1) for the purposes of:

(b) personal matters about an identifiable individual

(e) litigation or potential litigation

(3.1) Educational or training session

CARRIED.

2. MOTION TO RECONVENE IN OPEN SESSION

Resolution No. 2021-81

Moved by: Councillor C. Gerber Seconded by: Councillor J. Pfenning

THAT Council reconvenes in Open Session at 7:00 p.m.

CARRIED.

3. MOMENT OF SILENCE

4. LAND ACKNOWLEDGEMENT

4.1 Councillor J. Gerber read the Land Acknowledgement

5. ADDITIONS TO THE AGENDA

5.1 By-laws – Item 14.3 By-law No. 2021-26, to Appoint an Interim Chief Administrative Officer

Resolution No. 2021-82

Moved by: Councillor J. Pfenning Seconded by: Councillor A. Hallman

THAT Item 14.3 be added to the agenda under BY-LAWS as By-law No. 2021-26 - By-Law To Appoint an Interim Chief Administrative Officer for the Corporation of the Township of Wilmot

CARRIED.

Resolution No. 2021-83

Moved by: Councillor B. Fisher Seconded by: Councillor J. Gerber

THAT By-law No. 2021-26 be introduced, read a first, second and third time and finally passed in Open Council.

CARRIED.

6. DISCLOSURE OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT – None Disclosed

7. MINUTES OF PREVIOUS MEETINGS

7.1 Council Meetings Minutes Monday April 12, 2021

Resolution No. 2021-83

Moved by: Councillor C. Gordijk Seconded by: Councillor A. Hallman

THAT the minutes of the following meetings be adopted as presented:

Regular Council Meeting April 12, 2021.

CARRIED.

8. PUBLIC MEETINGS

8.1 REPORT NO. ILS 2021-15

Public Meeting

Draft Procedural By-law Amendments

Resolution No. 2021-84

Moved by: Councillor C. Gordijk Seconded by: Councillor J. Pfenning

THAT report ILS 2021-15 be deferred.

CARRIED. AS AMENDED.

Mayor Armstrong noted that staff have advised there has been no comments received on this report and requested that this report be deferred.

9. PRESENTATIONS

9.1 Audited Financial Statement

Mike Arndt, CPA, CA

Mike Arndt outlined the Audited Financial Statement and advised on impacts due to COVID-19. He noted that considering the hardships many have faced, but the Township is in a solid financial state.

Mr. Arndt acknowledged Council's comments that there are pending infrastructure costs that are forecasted to put the Township into a deficit and noted that had it not been for Government funding there would have been a deficit in 2020.

The Director of Corporate Services / Treasurer noted that the surplus the Township carries is allocated to future projects and advised that the opportunity to build on investments and infrastructure is strong.

9.1.1 REPORT COR 2021-17
2020 Audited Financial Statements

Resolution No. 2021-85

Moved by: Councillor C. Gordijk Seconded by: Councillor J. Pfenning

THAT Report COR 2021-17 regarding the 2021 Annual Financial Report be received for information purposes.

CARRIED.

The Director of Corporate Services / Treasurer outlined the report.

10. DELEGATIONS

11. CONSENT AGENDA

11.1 COR 2021-016
2021 Final Tax Levy By-law

11.4 DS 2021-016
1st Quarter 2021 Building Statistics Summary

11.6 PW 2021-08
Award of Contract – Utilities Service Vehicle

11.7 PW 2021-010

Region of Waterloo Projects – Snyder's Road East and Notre Dame Drive

11.8 PFRS 2021-007

Award Petersburg Park Playground

11.9 PFRS 2021-008

RFP Award St. Agatha Park Playground

11.10 ILS 2021-14

Road Opening By-law

Sandhills Multi-use Trail

Resolution No. 2021-86

Moved by: Councillor A. Hallman Seconded by: Councillor C. Gordijk

THAT Report Nos. COR 2021-016, DS 2021-016, PW 2021-08, PW 2021-010, PFRS 2021,007, PFRS 2021-008 and ILS 2021-14 be approved.

CARRIED. AS AMENDED.

The following reports were removed from the Consent Agenda and discussed separately.

11.5 PFRS 2021-006

Parks, Facilities & Recreation Services First Quarter Activity Reports

Resolution No. 2021-87

Moved by: Councillor J. Gerber Seconded by: Councillor A. Hallman

THAT the Parks, Facilities & Recreation Services Activity Reports for the first quarter of 2021 be received for information.

CARRIED.

The Director of Parks, Facilities & Recreation Services confirmed that the modernization of the elevator in the New Hamburg Community Centre complies with the inspection that was completed by the TSSA to bring the elevator up to code.

The Director of Parks, Facilities & Recreation Services confirmed that the Splash Pad has traditionally opened at the end of May; however, advised that an opening date has yet to be confirmed.

The Director of Parks, Facilities & Recreation Services advised that staff will be directed to investigate the old water fountain at Huron and Peel Streets.

11.2 PW 2021-09

1^{ST} Quarter 2021 Operations Activity Report

January – March 2021

Resolution No. 2021-88

Moved by: Councillor C. Gordijk Seconded by: Councillor A. Hallman

THAT the Public Works Operations 1^{st} Quarter Activity Report for the months of January, February and March be received for information.

CARRIED.

The Director of Public Works and Engineering confirmed that the data regarding the insurance claims are for the time period from January to March 2021.

11.3 FR 2021-03

First Quarter Activity Report

Resolution No. 2021-89

Moved by: Councillor C. Gordijk Seconded by: Councillor A. Hallman

That the Fire Department Activity Report for the first quarter of 2021 be received for information purposes.

CARRIED.

The Fire Chief confirmed that efforts continue on public education through the pandemic, noting that it has been challenging and print media is not traditionally budgeted for therefore social media and the website have been used. The Fire Chief advised that a joint cooperative with the Baden Outlook, at no cost to the Fire Department was underway.

12. REPORTS

12.1 INFORMATION AND LEGISLATIVE SERVICES

12.1.1 REPORT NO. ILS 2021-13

Combined Quarterly Activity Report

January 1, 2021 to March 31, 2021

Resolution No. 2021-90

Moved by: Councillor Seconded by: Councillor

THAT the Information and Legislative Services Quarterly Activity Report for January 1 to March 31, 2021 be received for information.

CARRIED.

The Director of Information and Legislative Services outlined the report and noted that a piece of correspondence has been received by a member of the public. That piece is attached as Appendix A.

The First Peoples Group introduced themselves and provided information on their individual backgrounds.

Melissa Hammell, Vice-President, First Peoples Group, outlined the work of First Peoples Group providing details on other consultation processes they have undertaken, in particular, the Sir John A. MacDonald statue in the City of Kingston.

Cassidy Caron outlined the public engagement plan, outlining each step of the proposed engagement process and also noting that the Working Group has had discussions on how to ensure the survey is as accessible as possible. Key individuals continue to be identified and will be contacted directly.

First People's Group also confirmed that the Mississauga's of the Credit will be consulted through the process.

It was noted that one on one conversations with members of Council, will occur as well, any member of the public is welcome and encouraged to contact First People's Group to have a safe space for all the work they are doing during this process.

Council requested that the agendas and minutes be published to maintain a transparent process and Council agreed to appoint Councillors Pfenning and Fisher to the Working Group.

The First People's Group confirmed that the recommendations resulting from the similar consultation process at the City of Kingston were based on what the citizens said and not the opinion of First People's Group.

First People's Group confirmed that they do seek to have an Elder(s) take part in the engagement and it would be that Elder(s) that would receive the honorarium.

Nigel Gordijk appeared as a delegation, his prepared statement is attached as Appendix B.

Council directed staff to amend the Terms of Reference for Committees of Council to include a provision for a dedicated member of the IBPOC Community. The Director of Information and Legislative Services advised that for the Inclusion and Diversity Committee composition would be all members who self-identify as part of the IBPOC Community.

John Bailey appeared as a delegation, his prepared statement is attached as Appendix C.

Cheyanne Thorpe appeared as a delegation, her prepared statement is attached as Appendix D.

Nancy Birss appeared as a delegation, her prepared statement is attached as Appendix E.

Dennis and Pat Mighton appeared as a delegation. They expressed their excitement and welcomed the First People's Group for the consultation process to begin. They expressed their disappointment in not having been notified of the consultation process and questioned how more information will be communicated and voiced their concerns for how more people will be notified and those that do not engage in social media. The Director of Information and Legislative Services advised that the Working Group, along side First People's Group are looking at various options to communicate to residents in a non-digital format as well.

David Atkinson appeared as a delegation, his prepared statement is attached as Appendix F.

Aimee Coslovich appeared as a delegation. She noted that the perception in the media depicts the Township as an entirely racist community, which she find inaccurate, and it is upsetting to residents. She thanked First People's Group for working with the Township on the Prime Ministers Path consultation and addressing the needs of the community in the Truth and Reconciliation Commission.

Cheyanne Thorpe addressed Council again, expressing the connection of the Prime Ministers Path, the racial divide in the community, and how the harm that has been experienced is being dismissed.

John Bailey addressed Council again, expressing the difficulty with the process First People's Group is facing and appreciates their guidance and leadership. He advised that he has been asked to speak on this matter on behalf of others that are afraid to speak themselves and he commends anyone that does speak out on issues.

David Atkinson indicated that he feels comments made are not an accurate portrayal of racism in Wilmot. Mr. Atkinson was reminded of the decorum requirements for Council Meetings.

Robert Watts, First People's Group addressed Council and provided closing remarks, noting that the work they do is to focus on issues of reconciliation, dignity and nation building. He noted that these issues will be taken seriously and will be dealt with in that manner. He encouraged patience, and respect as the consultation process unfolds.

12.2 DEVELOPMENT SERVICES

12.2.1 REPORT DS 2021-015

Sign By-law Variance

Cressman Meats

562 Huron Street, New Hamburg

Resolution No. 2021-91

Moved by: Councillor C. Gordijk Seconded by: Councillor J. Pfenning

THAT Council approve minor variances to Township Sign By-law 2002-68 for a sign to be installed at 562 Huron Street in New Hamburg as follows:

- to allow a sign in front of the required building line on a property having a frontage of less than 15m; and
- to reduce the required side yard setback from 3.0m to approximately 1.0m

CARRIED.

The Manager of Planning / EDO outlined the report.

13. CORRESPONDENCE

14. BY-LAWS

14.1 By-law No. 2021-23 2021-23 Final Tax Levy Rates

14.2 By-law No. 2021-24 By-law to Open a Road

Resolution No. 2021-92

Moved by: Councillor J. Gerber Seconded by: Councillor A. Hallman

THAT By-law Nos. 2021-23 and 2021-24 be introduced, read a first, second and third time and finally passed in Open Council.

CARRIED.

15. NOTICE OF MOTIONS

16. ANNOUNCEMENTS

16.1 Councillor A. Hallman noted there has been an uptake in crime in the New Dundee area and reminded everyone to lock their doors.

16.2 Councillor A. Hallman encouraged everyone to register for the COVID-19 vaccine and to reach out if they require assistance.

16.3 Councillor J. Gerber extended congratulations to staff member Lacey Smith and her husband on the arrival of their daughter.

16.4 Councillor J. Pfenning also encouraged essential workers to register for their vaccine.

17. BUSINESS ARISING FROM CLOSED SESSION

18. CONFIRMATORY BY-LAW

18.1 By-law No. 2021-25

Resolution No. 2021-93

Moved by: Councillor B. Fisher Seconded by: Councillor C. Gordijk

THAT By-law No. 2021-25 to Confirm the Proceedings of Council at its Meeting held on April 26, 2021 be introduced, read a first, second, and third time and finally passed in Open Council.

CARRIED.

19. ADJOURNMENT

Resolution NO. 2021-94

Moved by: Councillor B. Fisher Seconded by: Councillor C. Gordijk

THAT we do now adjourn to meet again at the call of the Mayor.

CARRIED.

April 24, 2021

To members of council,

I am writing to you today to with a number of questions regarding the Prime Minister's Path consultation process. I write these as a long time Wilmot resident who actively served our community and only recently made the difficult decision to move to Kitchener.

I want to make it abundantly clear that my main concern with regards to the PM Path consultation process are:

1) that <u>no further harm</u> be brought to Indigenous people in Wilmot and the broader Waterloo Region through this consultation process, and
2) that their voices be intentionally amplified in this process. It is fundamentally essential that their voices be given more weight.

It is abundantly clear the incredible harm and damage that this entire process has inflicted on the Indigenous community. Even just the act of having a consultation process is harmful as it is centered within a context of white systems of oppression. The Indigenous people have had their voices blatantly ignored and dismissed by having been called time and time again to speak to their own pain and relive that in a public forum as delegates at council, only to be met with silence and further harm.

Because of this, we have to assume that many of them will not feel safe engaging in this process. So when you put a general call out for feedback, it is possible that they will not willingly volunteer their voices, their pain, their trauma all over again. They have already offered this.

Their willingness to speak needs to be on their own terms. And most importantly, if they can't, *what they have already spoken through past delegations, reports, etc needs to be accepted into this process as their contribution. And that contribution needs to be given weight.*

This is about equity, not equality.

We are obligated to lift their voices above others.
We are obligated to give their voices weight over others.
This is what our white privilege demands. This is what "we are committed to showing you, not by words, but by action" looks like.

Equity is not assuming that the voice of the dominating system shares equal weight with others. It demands that the voices that are most hurt be given an elevated voice.

Questions for First Peoples Group:

1) How will this process elevate Indigenous voices and ensure that their voices, regardless of numbers, are given higher weight than others? What ratio will be used to weigh their voices in the final report from First Peoples Group?
2) What is your plan to engage Indigenous people within Wilmot and the broader Waterloo Region, knowing that a general offering to speak into the process may not be enough to engage them?
3) With regards to the recommendations of this report, how will you ensure that Indigenous voices are centered and allowed to shape and share their own story going forward – regardless of the outcome? For example, if one of the outcomes is that we need to add more to the story of the Prime Minister's Path, then that needs to be developed by them.
4) Will you be using any of the funds granted to First Peoples group in this process to give back to the local Indigenous community for the work that they have already put forth?
5) What will you do to ensure that symbolic acts of reparation in this process are deep and meaningful and beyond acts of performative allyship?

Finally, as council, I encourage you to reach out to other cities in Canada who have gone through this process – specifically with First Peoples Group – to inquire about what gaps, inherent biases or learnings they garnered from going through this same process, and how Wilmot can use those to build on to create a more fulsome and equitable process.

The number one concern of this process should be that no further harm is done to Indigenous people, both within Wilmot, Waterloo Region and the broader area as a whole.

Respectfully,
Charlene (Nafziger) Gingerich

Delegation by NIGEL GORDIJK (New Hamburg)

It's been a tumultuous few days, with the reports of several posters promoting a White Lives Matter parade going up in New Hamburg and Wellesley. Police are investigating, and Wilmot council felt compelled to issue a statement condemning white supremacy and racial hate.

Regardless of the opinion piece in The Record last week that sought to diminish the harm caused by the posters – an article that was so egregious it cost them my subscription – this was not an isolated incident.

I've been told by several people that racism in Wilmot is a hidden secret. It is not.

Former Waterloo-Oxford student Bryan Peralta, who is Black, said he eventually became desensitized after being called the "N-word" so many times at school. Mr. Peralta is not the first Black student to be targeted like this, and he wasn't the last. I have friends who are only a few years younger than me who attended W-O, and they say racism was commonplace back then. How and why has this been allowed to continue unchallenged by the school for decades?

Our granddaughter used to take the school bus to W-O, before COVID. When it passed Pfenning's Farm, she would often hear racist comments directed at the workers in the field, many of whom are Jamaican.

A few years ago, when a group of those Jamaican workers visited Wilmot's Canada Day celebrations, someone warned the organizers about, quote, a "suspicious group of men".

Recently, a mixed-race couple had back-to-back medical appointments in New Hamburg. The wife, who is white, went in first, and her husband, who is Black, waited in their car and closed his eyes. While he was napping, someone called the police to report "a man acting suspiciously". Sleeping while Black is considered suspicious.

An Indigenous woman was wandering around a New Hamburg store, looking at the merchandise. A worker in the store walked closely behind her, watching and following her. After finally having enough, the woman turned and assured him, "I'm not going to steal anything".

A gay couple held hands as they were walking in New Hamburg. One of them is Mexican, and the couple had racist and homophobic slurs yelled at them several times by passing drivers.

During the summer of 2020, posters promoting the anti-immigrant Proud Boys were put up in New Hamburg and Baden. The Proud Boys were recently designated a terrorist group by the federal government.

In late June 2020, a group of the white supremacist Urban Infidels gathered by the SJAM statue in Baden. One of the men who came has a conviction for assault with a weapon. The group shouted racist slurs at locals.

In July 2020, a swastika and Confederate flag graffiti was painted in Sir Adam Beck Park.

Earlier this year, a woman in Baden, who is married to a person of colour, posted the following on Facebook:

“When my kindergartner comes home from school and tells me a kid in his class told him they couldn’t be friends because their skins don’t match, we have a problem. Kids aren’t born like that; they’re taught.”

Waterloo Region Record journalist Anam Latif tweeted the following story this morning.

Anam Latif

Follow @LatifRecord 1,296 followers

18m, 6 tweets, 1 min read

Bookmark Save as PDF + My Authors

🧵I've shared this story on here before, but it bears repeating. As a 19yo Laurier student I went to a Halloween party in New Hamburg and had to face someone dressed as a Muslim terrorist.

I didn't know him. He was a friend of a friend. I was the only POC at the party. His face and hands were painted brown. He wore army fatigues, a ghutrah (head wrap) and had fake bombs strapped to his chest.

I was in shock when I saw him, but I didn't say anything out of fear of making a scene. This is common for most POCs when we're the only ones in the room. Thankfully my friend went up to this man and said: "your costume is offensive, go home and change then apologize to Anam."

The man went home and changed. He washed the paint off his hands and face. He profusely apologized to me, then he said: "we don't see a lot of people like you around here."

This is why representation matters. This is why speaking out against racism matters, especially in small-town Ontario. The point is not that he was called out and apologized. The point is that he felt comfortable enough to wear an offensive costume in the first place.

This is just one small example of the overt and covert racism BIPOC communities continue to face.

In December, media reports of a Wilmot council meeting, at which I appeared as a delegation, quoted my comments about racism and described me as a person of colour. Subsequently, I received a racist email from someone who questioned what I had done for Canada, and told me to go back to where I came from. This email also attacked my wife, Councillor Gordijk, who has spoken out against racism.

The sender of that email didn’t hide his identity, so it was simple for the police to track him down and warn him about his future conduct.

He was easy to find on social media, too. His Instagram account shows photos of him wearing a Kitchener Rangers jersey at The Auditorium.

The Auditorium, where my family and I have also attended Rangers games. I’m sure you’ve all been there, too.

But unlike you, I can never return. Now that I’ve reported the racist to the police, how can I possibly go to the same venue as him and feel safe? Do any of you know how that feels? Have any of you ever had to consider how safe you are in our community, because of the colour of your skin?

The Auditorium is no longer a safe place for me, because I spoke out about racist activity in our township.

When kids in Wilmot are raised to think that it's acceptable to use the N-word to describe Black people, is this a safe space for people who aren't white?

When white supremacists with a reputation for violence gather on Township property, intimidate Indigenous people by shouting slurs at them, and council fails to condemn their behaviour, what message are you sending about who can feel safe here?

After Councillor Gordijk discussed the White Lives Matter posters last week, there were people who said that White Lives Matter is no different than saying that Black Lives Matter. Here's the difference: If you look at WLM marches, all of the participants are white. Their movement is about protecting their power. The phrase White Lives Matter in this context is used to mean that *only* white lives matter, and that *they're* the most important.

BLM, on the other hand, acknowledges that Black lives aren't treated as equal to white lives, and that *they* matter, too. The BLM event in Kitchener last year was attended by Black, Indigenous and people of colour, and yes, many white people, too, reflecting the diversity of Canada.

Which brings me to the Anti-Racism, Inclusion and Diversity Advisory Committee. I was genuinely pleased when Councillor Gerber suggested this a few months ago, but I do have misgivings. The Inclusion and Diversity Report refers to "Draft terms of reference prepared and circulated to the senior management team for review and comment."

I’m concerned that this committee is creating a space for white people to listen to Indigenous, Black and racialized people reliving and sharing their personal trauma, but it won’t have a clear mandate nor any authority to affect change.

When I look at the power structure in Wilmot, I see our MP is white, our MPP is white, every single member of Regional and Township council is white, our Chief of Police is white.

Inevitably, every one of those people experiences life from a white perspective. I was born in England and lived there for 40 years, and I’ve lived in Canada for the past 15. I’ve spent my entire life in a white world. Believe me, I get it.

I am not suggesting council or staff are racist, but you see and experience the world differently than I do. So how will this Committee ensure and demonstrate that it isn’t simply a way to check the inclusivity box on a checklist? What is its end goal? Who was responsible for drafting the terms of reference, and what relevant life experience did they call upon for guidance? (Those questions aren’t meant rhetorically.)

I don’t expect the Township to be able to put an end to racism in Wilmot. But you do have an important role to play.

I hope that what I’ve said today makes you feel uncomfortable. I hope the description of acts of local racism left you nauseated, and that the sight of those White Lives Matter posters gave you a pain in your chest, as if your ribcage was about to crack. Because that’s exactly how I’ve felt for the past week.

If you experienced the same thing, then I'll know you've listened and you've understood. And that would be a good place to start.

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That was all I had planned to say, until this afternoon, when the Township published Combined Delegation Presentations that included a letter from a Wilmot resident. That letter contained the following false claim, referring to Mayor Armstrong's White Lives Matter video incident:

> Reporter Lauren Scott in the April 21 New Hamburg Independent article about the white supremacist flyers posted in New Hamburg quotes you as saying that "… this has been an *ongoing battle* in Wilmot recently." Precisely what *ongoing battle* are you referring to? Again and again Nigel and one or two others have asked for an apology from the Mayor. There have been a couple of Code of Conduct inquiries which allow accusers to hide their identity. These repeated attacks have kept Wilmot in the public eye for almost a year now, and have generated unwarranted negative publicity for the Township. Is this the ongoing battle? How would the White Lives Matter flyers be connected to these attacks?

The letter characterizes this as part of a repeated attack. The problem is, I have *never* requested an apology from the Mayor. I've appeared twice before Township council to address the video incident, so council and the clerk know what I said. I told the clerk that this letter was a personal attack against me, a member of the public, and that it contained information that was untrue, even though she already knew this.

After several emails from me, demanding the deletion of the letter, I received a terse message, saying that it would be removed from the Township's website. This was being done at the letter writer's request, not because the Township thought it was the right thing to do.

Wilmot already had a tough task ahead of it – *several* tough tasks – and it has further damaged its credibility today at a time when it claims it wants to encourage IBPOC like me to step forward and participate in its Anti-Racism, Inclusion and Diversity Advisory Committee.

That's all that I have for this evening.

Good evening, and thank you all for allowing me the opportunity to speak with regard to the Staff Report on Inclusion and Diversity, and our ongoing process around the Prime Ministers Path.

First, I would like to welcome the team from First Peoples Group this evening, and thank them for their time and patience in this process so far.

I'm sure that the team has already ascertained that they are stepping into a contentious issue here in Wilmot, and that the situation here certainly exists inside a much bigger framework of tensions around conscious and unconscious systemic racism inside and outside of the corporation of the Township of Wilmot, the elected representatives, and among residents here.

There are a significant number of residents here that have very serious concerns about the process by which this consultation process will be undertaken, and the level of openness and transparency with which it is being conducted.

It is crucially important that we, the concerned residents here, are assured that a fulsome and comprehensive review of the information surrounding the current situation is undertaken. Without this, the process will exist only in a carefully controlled vacuum, and will inflict further harm on the community.

For some background, the Prime Ministers Path project presented by CreateScape Waterloo Region was thoroughly reviewed, examined and delegated upon in 2014 by the City of Kitchener and its residents. The process of reviewing the project was thorough, and the residents were allowed access and participation in the decision making process. It was decided that the project and all of the complications and divisive attention was not suitable for their city or to be displayed on public property in Victoria Park.

Then, CreateScape Waterloo Region found a new home for the first of the bronze statues in the series at University of Waterloo. After a backlash from faculty and students, and a lengthy petition, the University made the decision to back out of the project and gave the Sir John A MacDonald statue back to CreateScape WR.

After a series of off-the-record meetings between Wilmot Mayor Les Armstrong, and former CAO Grant Whittington, they approached CreateScape Waterloo Region with a plan to bring the Prime Ministers Path project to the public space beside the municipal offices in Baden. A secret committee was set up to guide the process, and the project was eventually put through for a vote by the then councillors with a motion submitted and signed by Mayor Armstrong and former clerk Barbara McLeod. There was NO public consultation, no opportunity for input, and zero delegations were heard prior to the vote to proceed.

This kind of manipulation of the democratic process in order to rubber-stamp a significant project like this into existence is a single, but powerful example of the multiple levels of dysfunction within the Township. It gives NO credit to the fact that this community is one of great compassion, wisdom, and truly values democracy and public engagement - and clearly would have undertaken the decision-making process with vigour and balance - and would clearly have been able to discern this process with integrity without the need for outside consultants.

It is inside this framework, and the broader global reckoning around race, justice and colonial symbols of power and oppression that this consultation is taking place.

While we understand that dysfunction in elected leadership is solved at the ballot box, and given time, that will be decided by residents - but dysfunction in due process and issues around openness and transparency from bureaucracy are a barrier to this.

So, as a team, you have inherited a very difficult and emotional situation here, fraught with systemic issues, which clearly add to the complications around this process.

While the team at First Peoples Group considers many of the dynamics at play here in Wilmot, it's important to have a clear picture of some of the other issues:

On the symbolic, one of the most important and meaningful traditions that have been added to the beginning of each public meeting of council is the reading of the land acknowledgement to the territory on which we reside. Many who follow our local municipal politics have asked why our Mayor has never read the land acknowledgement at the beginning of a meeting? Whether intentional or unintentional, this sends a message to our community that he is not willing to follow this incredibly important gesture as set out in the calls to action from the TRC. Clearly, this is beyond the scope of FPG's process but we would like to see some guidance with respect to this and other important recommendations from the calls to action from the TRC.

On the substantive, FPG must consider recommendations and their context with respect to the tensions here in Wilmot regarding the multiple direct confrontations and harassment by white supremacist individuals at the peaceful sit-in demonstrations at the SJAM statue, the posting of 'White Lives Matter' posters from a globally-connected hate group appearing on posts here, the distribution of hate propaganda shoved in residents doors, racist graffiti, the sabotaging of "Black Lives Matter" signs and displays around the community, and the ongoing police investigations around this. This consultation and the work around it clearly exist in this context.

On the systemic, FPG must consider the broader complications with the entire Prime Ministers Path project, and not just the issues focused around the Sir John A MacDonald statue. In many ways, William Lyon MacKenzie King had even more problematic history, and the presence of that statue should be examined with the same voracity as SJAM. This entire project, while it was undertaken to include all 23 Prime Ministers, has only made it through 5 installations, with another of the 'unfortunate four' still in storage - and it must be noted that the ongoing negative attention around this project, and the reluctance of donors to continue will likely affect the entire viability of the entire project. As the individuals involved with CreateScape Waterloo Region are mostly of retirement age, it is also unlikely in this climate that the project would ever have gotten to completion of all 23. Which leaves Wilmot with a very difficult challenge. With only these 6 statues in their collection, and no real forward progress, the systemic decisions around the best use of that public space considering it's problematic lineage suggests that a different site, perhaps a private facility rather than public space, would be more appropriate - so that a more welcoming space could be provided for ALL residents of Wilmot Township.

Which brings us back to the staff report on Anti-Racism, Diversity and Inclusion. While First Peoples Group is an Indigenous organization, and we are incredibly grateful for your wisdom, experience and leadership through this difficult process, the weight and ratio with which the consultations with individuals and groups in our community that are Indigenous, Black, and Persons of Colour, must be given the appropriate consideration for the harm that has been inflicted on these individuals and their families. It is also crucially important that FPG seek consultations with Chinese-Canadians whose history is connected with the brutal labour practices of Sir John A MacDonald, and weigh their experiences accordingly.

This process has much potential to expose these individuals to even more harm and the honesty, openness, and transparency of the process MUST be paramount and demonstrated clearly. There have been some very disturbing and tone-deaf letters and delegations submitted to Wilmot Township from residents that have a very difficult time coming to terms with the ugliness that has surfaced here. Otherwise, good, kind-hearted people, that just simply cannot believe this exists here because it doesn't affect them personally.

While there are many white Wilmot settlers that feel strongly that the statues should remain and continue, there are also a great many white Wilmot settlers that strongly believe that the project must be halted and moved to a private space where they can be presented with proper context, historical accuracy, and meaningful educational materials.

Despite the painful flaws that have been discussed here, what needs to be emphasized is that Wilmot Township is an incredible place to live! Our communities have brought fantastic energy to many amazing projects, service clubs, faith communities, arts and culture organizations, and many more. The immense amount of energy and care put in to the restoration and ongoing beautification of Castle Kilbride, the curation of its legacy and its important and resonant history and it's presence here is a very proud ongoing accomplishment of Wilmot residents. The people here are kind, compassionate, and generous with their time and resources to make this an amazing place to live. What can get lost in these very emotional discussions, is that Wilmot is dealing with these ugly issues of racism head-on, directly, loudly, and publicly - while many other communities have allowed the quiet and toxic cancer of hate to fester in the shadows. We WILL NOT tolerate this here, and we are incredibly proud of this community.

Thank you.

Hè! Kulamàlsi hàch?

Wanishi to Councilman Gerber for tonight's land acknowledgement.

My name is Cheyanne Thorpe. I spent time living in New Hamburg for many years until recently, and I still have immediate family residing in town. I no longer like to consider myself a resident, part time or otherwise, of Wilmot Township – despite my still residing within Waterloo Region. I recognize that to certain members of council and community, that this makes me an "outsider" of this township. It is for that reasoning and discrimination alone that I have since chosen to maintain mine and my family's safety and well being by ensuring permanent safety and shelter out of the immediate area.

Despite my home's address, within Wilmot Township or otherwise, my true descent is one that connects in deep roots to the lands you all pay acknowledgement to in each one of these meetings. I am a 2-Spirit mother of Haudenosaunee and Lunaapeew descent, having spent the majority of childhood living on or surrounding the Six Nations of Grand River Territory. My preferred pronouns are She/Her. I have never once felt like an outsider on the traditional territory lands that have long since been established, and despite comments publicly stated by this council's leadership, I still do not feel as if I am an outsider to the community that I continue to care for.

I address council this evening with the hopes of making some introductory inquiries in regard to the beginning of consultation between Wilmot Township and First Peoples Group surrounding CreateScape's Prime Minister's Path Project. I address this council both as a concerned citizen of Waterloo Region, of the territory lands, as well as an Anti Racism Advisor currently employed by the Region of Waterloo. I am speaking independently this evening on all fronts.

These talks begin at an incredibly sensitive and dangerous time in our community, with hate flowing freely and white supremacy running rampant. These issues have been building up to a burst for a long time coming now, perhaps being most strongly fueled by ignorance towards racial discrimination at the hands of our own leaders, as well as by the divide caused by the call for the absolute removal of the Prime Ministers Path project. We are seeing more brazen attempts to divide our community based on misinformation, feelings of hate and racial bias amongst our very own township members. We are seeing more empty promises by leadership in an effort to denounce white supremacy across our region, coming at a time that is far too little too late.

To quote scholar, social worker and fellow Anti Racism advisor Kathy Hogarth in an article from The New Hamburg Independent dated April 26, 2021: "This is ongoing work. It's hard work. It's frustrating work when you see constructed white ignorance upheld in white supremacy."

I addressed this very council in the summer of 2020 in response to a discriminatory Facebook post shared by Les Armstrong stating his support behind the "White Lives Matter" movement. He was asked by community members at that time to denounce white supremacy, as well as the violent extremists that came at the beck and call of his support to such a hateful and misguided movement.

Les refused. He provided shallow, baseless and discouraging reasoning behind his "ability" to denounce anyone's presence in our community and made no effort to further denounce white supremacy, or the roots that it was taking amongst youth, as well as the vandalism and violence that it was causing all across our township.

With the journey towards consultation on the Prime Minister's Path project beginning, and with the recent statement released by this very council, I would be interested in hearing more about Les' journey towards his apparent change of heart and mind when it comes to the issues of white supremacy.

- What have been the main enlightenments that have helped you to better understand the importance of only now denouncing white supremacy?

- I would also be interested to know whether or not the "White Lives Matter" movement is still something that Les supports personally during his time working as the leader of our township?

- Lastly, I would like to know if Les understands the direct correlation between his past actions as well as the direct refusal to deny white supremacy last summer, and the brazen attempts we are now seeing to breed hate and divide amongst our community surrounding racial inequality?

A response to these inquiries at the end of my statement would be greatly appreciated.

I know that with all of these concerns being highlighted, that the sheer concept of further dialogue on these matters must be incredibly exhausting to many. Especially the process of a long winded, Wilmot staff supervised and funded consultation process regarding issues that have already caused such harm in our community to families of all sorts of diversities. Other supporters and I crossed many thresholds when attempting peaceful protest and public education last summer at Castle Kilbride, and the history of those few months alone is that of intense extremes and vast amounts of occurrences.

We would like to better understand the process in which this was all initially presented, the history behind the project that has been provided to date, and whether or not there are levels of bias that linger here not only between Wilmot Staff and the First Peoples Group, but also regarding past decisions made by First Peoples Group in areas such as Kingston, Ontario.

- How are we to be assured that a precedent has not been set in the handling of these bronze statues?

- How are we to feel confident in the decision-making process without further fear of re-traumatization and detriment being brought to our community?

- How are we to trust the leadership of this council in making the appropriate decisions guiding the township moving forward, when his notions and actions have been so inappropriate to date?

- How are Indigenous individuals to trust that their voices will now be heard and amplified, when it's come at such a cost, and so far down the road?

- Has the project's full and complete history been received in its entirety for adequate evaluation? That includes the past delegations and presentations to this council, and other boards regarding CreateScape's Prime Minister's Path project?

- Is that historical information provided to date surrounding this project going to be made available for public viewing? In the spirit of a truthful and transparent process.

I am eager to see efforts being made to ensure this process is completed in a timely manner. I am hopeful in engaging in the process of communication and better understanding about the First Peoples Group, and their overall goals as Indigenous leaders in this space. I am exhausted by the idea of how much more free labour is going to be involved in this long-winded debate, as well as community engagement. I am excited by the notion that the tides are changing in certain areas of our nation, and the world, to finally realize that idolizing someone is bronze in a public space, is a poor way to pay homage and respects.

All of the issues that I have touched on this evening can be summed up to a need for one thing: Anti Racism Advisory Action within Wilmot Township – with a highlight of individualized supports required in the cities of New Hamburg and Baden. The City of Kitchener, University of Waterloo, as well as the Region of Waterloo have all established independent Anti Racism Advisory positions of all natures in these past months.

- I ask where the action has been from Wilmot leaders and staff to implement these frameworks into this township?

- What actions HAVE been taken by Wilmot leaders or staff to implement any sort of Anti Racism iniatives in ANY regards?

- Do leaders agree with the need for Anti Racism action in this township?

Wanishi for allowing me time to share my concerns and inquiries regarding these matters.

Cheyanne Thorpe

cheyannechaniece@gmail.com

Delegation/Presentation to Wilmot Council
Zoom Meeting Monday April 26, 2021

FROM: **Nancy Birss** 422 Main St. P.O. Box 51, New Dundee ON N0B 2E0

TO: Councillors Fisher, Gerber, Gordijk, Hallman and Pfenning
CC: Mayor Les Armstrong
Dawn Mittelholtz, Director of Information and Legislative Services

RE: **Recent Prime Ministers Path Consultation Wilmot Township**

Request: That this letter be included as part of the public record with the agenda and minutes of the April 26, 2021 Wilmot Council meeting

Good evening Mayor Armstrong, Councillors, FPG guests and all in attendance.

I am really pleased to meet members of the First Peoples Group tonight .

I am speaking tonight to question and comment on a few things in regards to the Prime Ministers Path consultation process and recent happenings in Wilmot Township.

I heard from a friend the other day (otherwise I wouldn't have known) that there was information on the township website about the upcoming consultation process by the First Peoples Group in regards to the Prime Ministers Path. I asked my Ward 5 Councillor, Angie Hallman via email on Thursday April 22nd if she would be agreeable to sending the information and link to her email list as she does send information regarding township regulations, covid info etc and other matters from time to time. I for one do not regularly 'check in' to the township website and I'm sure there are a lot of township residents who do not regularly check the township website unless they are looking for specific information. I felt it was a good idea to alert as many people as possible that the groundwork has been laid for the consultation process and one way to do this is for councillors to spread the word to their constituents - - i.e the people they are 'supposed' to represent. A second email to Councillor Hallman on Saturday, April 24th also went unacknowledged. Does she not want the general public to be aware that the PMP consultation process is beginning? The peculiar thing is that I had also emailed Councillor Hallman the same day to inquire about the freezer in the New Dundee Park Booth. She very kindly acted on this and responded to me within 24 hours….much appreciated. Why Councillor Hallman did you not acknowledge my emails regarding the PMP consultation process and my suggestion/request to forward this information to your email list of constituents? Is it because you do not want the public to learn more about the consultation process?

On another matter regarding the abhorrent posters advertising a 'White Lives Matter' rally that were found in New Hamburg.

The media reported that very few posters, between2&6, (and mind you that is 2 or 6 too many) were found. They were 'found', 'shared' and/or 'commented on' by Councillors Angie Hallman, Cheryl Gordijk and citizen, Mr. John Bailey. What a coincidence that the people who have been branding Wilmot as a haven for racism are the ones to stumble upon them. And how is it that these posters have not been reported to have been found in any other communities in Waterloo Region?

It has also been inferred by some of the news coverage that people who are in agreement with the PMP are 'white supremacists'. I don't believe this is the case.. If we want to keep a fire under control why do some people fan the flames? I hope that each of you will do whatever you can to stop any unproductive comments so the First Peoples Group can get on with their job.

As Tyler Perry said in last night's Oscar humanitarian award acceptance speech ***"Refuse Hate" - -*** we need to accept everybody, and we need to respect every life. He dedicated his award "to anyone who wants to stand in the middle," "... because that's where healing happens, that's where conversation happens, that's where change happens. It happens in the middle." Where do YOU stand?

Thank you for your time and attention.

Respectfully submitted,

Nancy Birss
New Dundee

Follow up response to Councillor Hallman's comments that she did not say that she 'found' the posters:
I didn't say that she had 'found' a poster; I said of the three individuals… in reference to the posters…."They were 'found', 'shared' and/or 'commented on' by Councillors Angie Hallman, Cheryl Gordijk and citizen, John Bailey." And I still don't understand why Councillor Hallman could not send an email message and link to her email list to advise people to check the township website about First Peoples Group consulting plan. How does that 'harm' Indigenous people on her list? Really no excuse for not acknowledging my emails. I hope she finds a way.

Thank you Mr. Mayor and council for the opportunity to speak tonight. I greatly look forward to the work that the First People's Group will do to ensure that all opinions are given an audience as we navigate these difficult issues. Listening to your extensive experience on these matters, and hearing your passion for the subject is incredible, and you are to be admired.

As a member of this community, I feel obliged to speak up when things are not being done properly, when we as a community are being unfairly depicted, when we are not being properly represented, or when actions taken or words spoken are likely to cause harm to our community. Racism is unacceptable. Nobody is denying that. I am not here to minimize the experiences of any person who has experienced racism, including those of Mr. Gordijk. I don't have a racist bone in my body. I work and play with people from all over the world. The question of the PMP project is NOT about racism.

Moving directly to the topic at hand, a quick review of events of the last 11 months or so clearly shows a small number of folks, some of whom have spoken tonight and some of whom sit on council, repeatedly conflating a narrative of systemic racism with support for the Prime Minister's Path. The PMP is history, it is not sociology. Being in favour of displaying our country's history, warts and all, does not equate to agreeing with all the things that history represents. We've all heard the adage "The one who learns not from history is destined to repeat it.". I'd like to add a corollary to that adage "The one who shields themself from the learning of history will still repeat it".

Regrettably, there is a small number of anonymous, racist people in Wilmot, but it is unfair and irresponsible to paint the overwhelming majority of the community with that brush. Those few people need to be dealt with, without besmirching the entire township. As much as it is possible for my apology to soothe any harm that has been done, I apologize to anyone who has been treated unfairly in this Township due to skin colour or any other racially motivated reason.

I appreciated Councilor Pfenning's comments about wanting to bring the community together. I would like to suggest a starting point for that goal. Wilmot residents absolutely deplore racism, in all forms. This is something I challenge all councilors to affirm. Just this past Friday, Councilor Gordijk is quoted in The Record article as saying, in context of white supremacists, that "there's this ugly underbelly that's here" in Wilmot. I believe Councilor Gordijk fully understands the sordid image that phrase suggests. I'd love for Councilor Gordijk to stand by that comment and all the ugliness it suggests about this Township and its residents, on the record. As a member of this community, I am appalled that an elected representative would feel justified, without evidence, in referring generally to the community in that way. Councilor Gordijk, do you stand by that comment, on the record?

To repeat one of my earlier statements, Wilmot residents absolutely deplore racism, in all forms. This is something I challenge all councilors to affirm. Will councilors answer the following question on the record: Do you believe the majority of Wilmot residents are racist?

Previous speakers have decried the fact that this project was approved without transparent public consultation to determine whether or not it causes harm to various communities. In almost the same breath, they are also now trying to shut down the very type of consultation they said wasn't done in the first place. It's interesting to hear at least one of the delegates complain that the project has stalled, when it was their intervention that has stalled it. We can't change what happened at the beginning of this project. Indeed, until a year ago, there was no issue. The First People's group is uniquely qualified to shepherd this consultation. I strongly urge councilors to proceed with this consultation so we can once and for all understand the best way forward – for the project, and for the community of Wilmot Township.

TOWNSHIP OF WILMOT

DEVELOPMENT SERVICES
Staff Report

REPORT NO:	**DS 2021-017**
TO:	**COUNCIL**
SUBMITTED BY:	**Harold O'Krafka, MCIP RPP** **Director of Development Services**
PREPARED BY:	**Andrew Martin, MCIP RPP** **Manager of Planning and Economic Development**
REVIEWED BY:	**Sandy Jackson, BRLS** **Acting CAO & Director of Parks, Facilities & Recreation Services**
DATE:	**May 17, 2021**
SUBJECT:	**Zone Change Application 06/21** **Concept Development Group Inc. / MHBC** **Part of Lot 14, Concession North of Snyder's Road** **Parts 1 and 2, Plan 58R-1966** **162 Snyder's Road East, Baden**

RECOMMENDATION:

THAT Report DS 2021-017 be received for information.

SUMMARY:

The subject property is presently zoned Zone 5 (Commercial) which permits a commercial building with residential units situated above the commercial use. This application proposes to amend the zoning to allow residential units without a commercial use on the main floor and proposes site specific setback and parking regulations.

BACKGROUND:

Notice of a Public Meeting was given to property owners within 120 metres of the subject lands on April 15, 2021. The following is a summary of comments received prior to the Public Meeting.

Public: Justin and Jen Zielman, Snyder's Road East – concerns with the reduction in the setbacks, the impact on privacy and sunlight as a result of building height and upper storey balconies, reduced parking, increased traffic, snow removal, and noise generated from exterior mechanical equipment. A request for a privacy fence along the property line was requested. (Complete comments included as Attachment B).

Agencies: GRCA – requesting revisions to the plan to ensure all aspects of the development (buildings, parking, and associated grading) are outside of the surveyed floodplain as well as revisions to the storm water management strategy.

Region of Waterloo – requiring additional documentation with respect to the archaeological assessment, record of site condition, noise study and functional servicing.

WRDSB – advising of student accommodation pressures at Sir Adam Beck PS and Waterloo-Oxford DSS and that current interim measures including portable classrooms may be required long term until alternative solutions are in place.

WCDSB – requesting the developer erect a sign advising prospective residents of schools in the area.

REPORT:

The subject lands are designated Urban Core in the Township Official Plan, and are zoned Zone 5 (Commercial) within the Township Zoning By-law 83-38, as amended.

The current zoning permits commercial uses including residential units above a commercial use.

This application proposes to amend the zoning as follows:

1. to permit multiple residential units without a commercial use on the main floor,
2. to reduce the parking ratio for apartment units from 1.5 spaces per unit to 1.2 spaces per unit,
3. to reduce the minimum rear yard setback for the building from 7.5m to 4.6m, and
4. to reduce the exterior side yard setback for the building from 6.0m to 5.2m.

Prior to finalization of this report, comments were received from one neighbouring property owner which are included as Attachment B.

The applicant is currently working through a noise study, archaeological assessment and record of site condition as required by the Region of Waterloo. The GRCA provided comments requiring additional clarification regarding the floodplain on the property and the storm water management strategy. The applicant is required to provide some additional information with respect to functional servicing and storm water management in order for the Township Public Works and Engineering Department to complete their review.

At such time as any additional comments received at the Public Meeting are considered and comments from the Township, GRCA and the Region of Waterloo have been addressed, staff will return to Council with a detailed report and recommendation on the application.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

Holding public meetings to gain input on planning matters promotes an engaged community.

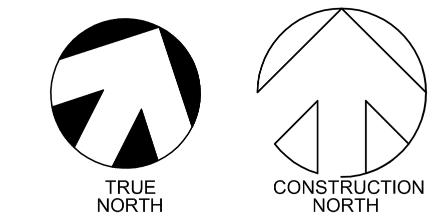
FINANCIAL CONSIDERATIONS:

The application fees, established by the Township of Wilmot Fees and Charges By-law, were collected at the time of application.

ATTACHMENTS:

Attachment A	Site Plan
Attachment B	Public Comments

Attachment A Concept site plan and rendering



SITE STATISTICS

ITEM	EXISTING ZONING BYLAW REQUIREMENTS	PROPOSAL
ZONING CATEGORY	Z5	Z5
LOT AREA (sm)	N/A	2457
LOT WIDTH (sm)	30	30.2
GROUND FLOOR AREA (sm)	N/A	850
LOT COVERAGE (max.)	50%	34.6% (810sm)
FRONT YD. (min.)	7.6 m	9.7 m
REAR YARD (min.)	7.5 m	4.6 m *
INT. SIDE YARD NORTH (min.)	5.5 m	13.5 m
EXT. SIDE YARD SOUTH (min.)	6.0 m	5.25 m *
NUMBER OF PARKING SPACES - RESIDENTIAL-1.5/UNIT	48	39 *
NUMBER OF TYPE A ACCESSIBLE PARKING SPACES	1	1
NUMBER OF TYPE B ACCESSIBLE PARKING SPACES	1	1
PARKING STALL DIMENSIONS (m)	2.75m x 6.0m	2.75m x 6.0m
TYPE A ACCESSIBLE PARKING SPACE (m)	3.4 x 5.5	3.4 x 5.5
TYPE B ACCESSIBLE PARKING SPACE (m)	2.4 x 5.5	2.4 x 5.5
ACCESSIBLE PARKING AISLE (m)	1.5 x 5.5	1.5 x 5.5
LANDSCAPED OPEN SPACE	30%	30.0% (830 sq.m.)
BUILDING HEIGHT	3 storeys	3 storeys (11m)

* Site Specific Zoning Requested

FLOOR LEVEL	2 BED UNIT	1 BED UNIT	TOTAL
LOWER LEVEL	1	4	5
GROUND FLOOR	1	4	5
2ND FLOOR	7	4	11
3RD FLOOR	7	4	11
TOTAL	16	16	32

AMENITY TYPE	AREA
STORAGE	61.3 sq.m.
ROOFTOP PATIO	169.7 sq.m.
TOTAL	231.0 sq.m.

RENTABLE AREA	276.0 SQ.M	2,970 SQ.FT.
COMMON AREA	216.9 SQ.M	2,335 SQ.FT.
AMENITY AREA	61.3 SQ.M	660 SQ.FT.
TOTAL FLOOR AREA	554.2 SQ.M	5,965 SQ.FT.

CONCEPT
DEVELOPMENT GROUP INC.

REINDERS +LAW
ARCHITECTURE . ENGINEERING

162 SNYDER'S ROAD RESIDENTIAL DEVELOPMENT

BADEN, ON

SITE PLAN - GROUND FLOOR

DATE: MAR 22, 2021
SCALE 1:125

P1

Attachment B Public comments

Andrew Martin

From: Justin Zielman
Sent: Thursday, May 6, 2021 8:52 PM
To: Andrew Martin
Cc:
Subject: Snyders Road Apartment Notes

Hey Andrew, thanks for letting us submit our notes later. We really appreciate it.

Some of our concerns regarding the requested zoning amendments include:

1. The number of amendments requested to be changed to allow for the development to occur. Is the proposal really suited for the size of the site if they are needing to make amendments to the existing space requirements? Why not build a building that fits within the required space?
2. We are concerned about reducing the minimum setback from our property on the east side of the lot. With the building being 3 stories and reduced space to our yard that will significantly impact our privacy while we are in our yard. The proposed plans include balconies overlooking our backyard. The height of the building will also have a huge impact on blocking the sunlight to our backyard.
3. The reduced parking available for residents of the building is also of concern. How many couples/families really only have one vehicle? With limited parking available to them where will the overflow cars be parked? There is already limited street parking available in the neighborhood.
4. We did not see within the plans anything about a privacy fence being included to separate the property from us. Is this something that will be included in the plans?
5. The increase in the traffic safety is also of concern. Snyder's road is already a busy street with cars driving fast down the road. With an additional 38 (plus) cars from this property and additional cars from the development occurring further back on Brubacher St., and bike lanes going in that is a significant increase of traffic in the area and we believe poses a safety concern to pedestrians, biker as well as drivers.
6. What are the plans for snow removal? Where will the snow be piled? We don't want it to melt and drain into our backyard which already has drainage issues as do many of the neighboring properties.
7. In the proposal there was mention of a noise warning needed to be included in the leases due in part to the air conditioning units. Where will these units be located on the building? What will there impact be on our ability to sit outside and enjoy our backyard?

We have serious concerns about the proposed plans for the lot and the impact it will have on our neighborhood. We have talked with a number of our neighbors, many who have lived in their houses for decades. Everyone has concerns about the development plans for the property and the impact it will have on the neighboring properties and the traffic safety in the area. If you require any further information from us or wish for us to expand on any of these concerns please let us know.

Thank you for your time,

Justin and Jen Zielman

Statutory Public Meeting

Proposed Multiple Residential Development

162 Snyder's Road E, Baden

May 17, 2021

MHBC PLANNING URBAN DESIGN & LANDSCAPE ARCHITECTURE

PRIMARY PROJECT TEAM

Steve Schwartzentruber and Mike Ulmer,

Concept Development Group Inc.

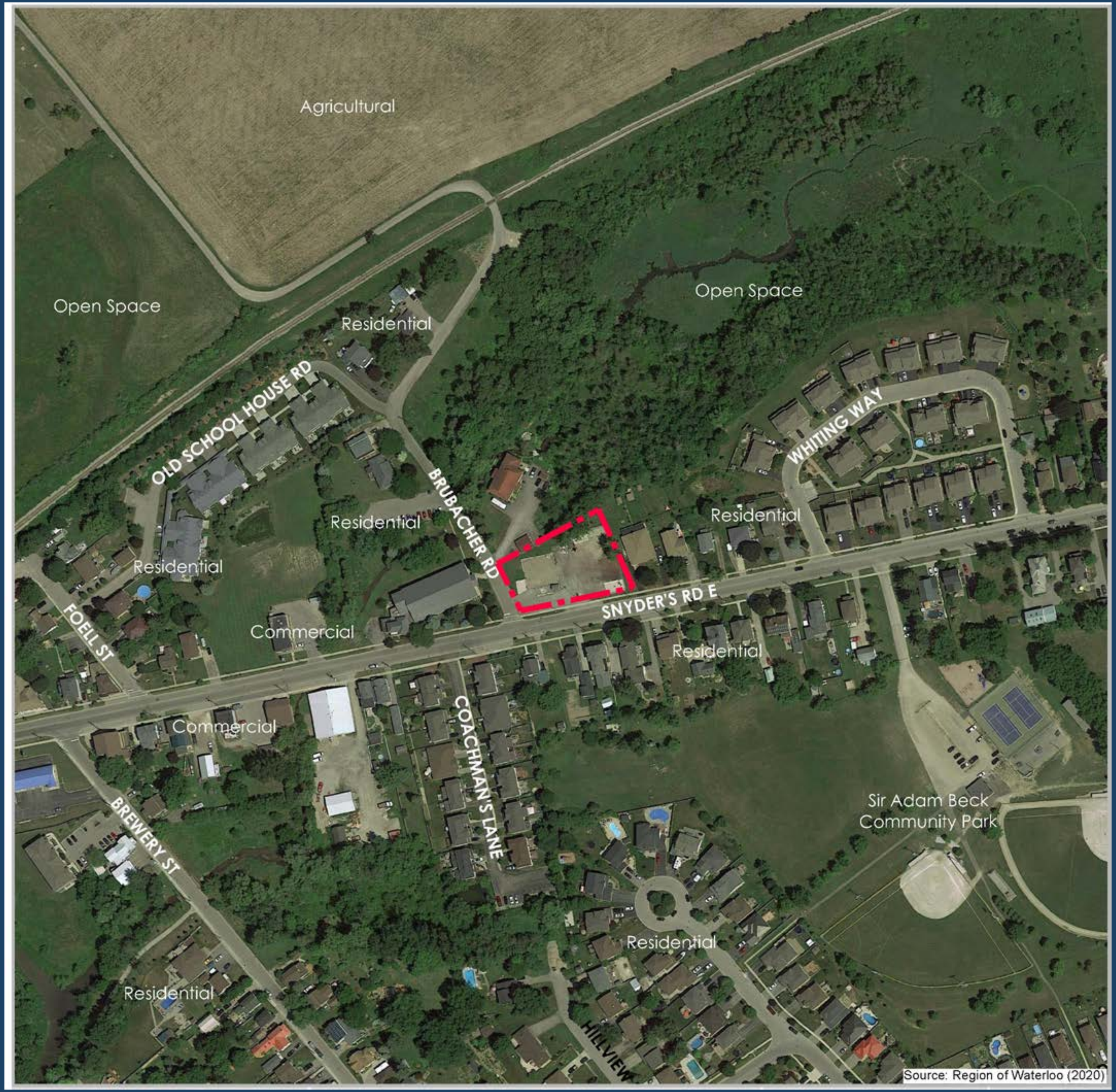
Glenn Reinders

Reinders & Law

Andrea Sinclair and Gillian Smith

MHBC Planning

Technical Reports including Planning, Servicing, Archaeology, and Noise have been prepared in support of the Zoning By-law Amendment



LOCATION

162 Snyder's Road E, Baden

Within close proximity of key services and amenities including:

- Transit
- Active Transportation
- Sir Adam Beck Community Park
- Grocery/Convenience Stores
- Downtown Baden

Photo courtesy of Marlene Miller

Photo courtesy of Township of Wilmot Archives

Photo courtesy of Sarah Demerling of *Demazing Photography*

SITE HISTORY

162 Snyder's Road E, Baden

162 Snyder's Road East has an exciting history and has been subject to a number of owners and uses. Past uses have included:

- Woolen Mill (burned to the ground in 1916)
- Garage (lunch bar, gas pumps, car repairs)
- Construction of wood furniture (1977 fire)
- Meat Market and Grocery
- Landscape Supplies (2016 fire)

The lands are currently a vacant Brownfield site. Remediation of the site is underway.

DEVELOPMENT PROPOSAL

162 Snyder's Road E, Baden

- 32 one & two bedroom rental apartment units
- Pedestrian connection from the lobby to the Snyder's Rd sidewalk
- Tenants governed by landlord-tenant legislation
- Landscaping within the site & along Snyder's Rd & Brubacher St
- Amenity space including balconies & a rooftop terrace
- Lockers, vehicular parking & bicycle storage

BENEFITS OF PROPOSAL

Current Use of Property	Proposed Use of Property
Vacant	Apartment building providing purpose built rental units
Contaminated soils	Remediate & re-urbanize
Underutilized	Infill of an underutilized parcel of land in the Urban Area that will: 1) Be located within an established area of the Township, in close proximity to Downtown Baden; 2) Introduce more housing options to the area; 3) Support the social, health & well-being of current and future residents.

PLANNING APPLICATION TIMELINE

162 Snyder's Road E, Baden

- Informal Pre-Submission Meeting: December 16, 2020
- Zoning By-law Amendment Submitted April 9, 2021
  - Including all required technical reports
- Application deemed 'Complete' on April 15, 2021
- Statutory Public Meeting (We Are Here)
- Review of Staff, Agency and Public Comments
- Consideration of comments and resolution of any technical issues
- Staff Recommendation Report and Council Decision

PURPOSE OF PLANNING APPLICATION

162 Snyder's Road E, Baden

The vacant site is proposed to be redeveloped as a multiple residential apartment building comprised of 32 residential units.

EXISTING ZONE:

Zone 5: *which permits dwelling units only above ground level commercial uses.*

PROPOSED ZONE:

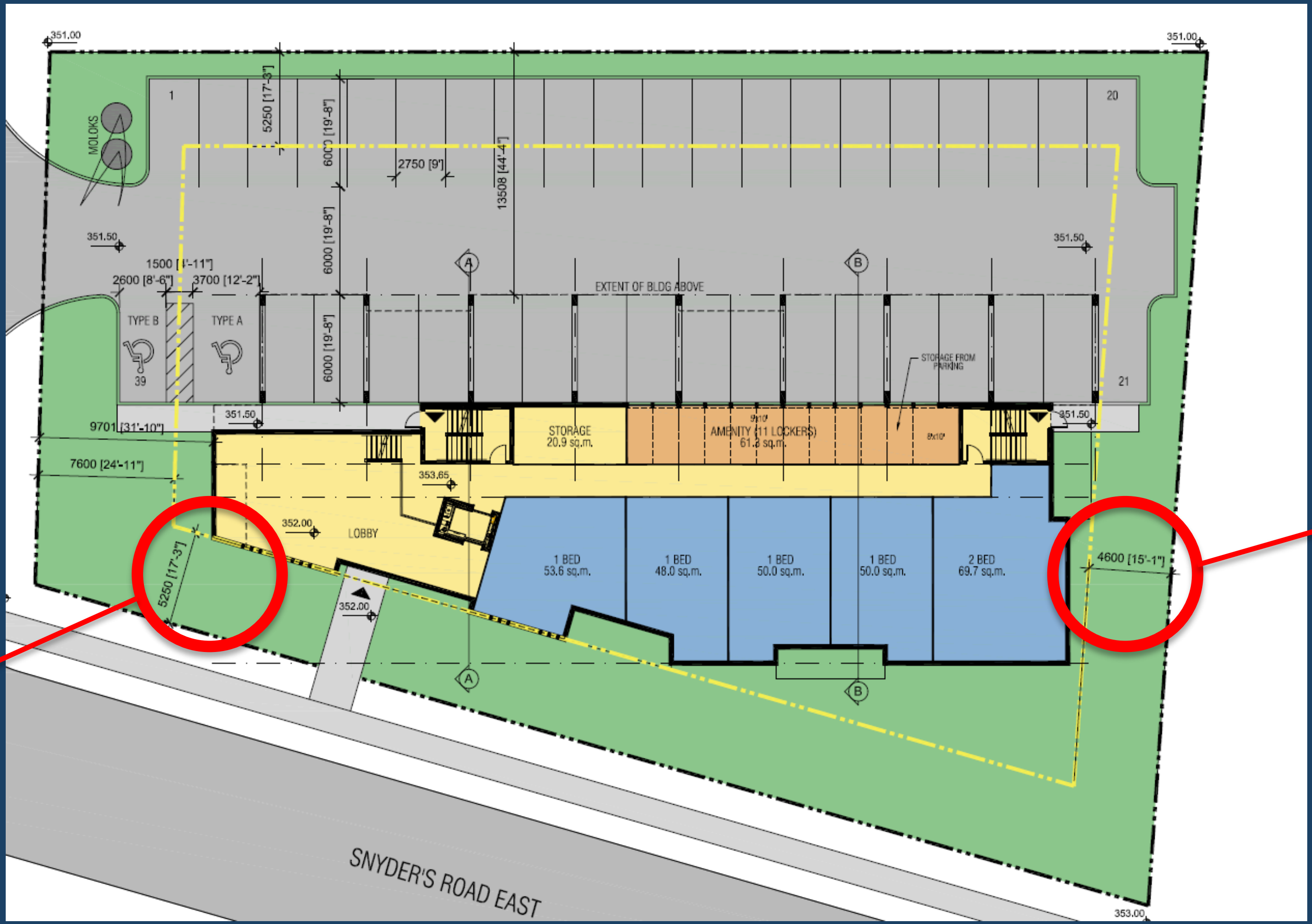
Zone 5: *to permit residential units at ground level (stand alone residential building)*

Other provisions included:

- *1.2 parking spaces/unit*
- *4.6m rear yard setback*
- *5.2m exterior side yard setback*

PURPOSE OF PLANNING APPLICATION

162 Snyder's Road E, Baden



Reduced Front Yard

Reduced Rear Yard

POLICY CONFORMITY

Provincial Policy Statement

- Represents efficient use of land and results in the infill of underutilized land within an urban area
- Introduces more housing types
- Utilizes existing infrastructure (transportation, servicing) and will provide a connected sidewalk
- Located near community facilities and downtown Baden
- Redevelopment of a contaminated site

Growth Plan for the Greater Golden Horseshoe

- Located in the built up area of the Region
- Assist the Region in achieving their intensification target
- Contributes a range and mix of housing options

POLICY CONFORMITY

Region of Waterloo Official Plan

- Designated as *Township Urban Area* and lies within the *Built Up and Designated Greenfield Area's*, where the bulk of growth will be directed to.
- Supports the regions planned community structure by developing within the built up and designated greenfield areas of Baden
- Protects the Townships unique rural character and land uses by proposing compact redevelopment on a site within the existing built-up area
- Represents appropriate land use within the Township that will contribute to the Region's growth goals

POLICY CONFORMITY

Township of Wilmot Official Plan

- Designated as *Urban Core Area* which permits residential, commercial, institutional and other services
- With a projected pop. of 28,500, the proposal will assist in meeting the Township's growth objectives
- Encourages reurbanization and provides a diverse range and mix of housing options that satisfy a variety of household sizes and incomes
- Will maintain the existing character of the area through appropriate setbacks, heights and design features

PRELIMINARY RENDERINGS

View from the south side of Snyder's Road E, looking west

PRELIMINARY RENDERINGS

View from Brubacher Street, looking south east (rear of building)

PRELIMINARY RENDERINGS

Rear of building, looking south west

IN CONCLUSION

- The proposed zone amendment is consistent with the Provincial policy framework and conforms with Regional and Township Official Plans.
- The proposed residential use is **permitted** by the Official Plan and Zoning By-law, no use is being added that is not already permitted. The amendment is seeking to allow multi-residential use at ground level.
- The proposed zoning requests reduced parking and reduced rear yard and exterior side yard setbacks.
- The zoning by-law amendment will result in the highest and best use of the land, introduce new housing types, will be representative of a complete community, and will be in conformity with the surrounding land-uses.


THANK YOU

2020
COMMUNITY REPORT

KITCHENER WILMOT HYDRO INC.

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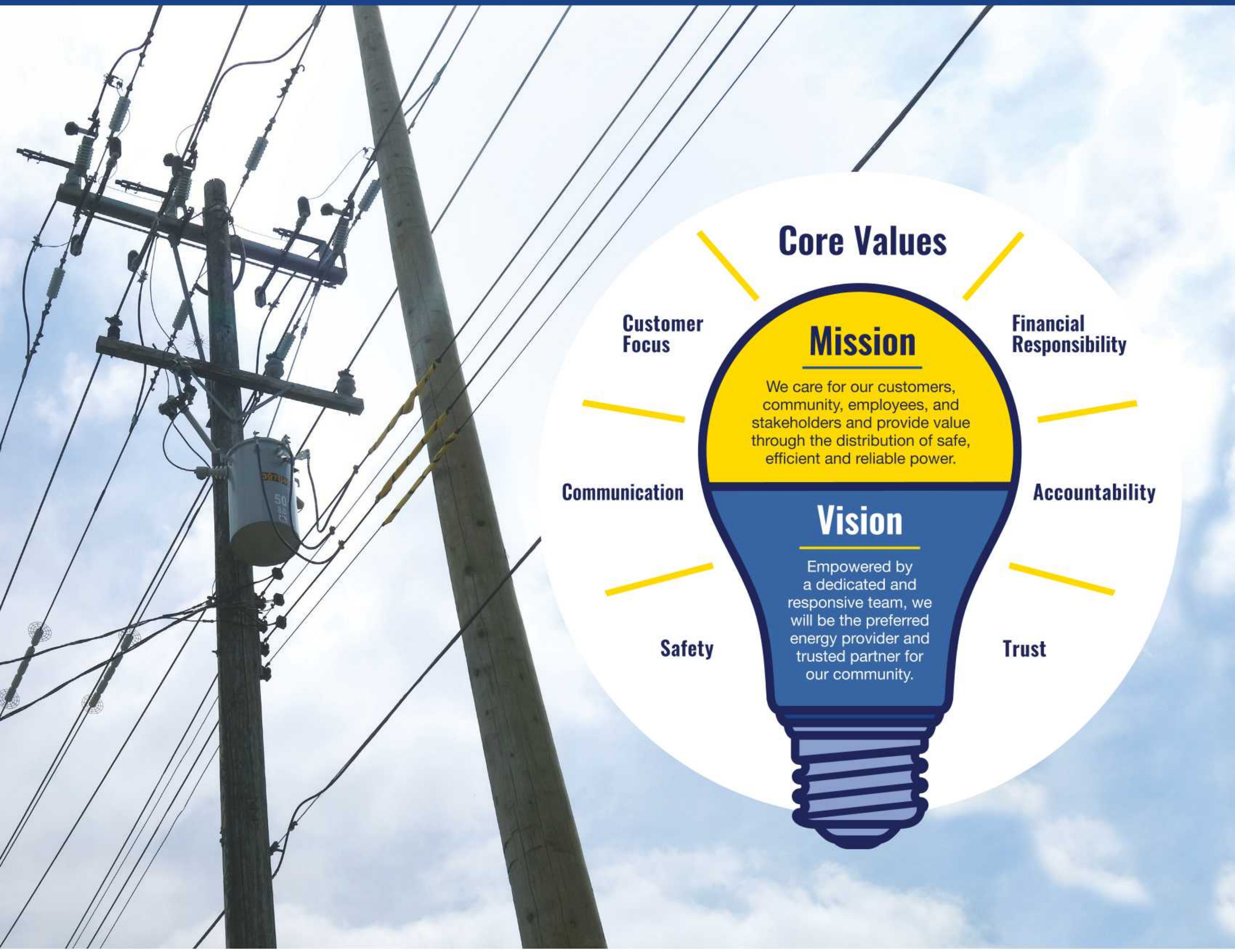
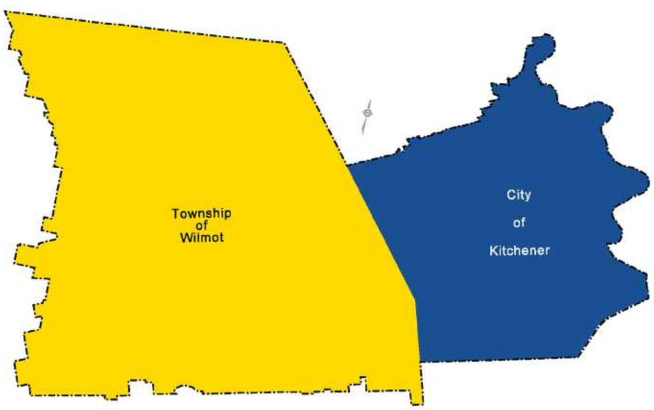


ABOUT KITCHENER-WILMOT HYDRO INC.

Kitchener-Wilmot Hydro Inc. (Kitchener-Wilmot Hydro) delivers a safe, reliable supply of electricity to more than 99,000 homes and businesses over 1,993 kilometres of overhead wire and underground cable and more than 23,000 poles across 425 square kilometres in Kitchener and Wilmot Township.

A wholly owned subsidiary of Kitchener Power Corp., Kitchener-Wilmot Hydro is proud to be one of the most efficient utilities in the province. The City of Kitchener and Township of Wilmot are the shareholders of Kitchener Power Corp. with ownership interests of 92.25 per cent and 7.75 per cent respectively.

Service Area



System Peaks

Summer 2020 / All-Time Peak
382 MW July 2020/387 MW June 2005

Winter 2020 Year / All-Time Peak
292 MW January 2020/322 MW December 2004

Electricity Consumed

Total – 1,820 gigawatt hours

Residential – 740 gigawatt hours

Commercial – 1,080 gigawatt hours

Customers	99,026
Residential	89,926
Small Business	8,134
Commercial	966

Employees	181
Regular	178
Temporary	3

Assets	
Overhead Wire	1,006 km
Underground Cable	987 km
Transformer Stations	8
Distribution Stations	6
Transformers	11,120
Poles	23,264

MESSAGE FROM THE CEO & CHAIR

The year 2020 began with our usual expectations for the year ahead. We have capital plans in place to ensure we continue to deliver a safe, reliable supply of electricity that supports the growing needs of the communities we serve and we focus on operating efficiently to provide great value to our customers. We have regulatory requirements we must fulfill and are focused on improving the information and communications with our customers. We have training programs to ensure our employees are working with the most current standards and skill sets. We expect storms will cause power outages but are prepared to restore power safely and as quickly as we can. What we do not typically expect, however, is a global pandemic, but that was exactly what happened.

While we did have some plans in place following the H1N1 outbreak 10 years earlier, we could not anticipate all of the preparations that needed to be in place for the months that lay ahead. And yet, here we are. COVID-19 has been an emergency event unlike anything we have dealt with before. There was and is no guidebook to tell us what to expect next.

In the face of uncertainty, our employees showed remarkable resilience and adapted quickly to new routines and structures. Within days of the pandemic being declared, our field crews shifted from reporting to our central operations centre each morning to reporting to the various transformer stations across our service territory to ensure we could maintain essential services by physical distancing and minimizing exposure for our employees. Processes and procedures were revised across the company to ensure public health and safety protocols were being met. Office employees adopted work from home routines, many balancing work demands and deadlines with childcare and home schooling. With our office closed to the public for several weeks over the spring and early summer, customers and contractors who were accustomed to coming into our office to manage their accounts adapted to business from a distance, completing account transactions remotely and online. Our Business Continuity Team met 75 times to work through rapidly changing protocols and to make decisions that would protect the health and wellness of our employees and their families. As always, our Joint Health and Safety Committee and our Ergonomics Wellness Team provided a thoughtful sounding board and provided valuable input for decisions we made.

The pandemic also changed the way electricity was consumed in our communities. In 2019, commercial customers accounted for 62 per cent of electricity use in our service territory and 38 per cent of electricity use was in the residential sector, but in 2020 that balance shifted, with 56 per cent of electricity use attributed to commercial use and 44 per cent attributed to residential customers as businesses were forced to scale back or close for periods of time and more people shifted to working from home.

By managing our business responsibly and prudently in 2020 and making adjustments where needed,

we kept expenses in line and projects on track, accomplishing most of what we set out to do at the beginning of the year. It might have been different from the way we had planned, but we were there to serve our customers as an essential workplace and continued to do so in a financially responsible manner.

The year was hard on our customers, too. Many people and businesses experienced hardship ranging from job and business losses to physical and mental health stresses. Our customer care team did an outstanding job supporting our customers through the pandemic by listening with compassion and working with them, sharing information and resources to help customers manage electricity costs and take advantage of programs and subsidies available, including an unprecedented number of rate changes and relief programs and grants.

As we look back on a year unlike any other and unlike any we could have predicted, we are incredibly proud of the way our team persevered, bravely doing what needed to get done, continuing to serve our customers and the communities we serve with courage and resilience.

On behalf of the board of directors, we send our sincere thanks to our team. It has been a long and difficult year, but their bravery and determination to work through the pandemic ensured that our customers continue to enjoy a reliable electricity system, electricity rates that are among the lowest in the province, and high-quality customer care.

J. Phillips
CHAIR, KITCHENER POWER CORP.

J. Van Ooteghem
PRESIDENT & CEO

Dave Schnarr
CHAIR, KITCHENER-WILMOT HYDRO INC.

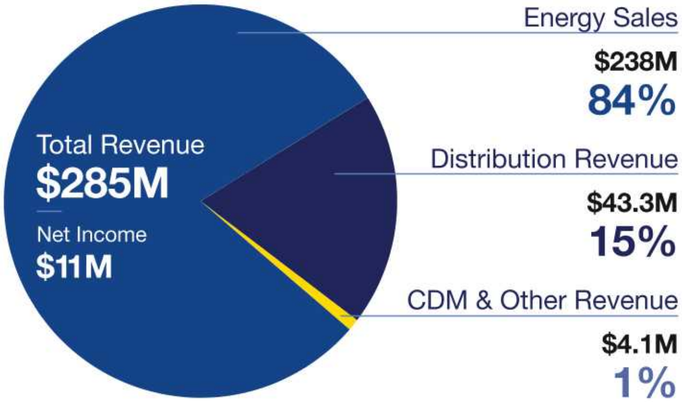
FINANCIAL HIGHLIGHTS

Kitchener-Wilmot Hydro's prudent approach to financial management helps ensure our customers receive the best possible value for their dollars. During the pandemic, that approach helped minimize the impact to Kitchener-Wilmot Hydro Inc.'s balance sheet.

While many businesses were forced to shut down due to the pandemic, Kitchener-Wilmot Hydro's Customer Care team worked closely with those customers to help them take advantage of support programs and funding programs that were available, keeping past-due balances minimal.

Swift and timely response to many regulatory changes in 2020 presented an additional challenge for Kitchener-Wilmot Hydro's billing and finance team, but the talented team ensured that all programs were implemented on time and effectively.

In addition, much of the team's attention has been on the delivery of Kitchener-Wilmot Hydro's new customer information system as well as an Enterprise Resource Planning System upgrade.

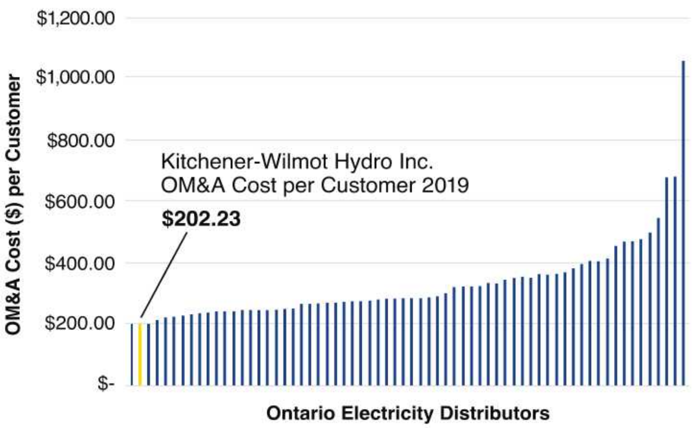


Community Value

Interest and dividends paid to the City of Kitchener and Township of Wilmot	$6.7M
Reforestation grants to the City of Kitchener and Township of Wilmot	$90,000
Contributions to Low Income Energy Assistance Program	$82,500
Sponsorships & Community Support	$26,000

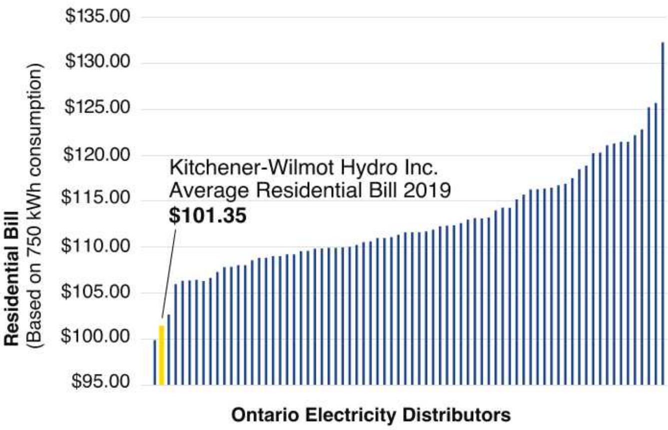
In 2019, Kitchener-Wilmot Hydro's Operating, Maintenance, and Administration (OM&A) costs were among the lowest of Ontario's electricity distributors, and in 2019, our customers benefited from the second-lowest electricity bills in the province.

OM&A COST PER CUSTOMER** 2019



**Source: Ontario Energy Board 2019 Yearbook of Electricity Distributors.

RESIDENTIAL BILL COMPARISON* 2019



*Source: Ontario Energy Board 2019 Yearbook of Electricity Distributors. Rates shown exclude tax and the Bill 87 rebate.

RELIABLE POWER WHEN YOU NEED IT

As an essential workplace, Kitchener-Wilmot Hydro had to quickly develop and implement plans to keep employees healthy and safe while keeping the lights on and electricity flowing to Kitchener and Wilmot Township.

2020 Power Outages	
Equipment Failure	33%
Weather Related	18%
Planned Maintenance	14%
Animal Contact	8%
Other (includes tree contact & vehicle accidents)	11%

Investments	
Investments in Capital Projects	$25.9 Million
Poles Installed or Replaced	491
New Services Connected	1,477

Our crews were deployed to work out of the transformer stations located throughout our service territory, which presented a unique challenge in getting convenient access to the tools and equipment our crews need to get work done. Vehicles from other departments were reassigned and more were rented to ensure crews were driving with one person per vehicle, limiting close contact between crew members. Much of our engineering team is working from home without access to the large drawing printers they use for planning available in the office. Despite the disruption, our highly talented teams kept all priority projects moving on time and on budget.

A NEW APPROACH TO CUSTOMER CARE

While the pandemic transformed how we do business across the board, we saw the biggest impact to the way we serve customers. We take great pride in our best-in-class customer service, offering in-person as well as online and telephone service in an age where in-person customer service is becoming increasingly rare.

However, as COVID-19 began to spread across Waterloo Region, we were forced to close our doors for three months to keep our employees and customers safe and adapt many of our processes to accommodate more online and self-serve customer care.

Our customer care team stepped up admirably. While in-person visits to our office dropped by 70 per cent from 2019, we saw incredible growth in our online channels. The number of emails we received increased by 30 per cent and the number of forms submitted online increased by 34 per cent, and website users increased 29 per cent.

In addition, our customer care team successfully learned and applied multiple regulatory changes introduced to support customers through the pandemic. We saw an unprecedented five rate changes announced between March 24, 2020 and December 15, 2020, the introduction of customer choice between time-of-use and tiered pricing plans, and the launch of the COVID-19 Energy Assistance Program (CEAP) and the COVID-19 Energy Assistance Program for Small Business (CEAP-SB), which provide relief to customers who are behind in their bills as a result of the pandemic. Both programs were updated and revised throughout the year to accommodate changes as the pandemic continues, and our team adapted quickly to the changes.

Customer Service	
Calls Answered	72,280
Emails Received	23,092
Web Forms Processed	11,686
Website Visits	321,918
My Account Registrations	33,285
E-Bill Customers	23,109
Bills Issued	1.2 Million

Pandemic Program Rollouts	
Rate Relief Roll Outs	2
Financial Support Programs	2

OUTSTANDING ACHIEVEMENT IN BILLING

For the second year in a row, Kitchener-Wilmot Hydro received two awards for outstanding achievement in billing from the Independent Electricity System Operator (IESO). The IESO is the organization responsible for managing Ontario's power system and planning for the province's future energy needs.

The awards recognize Kitchener-Wilmot Hydro's outstanding performance in billing and data synchronization with the Meter Data Management and Repository (MDM/R) system, which is the database that houses and maintains smart meter and billing data in the province.

On their own, these awards are an impressive achievement. All electricity distributors must ensure that their billing systems are correctly transmitting smart meter data back and forth with the MDM/R, which is not an easy task. There are more than 95,000 smart meters installed in homes and businesses across our service area, and hourly consumption data from each meter is transmitted to the MDM/R daily to ensure customers are billed for their electricity use in each time-of-use period correctly. It also means that there are staff reviewing billing information every day to ensure the data was transmitted correctly.

However, in 2020, these awards are particularly remarkable. In addition to quickly programming, testing and rolling out many new pricing and COVID-19 customer support programs, many of our billing team members are new to their roles as other team members focus on building the new customer information system (CIS). Adding additional challenge, both the billing and IT teams are rotating on a work-from-home schedule, which has meant introducing new tools and processes. We congratulate our team on this impressive achievement.

OUR UNWAVERING COMMITMENT TO SAFETY

Like almost all electricity distributors in the province, the pandemic forced Kitchener-Wilmot Hydro to abruptly shift its safety focus from a routine of safety training, school safety presentations and community safety events to pandemic planning and controls.

Early in the year, our safety team paid close attention as news started to spread about a mysterious new virus spreading around the world and began planning accordingly. By the end of January we had issued our first procedure to begin planning. Our first safety meeting with staff to discuss the developing coronavirus was held on January 31 and our first communication to all employees about the virus and how to protect yourself, including hand hygiene and maintaining physical distance of two metres, was sent on February 3, 2020. By the time the World Health Organization declared a pandemic on March 11, 2020, our team had issued six coronavirus-specific employee communications. Twenty-one additional communications were issued to staff before introducing a formal weekly update on April 2.

In April 2020, Kitchener-Wilmot Hydro proudly donated 1,000 N95 respirators to St. Mary's General Hospital in Kitchener.

Preparing for a Pandemic

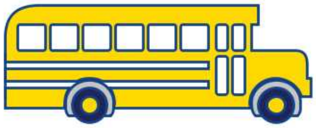
New procedures issued and updated based on medical advice and ventilation improvements	14
Plexiglass Barriers at Customer Service Counters	4
Welding Curtains to Provide Barriers in Between Work Stations and Customers	54
Arc Flash Fire Resistant Washable Face Masks & Neck Tubes	1,100

KN95 Respirators	480
N95 Respirators	2,000
Surgical Masks	10,000
Washable Masks	1,450
Pairs of Latex Gloves	21,500
Surface Cleaner	120 L
Hand Sanitizer	700 L

Powering Public Safety

In 2020 we undertook our bi-annual Public Awareness of Electrical Safety Survey, surveying 400 people in Kitchener and Wilmot Township to assess their awareness and understanding of how to stay safe around electricity. The results of the survey reveal that most people in Kitchener and Wilmot Township know how to stay safe around electricity, but also showed that there is room for improvement. In 2021 Kitchener-Wilmot Hydro Inc. will be promoting electricity safety in these areas.

School Safety Presentations



Students Reached	2,237
Presentations	56
Schools	37

Lucky the Squirrel Safety Tips

In 2017, Kitchener-Wilmot Hydro, in partnership with 30 other electrical utilities and the Electrical Safety Authority, released a series of electrical safety videos featuring Lucky the Squirrel. The videos have earned close to 45,000 views on Kitchener-Wilmot Hydro's YouTube channel.

You can find the entire collection of Lucky the Squirrel videos on our YouTube channel, Kitchener-Wilmot Hydro.

KEEPING EMPLOYEES CONNECTED

Our Information Technology team hit the ground running in 2020. With some team members hard at work developing and programing Kitchener-Wilmot Hydro's new customer information system, the team was already working with tight resources.

When the pandemic was declared, our IT team's incredible skill and resourcefulness shone as the team quickly shifted their attention to get all employees set up to work remotely and from home, and challenged our systems to perform tasks never done before, including programming to accommodate an unprecedented number of rate changes, financial support programs, and customer choice of rate plans. Our call centre had to be set up so that customer care representatives could respond to customer calls from home.

The resourcefulness and ingenuity of our IT team cannot be understated. Without their amazing work we would not have been able to respond as quickly as we did to keep our employees healthy and safe.

Keeping us Connected for Remote Work

Laptops Configured and Deployed	58
Monitors Issued for Work from Home	11
Headsets Purchased and Deployed	13
Additional Printers	9
Additional RSA Security Tokens Purchased for VPN Access	65
Employees Trained to Use Remote Tools Over 11 Business Days	63
Staff Equipped to Work from Home	110
Internet Speed Upgraded to 500 Mbps	
Additional Microsoft Team Licenses Deployed	75

GIVING BACK TO OUR COMMUNITIES

While the pandemic has our employees dispersed and working remotely from home and across our service territory, our commitment to the well-being of the communities we serve remains a priority.

Many of our usual community events such as our Earth Day Clean Up, the Big Bike Ride for Heart and Stroke, Strong Start Reading Program and school safety presentations were cancelled, but fundraising continued where and how it could.

In 2020 we were pleased to support the following organizations:

- Canadian Cancer Society
- Centre in the Square
- Children's Safety Village
- Community Energy Investment Strategy for Waterloo Region
- Conestoga College Education Grants
- The Foodbank of Waterloo Region
- Heart and Stroke Foundation of Canada
- House of Friendship
- The Humane Society of Kitchener Waterloo & Stratford Perth
- Kitchener-Waterloo Symphony
- Reep Green Solutions
- Salvation Army Toy Mountain
- St. Mary's General Hospital
- Strong Start
- THEMUSEUM
- United Way Waterloo Region Communities
- Victoria Park Christmas Fantasy

December 1, 2020 was "Giving Tuesday," a global movement for giving and volunteering. Kitchener-Wilmot Hydro was proud to support the day and our communities with a $5,000 donation to The Food Bank of Waterloo Region, and $2,500 each to United Way Waterloo Region Communities and House of Friendship.

GridSmartCity: NAVIGATING THE FUTURE TOGETHER

GridSmartCity®
renewing energy

Collaboration is a key component of Kitchener-Wilmot Hydro's success, and its importance was highlighted in 2020.

Kitchener-Wilmot Hydro is a proud member of the GridSmartCity Cooperative (GSCC), a cooperative of municipally-owned electricity distributors that share resources, insights and systems that help run smarter companies while advancing innovation, reliability and efficiency across Ontario's electricity grid.

GridSmartCity's 15 member electricity distributors manage approximately $2.7 billion in assets, serving close to 737,000 customers across more than 25 communities.

Many Kitchener-Wilmot Hydro employees represent the company on GridSmartCity sub-committees, which helps the utility realize the benefits of purchasing power, collaboration and innovation with other member utilities, and in 2020 we were able to see these benefits shine. The Human Resources sub-committee was invaluable in helping each other create and deliver policies and procedures to ensure employee and customer safety during the pandemic, and we continue to draw on the combined talent of the group in 2021.

Learn more about GridSmartCity at gridsmartcity.com

CORPORATE GOVERNANCE

Kitchener-Wilmot Hydro Inc. is a wholly owned subsidiary of Kitchener Power Corp. Kitchener Power Corp. was incorporated under the Business Corporations Act (Ontario) on July 1, 2000.

The City of Kitchener and the Township of Wilmot are the shareholders of Kitchener Power Corp. with ownership interests of 92.25 per cent and 7.75 per cent respectively.

Kitchener Power Corp. owns two subsidiary companies and is one-third owner in a third company:

Kitchener-Wilmot Hydro Inc.,
a regulated distribution company.

Kitchener Energy Services Inc.,
a corporation which provides streetlight maintenance services to our shareholder municipalities, and other future energy services.

Grand River Energy Inc. (GRE),
a non-regulated corporation investing in energy assets and services jointly owned by Kitchener Power Corp., Waterloo North Hydro Holding Corporation, and Cambridge and North Dumfries Energy Solutions Inc.

Kitchener Power Corp.

The directors for Kitchener Power Corp. are appointed by the shareholders for a term of one year. The Mayors and President and CEO hold a seat on this board of directors by right of office.

Jim Phillips, Chair
Rosa Lupo, Vice Chair
Jerry Van Ooteghem, President & CEO & Secretary
Mayor Berry Vrbanovic
Mayor Les Armstrong
Councillor Sarah Marsh
Councillor Scott Davey

Kitchener-Wilmot Hydro Inc.

The directors for Kitchener-Wilmot Hydro Inc. are appointed by the Kitchener Power Corp. board of directors for a term of one year. The Mayors and President and CEO hold a seat on this board of directors by right of office.

Dave Schnarr, Chair
Sandra MacGillivray, Vice Chair
Jerry Van Ooteghem, President & CEO
Mayor Berry Vrbanovic
Mayor Les Armstrong
Jim Beingessner
Jacinda Reitsma

519-745-4771 customercare@kwhydro.ca
301 Victoria Street South, Kitchener, Ontario, N2G 4L2

@KWHydro @kwhydro Kitchener-Wilmot Hydro
kwhydro.ca

KITCHENER WILMOT HYDRO INC.

Financial Statements of

Kitchener Power Corp.
Consolidated

And Independent Auditors' Report thereon

Year ended December 31, 2020
(Expressed in thousands of dollars)

KPMG LLP
115 King Street South
2nd Floor
Waterloo ON N2J 5A3
Canada
Tel 519-747-8800
Fax 519-747-8830

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Kitchener Power Corp.

Opinion

We have audited the consolidated financial statements of Kitchener Power Corp. (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

March 26, 2021

KITCHENER POWER CORP.

Consolidated Statement of Financial Position

As at December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Note		**2020**		**2019**
Assets					
Current assets					
Cash	4	$	6,861	$	13,940
Accounts receivable	5		15,709		17,511
Unbilled revenue			29,865		27,648
Inventory	6		2,458		2,324
Prepaid expenses			1,146		1,347
Income taxes receivable			5		131
Total current assets			56,044		62,901
Non-current assets:					
Property, plant and equipment	7		275,014		259,864
Intangible assets	8		646		629
Deferred tax assets	9		211		173
Investment in subsidiaries and associates			838		763
Total non-current assets			276,709		261,429
Total assets			332,753		324,330
Regulatory deferral account debit balances	10		19,661		9,400
Deferred taxes associated with regulatory accounts			-		-
Total assets and regulatory assets		$	352,414	$	333,730

KITCHENER POWER CORP.

Consolidated Statement of Financial Position

Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Note	2020	2019
Liabilities and Shareholder's Equity			
Current liabilities:			
Accounts payable and accrued liabilities		$ 37,744	$ 30,060
Income taxes payable		32	9
Current portion of long-term debt	11	-	607
Current portion customer deposits	13	8,945	9,366
Current portion of deferred revenue		1,069	952
Total current liabilities		47,790	40,994
Non-current liabilities:			
Long-term debt	11	76,963	76,963
Employee future benefits	12	5,937	5,858
Long-term customer deposits	13	5,833	6,188
Deferred revenue		39,759	36,385
Deferred tax liablilty	9	4,415	2,536
Total non-current liabilities		132,907	127,930
Total liabilities		180,697	168,924
Shareholder's equity:			
Share capital - common shares	14	66,389	66,389
Retained earnings		101,452	95,195
Accumulated other comprehensive loss		(620)	(620)
Total shareholder's equity		167,221	160,964
Total liabilities and shareholder's equity		347,918	329,888
Regulatory deferral account credit balances	10	2,276	2,307
Deferred taxes associated with regulatory accounts		2,220	1,535
Impact of COVID-19 pandemic	26		
Total equity, liabilities and shareholder's equity		$ 352,414	$ 333,730

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

On behalf of the Board:

J. Phillips Director

J. Van Ooteghem Director

KITCHENER POWER CORP.

Consolidated Statement of Comprehensive Income

Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Note	2020	2019
Energy sales		$ 239,962	$ 206,409
Cost of energy sold		245,909	207,393
		(5,947)	(984)
Other operating revenue			
Distribution sales		42,690	38,285
Other income	15	2,873	2,867
Net operating revenue		39,616	40,168
Expenses:			
Operations and maintenance		11,405	11,684
Customer services		5,313	4,474
Administration		5,542	4,341
Amortization		10,022	9,550
		32,282	30,049
Other			
Energy conservation program revenue		(727)	(1,676)
Energy conservation program expense		713	1,676
Net energy conservation programs		(14)	-
Finance income	16	(132)	(433)
Finance charges	16	2,981	4,119
Net finance costs		2,849	3,686
Income before income taxes		4,499	6,433
Income tax expense	9	907	870
Income for the year before movements in regulatory deferral account balances		3,592	5,563
Net movement in regulatory deferral account balances related to profit or loss and the related deferred tax movement	10	6,847	4,927
Income for the year and net movements in regulatory deferral account balances		10,439	10,490
Other comprehensive loss	12	-	(342)
Total comprehensive income for the year		$ 10,439	$ 10,148

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

KITCHENER POWER CORP.

Consolidated Statement of Changes in Equity

Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Share capital	Accumulated other comprehensive income (loss)	Retained earnings	Total
Balance at January 1, 2019	$ 66,389	$ (278)	$ 88,739	$ 154,850
Net income before other comprehensive income (loss)	-	-	10,490	10,490
Other comprehensive income (loss)	-	(342)	-	(342)
Dividends	-	-	(4,034)	(4,034)
Balance at December 31, 2019	66,389	(620)	95,195	160,964
Net income before other comprehensive income (loss)	-	-	10,439	10,439
Other comprehensive income (loss)	-	-	-	-
Dividends	-	-	(4,182)	(4,182)
Balance at December 31, 2020	$ 66,389	$ (620)	$ 101,452	$ 167,221

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

KITCHENER POWER CORP.

Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	2020	2019
Cash flows from operating activities:		
Total comprehensive income for the year	$ 10,439	$ 10,148
Adjustments to reconcile net income to cash provided by (used in) operations:		
Amortization	10,752	10,251
Amortization of deferred revenue	(1,016)	(908)
Gain on disposal of property, plant and equipment	(149)	(36)
Income tax expense	907	870
Income taxes paid	(816)	(1,360)
Increase decrease in employee future benefits	77	551
	20,194	19,516
Change in non-cash operating working capital:		
Accounts receivable	1,802	1,029
Unbilled revenue	(2,216)	(5,526)
Inventory	(134)	(375)
Prepaid expenses	201	(302)
Other current assets	-	-
Accounts payable and accrued liabilities	7,683	7,410
Other current liabilities	(303)	1,339
Change in regulatory assets	(10,261)	(2,038)
Change in regulatory liabilities	654	(4,468)
Change in deferred tax	1,900	489
Net cash from operating activities	19,520	17,074
Cash flows from investing activities:		
Proceeds on disposals of property, plant and equipment	151	40
Purchase of property, plant and equipment	(25,536)	(24,487)
Purchase of intangible assets	(385)	(315)
Net cash used in investing activities	(25,770)	(24,762)
Cash flows from financing activities:		
Net change in customer deposits	(355)	52
Investments in subsidiaries and associates	(75)	204
Dividends paid out	(4,182)	(4,034)
Change in contributed capital received	4,390	4,383
Repayment of long-term debt	(607)	(1,176)
Net cash from financing activities	(829)	(571)
Change in cash and cash equivalents	(7,079)	(8,259)
Cash and cash equivalents, beginning of year	13,940	22,199
Cash and cash equivalents, end of year	$ 6,861	$ 13,940

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

1. Reporting entity:

Kitchener Power Corp. (the "Corporation") is a holding company for the affiliate companies, Kitchener-Wilmot Hydro Inc. and Kitchener Energy Services Inc., and is itself wholly owned by the Corporation of the City of Kitchener and the Corporation of the Township of Wilmot.

The Corporation oversees the operations of Kitchener-Wilmot Hydro Inc., a regulated distribution company, and Kitchener Energy Services Inc., an unregulated retail services company. The Corporation also owns 33% of Grand River Energy Solutions Corp. (GRE), a generation and renewable energy solutions company.

It is located in the City of Kitchener. The address of the Corporation's registered office is 301 Victoria Street South, Kitchener, Ontario, Canada.

The financial statements are for the Corporation as at and for the year ended December 31, 2020.

2. Basis of presentation:

(a) Statement of compliance:

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements were approved by the Board of Directors on March 26, 2021.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis except for the following:

(i) Where held, financial instruments at fair value through profit or loss

(ii) Contributed assets are initially measured at fair value.

The methods used to measure fair values are discussed further in note 22.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

2. Basis of presentation (continued):

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements is included in the following notes:

i) Note 3(b) – Determination of the performance obligation for contributions from customers and the related amortization period
ii) Note 7 – Property, plant and equipment
iii) Note 9 – Deferred tax assets
iv) Note 12 – Employee future benefits
v) Note 17 – Commitments and contingencies

(e) Rate regulation:

The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

Rate setting:

Distribution revenue and electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All low volume customers without a contract with an energy retailer are charged the OEB mandated rate for electricity. If a customer (regardless of volume) has a retailer agreement, then retailer rates are charged instead. All remaining consumers pay the market price for electricity. The

2. Basis of presentation (continued):

(e) Rate regulation (continued):

Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

For the distribution revenue included in electricity sales, the Corporation files a “Cost of Service” (“COS”) rate application with the OEB every four years where rates are determined through a review of the forecasted annual amount of operating and capital expenses, debt and shareholder’s equity required to support the Corporation’s business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and intervenors and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years, an Incentive Rate Mechanism application (“IRM”) is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year’s rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand (“GDP IPI-FDD”) net of a productivity factor and a “stretch factor” determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation filed a COS application on April 30, 2019 for rates effective January 1, 2020 to December 31, 2020.

Electricity rates were impacted by the COVID-19 pandemic, distribution rates were unaffected, which has been discussed further in Note 26.

(f) Investments

Investments in subsidiary companies, associates and other long-term investments are accounted for by the equity method. Dividends received are recorded as a reduction of the carrying value of these investments.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements unless otherwise indicated.

(a) Financial instruments:

At initial recognition, the Company measures its financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Corporation has not entered into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(b) Revenue recognition:

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

3. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 *Revenue from Contracts with Customers*. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

(c) Inventory:

Inventory, comprising material and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on a weighted average cost basis, and includes expenditures incurred in acquiring the material and supplies and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

(d) Property, plant and equipment:

Items of property, plant and equipment (“PP&E”) used in rate-regulated activities and acquired prior to January 1, 2015 are measured at deemed cost established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is transferred from customers, its fair value, less accumulated depreciation. Consistent with IFRS 1, the Corporation elected to use the carrying amount as previously

(Expressed in thousands of dollars)

3. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

determined under Canadian GAAP as the deemed cost at January 1, 2015, the transition date to IFRS.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on the disposal of an item of PP&E are determined by comparing the proceeds from disposal, if any, with the carrying amount of the item of PP&E and are recognized net within other income in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of property, plant and equipment is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of property, plant and equipment is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount and is recognized in profit or loss on a straight-line basis over the estimated useful life of each part or component of an item of property, plant and equipment. The depreciable amount is cost. Land is not depreciated. Construction-in-progress assets are not amortized until the projects are complete and in service.

The estimated useful lives are as follows:

Buildings	**20-50 years**
Transformer station equipment	**15-50 years**
Distribution station equipment	**15-50 years**
Distribution system	**25-60 years**
Meters	**15-25 years**
SCADA equipment	**15 years**
Other capital assets	**3-10 years**

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

3. Significant accounting policies (continued):

(e) Intangible assets (continued):

(i) Computer software:

Computer software that is acquired or developed by the Corporation, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization and accumulated impairment losses.

(ii) Land rights:

Payments to obtain rights to access land ("land rights") are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Amortization:

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives are:

Computer software	**3-10 years**
Land rights	**100 years**

Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate.

(f) Impairment:

(i) Financial assets:

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

3. Significant accounting policies (continued):

(f) Impairment (continued):

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. For assets other than goodwill, impairment recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Provisions:

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3. Significant accounting policies (continued):

(h) Regulatory deferral accounts:

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. These amounts have been accumulated and deferred in anticipation of their future recovery in electricity distribution rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in profit and loss. The debit balance is reduced by the amount of customer billings as electricity is delivered to the customer and the customer is billed at rates approved by the OEB for the recovery of the capitalized costs.

Regulatory deferral account credit balances are recognized if it is probable that future billings in an amount at least equal to the credit balance will be reduced as a result of rate-making activities. The offsetting amount is recognized in profit and loss. The credit balance is reduced by the amounts returned to customers as electricity is delivered to the customer at rates approved by the OEB for the return of the regulatory account credit balance.

The probability of recovery or repayment of the regulatory account balances are assessed annually based upon the likelihood that the OEB will approve the change in rates to recover or repay the balance. Any resulting impairment loss is recognized in profit and loss in the year incurred.

Regulatory deferral accounts attract interest at OEB prescribed rates. With the exception of Pension and OEB Forecast Accrual accounts (OPEBs), the rates from January to June 2020 were 2.18%, and July to December 2020 were 0.57%. Prior year rates from January to March 2019 were 2.45%, April to December 2019 were 2.18%.

In 2020, OPEBs were 2.88% for the period January to March, 2.48% for the period April to September and 2.03% for period October to December. In 2019, OPEBs were 3.82% for the period January to March, 3.39% for the period April – June and 2.88% for the period July to December.

3. Significant accounting policies (continued):

(i) Employee future benefits:

(i) Pension plan:

The Corporation provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in net income when they are due.

(ii) Post-employment benefits, other than pension:

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The cost of these benefits is expensed as earned by employees through employment service. The accrued benefit obligations and the current service costs are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Actuarial gains and losses arising from defined benefit plans are recognized immediately in other comprehensive income and reported in retained earnings. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in net income on a straight-line basis over the average period until the benefits become vested. In circumstances where the benefits vest immediately, the expense is recognized immediately in net income.

3. Significant accounting policies (continued):

(j) Deferred revenue and assets transferred from customers:

Certain customers and developers are required to contribute towards the capital cost of construction in order to provide ongoing service. When an asset is received as a capital contribution, the asset is initially recognized at its fair value, with the corresponding amount recognized as deferred revenue. Deferred revenue represents the Corporation's obligation to continue to provide customers access to the supply of electricity, and is amortized to income on a straight-line basis over the economic useful life of the acquired or contributed asset, which represents the period of ongoing service to the customer.

(k) Leased assets:

This policy is effective for periods before January 1, 2019. Refer to Note 24 for the change in accounting policy to IFRS 16.

Leases, where the terms cause the Corporation to assume substantially all the risks and rewards of ownership, are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

All other leases are classified as operating leases and the leased assets are not recognized on the Corporation’s balance sheet. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

(l) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and on regulatory assets.

Finance charges comprise interest expense on borrowings, finance lease obligations, regulatory liabilities and unwinding of the discount on provisions and impairment losses on financial assets. Finance costs are recognized as an expense unless they are capitalized as part of the cost of qualifying assets.

3. Significant accounting policies (continued):

(m) Income taxes:

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax is the tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method. Under this method, deferred income taxes reflect the net tax effects of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

(Expressed in thousands of dollars)

4. Cash:

	2020	2019
Cash	$ 6,861	$ 13,940

5. Accounts receivable:

	2020	2019
Customer and other trade receivables	$ 15,667	$ 17,397
Trade receivables from related parties	42	114
	$ 15,709	$ 17,511

6. Inventory:

The amount of inventory consumed by the Corporation and recognized as an expense during 2020 was $279 (2019 - $363).

7. Property, plant and equipment:

(a) Cost or deemed cost:

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Balance at January 1, 2020	$ 24,729	$ 260,009	$ 12,976	$ 5,487	$ 303,201
Additions	1,709	17,846	5,631	350	25,536
Transfers	-	-	-	-	-
Disposals/Retirements	(5)	(62)	(1,182)	-	(1,249)
Balance at December 31, 2020	$ 26,433	$ 277,793	$ 17,425	$ 5,837	$ 327,488

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Balance at January 1, 2019	$ 24,463	$ 242,418	$ 8,850	$ 3,622	$ 279,353
Additions	279	17,723	4,614	1,865	24,481
Transfers	-	-	-	-	-
Disposals/Retirements	(13)	(132)	(488)	-	(633)
Balance at December 31, 2019	$ 24,729	$ 260,009	$ 12,976	$ 5,487	$ 303,201

(Expressed in thousands of dollars)

7. Property, plant and equipment (continued) :

(b) Accumulated depreciation:

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Balance at January 1, 2020	$ 2,718	$ 37,766	$ 2,853	$ -	$ 43,337
Depreciation charge	716	8,317	1,351	-	10,384
Disposals/Retirements	(5)	(62)	(1,180)	-	(1,247)
Balance at December 31, 2020	$ 3,429	$ 46,021	$ 3,024	$ -	$ 52,474

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Balance at January 1, 2019	$ 2,053	$ 30,012	$ 2,059	$ -	$ 34,124
Depreciation charge	678	7,886	1,282	-	9,846
Disposals/Retirements	(13)	(132)	(488)	-	(633)
Balance at December 31, 2019	$ 2,718	$ 37,766	$ 2,853	$ -	$ 43,337

(c) Carrying amounts:

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
At December 31, 2020	$ 23,004	$ 231,772	$ 14,401	$ 5,837	$ 275,014
At December 31, 2019	$ 22,011	$ 222,243	$ 10,123	$ 5,487	$ 259,864

(d) Leased plant and equipment:

The Corporation does not have leases for plant or equipment.

(e) Security:

At December 31, 2020, the Corporation had zero properties subject to a general security agreement.

(f) Borrowing costs:

During the year, borrowing costs of $nil (2019 - $nil) were capitalized as part of the cost of property, plant and equipment.

(Expressed in thousands of dollars)

7. Property, plant and equipment (continued):

(g) Allocation of depreciation and amortization:

The depreciation of property, plant and equipment and the amortization of intangible assets has been allocated to profit or loss as follows:

	Operations and maintenance expense	Customer services expense	Administration expense	Energy conservation expense	Other	Total
December 31, 2020:						
Depreciation of property, plant and equipment	$ 717	$ 6	$ -	$ 7	$ 9,654	$ 10,384
Amortization of intangible assets	-	-	-	-	368	368
	$ 717	$ 6	$ -	$ 7	$ 10,022	$ 10,752

	Operations and maintenance expense	Customer services expense	Administration expense	Energy conservation expense	Other	Total
December 31, 2019:						
Depreciation of property, plant and equipment	$ 688	$ 6	$ -	$ 7	$ 9,145	$ 9,846
Amortization of intangible assets	-	-	-	-	405	405
	$ 688	$ 6	$ -	$ 7	$ 9,550	$ 10,251

8. Intangible assets:

(a) Cost or deemed cost:

	Computer Software	Land Rights	Total
Balance at January 1, 2020	$ 3,120	$ 8	$ 3,128
Additions	385	-	385
Disposals	-	-	-
Balance at December 31, 2020	$ 3,505	$ 8	$ 3,513
Balance at January 1, 2019	$ 2,802	$ 8	$ 2,810
Additions	321	-	321
Additions	4	-	4
Balance at December 31, 2019	$ 3,119	$ 8	$ 3,127

(Expressed in thousands of dollars)

8. Intangible assets (continued):

(b) Accumulated amortization:

	Computer Software	Land Rights	Total
Balance at January 1, 2020	$ 2,491	$ 8	$ 2,499
Additions	368	-	368
Balance at December 31, 2020	$ 2,859	$ 8	$ 2,867
Balance at January 1, 2019	$ 2,086	$ 8	$ 2,094
Additions	404	-	404
Balance at December 31, 2019	$ 2,490	$ 8	$ 2,498

(c) Carrying amounts:

	Computer Software	Land Rights	Total
At December 31, 2020	$ 646	$ -	$ 646
At December 31, 2019	$ 629	$ -	$ 629

(Expressed in thousands of dollars)

9. Income tax expense:

Current tax expense:

		2020		2019
Current period	$	1,297	$	1,138
Adjustment for prior periods		(332)		(194)
	$	965	$	944

Deferred tax expense:

		2020		2019
Original & reversal of temporary differences	$	(21)	$	(47)
Recognition of previously unrecognized tax losses		(38)		(26)
	$	(59)	$	(73)

Reconciliation of effective tax rate:

		2020		2019
Total comprehensive income for the year	$	10,715	$	10,148
Total income tax expense		907		870
Comprehensive income before income taxes		11,622		11,018
Income tax using the Corporation's statutory tax rate of 26.5%		3,080		2,920
Temporary differences not benefitted		(1,841)		(1,856)
Under (over) provided in prior periods		(332)		(194)
	$	907	$	870

Significant components of the Corporation's deferred tax balances are as follows:

		2020		2019
Deferred tax assets (liabilities):				
Plant and equipment	$	(16,989)	$	(14,168)
Non-vested sick leave		168		168
Employee benefits		1,573		1,552
~~Intangible assets~~		~~7~~		~~7~~
~~Loss carry-forward~~		~~204~~		~~166~~
Ontario refundable tax credits		14		18
~~Deferred tax liability~~		~~4,415~~		~~2,536~~
Deferred revenue - contributed capital		10,819		9,894
	$	211	$	173

(Expressed in thousands of dollars)

10. Regulatory deferral account balance:

The following is a reconciliation of the carrying amount for each class of regulatory deferral account balances:

	2019	Balances arising in the period	Recovery/ Reversal	Other	2020	Remaining recovery/ reversal period (years)
Regulatory deferral account debit balances						
Group 1 deferred accounts	$ 1,239	$ 2,202	$ 5,428	$ (153)	$ 8,716	Note 1, Note 3
Regulatory asset recovery account	630	285	(141)	-	774	Note 1
Smart meter recovery	13	-	(13)	-	-	
Deferred tax asset	5,790	2,585	-	-	8,375	Note 2
LRAM	837	1,728	(837)	-	1,728	1
Other	891	69	(892)	-	68	
Total amount related to regulatory deferral account debit balances	**$ 9,400**	**$ 6,869**	**$ 3,545**	**$ (153)**	**$ 19,661**	

	2019	Balances arising in the period	Recovery/ Reversal	Other	2020	Remaining recovery/ reversal period (years)
Regulatory deferral account credit balances						
Group 1 deferred accounts	1,057	975	(160)	(152)	1,720	Note 1
Regulatory asset recovery account	-	-	-	-	-	Note 1
Deferred tax liability	-	-	-	-	-	Note 2
Other	1,250	2	(696)	-	556	
Total amount related to regulatory deferral account credit balances	**2,307**	**977**	**(856)**	**(152)**	**2,276**	

	2020	2019
Movements in regulatory accounts		
Net change in regulatory deferral account debit and credit balances	10,292	6,677
Less movement related to the balance sheet		
Deferred income tax	(2,585)	(933)
Deferred revenue	(860)	(817)
Amounts moved to property, plant, equipment	-	-
Net movement in regulatory deferral account balances related to profit or loss and the related deferral tax movement	6,847	4,927

10. Regulatory deferral account balance (continued):

Note 1 KWHI expects to be approved for collection of these amounts in its 2021 filing for 2022 rates.

Note 2 KWHI has not sought approval for the disposition of this amount as changes in underlying assumptions may reduce the amounts recorded in the account. KWHI may seek refunds in the future.

Note 3 In December 2020, KWHI was informed that beginning June 2015 charges for one delivery point were not included in the monthly power bill. KWHI has accrued a payable of $6 million, offset by a regulatory asset. These monies are expected to begin being collected through a Board approved rate rider in 2022.

Note 4 COVID-19 Emergency Deferral
The COVID-19 emergency deferral account comprises of five sub-accounts established to track incremental costs and lost revenues related to the COVID-19 pandemic: (i) Billing and System Changes as a Result of the Emergency Order Regarding Time-of-Use Pricing, (ii) Lost Revenues Arising from the COVID-19 Emergency, (iii) Other Incremental Costs, (iv) Foregone Revenues from Postponing Rate Implementation, and (v) Bad Debt.

On December 16, 2020, the OEB Staff released their proposal on the COVID-19 deferral accounts which introduces certain criteria to that may need to be satisfied for amounts to be eligible for recovery. Based on this information, management believes there is high uncertainty in regards to the recoverability of costs and lost revenues related to government and OEB customer relief actions, and therefore a low probability of recovery. Costs directly related to the implementation of safety measures as a result of the COVID-19 pandemic were tracked. $69k has been recorded in the COVID-19 Emergency Deferral Account as at December 31, 2020.

(Expressed in thousands of dollars)

11. Long-term debt:

Effective August 1, 2000, the Corporation incurred unsecured promissory notes payable to the City of Kitchener and the Township of Wilmot, and have an interest rate of 3.23% per annum. Interest is payable in quarterly installments, in arrears, on March 31st, June 30th, September 30th and December 31st. In 2019 the interest rate was 4.88%.

Effective February 1, 2010, the Corporation incurred a ten year senior unsecured debenture payable to Ontario Infrastructure Projects Corporation. An initial payment of $7,000 was received February 1, 2010, followed by a second payment of $3,000 on May 17, 2010. The debenture had an interest rate of 4.28%, and interest was payable in equal semi-annual installments, in arrears, on May 17th and November 17th each year commencing November 17, 2010. The debenture was paid off in in 2020 in accordance with the payment schedule.

		2020		2019
Senior unsecured debentures:				
City of Kitchener	$	70,998	$	70,998
Township of Wilmot		5,965		5,965
Ontario Infrastructure Projects Corporation		-		607
Senior unsecured debentures, net proceeds	$	76,963	$	77,570
Less: current portion of long-term debt	$	-	$	(607)
Total long-term debt	$	76,963	$	76,963

12. Employee future benefits:

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-retirement costs in the period in which employees' services were rendered. The accrued benefit liability at December 31, 2020 of $5,937 was based on an actuarial valuation completed in 2020 using a discount rate of 3.1% (3.1% in 2019).

(Expressed in thousands of dollars)

12. Employee future benefits (continued):

Changes in the present value of the defined benefit unfunded obligation and the accrued benefit liability:

		2020		2019
Defined benefit obligation, beginning of year	$	5,858	$	5,305
Current service cost		192		160
Interest cost		178		202
Benefits paid during the year		(291)		(274)
Actuarial loss recognized in other comprehensive income		-		465
Accrued benefit liability, end of year	$	5,937	$	5,858

Components of net benefit expense recognized are as follows:

		2020		2019
Current service cost	$	192	$	160
Interest cost		178		202
Net benefit expense recognized	$	370	$	362

Actuarial losses recognized in other comprehensive income:

		2020		2019
Cumulative amount at January 1	$	(620)	$	(278)
Recognized during the year		-		(342)
Cumulative amount at December 31	$	(620)	$	(620)

(Expressed in thousands of dollars)

12. Employee future benefits (continued):

The significant actuarial assumptions used in the valuation are as follows (weighted average):

		2020	2019
Accrued benefit obligation:			
Discount rate		3.1%	3.1%
Benefit cost for the year:	Age		
Withdrawal rate	18-29	3.50%	3.50%
	30-34	2.00%	2.00%
	35-39	1.7%	1.7%
	40-49	1.3%	1.3%
	50-54	1.0%	1.0%
Assumed health care cost trend rates:			
Initial health care cost trend rate	Health	4.4%	4.2%
	Dental	4.7%	4.5%

The approximate effect on the accrued benefit obligation of the entire plan and the estimated net benefit expense of the entire plan if the health care trend rate assumption was increased or decreased by 1%, and all other assumptions were held constant, is as follows:

	Benefit Obligation	Periodic Benefit Cost
1% increase in health care trend rate	$ 215	$ 22
1% decrease in health care trend rate	$ (193)	$ (19)

Historical Information

Amounts for the current and previous year, for the entire plan, are as follows:

	2020	2019
Defined benefit obligation	$ 5,937	$ 5,858
Experience adjustments	$ -	$ (342)

(Expressed in thousands of dollars)

12. Employee future benefits (continued):

The main actuarial assumptions utilized for the valuation are as follows:

General inflation - future general inflation levels, as measured by the changes in the Consumer Price Index, were assumed at 2% in 2020, and thereafter (2019 - 2%).

Discount (interest) rate - the discount rate used to determine the present value of future liabilities and the expense for the year ended December 31, 2020, was 3.1% (2019 - 3.1%).

Salary levels - future general salary and wage levels were assumed to increase at 3.3% (2019 - 3.3%) per annum.

Medical costs - medical costs were assumed to be 4.4% for 2020, (2019 - 4.5%) increasing annually to 4.9% in 2022.

Dental costs - dental costs were assumed to be 4.7% for 2020 increasing annually to 5.1% in 2022.

13. Customer and IESO deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers, as well as construction deposits.

Deposits from electricity distribution customers are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

Construction deposits represent cash prepayments for the estimated cost of capital projects recoverable from customers and developers. Upon completion of the capital project, these deposits are transferred to deferred revenue.

The Corporation delivers conservation and demand management programs for its customers on behalf of the IESO. Prepayments received from the IESO have been recorded and will be transferred to revenue as programs are delivered and the revenue is earned.

The deposits comprise:

	2020	2019
Customer deposits	$ 6,424	$ 7,414
Construction deposits	7,196	6,982
IESO deposit for energy conservation programs	1,158	1,158
Total customer and IESO deposits	$ 14,778	$ 15,554

(Expressed in thousands of dollars)

14. Share capital:

		2020		2019
Authorized:				
Unlimited number of common shares				
Issued:				
20,000 common shares	$	66,389	$	66,389

Dividends:

The holders of the common shares are entitled to receive dividends as declared from time to time. The Corporation paid aggregate dividends in the year on common shares of $4,182 (2019 - $4,034).

15. Other operating revenue:

Other income comprises:

		2020		2019
Specific service charges	$	1,875	$	1,844
Deferred revenue		1,016		908
Scrap sales		101		190
Net gain on disposal of capital assets		149		36
Retailer services		48		44
Sundry		(316)		(155)
Total other income	$	2,873	$	2,867

16. Finance income and expense:

		2020		2019
Interest income on bank deposits	$	132	$	433
Finance income		132		433
Interest expense on long-term debt		2,496		3,816
Interest expense on short-term debt		271		-
Interest expense on BMO Letter of Credit		123		122
Interest expense on deposits		91		170
Other		-		11
		2,981		4,119
Net finance costs recognized in profit or loss	$	2,849	$	3,686

17. Commitments and contingencies:

Contractual Obligations

There are no contractual obligations.

General

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

General Liability Insurance:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2020, no assessments have been made.

18. Guarantees:

Kitchener Power Corp. is the guarantor for a line of credit issued by the Canadian Imperial Bank of Commerce on behalf of Grand River Energy Solutions Corp (GRE Corp). GRE Corp is one third owned by each of Kitchener Power Corp., Waterloo North Hydro Holding Corporation and Cambridge & North Dumfries Energy Plus Inc.; each of which has guaranteed a maximum of $6 million in the event of default by GRE Corp. This increased from $3 million to $6 million on April 1, 2020.

19. Pension agreement:

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2020, the Corporation made employer contributions of $1,723 to OMERS (2019 - $1,661). The Corporation's net benefit expense has been allocated as follows:

a) $449 (2019 - $459) capitalized as part of property, plant and equipment;

b) $1,274 (2019 - $1,202) charged to net income.

The Corporation estimates that a contribution of $1,739 to OMERS will be made during the next fiscal year.

(Expressed in thousands of dollars)

20. Employee benefits:

		2020		2019
Salaries, wages and benefits	$	19,684	$	19,022
CPP and EI remittances		732		722
Contributions to OMERS		1,723		1,661
Expenses related to defined benefit plans		370		361
	$	22,509	$	21,766

21. Related party transactions:

(a) Parent and ultimate controlling party:

The Corporation is wholly-owned by the Corporation of the City of Kitchener and the Corporation of the Township of Wilmot. The City and the Township produce financial statements that are available for public use.

(b) Entity with significant influence:

The Corporation of the City of Kitchener exercises significant influence over the Corporation through its 92.25% ownership interest in the Corporation.

(c) Key management personnel:

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members, and is summarized below.

		2020		2019
Directors' fees	$	67	$	58
Salaries and other short-term benefits		1,061		993
Post employment benefits		19		18
Other long-term benefits (OMERS)		90		84
	$	1,237	$	1,153

(d) Transactions with parent:

During the year the Corporation paid management and business development services to its parent in the amount of $nil (2019 - $nil)

(e) Transactions with entity with significant influence:

In the ordinary course of business, the Corporation delivers electricity to the Corporation of the City of Kitchener. Electricity is billed to the City of Kitchener at prices and under terms approved by the OEB.

21. Related party transactions (continued):

(f) Transactions with ultimate parent (the City of Kitchener)

In 2020, the Corporation had the following significant transactions with its ultimate parent, a government entity:

- Construction, contracted through Kitchener Wilmot Hydro Inc.
- Streetlight maintenance services contracted through Kitchener Energy Services Inc.

22. Financial instruments and risk management:

Fair value disclosure

Cash and cash equivalents are measured at fair value. The carrying values of receivables, and accounts payable and accrued charges approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

The fair value of the long-term debt (senior unsecured debentures issued by the shareholders (City of Kitchener and Township of Wilmot) approximates the carrying value due to the short term nature of the loan.

The fair value of the long-term debt (senior unsecured debentures) issued by Ontario Infrastructure Projects Corporation at December 31, 2020 is zero (2019 - $607). The final loan balance was paid in full in 2020. The fair value prior to 2020 was calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date. The interest rate used to calculate fair value at was 4.28%.

Financial risks

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the City of Kitchener and the Township of Wilmot. As of December 31, 2020, two customers accounted for more than 1% of total accounts receivable, totaling $341 (or 2.2%) out of a total accounts receivable of $15,709.

22. Financial instruments and risk management (continued):

(a) Credit risk (continued):

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in net income. Subsequent recoveries of receivables previously provisioned are credited to net income. The balance of the allowance for impairment at December 31, 2020 is $500 (2019 - $250). The allowance was increased due to an expected increase in Covid-19 related bad debt. An impairment loss of $793 (2019 - $44) was recognized during the year. This included a significant loss of $385 as a result of the bankruptcy of a single customer in 2020, in addition to a general increase due to the pandemic lockdowns. The future impact of the pandemic remains uncertain.

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2020, approximately $314 (2019 - $245) is considered 60 days past due. The Corporation has over 99 thousand customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2020, the Corporation holds security deposits in the amount of $14,800 (2019 - $15,600).

(b) Market risk:

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A 1% increase in the interest rate at December 31, 2020 would have increased interest expense on the long-term debt by $nil (2019 - $6), assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.

(c) Liquidity risk:

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a $35,000 credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they come due. As at December 31, 2020, no amounts had been drawn under Bank of Montreal credit facility (2019 - $nil).

The Corporation also has a bilateral facility for $35,000 (the "LC" facility) for the purpose of issuing letters of credit mainly to support the prudential requirements of the IESO, of which $35,000 has been drawn and posted with the IESO (2019 - $35,000). The majority of accounts payable, as reported on the balance sheet, are due within 30 days.

(Expressed in thousands of dollars)

22. Financial instruments and risk management (continued):

(c) Liquidity risk (continued):

The Company's currently available liquidity is also expected to be sufficient to address any reasonably foreseeable impacts that the COVID-19 pandemic may have on the Company's cash requirements.

(d) Capital disclosures:

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2020, shareholder's equity amounts to $167,496 (2019 - $160,964) and long-term debt amounts to $76,963 (2019 - $76,963).

23. Revenue from Contracts with Customers

The Corporation generates revenue primarily from the sale and distribution of electricity to its customers. Other sources of revenue include performance incentive payments under CDM programs.

		2020		2019
Revenue from Contracts with Customers	$	284,230	$	246,092
Other Revenue:				
CDM programs		727		1,676
Other		1,426		1,901
Total	**$**	**286,383**	**$**	**249,669**

In the following table, revenue from contracts with customers is disaggregated by type of customer.

		2020		2019
Residential	$	127,780	$	93,701
Commercial		153,515		149,386
Large Users		1,346		1,448
Other		1,589		1,557
Total Revenue	**$**	**284,230**	**$**	**246,092**

24. Change in Accounting Policy

The International Accounting Standards Board (IASB) has issued the following Standards, Interpretations and Amendments to Standards that were adopted by the Company effective January 1, 2020:

- Amendments to Hedge Accounting Requirements - IBOR Reform and its Effects on Financial Reporting (Phase 1)
- Amendments to References to the Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The amendments and clarifications did not have an impact on the financial statements.

25. Future accounting pronouncements:

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company and it is still to be determined if any will have a material impact on the Company's financial statements.

(a) Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)

On May 14, 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16). The amendments clarify that proceeds from selling items before the related item of Property, Plant and Equipment is available for use should be recognized in profit or loss, together with the cost of producing those items. The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.

(b) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

On May 14, 2020, the IASB issued Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37). This amendment clarifies which costs are included as a cost of fulfilling a contract when determining whether a contract is onerous. The amendments are effective for annual periods beginning on or after January 1, 2022 and apply to contracts existing at the date when the amendments are first applied. Early adoption is permitted.

25. Future accounting pronouncements (continued):

(c) Annual Improvements to IFRS Standards 2018 -2020

On May 14, 2020, the IASB issued *Annual Improvements to IFRS Standards 2018 -2020.* The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.

IFRS 9 *Financial Instruments*

Clarifies which fees are included for the purpose of performing the `10 per cent test' for derecognition of financial liabilities.

IFRS 16 *Leases*

Removes the illustration of payments from the lessor relating to leasehold improvements. The impact of adoption of these improvements is not expected to have an impact on the business.

(d) Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

On August 27, 2020, the IASB finalized its response to the ongoing reform of inter-bank offered rates and other interest rate benchmarks by issuing a package of amendments to IFRS Standards.

The amendments are effective for annual periods beginning on or after January 1, 2021. Earlier application is permitted. The impact of adoption of these amendments is not expected to have an impact on the business.

26. Impact of COVID-19 pandemic:

On March 11, 2020, the World Health Organization declared that the COVID-19 outbreak was a global pandemic. On March 17, 2020, the Ontario Government declared a State of Emergency pursuant to the Emergency Management and Civil Protection Act. The Ontario Government renewed the declaration, as required by the legislation, until July 24, 2020. During the State of Emergency, the Ontario Government issued emergency orders under the legislation and extended them as required by the legislation. On July 24, 2020, the Reopening Ontario (A Flexible Response to COVID-19) Act, 2020 came into effect, bringing the declared State of Emergency to an end. The Reopening Ontario Act also enabled the Ontario Government to extend, amend, and revoke the remaining emergency orders in order to facilitate a flexible response to the ongoing COVID-19 risks.

26. Impact of COVID-19 pandemic (continued):

On March 19, 2020, the OEB extended the ban on disconnecting residential customers to July 31, 2020, in light of the COVID-19 pandemic. For the same reason, at the same time, the OEB also banned the disconnection of other low volume customers (as defined in the OEB Act) prior to July 31, 2020. In addition, the Corporation extended its ban on disconnecting residential and low volume customers until the transition back into the OEB's annual recurring winter disconnection ban on November 15, 2020.

On March 24, 2020, the Ontario Government issued an emergency order setting TOU rates for on-peak, mid-peak, and off-peak at 10.1 cents per kWh, which prior to the emergency order was the TOU off-peak rate. That emergency order was effective through May 7, 2020. On May 6, 2020, the Ontario Government issued an emergency order extending those TOU rates through May 31, 2020. On May 30, 2020, the Ontario Government announced the COVID19 Recovery Rate, setting a fixed TOU electricity price at 12.8 cents per kWh, 24 hours a day, seven days a week, effective June 1, 2020 until October 31, 2020. On October 13, 2020, the OEB announced new TOU rates for on-peak, mid-peak, and off-peak, that once again vary according to when electricity is used, effective November 1, 2020. There was no impact to net income to the Corporation.

On March 25, 2020, the OEB established a deferral account for regulatory balances to record the costs of changes to billing systems resulting from the Ontario Government's TOU emergency order, other incremental costs and lost revenues associated with the COVID-19 pandemic. On May 14, 2020, the OEB launched a consultation process to inform its decision-making with respect to how the account will operate, including eligibility requirements, and the process and timing for the disposition. On December 16, 2020, OEB staff issued a proposal with respect to the deferral account and related consultation [note 8].

On August 20, 2020, the Ontario Government amended O. Reg. 95/05 Classes of Consumers and Determination of Rates. Accordingly, customers on the RPP have the choice to pay TOU rates or tiered rates, effective November 1, 2020. By default, RPP customers will pay TOU rates. RPP customers who choose to pay tiered rates will pay a lower rate for consumption below a monthly threshold, and a higher rate for consumption above that threshold. The tiered rates and the threshold are set by the OEB twice per year, at the same time as the OEB sets TOU rates. There was no impact to net income to the Corporation.

On December 15, 2020, the OEB announced new RPP TOU and tiered rates to reflect a decrease in supply cost resulting from the Ontario Government's decision to remove certain renewable generation costs from the global adjustment and funding them directly through the tax base. The reduction was accompanied by a corresponding reduction to the Ontario Electricity Rebate. There was no net income impact to the Corporation.

26. Impact of COVID-19 pandemic (continued):

On December 22, 2020, the Ontario Government amended O. Reg. 95/05 Classes of Consumers and Determination of Rates, setting both the TOU rates for on-peak, mid-peak, and off-peak and tiered rates at the TOU off-peak rate of 8.5 cents per kWh. That regulatory amendment was effective through January 28, 2021, and most recently extended until February 22, 2021. On February 23, 2021, residential and small business customers resumed paying TOU and tiered pricing under the RPP at prices that were set by the OEB on December 15, 2020. There was no net income impact to the Corporation.

Financial Statements of

Kitchener Power Corp.

(Unconsolidated)

And Independent Auditors' Report thereon

Year ended December 31, 2020
(Expressed in thousands of dollars)

KPMG LLP
115 King Street South
2nd Floor
Waterloo ON N2J 5A3 Canada
Tel 519-747-8800
Fax 519-747-8830

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Kitchener Power Corp.

Opinion

We have audited the non-consolidated financial statements of Kitchener Power Corp. (the Entity), which comprise:

- the non-consolidated statement of financial position as at December 31, 2020
- the non-consolidated statement of comprehensive income for the year then ended
- the non-consolidated statement of changes in equity for the year then ended
- the non-consolidated statement of cash flows for the year then ended
- and notes to the non-consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the non-consolidated financial position of the Entity as December 31, 2020, and its non-consolidated financial performance and its non-consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the non-consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

March 26, 2021

KITCHENER POWER CORP.

Statement of Financial Position

As at December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Note		2020		2019
Assets					
Current assets					
Cash and cash equivalents	4	$	417	$	519
Accounts receivable	5		16		11
Total current assets			433		530
Non-current assets:					
Deferred tax assets	6		211		173
Investment in subsidiaries and associates	7		166,639		160,266
Total non-current assets			166,850		160,439
Total assets		$	167,283	$	160,969

	Note		2020		2019
Liabilities and Shareholder's Equity					
Current liabilities:					
Accounts payable and accrued liabilities		$	62	$	5
Total liabilities			62		5
Shareholder's equity:					
Share capital - common shares	8		66,389		66,389
Retained earnings			100,832		94,575
Total shareholder's equity			167,221		160,964
Total equity, liabilities and shareholder's equity		$	167,283	$	160,969

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

On behalf of the Board:

J. Phillips ______________________ Director

J. Van Ooteghem ______________________ Director

KITCHENER POWER CORP.

Statement of Comprehensive Income

Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Note		2020		2019
Revenue					
Income from subsidiaries and associates	7	$	10,555	$	10,276
Net operating revenue			10,555		10,276
Expenses:					
Administration			159		170
			159		170
Other					
Finance income			(5)		(16)
Net finance income			(5)		(16)
Income before income taxes			10,401		10,122
Income tax recovery	6		(38)		(26)
Total comprehensive income for the year		$	10,439	$	10,148

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

KITCHENER POWER CORP.

Statement of Changes in Equity

Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Share capital	Accumulated other comprehensive income (loss)	Retained earnings	Total
Balance at January 1, 2019	$ 66,389	$ -	$ 88,461	$ 154,850
Net income		-	10,148	10,148
Dividends		-	(4,034)	(4,034)
Balance at December 31, 2019	66,389	-	94,575	160,964
Net income		-	10,439	10,439
Dividends		-	(4,182)	(4,182)
Balance at December 31, 2020	$ 66,389	$ -	$ 100,832	$ 167,221

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

KITCHENER POWER CORP.

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	2020	2019
Cash flows from operating activities:		
Total comprehensive income for the year	$ 10,439	$ 10,148
Adjustments to reconcile net income to cash provided by (used in) operations:		
Income from subsidiaries	(10,555)	(10,276)
Income tax recovery	(38)	(26)
	(154)	(154)
Change in non-cash operating working capital:		
Accounts receivable	(5)	(6)
Prepaid expenses	-	-
Accounts payable and accrued liabilities	57	2
Net cash from operating activities	(102)	(158)
Cash flows from investing activities:		
Dividends received	4,682	4,034
Net cash from investing activities	4,682	4,034
Cash flows from financing activities:		
Investments in subsidiaries	(500)	-
Dividends paid out	(4,182)	(4,034)
Net cash from financing activities	(4,682)	(4,034)
Change in cash and cash equivalents	(102)	(158)
Cash and cash equivalents, beginning of year	519	677
Cash and cash equivalents, end of year	$ 417	$ 519

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

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1. Reporting entity:

Kitchener Power Corp. (the “Corporation”) is a holding company for the affiliate companies, Kitchener-Wilmot Hydro Inc. and Kitchener Energy Services Inc., and is itself wholly owned by the Corporation of the City of Kitchener and the Corporation of the Township of Wilmot.

The Corporation oversees the operations of Kitchener-Wilmot Hydro Inc., a regulated distribution company and Kitchener Energy Services Inc., an unregulated retail services company. The Corporation also owns 33% of Grand River Energy Corp. (“GRE Corp”), a generation and renewable energy solutions company.

It is located in the City of Kitchener. The address of the Corporation’s registered office is 301 Victoria Street South, Kitchener, Ontario, Canada.

The financial statements are for the Corporation as at and for the year ended December 31, 2020, unconsolidated.

2. Basis of presentation:

(a) Statement of compliance:

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), with the exception that investments in subsidiary and associate companies are accounted for by the equity method. The financial statements were approved by the Board of Directors on March 26, 2021.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis except for the following:

(i) Where held, financial instruments at fair value through profit or loss

(ii) Contributed assets are initially measured at fair value

The methods used to measure fair values are discussed further in note 12.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

(d) Investments

Investments in subsidiary companies, associates and other long-term investments are accounted for by the equity method. Dividends received are recorded as a reduction of the carrying value of these investments.

2. Basis of presentation (continued):

(e) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements is included in the following notes:

(i) Note 6 – Income tax expense
(ii) Note 7 – Long term investments in subsidiaries and associates

3. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements unless otherwise indicated.

(a) Financial instruments:

At initial recognition, the Company measures its financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Corporation has not entered into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

3. Significant accounting policies (continued):

(b) Impairment:

(i) Financial assets:

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. For assets other than goodwill, impairment recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Significant accounting policies (continued):

(c) Provisions:

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(d) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and on regulatory assets.

Finance charges comprise interest expense on borrowings, finance lease obligations, regulatory liabilities and unwinding of the discount on provisions and impairment losses on financial assets. Finance costs are recognized as an expense unless they are capitalized as part of the cost of qualifying assets.

(e) Income taxes:

The income tax expense is comprised of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the “Tax Acts”). Under the *Electricity Act*, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation (“OEFC”). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax is the tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method. Under this method, deferred income taxes reflect the net tax effects of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

(Expressed in thousands of dollars)

4. Cash:

	2020	2019
Cash	$ 417	$ 519

5. Accounts receivable:

	2020	2019
Accounts receivable	$ 16	$ 11

6. Income tax expense:

The current tax expense for 2020 is $nil (2019 - $nil).

	2020	2019
Original & reversal of temporary differences	$ (38)	$ (26)
Recognition of previously unrecognized tax losses	-	-
	$ (38)	$ (26)

Reconciliation of effective tax rate:

	2020	2019
Profit for the period	$ 10,439	$ 10,148
Total income tax expense	(38)	(26)
Profit excluding income tax	(10,401)	(10,122)
Income tax using the Corporation's statutory tax rate	2,756	2,682
Taxes associated with non-taxable equity income	(2,793)	(2,716)
Other differences	(1)	8
	$ (38)	$ (26)

Significant components of the Corporation's deferred tax balances are as follows:

	2020	2019
Deferred tax assets (liabilities):		
Intangible assets	$ 7	$ 7
Loss carry-forward	204	166
	$ 211	$ 173

(Expressed in thousands of dollars)

7. Long-term investments in subsidiaries and associates:

The Company owns 100% of Kitchener-Wilmot Hydro Inc., a regulated distribution company, and Kitchener Energy Services Inc., an unregulated retail services company. The Company also owns 33% of GRE Corp., an unregulated company.

2020	Investment in Kitchener-Wilmot Hydro Inc.	Investment in Grand River Energy Corp.	Investment in Kitchener Energy Services Inc.	Total Investment
Balance, beginning of year	$ 159,432	$ 763	$ 71	$ 160,266
Investment in associate		500		500
Equity share of earnings	10,963	(425)	17	10,555
Dividends issued	(4,682)	-	-	(4,682)
Balance, end of year	$ 165,713	$ 838	$ 88	$ 166,639

2019				
Balance, beginning of year	$ 153,011	$ 967	$ 46	$ 154,024
Investment in associate	-	-	-	-
Equity share of earnings	10,455	(204)	25	10,276
Dividends issued	(4,034)	-	-	(4,034)
Balance, end of year	$ 159,432	$ 763	$ 71	$ 160,266

8. Share capital:

	2020	2019
Authorized:		
Unlimited number of common shares		
Issued:		
20,000 common shares	$ 66,389	$ 66,389

Dividends:

The holders of the common shares are entitled to receive dividends as declared from time to time.

The Corporation paid aggregate dividends in the year on common shares of $4,682 (2019 - $4,034).

9. Commitments and contingencies:

Contractual Obligations:

There are no contractual obligations.

General:

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

General Liability Insurance:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2020, no assessments have been made.

10. Guarantees:

Kitchener Power Corp. is the guarantor for a line of credit issued by the Canadian Imperial Bank of Commerce on behalf of Grand River Energy Solutions Corp (GRE Corp). GRE Corp. is one third owned by each of Kitchener Power Corp., Waterloo North Hydro Holding Corporation and Cambridge & North Dumfries Energy Plus Inc.; each of which has guaranteed a maximum of $6 million in the event of default by GRE Corp. This increased from $3 million to $6 million on April 1, 2020.

11. Related party transactions:

(a) Parent and ultimate controlling party:

The Corporation is wholly-owned by the Corporation of the City of Kitchener and the Corporation of the Township of Wilmot. The City and the Township produce financial statements that are available for public use.

(b) Entity with significant influence:

The Corporation of the City of Kitchener exercises significant influence over the Corporation through its 92.25% ownership interest in the Corporation.

(c) Key management personnel:

The key management personnel of the Corporation is defined as members of its board of directors and is summarized below.

11. Related party transactions (continued):

(d) Transactions with shareholders:

During the year, the Corporation paid management and business development services to its shareholders in the amount of $nil (2019 - $nil).

(e) Transactions with entity with significant influence:

In the ordinary course of business, the Corporation may issue dividends to the shareholders.

	2020	2019
Directors' remuneration	$ 67	$ 58
CPP remittances	2	2
	$ 69	$ 60

12. Financial instruments and risk management:

Fair value disclosure

Cash and cash equivalents are measured at fair value. The carrying values of receivables, and accounts payable and accrued charges approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

Financial risks

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation’s exposure to a variety of risks such as interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Market risk:

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk.

(b) Liquidity risk:

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation’s objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure.

12. Financial instruments and risk management (continued):

(c) Capital disclosures:

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2020, shareholder's equity amounts to $167,497 (2019 - $160,964) and long-term debt amounts of $nil (2019 - $nil).

13. Future accounting pronouncements:

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company and it is still to be determined if any will have a material impact on the Company's financial statements.

(a) Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)

On May 14, 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16). The amendments clarify that proceeds from selling items before the related item of Property, Plant and Equipment is available for use should be recognized in profit or loss, together with the cost of producing those items. The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.

(b) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

On May 14, 2020, the IASB issued Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37). This amendment clarifies which costs are included as a cost of fulfilling a contract when determining whether a contract is onerous. The amendments are effective for annual periods beginning on or after January 1, 2022 and apply to contracts existing at the date when the amendments are first applied. Early adoption is permitted.

13. Future accounting pronouncements (continued):

(c) Annual Improvements to IFRS Standards 2018 -2020

On May 14, 2020, the IASB issued *Annual Improvements to IFRS Standards 2018 -2020.* The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.

IFRS 9 *Financial Instruments*

Clarifies which fees are included for the purpose of performing the `10 per cent test' for derecognition of financial liabilities.

IFRS 16 *Leases*

Removes the illustration of payments from the lessor relating to leasehold improvements.
The impact of adoption of these improvements is not expected to have an impact on the business.

(d) Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

On August 27, 2020, the IASB finalized its response to the ongoing reform of inter-bank offered rates and other interest rate benchmarks by issuing a package of amendments to IFRS Standards.
The amendments are effective for annual periods beginning on or after January 1, 2021. Earlier application is permitted. The impact of adoption of these amendments is not expected to have an impact on the business.

14. Impact of COVID-19 pandemic:

On March 11, 2020, the World Health Organization declared that the COVID-19 outbreak was a global pandemic. On March 17, 2020, the Ontario Government declared a State of Emergency pursuant to the Emergency Management and Civil Protection Act. The Ontario Government renewed the declaration, as required by the legislation, until July 24, 2020. During the State of Emergency, the Ontario Government issued emergency orders under the legislation and extended them as required by the legislation. On July 24, 2020, the Reopening Ontario (A Flexible Response to COVID-19) Act, 2020 came into effect, bringing the declared State of Emergency to an end. The Reopening Ontario Act also enabled the Ontario Government to extend, amend, and revoke the remaining emergency orders in order to facilitate a flexible response to the ongoing COVID-19 risks.

14. Impact of COVID-19 pandemic (continued):

On March 19, 2020, the OEB extended the ban on disconnecting residential customers to July 31, 2020, in light of the COVID-19 pandemic. For the same reason, at the same time, the OEB also banned the disconnection of other low volume customers (as defined in the OEB Act) prior to July 31, 2020. In addition, the Corporation extended its ban on disconnecting residential and

low volume customers until the transition back into the OEB's annual recurring winter disconnection ban on November 15, 2020.

On March 24, 2020, the Ontario Government issued an emergency order setting TOU rates for on-peak, mid-peak, and off-peak at 10.1 cents per kWh, which prior to the emergency order was the TOU off-peak rate. That emergency order was effective through May 7, 2020. On May 6, 2020, the Ontario Government issued an emergency order extending those TOU rates through May 31, 2020. On May 30, 2020, the Ontario Government announced the COVID19 Recovery Rate, setting a fixed TOU electricity price at 12.8 cents per kWh, 24 hours a day, seven days a week, effective June 1, 2020 until October 31, 2020. On October 13, 2020, the OEB announced new TOU rates for on-peak, mid-peak, and off-peak, that once again vary according to when electricity is used, effective November 1, 2020. There was no impact to net income to the Corporation.

On March 25, 2020, the OEB established a deferral account for regulatory balances to record the costs of changes to billing systems resulting from the Ontario Government's TOU emergency order, other incremental costs and lost revenues associated with the COVID-19 pandemic. On May 14, 2020, the OEB launched a consultation process to inform its decision-making with respect to how the account will operate, including eligibility requirements, and the process and timing for the disposition. On December 16, 2020, OEB staff issued a proposal with respect to the deferral account and related consultation [note 8].

On August 20, 2020, the Ontario Government amended O. Reg. 95/05 Classes of Consumers and Determination of Rates. Accordingly, customers on the RPP have the choice to pay TOU rates or tiered rates, effective November 1, 2020. By default, RPP customers will pay TOU rates. RPP customers who choose to pay tiered rates will pay a lower rate for consumption below a monthly threshold, and a higher rate for consumption above that threshold. The tiered rates and the threshold are set by the OEB twice per year, at the same time as the OEB sets TOU rates. There was no impact to net income to the Corporation.

On December 15, 2020, the OEB announced new RPP TOU and tiered rates to reflect a decrease in supply cost resulting from the Ontario Government's decision to remove certain renewable generation costs from the global adjustment and funding them directly through the tax base. The reduction was accompanied by a corresponding reduction to the Ontario Electricity Rebate. There was no net income impact to the Corporation.

14. Impact of COVID-19 pandemic (continued):

On December 22, 2020, the Ontario Government amended O. Reg. 95/05 Classes of Consumers and Determination of Rates, setting both the TOU rates for on-peak, mid-peak, and off-peak and tiered rates at the TOU off-peak rate of 8.5 cents per kWh. That regulatory amendment was effective through January 28, 2021, and most recently extended until February 22, 2021. On February 23, 2021, residential and small business customers resumed paying TOU and tiered pricing under the RPP at prices that were set by the OEB on December 15, 2020. There was no net income impact to the Corporation.

Financial Statements of

Kitchener-Wilmot Hydro Inc.

And Independent Auditors' Report thereon

Year ended December 31, 2020
(Expressed in thousands of dollars)

KPMG LLP
115 King Street South
2nd Floor
Waterloo ON N2J 5A3
Canada
Tel 519-747-8800
Fax 519-747-8830

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Kitchener-Wilmot Hydro Inc.

Opinion

We have audited the financial statements of Kitchener-Wilmot Hydro Inc. (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

March 26, 2021

KITCHENER-WILMOT HYDRO INC.

Statement of Financial Position

As at December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Note		2020		2019
Assets					
Current assets					
Cash	4	$	6,363	$	13,357
Accounts receivable	5		15,680		17,477
Unbilled revenue			29,865		27,648
Inventory	6		2,458		2,324
Prepaid expenses			1,146		1,347
Income taxes receivable			-		131
Total current assets			55,512		62,284
Non-current assets:					
Property, plant and equipment	7		275,014		259,864
Intangible assets	8		646		629
Total non-current assets			275,660		260,493
Total assets			331,172		322,777
Regulatory deferral account debit balances	10		19,661		9,400
Total assets and regulatory assets		$	350,833	$	332,177

KITCHENER-WILMOT HYDRO INC.

Statement of Financial Position

Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Note	2020	2019
Liabilities and Shareholder's Equity			
Current liabilities:			
Accounts payable and accrued liabilities		$ 37,670	$ 30,048
Income taxes payable		32	-
Current portion of long-term debt	11	-	607
Current portion customer deposits	13	8,945	9,366
Current portion of deferred revenue		1,069	952
Total current liabilities		47,716	40,973
Non-current liabilities:			
Long-term debt	11	76,963	76,963
Employee future benefits	12	5,937	5,858
Long-term customer deposits	13	5,833	6,188
Deferred revenue		39,759	36,385
Deferred tax liability	9	4,415	2,536
Total non-current liabilities		132,907	127,930
Total liabilities		180,623	168,903
Shareholder's equity:			
Share capital - common shares	14	63,689	63,689
Retained earnings		102,645	96,363
Accumulated other comprehensive loss		(620)	(620)
Total shareholder's equity		165,714	159,432
Total liabilities and shareholder's equity		346,337	328,335
Regulatory deferral account credit balances	10	2,276	2,307
Deferred taxes associated with regulatory accounts		2,220	1,535
Impact of COVID-19	26		
Total equity, liabilities and shareholder's equity		$ 350,833	$ 332,177

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

On behalf of the Board:

D.A. Schwan ____________________ Director

J. Van Ooteghem ____________________ Director

KITCHENER-WILMOT HYDRO INC.

Statement of Comprehensive Income

Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Note		2020		2019
Energy sales		$	239,962	$	206,409
Cost of energy sold			245,909		207,393
			(5,947)		(984)
Other operating revenue					
Distribution revenue			42,690		38,285
Other income	15		2,975		2,601
Net operating revenue			39,718		39,902
Expenses:					
Operations and maintenance			11,112		11,253
Customer services			5,313		4,474
Administration			5,376		4,165
Amortization			10,022		9,550
			31,823		29,442
Other					
Energy conservation program revenue			(727)		(1,676)
Energy conservation program expense			713		1,676
Net energy conservation programs			(14)		-
Finance income	16		(127)		(417)
Finance charges	16		2,981		4,119
Net finance costs			2,854		3,702
Income before income taxes			5,055		6,758
Income tax expense	9		938		888
Income for the year before movements in regulatory deferral account balances and OCI			4,117		5,870
Net movement in regulatory deferral account balances related to profit or loss and the related deferred tax movement	10		6,847		4,927
Other comprehensive loss	12		-		(342)
Total comprehensive income for the year		$	10,964	$	10,455

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

KITCHENER-WILMOT HYDRO INC.

Statement of Changes in Equity

Year ended December 31, 2020, with comparative information for 2019
(In thousands of Canadian dollars)

	Share capital	Accumulated other comprehensive income (loss)	Retained earnings	Total
Balance at January 1, 2019	$ 63,689	$ (278)	$ 89,600	$ 153,011
Net income before other comprehensive income (loss)	-	-	10,797	10,797
Other comprehensive income (loss)	-	(342)	-	(342)
Dividends	-	-	(4,034)	(4,034)
Balance at December 31, 2019	63,689	(620)	96,363	159,432
Net income before other comprehensive income (loss)	-	-	10,964	10,964
Other comprehensive income	-	-	-	-
Dividends	-	-	(4,682)	(4,682)
Balance at December 31, 2020	$ 63,689	$ (620)	$ 102,645	$ 165,714

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

KITCHENER-WILMOT HYDRO INC.

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	2020	2019
Cash flows from operating activities:		
Total comprehensive income for the year	$ 10,964	$ 10,455
Adjustments to reconcile net income to cash provided by (used in) operations:		
Amortization	10,752	10,251
Amortization of deferred revenue	(1,016)	(908)
Gain on disposal of property, plant and equipment	(149)	(36)
Income tax expense	938	888
Income taxes paid	(797)	(1,515)
Increase in employee future benefits	77	551
	20,769	19,686
Change in non-cash operating working capital:		
Accounts receivable	1,797	1,055
Unbilled revenue	(2,216)	(5,526)
Inventory	(134)	(375)
Prepaid expenses	201	(302)
Accounts payable and accrued liabilities	7,623	7,396
Other current liabilities	(303)	1,339
Change in regulatory assets	(10,261)	(2,035)
Change in regulatory liabilities	654	(4,348)
Change in deferred tax	1,900	516
Net cash from operating activities	20,030	17,406
Cash flows from investing activities:		
Proceeds on disposals of property, plant and equipment	151	40
Purchase of property, plant and equipment	(25,536)	(24,487)
Purchase of intangible assets	(385)	(315)
Net cash used in investing activities	(25,770)	(24,762)
Cash flows from financing activities:		
Net change in customer deposits	(355)	52
Dividends paid out	(4,682)	(4,034)
Change in contributed capital received	4,390	4,383
Repayment of long-term debt	(607)	(1,176)
Net cash from financing activities	(1,254)	(775)
Change in cash and cash equivalents	(6,994)	(8,131)
Cash and cash equivalents, beginning of year	13,357	21,488
Cash and cash equivalents, end of year	$ 6,363	$ 13,357

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

1. Reporting entity:

Kitchener-Wilmot Hydro Inc. (the "Corporation") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the City of Kitchener. The address of the Corporation's registered office is 301 Victoria Street South, Kitchener, Ontario, Canada.

The Corporation delivers electricity and related energy services to residential and commercial customers in the City of Kitchener and the Township of Wilmot. The Corporation is wholly owned by Kitchener Power Corporation, which is itself wholly owned by the Corporation of the City of Kitchener and the Corporation of the Township of Wilmot.

The financial statements are for the Corporation as at and for the year ended December 31, 2020.

2. Basis of presentation:

(a) Statement of compliance:

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements were approved by the Board of Directors on March 26, 2021.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis except for the following:

(i) Where held, financial instruments at fair value through profit or loss, including those held for trading, are measured at fair value.

(ii) Contributed assets are initially measured at fair value.

The methods used to measure fair values are discussed further in note 22.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

2. Basis of presentation (continued):

(d) Use of estimates and judgments (continued):

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements is included in the following notes:

i) Note 3(b) – Determination of the performance obligation for contributions from customers and the related amortization period
ii) Note 7 – Property, plant and equipment
iii) Note 9 – Deferred tax assets
iv) Note 12 – Employee future benefits
v) Note 17 – Commitments and contingencies

(e) Rate regulation:

The Corporation is regulated by the Ontario Energy Board (“OEB”), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies (“LDCs”), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

Rate setting:

Distribution revenue and electricity rates

The OEB sets electricity prices for low-volume consumers based on an estimate of how much it will cost to supply the province with electricity for the next year. All low volume customers without a contract with an energy retailer are charged the OEB mandated rate for electricity. If a customer (regardless of volume) has a retailer agreement, then retailer rates are charged instead. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

2. Basis of presentation (continued):

(e) Rate regulation (continued):

For the distribution revenue included in electricity sales, the Corporation files a “Cost of Service” (“COS”) rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenses, debt and shareholder’s equity required to support the Corporation’s business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and intervenors and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years, an Incentive Rate Mechanism application (“IRM”) is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year’s rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand (“GDP IPI-FDD”) net of a productivity factor and a “stretch factor” determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation filed a COS application on April 30, 2019 for rates effective January 1, 2020 to December 31, 2020.

Electricity rates were impacted by the COVID-19 pandemic, distribution rates were unaffected, which has been discussed further in Note 26.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements unless otherwise indicated.

(a) Financial instruments:

At initial recognition, the Company measures its financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Corporation has not entered into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(b) Revenue recognition:

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

3. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 *Revenue from Contracts with Customers*. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

(c) Inventory:

Inventory, comprising material and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on a weighted average cost basis, and includes expenditures incurred in acquiring the material and supplies and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

(d) Property, plant and equipment:

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2014 are measured at deemed cost established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is transferred from customers, its fair value, less accumulated depreciation. Consistent with IFRS 1, the Corporation elected to use the carrying amount as previously

(Expressed in thousands of dollars)

3. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

determined under Canadian GAAP as the deemed cost at January 1, 2014, the transition date to IFRS.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on the disposal of an item of PP&E are determined by comparing the proceeds from disposal, if any, with the carrying amount of the item of PP&E and are recognized net within other income in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of property, plant and equipment is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of property, plant and equipment is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount and is recognized in profit or loss on a straight-line basis over the estimated useful life of each part or component of an item of property, plant and equipment. The depreciable amount is cost. Land is not depreciated. Construction-in-progress assets are not amortized until the projects are complete and in service.

The estimated useful lives are as follows:

Buildings	**20-50 years**
Transformer station equipment	**15-50 years**
Distribution station equipment	**15-50 years**
Distribution system	**25-60 years**
Meters	**15-25 years**
SCADA equipment	**15 years**
Other capital assets	**3-10 years**

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

3. **Significant accounting policies (continued):**

(e) Intangible assets

(i) Computer software:

Computer software that is acquired or developed by the Corporation, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization and accumulated impairment losses.

(ii) Land rights:

Payments to obtain rights to access land ("land rights") are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Amortization:

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives are:

Computer software	**3-10 years**
Land rights	**100 years**

Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate.

(f) Impairment:

(i) Financial assets:

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

3. Significant accounting policies (continued):

(f) Impairment (continued):

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. For assets other than goodwill, impairment recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Provisions:

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3. Significant accounting policies (continued):

(h) Regulatory deferral accounts:

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. These amounts have been accumulated and deferred in anticipation of their future recovery in electricity distribution rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in profit and loss. The debit balance is reduced by the amount of customer billings as electricity is delivered to the customer and the customer is billed at rates approved by the OEB for the recovery of the capitalized costs.

Regulatory deferral account credit balances are recognized if it is probable that future billings in an amount at least equal to the credit balance will be reduced as a result of rate-making activities. The offsetting amount is recognized in profit and loss. The credit balance is reduced by the amounts returned to customers as electricity is delivered to the customer at rates approved by the OEB for the return of the regulatory account credit balance.

The probability of recovery or repayment of the regulatory account balances are assessed annually based upon the likelihood that the OEB will approve the change in rates to recover or repay the balance. Any resulting impairment loss is recognized in profit and loss in the year incurred.

Regulatory deferral accounts attract interest at OEB prescribed rates. With the exception of Pension and OEB Forecast Accrual accounts (OPEBs), the rates from January to June 2020 were 2.18%, and July to December 2020 were 0.57%. Prior year rates from January to March 2019 were 2.45%, April to December 2019 were 2.18%.

In 2020, OPEBs were 2.88% for the period January to March, 2.48% for the period April to September and 2.03% for period October to December. In 2019, OPEBs were 3.82% for the period January to March, 3.39% for the period April – June and 2.88% for the period July to December.

3. Significant accounting policies (continued):

(i) Employee future benefits:

(i) Pension plan:

The Corporation provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in net income when they are due.

(ii) Post-employment benefits, other than pension:

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The cost of these benefits is expensed as earned by employees through employment service. The accrued benefit obligations and the current service costs are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Actuarial gains and losses arising from defined benefit plans are recognized immediately in other comprehensive income and reported in retained earnings. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in net income on a straight-line basis over the average period until the benefits become vested. In circumstances where the benefits vest immediately, the expense is recognized immediately in net income.

3. Significant accounting policies (continued):

(j) Deferred revenue and assets transferred from customers:

Certain customers and developers are required to contribute towards the capital cost of construction in order to provide ongoing service. When an asset is received as a capital contribution, the asset is initially recognized at its fair value, with the corresponding amount recognized as deferred revenue. Deferred revenue represents the Corporation's obligation to continue to provide customers access to the supply of electricity, and is amortized to income on a straight-line basis over the economic useful life of the acquired or contributed asset, which represents the period of ongoing service to the customer.

(k) Leased assets:

This policy is effective for periods before January 1, 2019. Refer to Note 24 for the change in accounting policy to IFRS 16.

Leases, where the terms cause the Corporation to assume substantially all the risks and rewards of ownership, are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

All other leases are classified as operating leases and the leased assets are not recognized on the Corporation's balance sheet. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

(l) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and on regulatory assets.

Finance charges comprise interest expense on borrowings, finance lease obligations, regulatory liabilities and unwinding of the discount on provisions and impairment losses on financial assets. Finance costs are recognized as an expense unless they are capitalized as part of the cost of qualifying assets.

(Expressed in thousands of dollars)

3. Significant accounting policies (continued):

(m) Income taxes:

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax is the tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method. Under this method, deferred income taxes reflect the net tax effects of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

4. Cash:

	2020	2019
Cash	$ 6,363	$ 13,357

5. Accounts receivable:

	2020	2019
Customer and other trade receivables	$ 15,588	$ 17,252
Trade receivables from related parties	92	225
	$ 15,680	$ 17,477

6. Inventory:

The amount of inventory consumed by the Corporation and recognized as an expense during 2020 was $279 (2019 - $363).

(Expressed in thousands of dollars)

7. Property, plant and equipment:

(a) Cost or deemed cost:

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Balance at January 1, 2020	$ 24,729	$ 260,009	$ 12,976	$ 5,487	$ 303,201
Additions	1,709	17,846	5,631	350	25,536
Transfers	-	-	-	-	-
Disposals/Retirements	(5)	(62)	(1,182)	-	(1,249)
Balance at December 31, 2020	$ 26,433	$ 277,793	$ 17,425	$ 5,837	$ 327,488

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Balance at January 1, 2019	$ 24,463	$ 242,418	$ 8,850	$ 3,622	$ 279,353
Additions	279	17,723	4,614	1,865	24,481
Transfers	-	-	-	-	-
Disposals/Retirements	(13)	(132)	(488)	-	(633)
Balance at December 31, 2019	$ 24,729	$ 260,009	$ 12,976	$ 5,487	$ 303,201

(b) Accumulated depreciation:

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Balance at January 1, 2020	$ 2,718	$ 37,766	$ 2,853	$ -	$ 43,337
Depreciation charge	716	8,317	1,351	-	10,384
Disposals/Retirements	(5)	(62)	(1,180)	-	(1,247)
Balance at December 31, 2020	$ 3,429	$ 46,021	$ 3,024	$ -	$ 52,474

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Balance at January 1, 2019	$ 2,053	$ 30,012	$ 2,059	$ -	$ 34,124
Depreciation charge	678	7,886	1,282	-	9,846
Disposals/Retirements	(13)	(132)	(488)	-	(633)
Balance at December 31, 2019	$ 2,718	$ 37,766	$ 2,853	$ -	$ 43,337

(Expressed in thousands of dollars)

7. Property, plant and equipment (continued):

(c) Carrying amounts:

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
At December 31, 2020	$ 23,004	$ 231,772	$ 14,401	$ 5,837	$ 275,014
At December 31, 2019	$ 22,011	$ 222,243	$ 10,123	$ 5,487	$ 259,864

(d) Leased plant and equipment:

The Corporation does not have leases for plant or equipment.

(e) Security:

At December 31, 2019, the Corporation had zero properties subject to a general security agreement.

(f) Borrowing costs:

During the year, borrowing costs of $ nil (2019 - $ nil) were capitalized as part of the cost of property, plant and equipment.

(g) Allocation of depreciation and amortization:

The depreciation of property, plant and equipment and the amortization of intangible assets has been allocated to profit or loss as follows:

	Operations and maintenance expense	Customer services expense	General and administration expense	Energy Conservation expense	Other	Total
December 31, 2020:						
Depreciation of property, plant and equipment	$ 717	$ 6	$ -	$ 7	$ 9,654	$ 10,384
Amortization of intangible assets	-	-	-	-	368	368
	$ 717	$ 6	$ -	$ 7	$ 10,022	$ 10,752
December 31, 2019:						
Depreciation of property, plant and equipment	$ 688	$ 6	$ -	$ 7	$ 9,145	$ 9,846
Amortization of intangible assets	-	-	-	-	405	405
	$ 688	$ 6	$ -	$ 7	$ 9,550	$ 10,251

(Expressed in thousands of dollars)

8. Intangible assets:

(a) Cost or deemed cost:

	Computer Software	Land Rights	Total
Balance at January 1, 2020	$ 3,120	$ 8	$ 3,128
Additions	385	-	385
Disposals	-	-	-
Balance at December 31, 2020	$ 3,505	$ 8	$ 3,513
Balance at January 1, 2019	$ 2,802	$ 8	$ 2,810
Additions	321	-	321
Disposals	4	-	4
Balance at December 31, 2019	$ 3,119	$ 8	$ 3,127

(b) Accumulated amortization:

	Computer Software	**Land Rights**	**Total**
Balance at January 1, 2020	$ 2,491	$ 8	$ 2,499
Additions	368	-	368
Balance at December 31, 2020	$ 2,859	$ 8	$ 2,867
Balance at January 1, 2019	$ 2,086	$ 8	$ 2,094
Additions	404	-	404
Balance at December 31, 2019	$ 2,490	$ 8	$ 2,498

(c) Carrying amounts:

	Computer Software	**Land Rights**	**Total**
At December 31, 2020	$ 646	$ -	$ 646
At December 31, 2019	$ 629	$ -	$ 629

(Expressed in thousands of dollars)

9. Income tax expense:

		2020		2019
Current period	$	1,292	$	1,129
Adjustment for prior periods		(332)		(194)
	$	960	$	935

Deferred tax expense:

		2020		2019
Original & reversal of temporary differences	$	(21)	$	(47)
Change in unrecognized deductible temporary differences		(1)		-
	$	(22)	$	(47)

Reconciliation of effective tax rate:

		2020		2019
Total comprehensive income for the year	$	10,964	$	10,455
Total income tax expense		938		888
Comprehensive income before income taxes		11,902		11,343
Income tax using the Corporation's statutory tax rate of 26.5%		3,154		3,006
Temporary differences not benefitted		(1,884)		(1,924)
Under (over) provided in prior periods		(332)		(194)
	$	938	$	888

Significant components of the Corporation's deferred tax balances are as follows:

		2020		2019
Deferred tax assets (liabilities):				
Plant and equipment	$	(16,989)	$	(14,168)
Non-vested sick leave		168		168
Employee benefits		1,573		1,429
Ontario refundable tax credits		14		18
Actuarial gain/loss		-		123
Deferred revenue - contributed capital		10,819		9,894
	$	(4,415)	$	(2,536)

(Expressed in thousands of dollars)

10. Regulatory deferral account balance:

The following is a reconciliation of the carrying amount for each class of regulatory deferral account balances:

	2019	Balances arising in the period	Recovery/ Reversal	Other	2020	Remaining recovery/ reversal period (years)
Regulatory deferral account debit balances						
Group 1 deferred accounts	$ 1,239	$ 2,202	$ 5,428	$ (153)	$ 8,716	Note 1, Note 3
Regulatory asset recovery account	630	285	(141)	-	774	Note 1
Smart meter recovery	13	-	(13)	-	-	1 Year
Deferred tax asset	5790	2,585	-	-	8,375	Note 2
LRAM	837	1,728	(837)	-	1,728	1 Year
Other	891	69	(892)	-	68	1 Year
Total amount related to regulatory deferral account debit balances	**$ 9,400**	**$ 6,869**	**$ 3,545**	**$ (153)**	**$ 19,661**	

	2019	Balances arising in the period	Recovery/ Reversal	Other	2020	Remaining recovery/ reversal period (years)
Regulatory deferral account credit balances						
Group 1 deferred accounts	$ 1,057	$ 975	$ (160)	$ (152)	$ 1,720	Note 1
Regulatory asset recovery account	-	-	-	-	-	Note 1
Other	1,250	2	(696)	-	556	1 Year
Total amount related to regulatory deferral account credit balances	**$ 2,307**	**$ 977**	**$ (856)**	**$ (152)**	**$ 2,276**	

	2020	2019
Movements in regulatory accounts		
Net change in regulatory deferral account debit and credit balances	$ 10,292	$ 6,677
Less movement related to the balance sheet		
Deferred income tax	(2,585)	(933)
Deferred revenue	(860)	(817)
Net movement in regulatory deferral account balances related to profit or loss and the related deferral tax movement	$ 6,847	$ 4,927

Note 1 KWHI expects to be approved for collection of these amounts in its 2021 filing for 2022 rates

Note 2 KWHI has not sought approval for the disposition of this amount as changes in underlying assumptions may reduce the amounts recorded in the account. KWHI may seek refunds in the future.

Note 3 In December 2020, KWHI was informed that beginning June 2015 charges were not included in the monthly power bill for one delivery point for Transmission Network Charges. KWHI has accrued a payable of $6 million, offset by a regulatory asset. These monies are expected to begin being collected through a Board approved rate rider in 2022.

(Expressed in thousands of dollars)

10. Regulatory deferral account balance (continued):

Note 4 COVID-19 Emergency Deferral

The COVID-19 emergency deferral account comprises of five sub-accounts established to track incremental costs and lost revenues related to the COVID-19 pandemic: (i) Billing and System Changes as a Result of the Emergency Order Regarding Time-of-Use Pricing, (ii) Lost Revenues Arising from the COVID-19 Emergency, (iii) Other Incremental Costs, (iv) Foregone Revenues from Postponing Rate Implementation, and (v) Bad Debt.

On December 16, 2020, the OEB Staff released their proposal on the COVID-19 deferral accounts which introduces certain criteria to that may need to be satisfied for amounts to be eligible for recovery. Based on this information, management believes there is high uncertainty in regards to the recoverability of costs and lost revenues related to government and OEB customer relief actions, and therefore a low probability of recovery. Costs directly related to the implementation of safety measures as a result of the COVID-19 pandemic were tracked. $69k has been recorded in the COVID-19 Emergency Deferral Account as at December 31, 2020.

11. Long-term debt:

Effective August 1, 2000, the Corporation incurred unsecured promissory notes payable to the Corporation of the City of Kitchener and the Corporation of the Township of Wilmot, and have an interest rate of 3.23% per annum. Interest is payable in quarterly installments, in arrears, on March 31st, June 30th, September 30th and December 31st. In 2019 the interest rate was 4.88%

Effective February 1, 2010, the Corporation incurred a ten year senior unsecured debenture payable to Ontario Infrastructure Projects Corporation. An initial payment of $7,000 was received February 1, 2010, followed by a second payment of $3 million on May 17, 2010. The debenture had an interest rate of 4.28%, and interest was payable in equal semi-annual installments, in arrears, on May 17th and November 17th each year commencing November 17, 2010. The debenture was paid off in 2020 in accordance with the payment schedule.

		2020		2019
Senior unsecured debentures:				
City of Kitchener	$	70,998	$	70,998
Township of Wilmot		5,965		5,965
Ontario Infrastructure Projects Corporation		-		607
Senior unsecured debentures, net proceeds	$	76,963	$	77,570
Less: current portion of long-term debt	$	-	$	(607)
Total long-term debt	$	76,963	$	76,963

(Expressed in thousands of dollars)

12. Employee future benefits:

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-retirement costs in the period in which employees' services were rendered. The accrued benefit liability at December 31, 2020 of $5,937 was based on an actuarial valuation completed in 2020 using a discount rate of 3.1% (3.1% in 2019).

Changes in the present value of the defined benefit unfunded obligation and the accrued benefit liability:

		2020		2019
Defined benefit obligation, beginning of year	$	5,858	$	5,305
Current service cost		192		160
Interest cost		178		202
Benefits paid during the year		(291)		(274)
Actuarial loss recognized in other comprehensive income		-		465
Accrued benefit liability, end of year	$	5,937	$	5,858

Components of net benefit expense recognized are as follows:

		2020		2019
Current service cost	$	192	$	160
Interest cost		178		202
Net benefit expense recognized	$	370	$	362

Actuarial losses recognized in other comprehensive income:

		2020		2019
Cumulative amount at January 1	$	(620)	$	(278)
Recognized during the year (net of tax)		-		(342)
Cumulative amount at December 31	$	(620)	$	(620)

(Expressed in thousands of dollars)

12. Employee future benefits (continued):

The significant actuarial assumptions used in the valuation are as follows (weighted average):

		2020	2019
Accrued benefit obligation:			
Discount rate		3.1%	3.1%
Benefit cost for the year:	Age		
Withdrawal rate	18-29	3.50%	3.50%
	30-34	2.00%	2.00%
	35-39	1.7%	1.7%
	40-49	1.3%	1.3%
	50-54	1.0%	1.0%
Assumed health care cost trend rates:			
Initial health care cost trend rate	Health	4.4%	4.2%
	Dental	4.7%	4.5%

The approximate effect on the accrued benefit obligation of the entire plan and the estimated net benefit expense of the entire plan if the health care trend rate assumption was increased or decreased by 1%, and all other assumptions were held constant, is as follows:

	Benefit Obligation	Periodic Benefit Cost
1% increase in health care trend rate	$ 215	$ 22
1% decrease in health care trend rate	$ (193)	$ (19)

Historical Information

Amounts for the current and previous year, for the entire plan, are as follows:

	2020	2019
Defined benefit obligation	$ 5,937	$ 5,858
Experience adjustments	$ -	$ (342)

(Expressed in thousands of dollars)

12. Employee future benefits (continued):

The main actuarial assumptions utilized for the valuation are as follows:

General inflation - future general inflation levels, as measured by the changes in the Consumer Price Index, were assumed at 2% in 2020, and thereafter (2019 - 2%).

Discount (interest) rate - the discount rate used to determine the present value of future liabilities and the expense for the year ended December 31, 2020, was 3.1% (2019 - 3.1%).

Salary levels - future general salary and wage levels were assumed to increase at 3.3% (2019 - 3.3%) per annum.

Medical costs - medical costs were assumed to be 4.4% for 2020, (2019 - 4.5%) increasing annually to 4.9% in 2022.

Dental costs - dental costs were assumed to be 4.7% for 2020 increasing annually to 5.1% in 2022.

13. Customer and IESO deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers, as well as construction deposits.

Deposits from electricity distribution customers are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

Construction deposits represent cash prepayments for the estimated cost of capital projects recoverable from customers and developers. Upon completion of the capital project, these deposits are transferred to deferred revenue.

The Corporation delivers conservation and demand management programs for its customers on behalf of the IESO. Prepayments received from the IESO have been recorded and will be transferred to revenue as programs are delivered and the revenue is earned.

The deposits comprise:

	2020	2019
Customer deposits	$ 6,424	$ 7,414
Construction deposits	7,196	6,982
IESO deposit for energy conservation programs	1,158	1,158
Total customer deposits	$ 14,778	$ 15,554

(Expressed in thousands of dollars)

14. Share capital:

		2020		2019
Authorized:				
Unlimited number of common shares				
Issued:				
10,000 common shares	$	63,689	$	63,689

Dividends:

The holders of the common shares are entitled to receive dividends as declared from time to time. The Corporation paid aggregate dividends in the year on common shares of $4,682 (2019 - $4,034).

15. Other operating revenue:

Other income comprises:

		2020		2019
Specific service charges	$	1,552	$	1,375
Deferred revenue		1,016		908
Scrap sales		101		190
Net gain on disposal of capital assets		149		36
Retailer services		48		44
Sundry		109		48
Total other income	$	2,975	$	2,601

16. Finance income and expense:

		2020		2019
Interest income on bank deposits	$	127	$	417
Finance income		127		417
Interest expense on long-term debt		2,496		3,816
Interest expense on short-term debt		271		-
Interest expense on BMO letter of credit		123		122
Interest expense on deposits		91		170
Other		-		11
		2,981		4,119
Net finance costs recognized in profit or loss	$	2,854	$	3,702

(Expressed in thousands of dollars)

17. Commitments and contingencies:

Contractual Obligations

There are no contractual obligations.

General

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

General Liability Insurance:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2020, no assessments have been made.

18. Guarantees:

Guarantees are not applicable to the Corporation.

19. Pension agreement:

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2020, the Corporation made employer contributions of $1,723 to OMERS (2019 - $1,661). The Corporation's net benefit expense has been allocated as follows:

(a) $449 (2019 - $459) capitalized as part of property, plant and equipment;

(b) $1,274 (2019 - $1,202) charged to net income.

The Corporation estimates that a contribution of $1,739 to OMERS will be made during the next fiscal year.

20. Employee benefits:

	2020	2019
Salaries, wages and benefits	$ 19,684	$ 19,022
CPP and EI remittances	732	722
Contributions to OMERS	1,723	1,661
Expenses related to defined benefit plans	370	361
	$ 22,509	$ 21,766

(Expressed in thousands of dollars)

21. Related party transactions:

(a) Parent and ultimate controlling party:

The sole shareholder of the Corporation is Kitchener Power Corp., which in turn is wholly-owned by the Corporation of the City of Kitchener and the Corporation of the Township of Wilmot. The City and the Township produce financial statements that are available for public use.

(b) Entity with significant influence:

The Corporation of the City of Kitchener exercises significant influence over the Corporation through its 92.25% ownership interest in the Corporation.

(c) Key management personnel:

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members, and is summarized below.

		2020		2019
Directors' fees	$	67	$	58
Salaries and other short-term benefits		1,061		993
Post employment benefits		19		18
Other long-term benefits (OMERS)		90		84
	$	1,237	$	1,153

(d) Transactions with entity with significant influence:

In the ordinary course of business, the Corporation delivers electricity to the Corporation of the City of Kitchener. Electricity is billed to the Corporation of the City of Kitchener at prices and under terms approved by the OEB.

(e) Transactions with ultimate parent (the Corporation of the City of Kitchener):

In 2020, the Corporation had the following significant transactions with its ultimate parent, a government entity:

- construction
- streetlight maintenance services under contract through a related party, Kitchener Energy Services Inc.

22. Financial instruments and risk management:

Fair value disclosure

Cash and cash equivalents are measured at fair value. The carrying values of receivables, and accounts payable and accrued charges approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

The fair value of the long term debt (senior unsecured debentures issued by the shareholders (Corporation of the City of Kitchener and Corporation of the Township of Wilmot) approximates the carrying value due to the short term nature of the loan.

The fair value of the long term debt (senior unsecured debentures) issued by Ontario Infrastructure Projects Corporation at December 31, 2020 is zero (2019 - $607). The final loan balance was paid in full in 2020. The fair value prior to 2020 was calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date. The interest rate used to calculate fair value at was 4.28%.

Financial risks

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation’s exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the City of Kitchener and the Township of Wilmot. As of December 31, 2020, two customers accounted for more than 1% of total accounts receivable, totaling $341 (or 2.2%) out of a total accounts receivable of $15,680.

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in net income. Subsequent recoveries of receivables previously provisioned are credited to net income. The balance of the allowance for impairment at December 31, 2020 is $500 (2019 - $250). The allowance was increased due to an expected increase in Covid-19 related bad debt. An impairment loss of $793 (2019 - $44) was recognized during the year. This included a significant loss of $385 as a result of the bankruptcy of a single customer in 2020, in addition to a general increase due to the pandemic lockdowns. The future impact of the pandemic remains uncertain.

22. Financial instruments and risk management (continued):

(a) Credit risk (continued):

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2020, approximately $314 (2019 - $245) is considered 60 days past due. The Corporation has over 99 thousand customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2020, the Corporation holds security deposits in the amount of $14,800 (2019 - $15,600).

(b) Market risk:

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A 1% increase in the interest rate at December 31, 2020 would have increased interest expense on the long-term debt by $nil (2019 - $6), assuming all other variables remain constant as the Infrastructure Ontario loan was paid in full during the year. A 1% decrease in the interest rate would have an equal but opposite effect.

(c) Liquidity risk:

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a $35,000 credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they come due. As at December 31, 2020, no amounts had been drawn under Bank of Montreal credit facility (2019 - $nil).

The Corporation also has a bilateral facility for $35,000 (the "LC" facility) for the purpose of issuing letters of credit mainly to support the prudential requirements of the IESO, of which $35,000 has been drawn and posted with the IESO (2019 - $35,000).

The majority of accounts payable, as reported on the balance sheet, are due within 30 days.

The Company's currently available liquidity is also expected to be sufficient to address any reasonably foreseeable impacts that the COVID-19 pandemic may have on the Company's cash requirements.

(Expressed in thousands of dollars)

22. Financial instruments and risk management (continued):

(d) Capital disclosures:

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2020, shareholder's equity amounts to $165,714 (2019 - $159,432) and long-term debt amounts to $76,963 (2019 - $76,963).

23. Revenue from Contracts with Customers

The Corporation generates revenue primarily from the sale and distribution of electricity to its customers. Other sources of revenue include performance incentive payments under CDM programs

	2020	2019
Revenue from Contracts with Customers	$ 284,230	$ 246,092
Other Revenue:		
CDM programs	727	1,676
Other	1,524	1,620
Total	**$ 286,481**	**$ 249,388**

In the following table, revenue from contracts with customers is disaggregated by type of customer.

	2020	2019
Residential	$ 127,780	$ 93,701
Commercial	153,515	149,386
Large Users	1,346	1,448
Other	1,589	1,557
Total Revenue	**$ 284,230**	**$ 246,092**

24. Change in Accounting Policy

The International Accounting Standards Board (IASB) has issued the following Standards, Interpretations and Amendments to Standards that were adopted by the Company effective January 1, 2020:

- Amendments to Hedge Accounting Requirements - IBOR Reform and its Effects on Financial Reporting (Phase 1)
- Amendments to References to the Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The amendments and clarifications did not have an impact on the financial statements.

25. Future accounting pronouncements:

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company and it is still to be determined if any will have a material impact on the Company's financial statements.

(a) Property, Plant and Equipment -- Proceeds before Intended Use (Amendments to IAS 16)

On May 14, 2020, the IASB issued Property, Plant and Equipment -- Proceeds before Intended Use (Amendments to IAS 16). The amendments clarify that proceeds from selling items before the related item of Property, Plant and Equipment is available for use should be recognised in profit or loss, together with the cost of producing those items. The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.

(b) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

On May 14, 2020, the IASB issued Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37). This amendment clarifies which costs are included as a cost of fulfilling a contract when determining whether a contract is onerous. The amendments are effective for annual periods beginning on or after January 1, 2022 and apply to contracts existing at the date when the amendments are first applied. Early adoption is permitted.

25. Future accounting pronouncements (continued):

(c) Annual Improvements to IFRS Standards 2018 -2020

On May 14, 2020, the IASB issued *Annual Improvements to IFRS Standards 2018 -2020.*
The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.
IFRS 9 *Financial Instruments*
Clarifies which fees are included for the purpose of performing the `10 per cent test' for derecognition of financial liabilities.
IFRS 16 *Leases*
Removes the illustration of payments from the lessor relating to leasehold improvements.
The impact of adoption of these improvements is not expected to have an impact on the business.

(d) Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

On August 27, 2020, the IASB finalized its response to the ongoing reform of inter-bank offered rates and other interest rate benchmarks by issuing a package of amendments to IFRS Standards.

The amendments are effective for annual periods beginning on or after January 1, 2021. Earlier application is permitted. The impact of adoption of these amendments is not expected to have an impact on the business.

26. Impact of COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared that the COVID-19 outbreak was a global pandemic. On March 17, 2020, the Ontario Government declared a State of Emergency pursuant to the Emergency Management and Civil Protection Act. The Ontario Government renewed the declaration, as required by the legislation, until July 24, 2020. During the State of Emergency, the Ontario Government issued emergency orders under the legislation and extended them as required by the legislation. On July 24, 2020, the Reopening Ontario (A Flexible Response to COVID-19) Act, 2020 came into effect, bringing the declared State of Emergency to an end. The Reopening Ontario Act also enabled the Ontario Government to extend, amend, and revoke the remaining emergency orders in order to facilitate a flexible response to the ongoing COVID-19 risks.

On March 19, 2020, the OEB extended the ban on disconnecting residential customers to July 31, 2020, in light of the COVID-19 pandemic. For the same reason, at the same time, the OEB also banned the disconnection of other low volume customers (as defined in the OEB Act) prior to July 31, 2020. In addition, the Corporation extended its ban on disconnecting residential and low volume customers until the transition back into the OEB’s annual recurring winter disconnection ban on November 15, 2020.

26. Impact of COVID-19 Pandemic (continued):

On March 24, 2020, the Ontario Government issued an emergency order setting TOU rates for on-peak, mid-peak, and off-peak at 10.1 cents per kWh, which prior to the emergency order was the TOU off-peak rate. That emergency order was effective through May 7, 2020. On May 6, 2020, the Ontario Government issued an emergency order extending those TOU rates through May 31, 2020. On May 30, 2020, the Ontario Government announced the COVID19 Recovery Rate, setting a fixed TOU electricity price at 12.8 cents per kWh, 24 hours a day, seven days a week, effective June 1, 2020 until October 31, 2020. On October 13, 2020, the OEB announced new TOU rates for on-peak, mid-peak, and off-peak, that once again vary according to when electricity is used, effective November 1, 2020. There was no impact to net income to the Corporation.

On March 25, 2020, the OEB established a deferral account for regulatory balances to record the costs of changes to billing systems resulting from the Ontario Government's TOU emergency order, other incremental costs and lost revenues associated with the COVID-19 pandemic. On May 14, 2020, the OEB launched a consultation process to inform its decision-making with respect to how the account will operate, including eligibility requirements, and the process and timing for the disposition. On December 16, 2020, OEB staff issued a proposal with respect to the deferral account and related consultation [note 8].

On August 20, 2020, the Ontario Government amended O. Reg. 95/05 Classes of Consumers and Determination of Rates. Accordingly, customers on the RPP have the choice to pay TOU rates or tiered rates, effective November 1, 2020. By default, RPP customers will pay TOU rates. RPP customers who choose to pay tiered rates will pay a lower rate for consumption below a monthly threshold, and a higher rate for consumption above that threshold. The tiered rates and the threshold are set by the OEB twice per year, at the same time as the OEB sets TOU rates. There was no impact to net income to the Corporation.

On December 15, 2020, the OEB announced new RPP TOU and tiered rates to reflect a decrease in supply cost resulting from the Ontario Government's decision to remove certain renewable generation costs from the global adjustment and funding them directly through the tax base. The reduction was accompanied by a corresponding reduction to the Ontario Electricity Rebate. There was no net income impact to the Corporation.

On December 22, 2020, the Ontario Government amended O. Reg. 95/05 Classes of Consumers and Determination of Rates, setting both the TOU rates for on-peak, mid-peak, and off-peak and tiered rates at the TOU off-peak rate of 8.5 cents per kWh. That regulatory amendment was effective through January 28, 2021, and most recently extended until February 22, 2021. On February 23, 2021, residential and small business customers resumed paying TOU and tiered pricing under the RPP at prices that were set by the OEB on December 15, 2020. There was no net income impact to the Corporation.

Kitchener-Wilmot Hydro Inc.

Your Local Supplier of Safe, Reliable and Efficient Electricity Distribution Services

ANNUAL REPORT

2020

Statistics

- **Number of Customers = 99,026 (97,719 in 2019)**
  - **Residential 89,926**
  - **Small Business 8,134**
  - **Commercial 966**

- **Billed Energy Consumption = 1,820M kWhs (1,825M kWhs in 2019)**

- **Peak Demand = 386 MW (345 MW in 2019)**

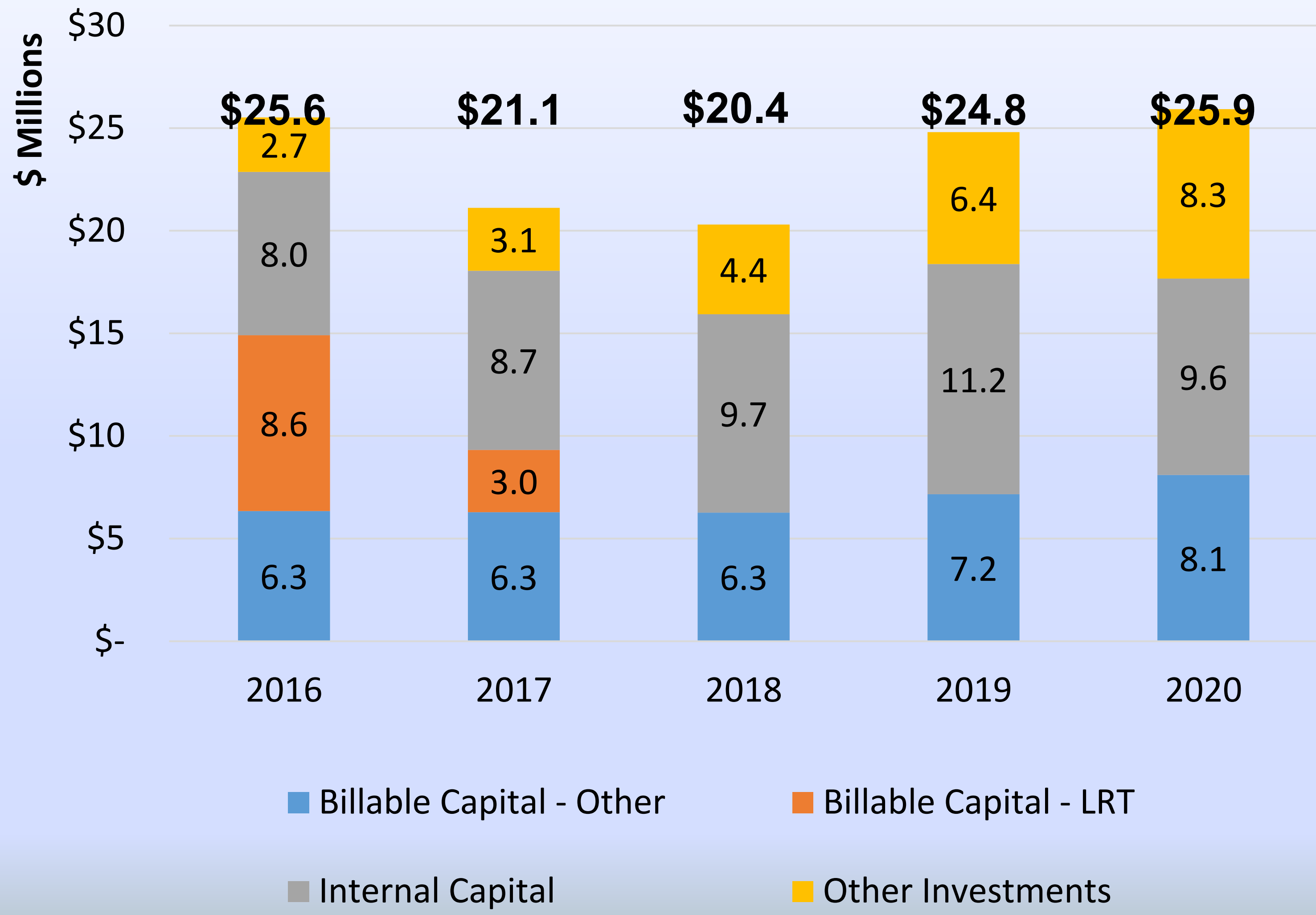
Financial Performance

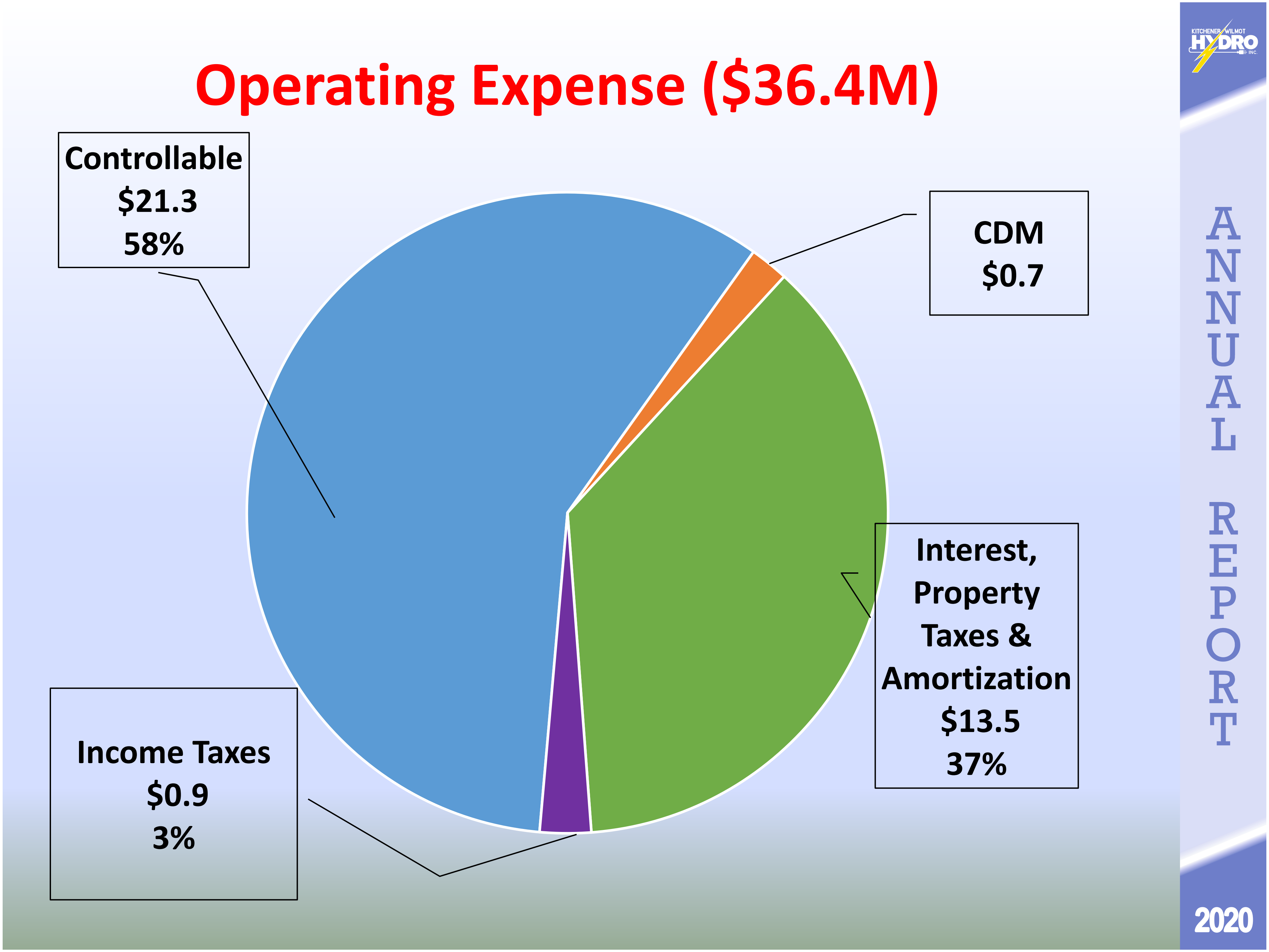
- **Total Revenue = $285.6M ($250.0 in 2019)**
- **Distribution Revenue = $43.3M ($42.3M)**
- **Total Expenses = $274.7M ($239.3M)**
- **Operating Expenses = $36.4M ($36.4M)**
- **Net Income =$11.0M ($10.5M)**

Financial Impact of COVID-19

- Increase in OM & A Costs
  - Additional bad debts ($500K increase)
  - New Covid Expenses ($786K)
    - Transformer Station Monitoring
    - Safety Supplies
    - Vehicle Rentals
    - IT and System Changes
- Transitioned Office Staff to Work From Home and Field Staff to Work From Remote locations
- Managed Multiple Rate Changes, Time-Of-Use Optionality
- Administered COVID-19 Energy Assistance Programs for Residential and Small Business Customers

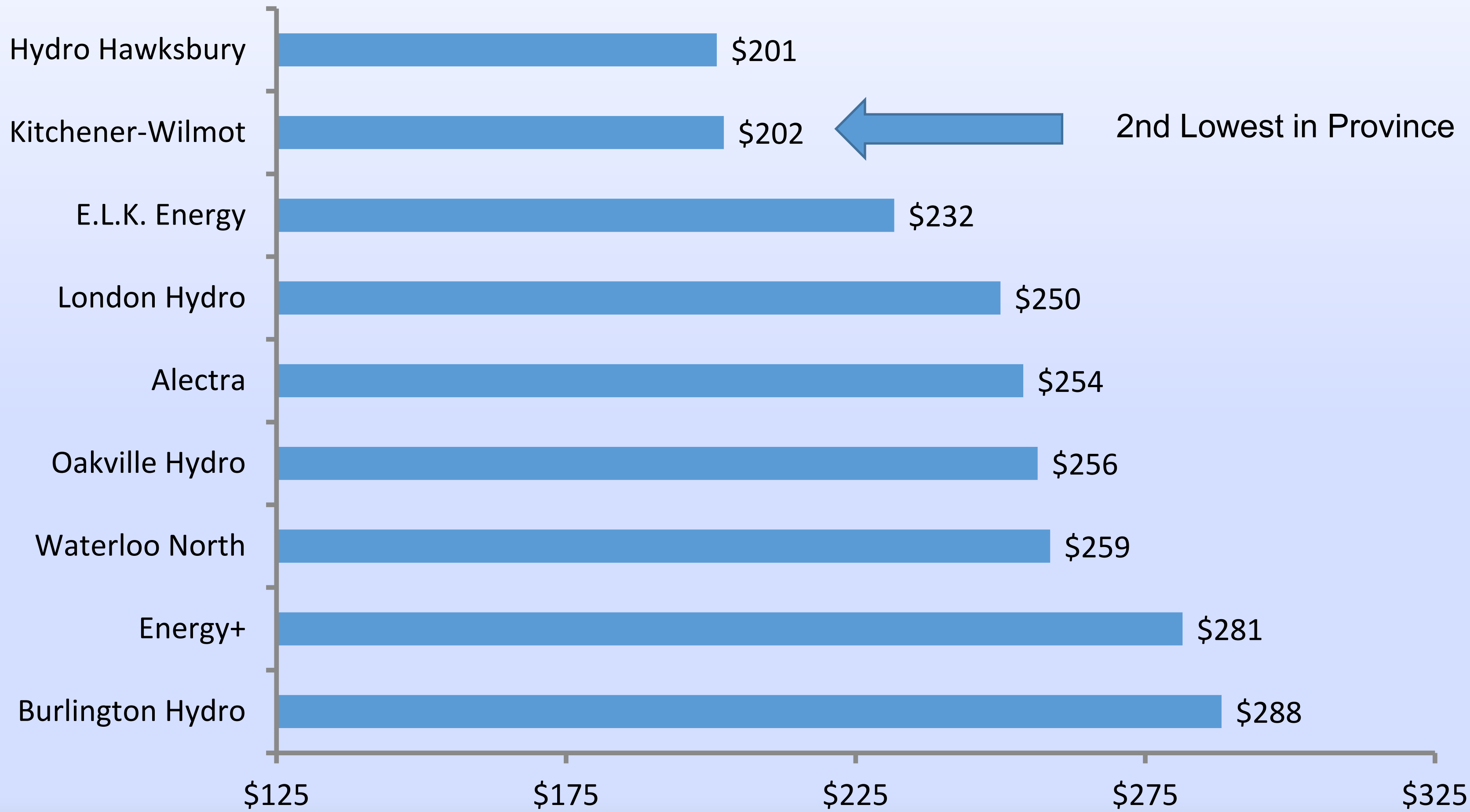
Capital Investments





Operating Expense ($36.4M)
Controllable
$21.3
58%
CDM
$0.7
Interest, Property Taxes & Amortization
$13.5
37%
Income Taxes
$0.9
3%
KITCHENER WILMOT HYDRO INC.
ANNUAL REPORT
2020

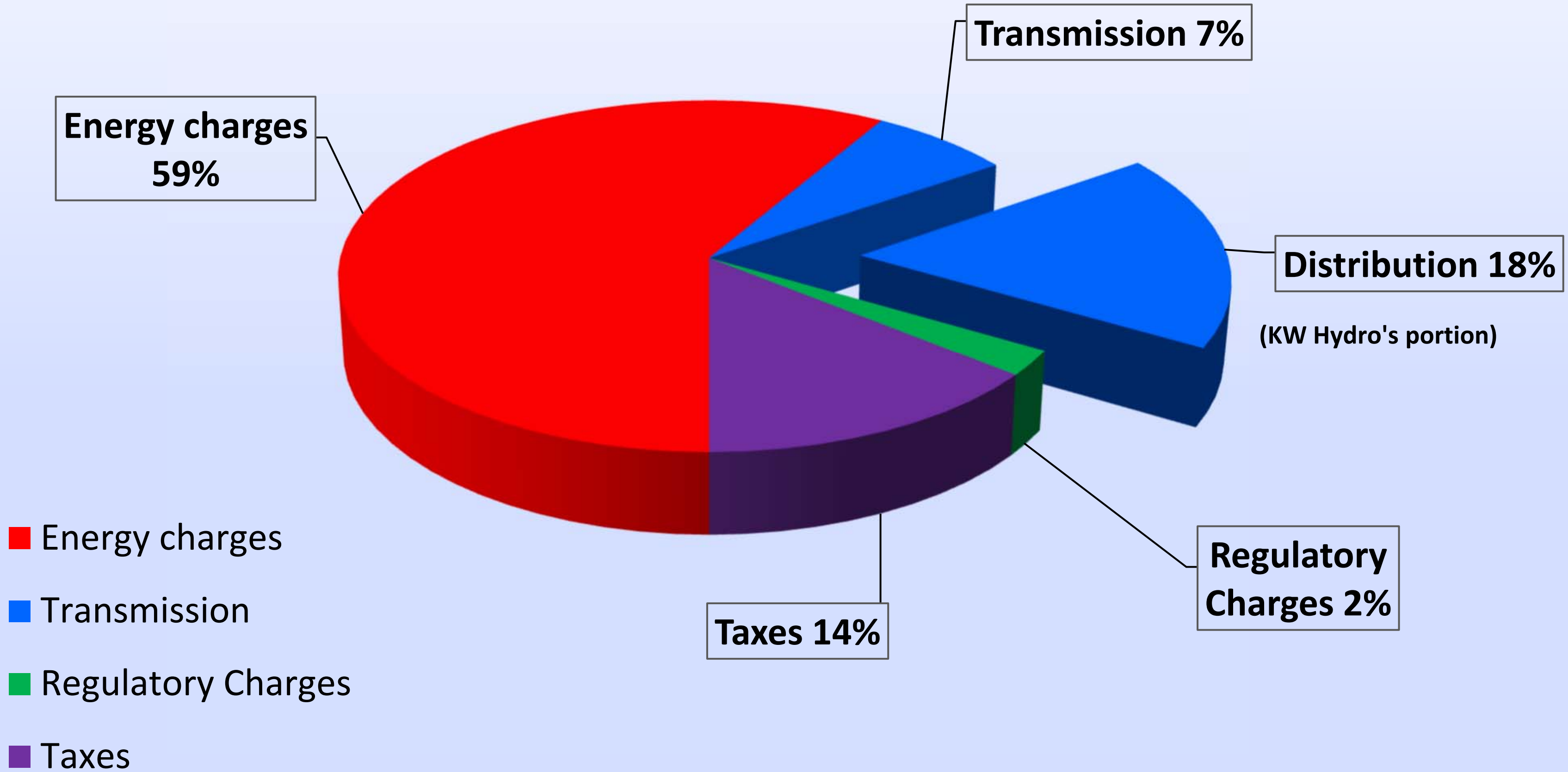
2019 Controllable Cost Per Customer Per Year (as published by OEB)



ANNUAL REPORT

2020

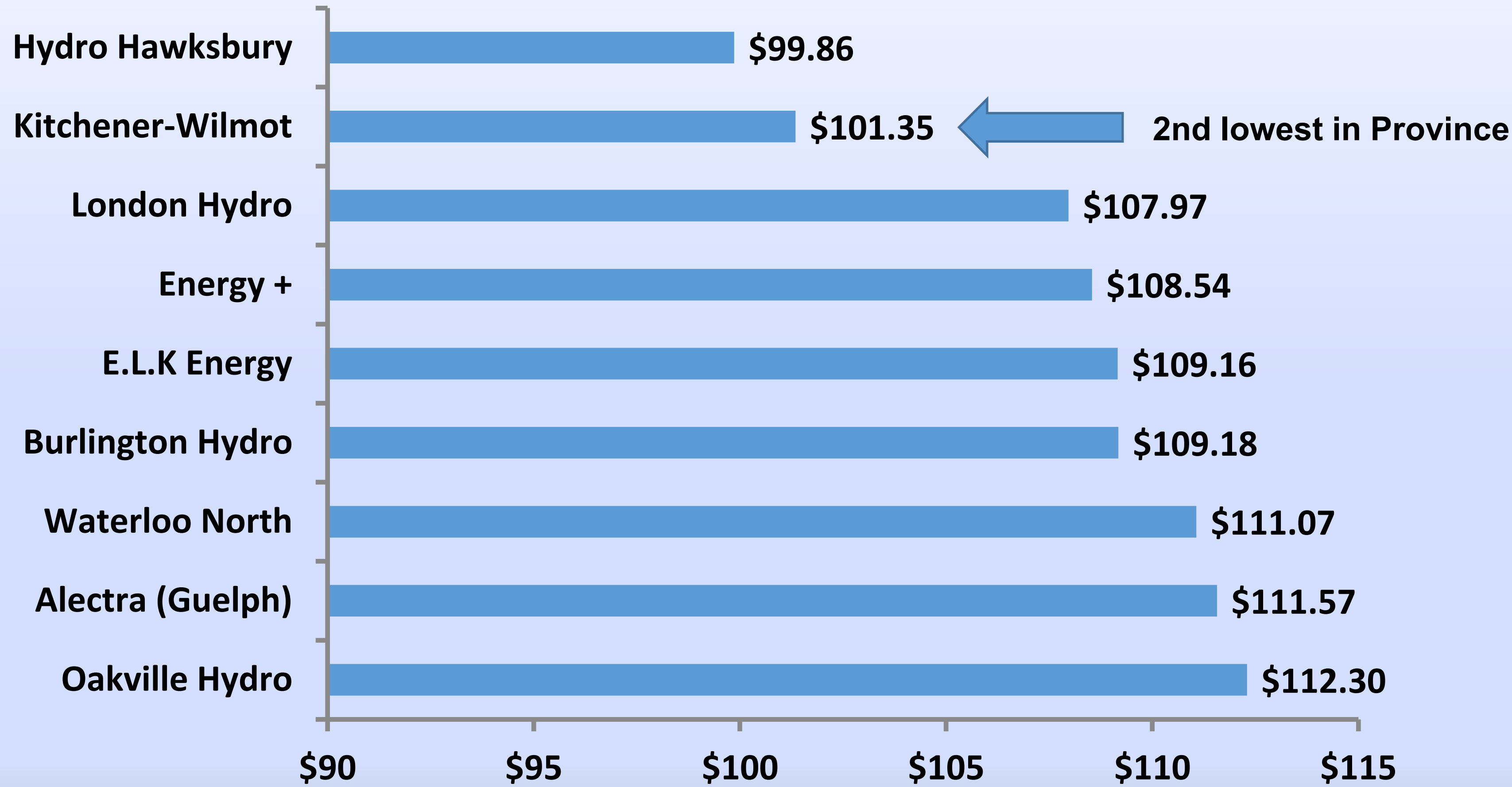
Rates for 700 kWh Residential Customer Effective Jan. 1/21



Total Bill $101.35

*21.2% Ontario Electricity Rebate equals $23.40 not included in the total bill

Monthly Residential bill (700 kWh) as at Jan. 1, 2021



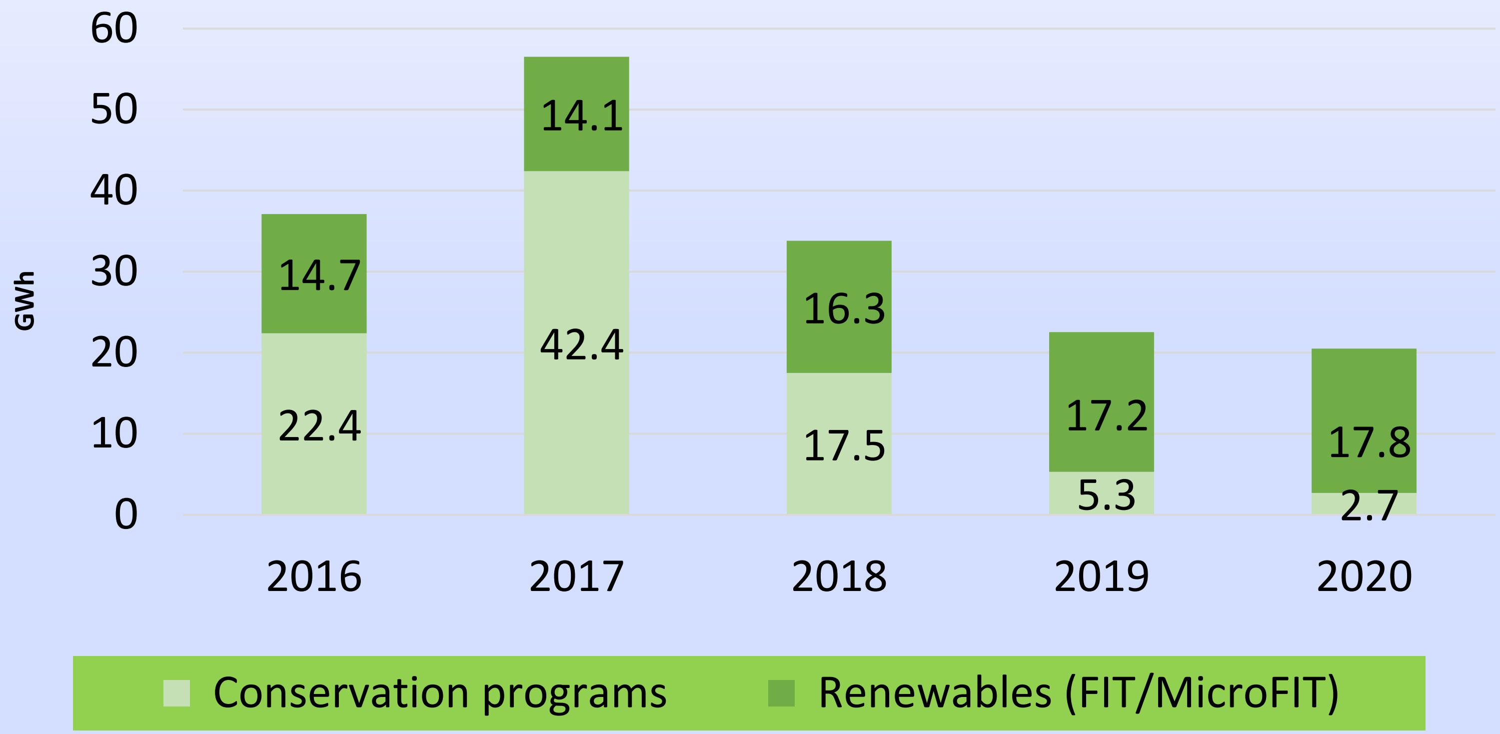
Service Reliability Performance

Service Reliability Performance	Measurement	Provincial Average 2014 to 2019	2016	2017	2018	2019	2020
SAIDI	Average length of outage (minutes) for the system	163.68	66.6	54.9	41.1	60.9	31.8
SAIFI	Average number of interruptions per customer	1.50	1.11	1.02	0.97	1.05	0.92
MAIFI	Average number of momentary interruptions per customer	N/A	2.40	3.22	2.70	2.35	1.90

Service Quality Performance

Customer Service Performance Indicator	Criteria	OEB Min Std	2018 %	2019 %	2020 %
Connection of new LV services	5 working days	90%	99%	99%	99%
Telephone accessibility	Within 30 secs	65%	92%	90%	88%
Appointment scheduling, including underground cable locates	5 working days	90%	91%	97%	95%
Emergency response - urban	Within 60 mins	80%	88%	91%	86%
Emergency response - rural	Within 120 mins	80%	100%	100%	100%

Renewables & Energy Conservation



GridSmartCity

Collaboration is a key component of Kitchener-Wilmot Hydro's success

GridSmartCity is a cooperative of 15 medium size, municipally-owned, electricity distributors that share resources, insights and systems that help run smarter companies while advancing innovation, reliability and efficiency across Ontario's electricity grid.

GridSmartCity's electricity distributors manage approximately $2.8 billion in assets, serving over 777,000 customers across more than 40 communities in Ontario stretching from Windsor to Niagara and Kingston.

Top 4 in Ontario by Customer Size

Commitment to Safety

Preparing for a Pandemic

New procedures issued and updated based on medical advice and ventilation improvements	14
Plexiglass Barriers at Customer Service Counters	4
Welding Curtains to Provide Barriers in Between Work Stations and Customers	54
Arc Flash Fire Resistant Washable Face Masks & Neck Tubes	1,100

KN95 Respirators	480
N95 Respirators	2,000
Surgical Masks	10,000
Washable Masks	1,450
Pairs of Latex Gloves	21,500
Surface Cleaner	120 L
Hand Sanitizer	700 L

- Office Staff – Work From Home
- Field Staff – Multiple Reporting Centers
- Ventilation Improvements
- Reallocate vehicles to travel alone to work sites

Community Initiatives

- Kitchener-Wilmot Hydro was proud to support “Giving Tuesday” with donations to Food Bank, United Way and House of Friendship. In addition, our employees continued to support several other charities
- Provided sponsorship support to Centre-In-The-Square, Kitchener-Waterloo Symphony and two student awards at Conestoga College.
- Provided tree reforestation grants to the City of Kitchener and the Township of Wilmot ($2.13M since 1990)

Community Initiatives

In April 2020, Kitchener-Wilmot Hydro proudly donated 1,000 N95 respirators to St. Mary's General Hospital in Kitchener.

Thank You

Ac

TOWNSHIP OF WILMOT

PUBLIC WORKS & ENGINEERING
Staff Report

REPORT NO:	**PW 2021-012**
TO:	**Council**
SUBMITTED BY:	**Jeff Molenhuis, P. Eng., Director of Public Works & Engineering**
PREPARED BY:	**Curtis Schaerer, C.Tech, Engineering Technologist**
REVIEWED BY:	**Sandy Jackson, Acting CAO**
DATE:	**May 17, 2021**
SUBJECT:	**Annual OSIM Inspections Program – Award of Contract**

RECOMMENDATION:

THAT RFP 2021-16 be awarded to K. Smart Associates Limited for Annual OSIM Inspections Program as per their proposal submitted on April 15, 2021, in the amount of $31,600 for term one (1) and $31,600 for optional renewable term two (2), plus HST.

SUMMARY:

This report outlines the proposal process and recommends award of proposal to the successful consultant for the Ontario Structure Inspection Manual (OSIM) reviews within the Township.

The proposal format requested bids for one (1) base term of two (2) years, with an option to renew for one (1) additional term of two (2) more years. The Township's forty (40) structures will be inspected at least once within the (2) year period of the term in order to comply with Ontario Regulation 104/97 Standards for Bridges and the requirements for inspections of bridges and large culverts.

BACKGROUND:

To comply with Ontario Regulation 104/97, the Township of Wilmot reviews structural integrity, safety and condition of its bridges and large culvert structures. The inspections are completed under the direction of a qualified bridge professional engineer in accordance with the OSIM standard format.

There are forty (40) bridge and large culvert structures currently listed in the Township database; all forty (40) structures are to be inspected over the course of a two-year term. A site map showing the location of the bridge and large culvert structures within the Township and a list of required inspections for each year has been included with this report.

The consultant will be required to complete a detailed deck condition survey at 27/B-R2 located on Huron Road. This item has been included in the proposed scope of work to assist the Township in planning for repair/rehabilitation on the structure. This detailed condition work will be completed in year two of term one (1).

Of the forty (40) structures to be inspected, three (3) structures are regulated by weight restrictions. These limits are reviewed biennially and therefore we have included this item within the proposed scope of work to be performed by the consultant. This work will be completed in year one (1) of term one (1).

The information provided by the consultant will assist the Township in updating our Asset Management Plan and for preparing future operating and capital budgets.

REPORT:

On March 22nd, 2021, the request for proposal was made available online through the Township's e-bidding site. There was a total of twenty (20) plan takers, with eleven (11) proposals received at time of close on April 15th, 2021. Staff recommended a term contract format for this bid process to spread out volume of inspections and administration over the course of a few years, as well to reduce the administrative burden in re-tendering the work biennially provided the recommended consultant performs term one (1) satisfactorily.

An internal selection committee consisting of staff from Engineering reviewed and evaluated the proposals based on the following evaluation criteria:

Section	Criteria	Description	Points
1	Company Profile, Team Structure & Staff Qualifications	Description of the company / department service units, Individual team members educations and experience	10
2	Understanding, Approach & Methodology	Knowledge of the project and deliverable process	20
3	Experience and References	Past experience on similar projects and references	20
4	Schedule / Work Plan	Timeline approach for deliverables and expectations	20
5	Price	Cost to successfully complete project scope	30

The proposals were evaluated and scored for adequacy to address the requested project scope. Following that, the fees were evaluated separately, and a final selection was made based on the comprehensive evaluation criteria.

The work for the first year of the term contract shall be completed by December 3, 2021, and the second year of the term contract shall be completed by December 2, 2022.

As a result of the highest-ranking proposal, K. Smart Associates Limited is recommended to be authorized for award, at a cost of $31,600 for term one (1); $12,445 for year one (2021) and $19,155 for year two (2022).

K. Smart Associations has completed previous OSIM Inspections, Environmental Assessments and design studies on multiple structures within the Township of Wilmot, which will assist in the successful completion of the project.

If Council proceeds with award of this proposal submission, the Township will finalize documentation with the successful applicant and proceed with the OSIM Inspections Program.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

This initiative supports the goals and strategies of enhancing:

- Quality of Life through Accessibility and Inclusivity, Active Transportation and Transit; and

- Responsible Governance through Active Communications, Fiscal Responsibility and Infrastructure Investments.

FINANCIAL CONSIDERATIONS:

The following funding sources were identified in the 2021 Budget process for the Annual OSIM Inspections Program:

Funding Source	Amount
Roads Operating Budget – Bridges and Culverts	$ 20,000.00
Total Budget	**$ 20,000.00**

Given the annualized cost of the recommended consultant for the OSIM Inspections Program at $12,445 and $19,155, this work would remain within budget for the term of the contract. The remaining budget will be utilized for minor bridge maintenance work or further safety investigation needs that develop over the term of the contract.

ATTACHMENTS:

Figure 1: Structure Locations

Figure 2: List of Structures

TOWNSHIP OF WILMOT

DEPARTMENT OF
PUBLIC WORKS & ENGINEERING

OSIM Inspection Locations Overview

March 2021

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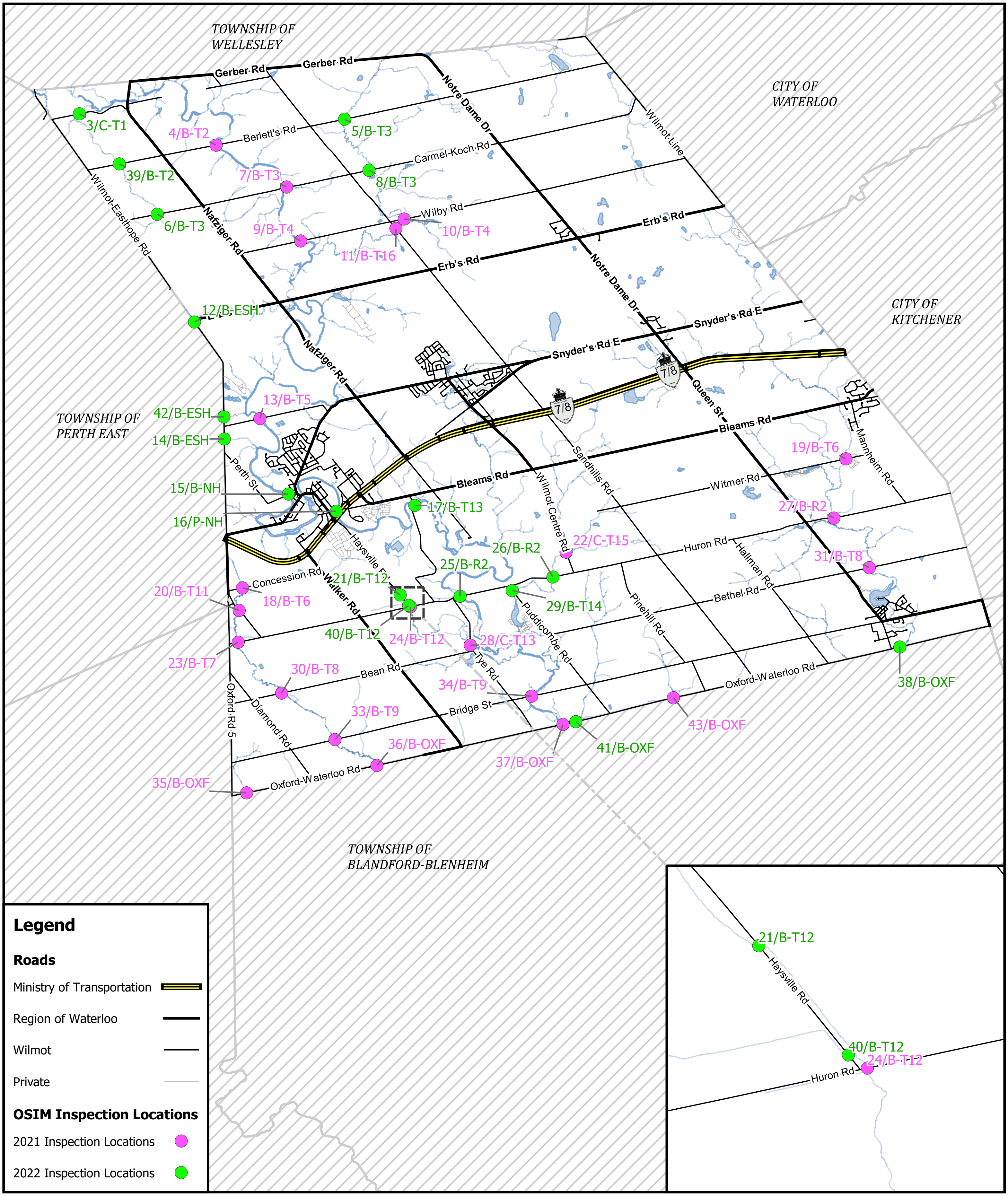


Structure Name	Structure Location	Year Built	Structure Type	No. of Spans	Length (m)	Width (m)	Road Width (m)
3/C-T1 - Lisbon Road (Township Road 1)	Lisbon Road, 0.77 km East of Wilmot-Easthope	1965	Rectangular Culvert	1	7.30	21.00	7.40
4/B-T2 - Berlett's Road (Township Road 2)	Berlett's Road, 1.40 km East of Nafziger Road	1963	Rigid Frame, Vertical Legs / I-	3	50.00	11.30	9.20
5/B-T3 - Berlett's Road (Township Road 2)	Berlett's Road, 0.89 km East Sandhills Road	1970	Rectangular Culvert	1	9.60	17.10	7.30
6/B-T3 - Carmel-Koch Road (Township Road 3)	Carmel-Koch Road, 1.14 km West of Nafziger Road	1967	Rectangular Culvert	1	6.70	18.00	7.15
7/B-T3 - Carmel-Koch Road (Township Road 3)	Carmel-Koch Road, 1.40 km East of Nafziger Road	1968	I-Beam or Girders	3	41.00	10.00	8.50
8/B-T3 - Carmel-Koch Road (Township Road 3)	Carmel-Koch Road, 0.45 km East of Sandhills Road	1969	Rectangular Culvert	2	11.00	10.50	6.10
9/B-T4 - Wilby Road (Township Road 4)	Wilby Road, 1.44 km East of Nafziger Road	1980	I-Beam or Girders	3	71.00	9.30	8.00
10/B-T4 - Wilby Road (Township Road 4)	Wilby Road, 0.32 km East of Sandhills Road	1975	Rigid Frame, Vertical Legs	1	10.40	9.10	7.30
11/B-T16 - Sandhills Road (Township Road 16)	Sandhills Road, 0.19 km South of Wilby Road	1962	Rigid Frame, Vertical Legs	1	11.60	10.00	8.50
12/B-ESH - Wilmot - Easthope Road	Wilmot-Easthope Road, 0.10 km South of Erb's Road	1970	Rectangular Culvert	1	5.80	15.60	7.50
13/B-T5 - Christner Road (Township Road 5)	Christner Road, 0.83 km East of Wilmot-Easthope	1976	I-Beam or Girders	3	45.00	9.50	8.50
14/B-ESH - Wilmot - Easthope Road Townline	Wilmot - Easthope Road Townline,	1960	Rectangular Culvert	1	6.20	12.20	8.20
15/B-NH - Shade Street, New Hamburg	Shade Street, 0.19 km West of Waterloo Street	1953	Through Truss	1	46.90	10.40	7.80
16/P-NH - Nith Pedestrian Bridge	Nith Pedestrian Bridge, Bleams Road / Riverside Drive	1988	T-Beam	3	56.00	2.43	1.86
17/B-T3 - Holland Mills Road	Holland Mills Road, 0.27 km South of Bleams Road	2019	Box Beams of Girders	1	33.80	9.61	7.00
18/B-T6 - Concession Road (Township Road 6)	Concession Road, 0.31 km East of Regional Road 1	1962	Rectangular Culvert	1	8.80	12.20	6.10
19/B-T6 - Witmer Road (Township Road 6)	Witmer Road, 1.89 km East of Queen Street	1968	Rectangular Culvert	2	9.70	12.20	9.80
20/B-T11 - Huron Road (Township Road 11)	Huron Road, 0.17 km East of Oxford Road 5	1974	Rigid Frame, Vertical Legs	1	11.90	9.10	7.30
21/B-T12 - Haysville Road (Township Road 12)	Haysville Road, 0.37 km North of Huron Road	2008	Rectangular Culvert	1	4.90	21.00	8.00
22/C-T15 - Wilmot Centre Road (Township Road 15)	Wilmot Centre Road, 0.82 km North of Huron Road	1990	Round Culvert	2	6.30	18.00	6.90
23/B-T6 - Bender Road (Township Road 7)	Bender Road, 0.17 km East of Oxford Road 5	1979	Rigid Frame, Vertical Legs	1	10.40	9.60	7.30
24/B-T12 - Huron Road (Township Road 7)	Huron Road, 0.10 km East of Haysville Road	1950	Rectangular Culvert	1	3.50	20.70	8.60
25/B-R2 - Huron Road (Regional Road 2)	Huron Road, 0.20 km East of Tye Road	2000	I-Beam or Girders	2	60.00	12.10	8.50
26/B-R2 - Huron Road (Regional Road 2)	Huron Road, 0.50 km W of Wilmot Centre	1958	Rectangular Culvert	1	7.00	19.50	12.00
27/B-R2 - Huron Road (Regional Road 2)	Huron Road, 0.70 km East of Queen Street	1968	Box Beams of Girders	1	11.90	10.80	9.10
28/C-T13 - Tye Road (Township Road 13)	Tye Road, 0.10 km North of Bean Road	1984	Round Culvert	2	5.50	21.30	8.00
29/B-T14 - Puddicombe Road (Township Road 14)	Puddicombe Road, 0.10 km North of Bean Road	1967	Rectangular Culvert	1	7.50	17.70	6.50
30/B-T8 - Bean Road (Township Road 8)	Bean Road, 1.27 km East of Oxford Road 5	1969	Rigid Frame, Vertical Legs	1	10.80	10.00	8.50
31/B-T8 - Bethel Road (Township Road 8)	Bethel Road, 0.58 km East of Queen Street	1972	Box Beams of Girders	1	12.10	8.80	7.50
33/B-T9 - Bridge Street (Township Road 9)	Bridge Street, 1.09 km East of Diamond Road	1954	Rigid Frame, Vertical Legs	1	11.10	8.40	7.50
34/B-T9 - Bridge Street	Bridge Street, 0.45 km East of Tye Road	1913	Through Truss	1	45.70	4.80	4.00
35/B-OXF - Oxford Waterloo Road Townline	Oxford Waterloo Road Townline, 0.35 km East of Oxford Road 5	1965	Rigid Frame, Vertical Legs	1	11.90	10.70	9.00
36/B-OXF - Oxford Waterloo Road	Oxford Waterloo Road, 1.59 km East of Diamond Road	1967	Rigid Frame, Vertical Legs	1	14.50	10.90	8.70
37/B-OXF - Oxford Waterloo Road Townline	Oxford Waterloo Road Townline, 0.93 km East of Tye Road	1913	Through Truss	1	46.60	4.80	4.00
38/B-OXF - Oxford Waterloo Road Townline	Oxford Waterloo Road Townline, 0.20 km East of Regional Road	1984	Rigid Frame, Vertical Legs	1	14.00	9.50	8.50
39/B-T2 - Berlett's Road (Township Road 2)	Berlett's Road, 1.09 km West of Nafziger Road	2009	Rectangular Culvert	1	5.60	9.80	8.50
40/C-T12 - Haysville Road (Township Road 12)	Haysville Road, 0.10 km North of Huron Road	2014	Rectangular Culvert	1	2.00	10.40	9.30
41/B-OXF - Oxford-Waterloo Road (Boundary Road)	Oxford-Waterloo Road, 0.30 km East of River Road	2011	Rectangular Culvert	1	3.60	9.81	8.70
42/B-ESH - Wilmot - Easthope Road Townline	Wilmot-Easthope Road Townline, 0.25 km North of Christner Road	2017	Rectangular Culvert	1	3.50	15.30	9.30
43/B-OXF - Oxford Waterloo Road Townline	Oxford Waterloo Road Townline, 0.80 km West of Pinehill Road	1965	Rectangular Culvert	1	5.00	12.20	6.30

PUBLIC WORKS & ENGINEERING
Staff Report

REPORT NO:	**PW 2021-011**
TO:	**Council**
SUBMITTED BY:	**Jeff Molenhuis, P. Eng., Director of Public Works & Engineering**
PREPARED BY:	**Bryan Bishop, C.E.T., Manager of Engineering** **Connor Payne, Technical Program Coordinator**
REVIEWED BY:	**Sandy Jackson, Acting CAO**
DATE:	**May 17, 2021**
SUBJECT:	**Annual Concrete Sidewalk Program – Award of Contract**

RECOMMENDATION:

THAT RFT 2021-13 be awarded to Chad Hartman Construction of St. Pauls, Ontario for the Annual Concrete Sidewalk Program, as per their bid submission dated April 14, 2021, in the amount of $64,350.00, plus HST.

SUMMARY:

This report outlines the tender process, funding source and recommends award of tender to the successful contractor for the repair, replacement and installation of new concrete sidewalks in the Township as part of the Annual Concrete Sidewalk Program. This report also outlines anticipated impacts due to the COVID-19 pandemic.

BACKGROUND:

The Concrete Sidewalk Program is established through the budget process, as Council approves the allocation of funds to undertake maintenance and repairs to the existing sidewalk network. Under the Minimum Maintenance Standards 239/02, this program seeks to identify repair needs for concrete sidewalks to comply with the repair timing legislation.

The work completed under this program is prioritized based on trip hazards, surface discontinuity and uneven sidewalk sections as defined in the legislation. The proposed work also takes into consideration design parameters in the Integrated Accessibility Standards for the Built Environment under the Accessibility for Ontarians with Disabilities Act (AODA). The accessibility work in this year's program will include limited crossing amenities with tactile plates and depressed curbs at intersections/pedestrian crossings in the areas of Baden, New Hamburg, New Dundee, and Mannheim.

REPORT:

On March 25th, 2021, the tender document was made available online through the Township's e-bidding site. There was a total of nineteen (19) plan takers, with a total of six (6) bids received at time of closing on April 15th, 2021.

The lowest bid received was from Chad Hartman Construction of St. Pauls, ON at a cost of $64,350.00, plus HST. The low bidder has provided the appropriate bid bond documentation. References have been verified and appear to be satisfactory.

Results of the bids received are summarized below:

Bidder	Location	Bid Amount
Chad Hartman Construction	St. Pauls, Ontario	$64,350.00
Avion Construction Group Inc.	Milton, Ontario	$75,270.00
DPA Contracting Ltd	London, Ontario	$84,050.00
Vista Contracting Ltd	Cambridge, Ontario	$88,770.00
Emmacon Corp.	Toronto, Ontario	$92,229.00
Autoform Contracting London Limited	London, Ontario	$119,860.00
AVERAGE BID		*$87,421.50*

The above figures do not include HST. The bids also include a $10,000 contingency allowance for material testing and for any unforeseen expenses encountered during construction.

The construction schedule for this work is anticipated to be completed between June and October 2021 subject to the contractor's schedule. Any planned roadway closures to facilitate the work will be kept to a minimum and will be communicated to the public, internal and external stakeholders prior to the closure.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

This initiative supports the goals and strategies of enhancing:

- Quality of Life through Accessibility and Inclusivity, Active Transportation and Transit; and

- Responsible Governance through Active Communications, Fiscal Responsibility and Infrastructure Investments.

FINANCIAL CONSIDERATIONS:

The combined budget for this project is outlined below:

Funding Source	Amount
General Levy	$ 80,000
Total Budget	**$ 80,000**

Given the tender amount of $64,350 net of HST rebate, the Annual Concrete Sidewalk Program is within the approved budget for this year.

ATTACHMENTS: None

TOWNSHIP OF WILMOT

INFORMATION AND LEGISLATIVE SERVICES
Staff Report

REPORT NO:	**ILS 2021-17**
TO:	**Council**
SUBMITTED BY:	**Dawn Mittelholtz, Director of Information and Legislative Services / Municipal Clerk**
PREPARED BY:	**Tracey Murray, Manager of Information and Legislative Services / Deputy Clerk**
REVIEWED BY:	**Sandy Jackson, Acting CAO**
DATE:	**May 17, 2021**
SUBJECT:	**Newdale Farm (Stewart Good) Petition and Badenview (Patrick George) Petition – Engineer Appointment Transfer**

RECOMMENDATION:

THAT the appointment of Dietrich Engineering Limited for the Newdale Farm (Stewart Good) and Badenview (Patrick George) petitions be terminated, and;

THAT Headway Engineering be appointed under Section 8(1) of the Drainage Act and prepare a report regarding the amended petitions for Newdale Farm (Stewart Good) and Badenview (Patrick George) and New Hamburglrs Inc.

SUMMARY:

Receiving and accepting notice of Municipal Drainage Engineer transfer appointment and the acceptance of an amended petition to include the property owned by New Hamburglrs Inc.

BACKGROUND:

In June of 2019, Council appointed Dietrich Engineering under Section 8(1) of the Drainage Act to prepare a report regarding the petition by Newdale Farm (Stewart Good).

In October 2019, Council appointed Dietrich Engineering under Section 8(1) of the Drainage Act to prepare a report regarding the petition by Badenview Developments (Patrick George).

In accordance with Section 8(2) of the Drainage Act, Dietrich Engineering notified Wilmot Township that Stephen Brickman, P.Eng., would be the engineer in charge of the projects.

REPORT:

On April 1, 2021, Dietrich Engineering Limited advised in accordance with Section 8(2) of the Drainage Act by way of letter, to the Township that Stephen Brickman would no longer be employed with Dietrich Engineering as of April 2, 2021.

On April 2, 2021 Stephen Brickman, P. Eng., left Dietrich Engineering Limited and started his own consulting firm, Headway Engineering.

Through discussions between Dietrich Engineering and Headway Engineering a mutual agreement was reached to have the files for the Stewart Good and Badenview petition to be transferred to Headway Engineering to provide a smooth and seamless transition for all stakeholders involved.

On April 29, 2021, an amended petition was submitted by Patrick George for Badenview Developments to include property owned by New Hamburglrs Inc.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

The Township of Wilmot Strategic Plan alignment through the goal of Responsible Governance through Infrastructure Investments.

FINANCIAL CONSIDERATIONS:

Upon approval, the final payment for services rendered in connection with the Stewart Good and Badenview petitions by Dietrich Engineering Limited will be processed in the total amount of $24,295.00, including H.S.T. Expenses incurred through the Legislated Drainage Act process will be presented in the Engineer’s Report with a detailed assessment schedule for the watershed.

ATTACHMENTS: none

TOWNSHIP OF WILMOT

INFORMATION AND LEGISLATIVE SERVICES
Staff Report

REPORT NO:	**ILS 2021-18**
TO:	**Council**
SUBMITTED BY:	**Dawn Mittelholtz, Director Information and Legislative Services / Municipal Clerk**
PREPARED BY:	**Tracey Murray, Manager Information and Legislative Services / Deputy Clerk**
REVIEWED BY:	**Sandy Jackson, Acting CAO**
DATE:	**May 17, 2021**
SUBJECT:	**Receipt of Petition for Drainage Works 1184 Gerber Road, N ½ Lot 10, Concession 3B Township of Wilmot**

RECOMMENDATION:

THAT the Township of Wilmot accept the Petition for Drainage Works received from Lucy Gawron for N ½ Lot 10, Concession 3B, 1184 Gerber Road, Township of Wilmot and

THAT the Clerk be authorized to proceed accordingly under The Drainage Act.

SUMMARY:

Receiving a petition for drainage works is the first step in the Municipal Drain process under the Province's Drainage Act.

REPORT:

Lucy Gawron has submitted and filed a petition with the Clerk April 27, 2021 to construct a new tile drain for the following lands: N ½ Lot 10, Concession 3B, 1184 Gerber Road, Township of Wilmot. The proposed work involves the construction of a new tile drain. The Drainage

Superintendent has met with the petitioner and has confirmed that this is a valid petition. A map of the subject area is attached for reference.

Pursuant to the Drainage Act, once the petition is filed, it proceeds to Council for acceptance. Following acceptance of the petition, staff will forward written notice within 30 days to: each petitioner, the Grand River Conservation Authority, and the Ministry of Natural Resources.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

The acknowledgement of the petition supports the infrastructure within the municipality.

FINANCIAL CONSIDERATIONS:

If the municipal drainage works proceed pursuant to the Drainage Act, then the property owners that are affected would be assessed in accordance with the assessment schedule that will be prepared by the Engineer as part of his report. At this time, there are no financial considerations.

ATTACHMENTS:

Petition for Drainage Works by Owners, Form 1
Area Map

Ontario | Ministry of Agriculture, Food and Rural Affairs

Petition for Drainage Works by Owners
Form 1

Drainage Act, R.S.O. 1990, c. D.17, clause 4(1)(a) or (b)

This form is to be used to petition municipal council for a new drainage works under the *Drainage Act*. It is not to be used to request the improvement or modification of an existing drainage works under the *Drainage Act*.

To: The Council of the Corporation of the Township of Wilmot

The area of land described below requires drainage (provide a description of the properties or the portions of properties that require drainage improvements)

N1/2 Lot 10, Concession 3B, 1184 Gerber Road

In accordance with section 9(2) of the *Drainage Act*, the description of the area requiring drainage will be confirmed or modified by an engineer at the on-site meeting.

As owners of land within the above described area requiring drainage, we hereby petition council under subsection 4(1) of the *Drainage Act* for a drainage works. In accordance with sections 10(4), 43 and 59(1) of the *Drainage Act*, if names are withdrawn from the petition to the point that it is no longer a valid petition, we acknowledge responsibility for costs.

Purpose of the Petition (To be completed by one of the petitioners. Please type/print)

Contact Person (Last Name)	(First Name)	Telephone Number
Gawron	Lucy	519 699-5217

Address

Road/Street Number	Road/Street Name
1184	Gerber Road

Location of Project

Lot	Concession	Municipality	Former Municipality (if applicable)
N1/2 Lot 10	3B	Wilmot	

What work do you require? (Check all appropriate boxes)

- ☐ Construction of new open channel
- ☑ Construction of new tile drain
- ☐ Deepening or widening of existing watercourse (not currently a municipal drain)
- ☐ Enclosure of existing watercourse (not currently a municipal drain)
- ☐ Other (provide description ▼)

Name of watercourse (if known)
not applicable

Estimated length of project
500m

General description of soils in the area
clay loam

What is the purpose of the proposed work? (Check appropriate box)

☐ Tile drainage only ☐ Surface water drainage only ☑ Both

Petition filed this 26 day of April, 2021

Name of Clerk (Last, first name)	Signature
Mittelholtz, Dawn	for

Disponible en français

Region of Waterloo

Legend

Addresses

Assessment Parcels

Notes

458.6 0 229.31 458.6 Meters

WGS_1984_Web_Mercator_Auxiliary_Sphere

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

TOWNSHIP OF WILMOT

CORPORATE SERVICES
Staff Report

REPORT NO:	**COR 2021-018**
TO:	**Council**
SUBMITTED BY:	**Patrick Kelly CPA, CMA, Director of Finance / Treasurer**
PREPARED BY:	**Leslie Nanibush CAMP, Asset Management Coordinator**
REVIEWED BY:	**Sandy Jackson, Acting CAO**
DATE:	**May 17, 2021**
SUBJECT:	**Municipal Collaboration, Joint Township ESRI ELA**

RECOMMENDATION:

THAT Council authorize the Township of Wilmot to enter into a joint software agreement with the Townships of Woolwich and Wellesley to obtain an Enterprise Licence Agreement (ELA) with ESRI for three years, further

THAT the licence fees for 2021, be funded from the Municipal Modernization Fund, and further

That the Mayor and Clerk be authorized to sign the software licence agreements.

SUMMARY:

The purpose of this Report is to inform council of the joint software agreement between the Townships of Wilmot, Woolwich, and Wellesley in order to improve our GIS capacity. This agreement will result in a significant cost savings for the Township, while enhancing the GIS capacity and utilization in Wilmot.

BACKGROUND:

With increasing growth in the Township, GIS continues to be a critical resource for a number of departments. Use of GIS varies across several departments and includes some of the following:

flood mapping, locations of underground infrastructure, zoning, roads, trails and corporate asset management.

The Provincial Government challenged the broader public sector to find efficiencies and improve services with the overall objective of lowering costs and reducing the burden on ratepayers. In 2020, the Townships of Wilmot, Wellesley, Woolwich and North Dumfries completed a Joint Service Delivery Review. This review, funded via the Municipal Modernization Fund, was performed to identify and explore opportunities for sustainable service delivery approaches.

GIS is critical to ensuring data integrity and availability. The introduction of an ELA will allow the Township to access expanded GIS capabilities such data collection, online mapping and greater database management tools.

REPORT:

Following the joint service delivery review, staff approached the Township of Woolwich to discuss the possibility of a joint ELA with ESRI, in order to improve Geographic Information Systems (GIS) capacity for all departments. The Township of Woolwich's current ELA was set for renewal at the end of May 2021. Staff reached out to ESRI to determine if would be beneficial for the two (2) Townships to enter into a joint ELA. After discussions, it was determined that significant cost savings could be reached if all four (4) Townships joined together for an ELA.

Staff from each of the four (4) Townships discussed the possibility of a joint ELA, and from those discussions, it was determined that North Dumfries would not to be proceeding with a joint ELA at this time. As such, the proposed ELA will only include the remaining three (3) Townships of Wilmot, Woolwich and Wellesley.

Currently the Township of Wilmot has four (4) basic licences of ESRI's ArcMap. This offers staff the ability to create, edit and manage GIS data in separate databases, depending on the department. It also offers some basic online mapping functionality. The cost for these licences is just under $5,000 annually. These licences do not allow for a corporate wide enterprise server in which to house all GIS data that the Township manages.

ESRI's ELA pricing structure is based on population. If Wilmot were to proceed with a separate ELA, the cost would be $35,000 annually. However, with the combined population of Woolwich, Wellesley and Wilmot, just under the 50,000, ESRI offered a joint ELA starting at $66,000 which will be split three ways based on population. Instead of paying for individual licenses or separate ELA's, each of the Townships would receive a substantial software upgrade at a discounted rate. As the combined population of the Townships would remain in the 50,000 to 100,000 range for some time, the renewals would keep pricing relatively consistent. Staff also explored the potential of an ELA with the Region and the Townships. The Region's ELA is structured differently as an upper tier municipality, and ESRI suggested that there would be no cost savings for the Township's to enter into a joint ELA with the Region.

ESRI has requested that one of the Townships be the administrator of the ELA. The three (3) Townships agreed that The Township of Woolwich would be the "Managing Customer" as part of the ELA, and the Townships of Wellesley and Wilmot would be "Authorized Distributors". This agreement will require the Township of Wilmot to pay all fees directly to the Township of Woolwich. The Township of Woolwich will be responsible for remitting fees to ESRI, and distributing licences for all software available in the ELA to the Township of Wellesley and Wilmot.

As the Township implements the ESRI ELA, IT staff have identified a need to add additional back-end IT infrastructure to house the new ESRI data server.

This ELA will greatly improve our GIS capacity. It will also expand GIS access at varying degrees to all departments and staff. Most notably, all Township GIS data can be housed within the same database with layered access given to those who need it.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

This report is aligned with the Strategic Plan goals to:

- Investigate opportunity for Shared Service Agreements and joint purchasing opportunities in key services areas.
- Build capacity and provide resources to review, operate and maintain infrastructure assets.
- Develop programs and systems to enhance infrastructure data-sets, and focus resources on the continual improvement of data and information.
- Develop infrastructure information systems for mapping and database information for core infrastructure to support department work planning and communication with the community.

FINANCIAL CONSIDERATIONS:

The Township of Wilmot, Woolwich and Wellesley decided on a modified population-based approach to split the costing for the ELA in a phased approach.

Municipality	**Year 1**	**Year 2**	**Year 3**
Township of Woolwich	$42,000	$38,100	$35,000
Township of Wilmot	21,500	23,000	25,000
Township of Wellesley	3,000	6,500	9,000
Total Fee	**$66,500**	**$67,600**	**$69,000**

The Township of Woolwich has had an ESRI ELA and will be renewing their licence this year. With this arrangement they will see a reduction in their costs. Wilmot Township will see an increase in annual licencing fees for GIS; however, the expanded access requirements were anticipated, and the costs under the joint ELA would be significantly lower than signing an ELA alone.

The approved Capital budget for GIS Modernization is outlined below:

Funding Source	Amount
Municipal Modernization Fund	$35,000
Total Budget	**$35,000**

Year 1 will be funded from the exiting capital project, leaving approximately $13,500 for necessary server infrastructure. Licensing fees moving forwarded will be included within the Corporate IT Services operating budget, beginning in 2022.

ATTACHMENTS:

None

DEVELOPMENT SERVICES
Staff Report

REPORT NO:	**DS 2021-018**
TO:	**COUNCIL**
SUBMITTED BY:	**Harold O'Krafka, MCIP RPP** **Director of Development Services**
PREPARED BY:	**Andrew Martin, MCIP RPP** **Manager of Planning and Economic Development**
REVIEWED BY:	**Sandy Jackson, BRLS** **Acting CAO & Director of Parks, Facilities & Recreation Services**
DATE:	**May 17, 2021**
SUBJECT:	**Zone Change Application 04/20** **Miller Boys Inc. /** **Dryden, Smith & Head Planning Consultants** **142-148 Snyder's Road West, Baden**

RECOMMENDATION:

THAT Council approve Zone Change Application 04/20 made by Miller Boys Inc. / Dryden, Smith & Head Planning Consultants, affecting Part of 16, Concession North of Snyder's Road, to amend the current zoning to:

1. permit 18 dwelling units in form of single-detached, semi-detached, townhome and apartments;
2. reduce the overall required parking on site from 27 spaces to 26 spaces;
3. reduce the required west side yard setback from 2.0m to 1.2m;
4. reduce the required rear yard setback from 7.5m to 2.3m; and
5. apply a holding symbol (H) that requires the approval of a noise study and archaeological assessment, and demonstration that sanitary sewer infrastructure constraints have been addressed, prior to development.

SUMMARY:

This application proposes to amend the zoning of the subject property to permit an 18 unit residential development within two new buildings, and additions/renovations to the existing

coach house and dwelling on the property. The application proposes site specific off-street parking requirements as well as property line setback reductions.

The proposed zoning amendment represents an appropriate land use for the subject property. The Township Official Plan promotes a mix of housing types and densities within the Urban Residential Designation. The integration of apartments, townhomes and other multiples within existing and established neighbourhoods represents compatible land uses.

BACKGROUND:

A Public Meeting was held on July 13, 2020. Notice that this application would return to Council for a decision was given to property owners within 120 metres of the subject lands on April 15, 2021. The following is a summary of comments received prior to, at, and following the Public Meeting.

Public (complete written comments included as Attachment B):

John and Wendy Klassen, Snyder's Road West, Baden – concerned with number of units, proximity to the common property line, privacy, noise, odour, drainage and property values.

Brent and Marie Pavey, Snyder's Road West, Baden – supportive of concept, but concerns with reduced parking requirements.

Pat Smith and Fred Monteith, Miller Street, Baden – not concerned with concept, but concerned with reduced parking requirements.

Agencies: GRCA – no comments

Region of Waterloo – no objections to approval provided a holding provision is placed pending review and approval of a noise study and archaeological assessment.

WCDSB – no comments or concerns

REPORT:

The subject lands are designated Urban Residential in the Township Official Plan, and are presently zoned Zone 3 (Residential). The application applies to what is presently two separate properties.

142 Snyder's Road East is currently developed with a single-detached dwelling and a detached garage/coach house. The current zoning would permit up to 6 dwelling units within a combination of the main building and accessory structures.

148 Snyder's Road East is vacant with the former house having been demolished in 2012. The current zoning would permit up to 6 dwelling units within a combination of a main building and accessory structures.

The applicant proposes to combine the two properties and develop a senior's focused residential development with a total of 18 units as illustrated on the site plan included as Attachment A.

To facilitate this proposed development, the following amendments are requested:

1. to permit 18 dwelling units in form of single-detached, semi-detached, townhome and apartments;
2. to reduce the overall required parking on site from 27 spaces to 26 spaces;
3. to reduce the required west side yard setback from 2.0m to 1.2m; and
4. to reduce the required rear yard setback from 7.5m to 2.3m.

Initial comments from the Region of Waterloo indicated a requirement for an updated noise study as well as the completion of an archaeological assessment. The applicant is still working through those requirements, but the Region is agreeable to a holding provision being placed on the property. This would allow the zoning to be in place, but would pause development until the holding provision is lifted following the approval of the noise study and archaeological assessment.

Preliminary analysis has identified that there are functional servicing constraints (the Foundry Street sanitary sewer) that will need to be addressed prior to development occurring. The holding provision would also preclude development from occurring until a sanitary sewer servicing solution has been approved.

Prior to and at the Public Meeting, three property owners in the area submitted letters and/or made verbal submissions at the Public Meeting. The following paragraphs provide comments and/or solutions to these concerns.

<u>Parking</u>

Since the Public Meeting in July 2020, the applicant has modified the site plan to removed one proposed single unit building, which in turn provided opportunity to increase the amount of off-street parking. The request now proposes a reduction of one parking space as opposed to the initially proposed six spaces. Based on the target market of the proposed development, 26 spaces is anticipated to provide sufficient parking for both residents and visitors. That said, knowing how many spaces are available, the property owner is responsible to ensure that residents are aware of parking restrictions to ensure there are no future parking issues.

<u>Setbacks and privacy</u>

148 Snyder's Road West is presently vacant, but, without amendment to the zoning, could currently be developed with up to 6 dwelling units. The current setback for a 1-storey building on the property is 1.5m and for a 2-storey structure is 2.0m. Typical side yard setbacks for two-storey dwellings range from 1.2m to 2.0m and as a result, the proposed reduction to 1.2m is not uncommon. Should the zoning be approved, through the subsequent site plan control process,

privacy fencing can be considered, but typically is only a requirement where off-street parking, waste disposal, or mechanical equipment is proposed abutting an adjacent residential use.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

The approval of infilling residential uses maximizes the use of existing infrastructure and reduces the demand for additional greenfield lands to accommodate all residential development which are both strategies in achieving the Township's goal to protect the natural environment.

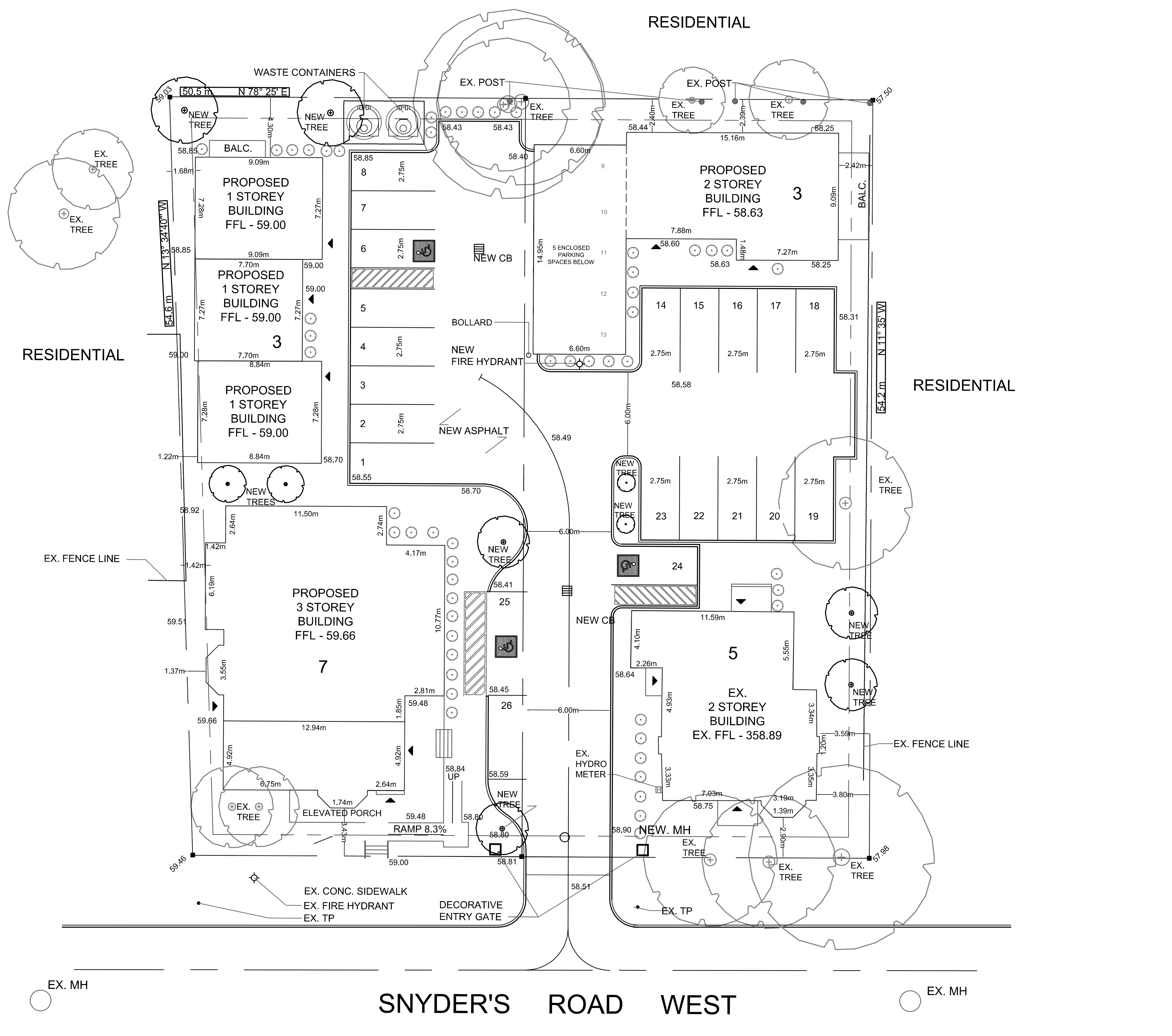
FINANCIAL CONSIDERATIONS:

The application fees, established by the Township of Wilmot Fees and Charges By-law, were collected at the time of application.

ATTACHMENTS:

Attachment A	Concept plan
Attachment B	Public comments

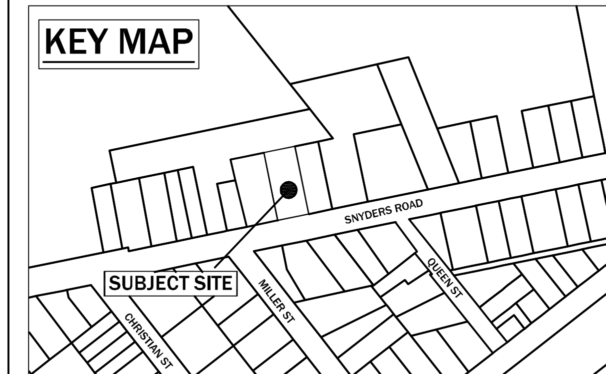
Attachment A Concept site plan and rendering



PRELIMINARY SITE PLAN

MILLER BOYS INC.
142 SNYDERS ROAD
BADEN, TOWNSHIP OF WILMOT
REGION OF WATERLOO

KEY MAP



EXISTING Z-3 - RESIDENTIAL REQUIREMENTS

Minimum Front Yard	7.6m
Minimum Side Yard - Both Sides (not less than 4.5m on one side)	2.0m
Minimum Rear Yard	7.5m
Minimum Lot Area	560.0 sq.m

OFF STREET PARKING

Parking Space Size	2.75 x 6.0m
Parking Aisle	6.0m
Apartment Parking Requirement	1.5 spaces per unit
Triplex Parking Requirement	1.5 spaces per unit
SFD Parking Requirement	2 spaces per unit
Barrier-Free Spaces	3 Spaces
Total Spaces Provided	26 Spaces *(27 spaces required)*
Total Units	18

SITE STATISTICS

Zoning: Z-3 Residential
Total Site Area: 2,668m²

0 20 40 60 80 100

DRYDEN SMITH & HEAD
Planning Consultants Ltd.

REVISION: APRIL 28, 2020
MARCH 12, 2021
MARCH 17, 2021

DATE: APRIL 23, 2020
SCALE:
ACAD DWG. FILE: 15460 SITE PLAN
JOB NO.: 15460
FILE NO.: 15460

MAP 3

INTERNAL VIEW OF DEVELOPMENT

STREET VIEW FROM SYNDER'S ROAD - EASTBOUND

STREET VIEW FROM SYNDER'S ROAD - WESTBOUND

DATE: 2020-04-24

SCALE: N.T.S.

SNYDER'S ROAD DELEVOPMENT
142 SYNDER'S ROAD WEST
BADEN, ONTARIO

a+LiNK architecture inc.
126 WELLINGTON ROAD, LONDON ON N6C 4M8 P:519.649.0220 www.aLiNKarch.ca

2008

SK3-3

Attachment B Public comments

To Andrew Martin,

My wife Wendy and I live at [redacted]. Our property is directly adjacent to the west of the vacant lot beside 142 Snyder's west. This letter is being sent to voice our concerns over the proposed zoning changes to 142 Snyder's road west and the empty lot next to it.

We are extremely unhappy with the proposed changes. Because our property is right next to the largest building, the proposed changes affect us the most. We feel that placing an enormous three story building 1.2 meters from the property line creates a number of undesirable conditions for us in our home. Following is a list of negatives:

1. <u>Solar encumbrance</u>
    a. At 1.2 meters away, the very large three story structure will block out the sun completely on the east side of our house. It will also limit the amount of light that presently enters into our home in general. This issue would be resolved if the main unit was only two stories and 3 meters from the property line.
2. <u>Privacy Issues</u>

    There will be a lot of windows not only in the three story building but also in the three unit townhouse at the back of the property. Our use of the back yard will always have windows overlooking it, which greatly diminishes our privacy and enjoyment of the backyard.
3. <u>Noise Issues</u>
    a. All eleven of those units will need air condition. That would mean eleven air conditioners next to our property. There would be a lot of noise between the houses from those units. Again, enjoyment of our back yard becomes greatly diminished, not to mention not being able to open our windows to get a breeze due to all of the noise from the air conditioners.
    b. With the increased number of people living directly beside us, we would also have a lot of other noise to deal with. We would have noise from vehicles driving in and out of the property. Those vehicles would include personal vehicles, snow removal, garbage trucks and other vehicles (ie. Visitors, ambulance etc.)
    c. One other noise issue potentially would come from animals that the residents in that complex might own.
4. <u>Vapors/Smells</u>
    a. All of the units facing our property would also have to have dryer vents. With the potential of eleven dryer vents facing our home and running, there would at times, be a lot of non breathable air.
    b. The second issue would be all of the gas water heater vents. Vents from eleven units would all face our property creating a lot of non breathable air as well. Again, enjoyment of our back yard and house would be greatly diminished. We certainly could not open our windows on that side of the house or sit outside when dryers or gas water heaters are running. This also is one issue that could be fixed by limiting the number of residences and placing those residences the proper distance from the property line.

c. The third issue, while not as large as the first two, would be venting of stoves. Eleven of those vents would also face our property as well.

5. Drainage
   a. We are also concerned about where all of the water from those buildings will go. Drainage has to go somewhere. When you place so many buildings and pavement on a piece of land drainage is always compromised. Our basement already receives water pretty easily. We are concerned that we will see an increase in the frequency and amount of water entering our home.
6. Resale Value
   a. With so many negatives from the rezoning request affecting our home, we are greatly concerned about the resale value of our property.

Having noted all of the concerns above, we are asking the counsel members to vote no on the zone change application as is. We are, however, asking that the counsel would make some serious changes regarding number of units, height of buildings and especially the placement of buildings at the proper distance from property lines. We would humbly ask every counsel member to place themselves in our shoes. If you were living in our house, how happy would you be to have buildings along the whole length of your property, one of which towers well above our house, 1.2 meters away from the property line. Thank you for any consideration in this matter.

Sincerely,

John and Wendy Klassen

June 30, 2020

Brent and Marie Pavey,
[redacted],
Baden, ON [redacted]

RE: ZCA-04-20 (142 Snyder's Rd W and adjacent lot)

To: Township of Wilmot,
Andrew Martin, Manager of Planning
Township of Wilmot Council

This letter is in response to the *Notice of Public Meeting on July 13, 2020* and the *Zone Change Application 04/20*.

Having reviewed the Planning Justification Report, Detailed Site Plan, Renderings and other associated documents, we would like to make it clear that we have no objections in principle to the proposed development. Indeed, we are heartened by the thoughtfulness of the design, including tree preservation and planting, and by the stated purpose to provide living space for seniors within the community. We are particularly pleased with the design's aesthetic which reflects the historical character of the neighbourhood, and we very much favour the placing of parking away from the road and within the centre of the complex.

We do, however, have concerns with the applicants' request for exemption from the Zoning Bylaw's requirement of parking spaces; specifically, from the required 26 spaces to 20. Our concern is that, without the number of spaces required under the Zoning Bylaw, overflow/visitor parking will spill onto Miller Street – the street closest to the proposed development. As an older street, Miller Street was not designed with an eye to overflow parking (no curbs etc.). The problem is compounded by the fact that existing street parking on the south side of Snyder's Road West will be eliminated next summer as the result of planned improvements including bike lanes, making additional parking on Miller Street even more likely. A relatively short, residential street populated by seniors and young families, any excess overflow parking on Miller Street as a result of the development may pose not only inconveniences but also potential safety issues. While there can be no doubt that there may be additional parking on Miller Street even if the parking provisions of the Zoning Bylaw are followed, upholding those provisions will serve to mitigate the problems outlined above. Indeed, as you are aware, the very purpose of minimum off-street parking standards is to reduce reliance on on-street parking, and any deviation from such provisions could establish a problematic precedent. The Zoning Bylaw should, therefore, not be amended as requested.

We do believe that there are a number of remedies available to the applicants, including the reduction of the number of units in the proposed development, that would enable the project to proceed in conformance with the Zoning Bylaw's parking requirements. We encourage these to be pursued.

Finally, we also request to be notified of the decision of the Township of Wilmot in this matter.

Sincerely,

Brent & Marie Pavey,

July 3, 2020

Pat Smith and Fred Monteith
Miller Street
Baden, ON
N3A 2M8

Re: Zone change application 04/20 – 142 Snyder's Rd and adjacent lot

Township of Wilmot
Andrew Martin
Manager of Planning

Dear Mr. Martin,

This letter is in response to the Notice of a Public Meeting on July 13, 2020 and request for a zone change to Part of Lot 16, 142 Snyder Rd West, Baden.

While we have no concerns about the proposed buildings, appreciate the design, and are in favour of housing for seniors, we wish to raise our concern about the proposed amendment to reduce parking spaces from the required 26 to 20. In effect, such a reduction in spaces means that there is no visitor parking.

As the closest street to the proposed development, Miller St is a likely candidate for visitor parking. Our concern as residents of the street is that since there is only a sidewalk on one side of the street and no curbs, additional street parking beyond current levels presents a traffic hazard for pedestrians and vehicles. This would be an even greater concern in the winter months. We are hopeful that the plan can be revised to ensure that the existing bylaw regarding parking spaces is adhered to.

We would appreciate being notified of the Township decision regarding this matter.

Respectfully Submitted,

Pat Smith and Fred Monteith

TOWNSHIP OF WILMOT

BY-LAW NO. 2021-027

BY-LAW TO FURTHER AMEND BY-LAW NO. 83-38 OF THE TOWNSHIP OF WILMOT BEING A ZONING BY-LAW FOR THE SAID TOWNSHIP OF WILMOT.

WHEREAS The Corporation of the Township of Wilmot deems it desirable to further amend By-law No. 83-38, being a Zoning By-law for the said Township of Wilmot.

NOW THEREFORE THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF WILMOT ENACTS AS FOLLOWS:

1. Notwithstanding the provisions of By-law 83-38, as amended, on the lands described on Schedule "A" and illustrated on Schedule "B" attached to and forming part of this By-law, the following regulations shall apply:

   a) a maximum of 18 dwelling units in the form of single-detached dwellings, semi-detached dwellings, townhomes and apartments shall be permitted;
   b) a minimum 26 off-street parking spaces shall be required;
   c) the minimum west side yard setback shall be 1.2m;
   d) the minimum rear yard setback shall be 2.3m;

2. Notwithstanding the provisions of By-law 83-38, as amended, for the lands described on Schedule "A" and illustrated on Schedule "B" attached to and forming part of this By-law, the following shall be added as Section 22.297:

   Notwithstanding any other provisions of this By-law, the lands described as Part of Lot 16, Concession North of Snyder's Road and identified on the map forming Part 2a of Schedule 'A', shall be subject to the following regulations:

   a) a maximum of 18 dwelling units in the form of single-detached dwellings, semi-detached dwellings, townhomes and apartments shall be permitted
   b) a minimum 26 off-street parking spaces shall be required
   c) the minimum west side yard setback shall be 1.2m
   d) the minimum rear yard setback shall be 2.3m

   Notwithstanding any other provisions of this By-law, the lands described as Part of Lot 16, Concession North of Snyder's Road and identified on the map forming Part 2a of Schedule 'A, shall be subject to the (H) symbol indicating that prior to development, a noise study is required to be approved by the Region of Waterloo, an archaeological assessment is required to be acknowledged by the Ministry of Heritage, Sport, Tourism and Culture Industries, and a functional servicing solution shall approved by the Township demonstrating that any sanitary sewer infrastructure constraints have been addressed.

   Council of the Township of Wilmot will remove the holding symbol, upon confirmation from the Regional Municipality of Waterloo that the requirement for a noise study and an archaeological assessment has been completed in accordance with their requirements and when the Township has been satisfied that sanitary sewer infrastructure constraints have addressed.

3. Notwithstanding the provisions of By-law 83-38, as amended, the map forming Part 2a of Schedule ‘A’ to By-law 83-38 shall be amended as necessary to identify Section 22.297 along with the (H) symbol on the lands described on Schedule ‘A’ and illustrated on Schedule ‘B’ attached to and forming part of this By-law.

4. Except as amended by the preceding regulations, the lands described on Schedule "A" attached to and forming part of this by-law and shown on Schedule "B" attached to and forming part of this by-law, shall be subject to all other applicable regulations as set down in By-law No. 83-38, as amended.

5. This by-law shall come into effect on the final passing thereof by the Council of The Corporation of the Township of Wilmot subject to compliance with the provisions of The Planning Act, R.S.O., 1990 and amendments thereto.

READ a first and second time on the 17th day of May, 2021.

READ a third time and finally passed in Open Council on the 17th day of May, 2021.

MAYOR

CLERK

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the Township of Wilmot, in the Regional Municipality of Waterloo and Province of Ontario being composed of Part of 16, Concession North of Snyder's Road, in the said Township of Wilmot.

This is Schedule "A" to By-law No. 2021-027.

PASSED this 17th day of May, 2021.

____

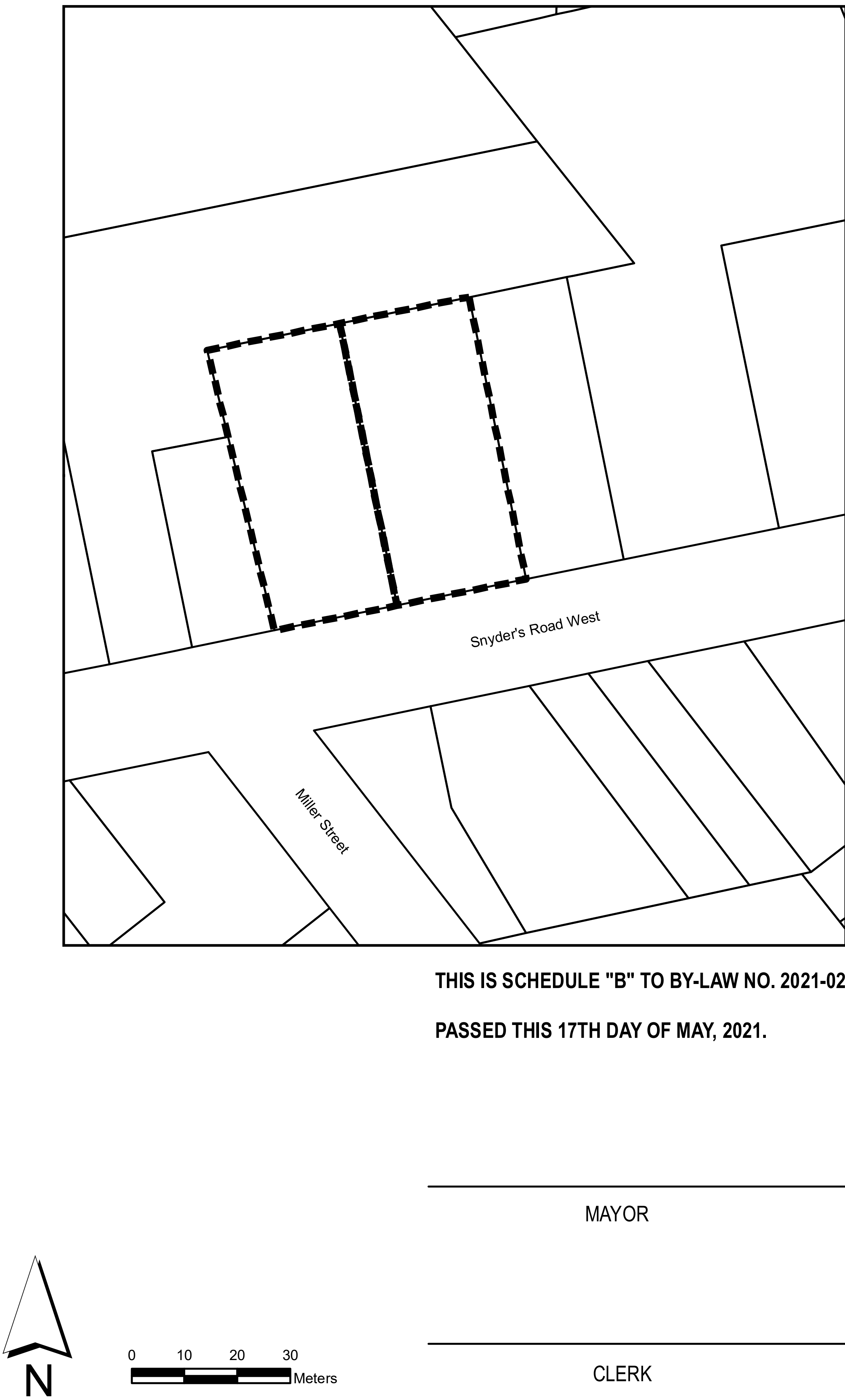
MAYOR

____

CLERK

SCHEDULE "B"
PART OF LOT 16
CONCESSION SOUTH OF SNYDER'S ROAD
TOWNSHIP OF WILMOT

SUBJECT LANDS OUTLINED THUS:



THIS IS SCHEDULE "B" TO BY-LAW NO. 2021-027

PASSED THIS 17TH DAY OF MAY, 2021.

MAYOR

CLERK