

Staff Report to Council

Title: Saugeen Valley Conservation Authority Category 3 Apportioning Agreement

Report Number: CAO General-2023-21

Director: Chief Administrative Officer

Manager: Manager.

Meeting Date:
Wednesday, September 27, 2023

Date to be considered by Council:
Wednesday, September 27, 2023

Recommendation:

That Council approve the Saugeen Valley Conservation Authority's Draft Cost Apportioning Agreement with the Municipality of Kincardine for Category 3 programs and services as per Report CAO General-2023-21.

Executive Summary:

Staff are recommending that Council approve the Draft Cost Apportioning Agreement for Category 3 programs and services between Saugeen Valley Conservation Authority and the Municipality of Kincardine. Under section 21.2.1 of the Conservation Act, programs and services characterized as Category 3 require cost apportioning agreements with participating municipalities where financing (i.e. cost apportionment) is required by a participating municipality. The proposed agreement is for a five-year period with a renewal term of an additional five years. Category 3 programs and services requiring apportionment include: Service Area 1-Water Quality Program as well as Service Area 2- Public Awareness and Communications for Non-Mandatory Programs and Services.

Strategic Priorities:

C.13-Protect people, property and the environment from the effects of dangerous conditions caused by people and nature

Financial Considerations:

SVCA and the participating Municipality shall identify and agree upon the cost of relevant Category 3 programs and services in the annual budget and shall comply with the prescribed methods of apportionment, including the Modified Current Value Assessment apportionment

method and/or the Benefit-based apportionment method, or where permitted in accordance with the applicable regulations, by agreement. The costs associated with the Category 3 programs and services subject to this Agreement shall be reviewed by the participating municipalities on an annual basis as part of the SVCA budget and apportionment process.

Policy:

Conservation Authorities Act- Section 20(1)

Context and Background Information:

In November 2018, as part of the Made-in-Ontario Environment Plan, the provincial government made a commitment to work in collaboration with municipalities and stakeholders. The aim was to ensure that conservation authorities focus on their core mandate: protecting people and property from flooding and other natural hazards and conserving natural resources. Following this, the Conservation Authorities Act underwent amendments which granted the province the authority to define the core mandate of Conservation Authorities. As a result, new regulations and policies have been developed and introduced in stages over the past one and half years.

Ontario Regulation 687/21 (Transition Plans and Agreements for Programs and Services under Section 21.1.2 of the Conservation Authorities Act) categorizes conservation authority programs and services as follows:

Category 1: those prescribed as mandatory by the province;

Category 2: those delivered on behalf of a municipality; and

Category 3: those that further the conservation, restoration, development, and management of natural resources.

The Saugeen Valley Conservation Authority (SVCA) identified Water Quality and the associated communications for that program as potential ongoing Category 3 programs. They believe a longer-term agreement is required for the water quality program as it is data-driven and cannot be disrupted without devaluing the return on investment made by the watershed municipalities and impacting the value of the data. SVCA is proposing a five-year agreement with a renewal term of an additional five years.

The transition plan required each Conservation Authority to develop a timeline and steps they would follow to prepare a program inventory and enter into agreements with participating municipalities. Each Conservation Authority was required to categorize their programs and services. Those programs and services characterized as Category 3 by Saugeen Valley Conservation Authority are the programs and services requiring cost apportionment agreements that are supported by municipal funding. The agreement between the Conservation Authorities and the participating municipalities is required by January 1, 2024.

The new regulatory changes have focused Conservation Authorities on their core mandates which include helping protect people and property from the risk of natural hazards, the conservation and management of Conservation Authority-owned lands, and their roles in drinking water source protection. These new changes now allow for municipal input in making funding decisions about programs and services that a Conservation Authority proposes to offer and tailor them to local needs and priorities.

Changes to the Conservation Authority funding framework are being implemented in time to be included in the 2023 Conservation Authority budget.

Consultation Overview:

Consultation with Saugeen Valley Conservation Authority as well as the Conservation Authorities Act. The Conservation Authorities Act was amended (Nov. 2018) to grant the Province of Ontario the authority to define the core mandate of Conservation Authorities. The new provincial regulations and policies have been developed and introduced in stages over the past 1.5 years and require Municipal Agreements to be in place by January 1, 2024.

Origin:

Amendments to the Conservation Authorities Act (November 2018) by the Province of Ontario requiring cost apportionment for all category 3 classified programs and services.

Implementation Considerations:

The cost apportionment agreement is to be in place for January 1, 2024 and the agreed cost apportionment amounts between Saugeen Valley Conservation Authority and the Municipality of Kincardine are to be included in the 2024 Budget. Council will see the impact of this agreement through regular budget updates.

Risk Analysis:

This agreement will have an impact on the annual budget and need to be included in future budget deliberations going forward.

Attachments:

1. Category 3 Cost Apportioning Agreements Letter to the CAO
2. Agreement for Category 3 Programs and Services Preamble
3. Draft Cost Apportioning Agreement
4. Conservation Authorities Act – Mandatory Programs and Services
5. Conservation Authorities Act – Transition Plans and Agreements for Programs and Services Under Section 21.2.1 of the Act.
6. Saugeen Conservation 2024 Business Case – Water Quality Program

Prepared by: Jessica Catto, CAO Executive Assistant

Submitted by: Jillene Bellchamber-Glazier, CAO