
HALDIMAND COUNTY

Report CDS-08-2023 Conservation Authority Category 2 Service Agreements For Consideration by Council in Committee on October 10, 2023



OBJECTIVE:

To obtain Council approval to enter into memoranda of understanding with the Grand River Conservation Authority and Niagara Peninsula Conservation Authority for the delivery of non-mandatory programs and services to the County.

RECOMMENDATIONS:

1. THAT Report CDS-08-2023 Conservation Authority Category 2 Service Agreements be received;
2. AND THAT the Memorandum of Understanding between the Grand River Conservation Authority and the County be executed by the General Manager, Community & Development Services;
3. AND THAT the Agreement for Services between the Niagara Peninsula Conservation Authority and the County be executed by the General Manager, Community & Development Services;
4. AND THAT any funding approvals for Category 2 services be considered in connection with review of the conservation authority municipal levy as part of the annual review of the Tax-Supported Operating Budget.

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Approved: Cathy Case, Chief Administrative Officer

EXECUTIVE SUMMARY:

New provincial regulations require Ontario's Conservation Authorities (CAs) to establish categories of programs and services ranging from mandatory to optional. One result of these changes is the need for CAs to enter into service agreements (i.e. memoranda of understanding/MOUs) with their watershed municipalities for the delivery of certain non-mandatory services and programs. Not entering into these MOUs means the services would cease to be delivered by the respective CA. County staff have worked with staff of the Grand River Conservation Authority and Niagara Peninsula Conservation Authority to develop MOUs that will ensure the continuity of delivery of key non-mandatory services and programs in the County. The subject report overviews these services and recommends execution of the MOUs such that the County can continue to benefit from the expertise and guidance of these two CAs relative to key projects, studies and programs that the County delivers annually.

BACKGROUND:

Changes to Conservation Authorities Act – Programs & Services

In October 2021, the Province filed three new regulations under the *Conservation Authorities Act* to implement the changes that were required by Bill 229, the *Protect, Support and Recover from COVID-19 Act* (Budget Measures), 2020. The overarching aim of the regulations, which are currently being implemented across the Province's Conservation Authorities, was to establish categories of programs and services that are provided by the Conservation Authorities (CAs) in Ontario. The result was the creation of 3 such categories that are summarized below. The subject report will focus on Category 2 and associated service agreements.

1. **Category 1 – Mandatory Programs and Services:** these are the core services and focus of Ontario's CAs and represent the things they 'must do'. The services in Category 1 are funded by the municipal levy which Council considers annually as part of the Tax-supported Operating budget process. They include things such as:
 - flood forecasting & warning
 - operation of water control structures (flood control, small dams, ice management)
 - stream, surface and groundwater monitoring
 - floodplain mapping
 - resource planning – in particular, input into County Official Plan and Zoning By-law
 - sourcewater protection
 - review of development applications under the *Planning Act* (note: this service is not levy supported – it is paid for by the developer/applicant based upon a fee schedule that is set annually by the CAs).
2. **Category 2 – Non-Mandatory (Municipally Requested) Programs and Services:** these represent optional services for a municipality that the CAs are not mandated to provide. These services have value for municipalities as a support function and they can be secured by way of a memorandum of understanding (MOU) or service agreement with area CAs, including agreement on the requisite fees to be paid for these services. Category 2 services can include things such as natural heritage management, sub-watershed planning, tree management/tree planting services, emergency management services, review of ecological elements of wetlands, and more. These services have historically been funded by the municipal levy.
3. **Category 3 – Other:** these are self-funded services (including fee for use) or services that receive grant funding. These include resource development (logging, hydro electric generation), land management for 'active' recreation (i.e. campgrounds), private land stewardship, fish and wildlife monitoring, etc. A municipality can opt into funding these things but is not required to. These services have not historically been funded by the municipal levy.

Category 2 – Non-Mandatory (Municipally Requested) Program and Services

As noted above, the focus of the subject report is on Category 2. In particular, the report introduces the Category 2 programs and services that would benefit the County, the key components of the draft MOUs/service contracts and financial implications of securing these programs and services from two the County's three CAs. The report focuses on work that County staff have completed with the Grand River Conservation Authority (GRCA) and Niagara Peninsula Conservation Authority (NPCA) in relation to the service reviews and drafting of MOUs. Work with the Long Point Region Conservation Authority (LPCA) remains in the very early stages, but once complete, a subsequent report overviewing the same details (as this report) will be presented to Council.

ANALYSIS:

Category 2 programs and services require memoranda of understanding (MOUs) between the CA and participating municipalities as per O. Reg 687/21 – Transition Plans and Agreements for Services under the *Conservation Authorities Act*. Over the course of the spring and summer, staff had several meetings with representatives of the Grand River Conservation Authority and Niagara Peninsula Conservation Authority to discuss the range of non-mandatory programs and services available from those organizations and to work towards drafting MOUs. As it relates to the GRCA, its suite of services is fixed and a municipality cannot select only certain things – i.e. it must agree to receive all the services offered. This approach results in having one standardized MOU across the entire watershed which is critical for the GRCA given the size of its watershed and the large number of municipalities within it. As it relates to the NPCA, its smaller watershed and fewer number of municipalities allows it to approach the MOU differently and support customization. As such, the municipalities within its watershed are able to select from the suite of services it offers. In this regard, staff have worked with the NPCA to determine what is most applicable to and beneficial for Haldimand County, with particular focus being on the exclusion of urban-type services given there is no urban geography within the Haldimand portion of NPCA's watershed. For the most part, the services selected from NPCA's suite and included in the draft MOU align with the services that are contained in the GRCA's draft MOU package, with only a few unique additional offerings. A summary of the key services offered by both CAs, and those unique to the NPCA, are described below.

Service Deliverables

The MOUs include a wide range of services from the NPCA and GRCA with the key deliverables as follows:

- Reviewing and providing input/technical support into major County studies – i.e. shoreline studies, Environmental Assessments, environmental impact studies, Master Servicing Plans (water & wastewater components), sub-watershed studies and other regional-scale technical studies;
- providing conservation services such as education and outreach activities, facilitation of private and municipal land tree planting, and delivery of municipal cost-share programs to support private land stewardship (i.e. the County's Rural Water Quality Program);
- provision of on-going support to water quality initiatives such as delivering training and technical advice into the County's wastewater optimization program;
- delivery of watershed sciences and collaborative planning including analyzing and reporting on groundwater and stormwater quality, water use and supply, ecological monitoring and natural heritage (terrestrial and aquatic); and
- Unique to NPCA:
 - guidance, training and monitoring of sustainable stormwater and erosion/sediment control technologies as well as Low Impact Development (LID);
 - land securement, including strategic cost-shared acquisition of properties with municipal partners and other agencies; and
 - shoreline management services for County lands and capital projects.

The services proposed to be included in the MOUs provide significant benefit to the County and its residents. These services are utilized on a regular or annual basis in support of various County programs, studies and initiatives, including some as noted in the bulleted list above. As such, securing them through this MOU process is strongly recommended by staff.

Funding

Most of the services included in the draft MOUs have been provided for many years by the NPCA and GRCA and were funded as part of the annual levy. The County's decision on whether to opt into or out of receiving these services would have an impact on both the level of service received (as already described above) and also the overall cost to the County annually. With respect to the latter, should the County opt out of receiving the Category 2 services by not entering into MOUs with the GRCA and NPCA, the annual levy would be decreased by an amount proportionate to the value of that service delivery. Whereas, should the County opt into receiving the Category 2 services, the annual levy would remain similar to previous years, plus whatever increase to the budget the CA Boards typically approve (generally between 3 to 8%). Simply put, Category 1 + Category 2 services = general levy (both in the past and moving forward).

In terms of actual funding, in using 2024 budget numbers, Haldimand's net cost allocation for Category 2 services would be approximately \$15,000 from the GRCA and \$14,000 from the NPCA. The net cost allocation related to LPRCA Category 2 services is not known at this time as that organization continues to work on its draft MOUs.

Based on the foregoing, it is staff's opinion that the overall impacts to the municipal levy would be negligible by entering into the agreements to receive the Category 2 services from the CAs.

Timing

Conservation Authorities must have agreements in place with participating municipalities by January 1, 2024, as required by the Province. For this to happen, the GRCA and NPCA must obtain the support of County Council by the end of October (hence, this staff report), and subsequently, their respective Boards by late November. Subject to Council's concurrence with staff's recommendations contained herein, this timeline will be achievable given draft MOUs have been developed with the NPCA and GRCA and undergone detailed staff and legal review. All County comments have been addressed satisfactorily and the MOUs are ready to be signed.

FINANCIAL/LEGAL IMPLICATIONS:

Should Council support entering into service agreements with the GRCA and NPCA, there would be minimal financial impact and no significant change to the funding process that Council is accustomed to (i.e. annual municipal levy that is incorporated into the County's Tax Supported Operating Budget). Apart from the annual CA cost of operations budget increase, the levy for both organizations would be similar to previous year(s).

STAKEHOLDER IMPACTS:

Not applicable.

REPORT IMPACTS:

Agreement: Yes

By-law: No

Budget Amendment: No

Policy: No

REFERENCES:

None.

ATTACHMENTS:

1. Draft Memorandum of Understanding – GRCA.
2. Draft Agreement for Services – NPCA.