



November 6, 2020

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Dear Mayor and Members of Council:

As a follow-up to recent board decisions, we wanted to apprise you of additional actions and matters for consideration since our letter of September 4, 2020. As you know, on August 28, the Essex Region Conservation Authority discovered it was the victim of a complex and sophisticated phishing scam, whereby fraudsters infiltrated our system, impersonated a staff member, and forged documents.

Immediately upon detection of this crime, the police, our banks, and insurers were notified. In addition to the police investigation, the Board launched a robust internal investigation, including a forensic audit of our IT systems. These investigations have concluded without question that this crime was perpetrated by individuals outside of the organization.

This investigation helped us identify how this security breach occurred, and we have implemented measures to better protect the organization, and reduce vulnerabilities against future cyber attacks. There continues to be discussions with our bank and insurers to determine if any of these funds are recoverable.

While prudent financial management has allowed us to be financially positioned to weather this storm, the investigation also highlighted that running an organization so leanly comes with an element of risk. ERCA's Annual Revenues for programs and services ranks consistently in the top 10 of all 36 Conservation Authorities. At the same time, ERCA's operational levy funds less than 40% of its operations, placing ERCA in the bottom five of all Conservation Authorities, and well below the provincial average of approximately 50%.

As well, the epic Lake levels we are experiencing have triggered a higher demand for development approvals than anywhere else in the Province, with a much smaller staff complement to respond. Our region has been under almost constant flood threat for most of the past two years, placing further significant demands on the Authority, without additional resources. These are matters the Board must take into consideration as we move forward.

Following Richard Wyma's resignation, Tim Byrne has agreed to serve as the Interim General Manager for the Authority. A hiring committee has been established to identify a new General Manager to continue to implement the important watershed-based conservation work that's needed to ensure the Windsor-Essex region remains one of the best places in Canada to live, work, invest, and raise a family.

Thank you for your continued support and partnership.

Sincerely,

Kieran McKenzie

Chair, Essex Region Conservation Authority