

Cost Apportioning Agreement

(hereafter, "Agreement")

THIS AGREEMENT is made on the _____ day of _____, 2023 (hereafter, "Effective Date").

BETWEEN:

MUNICIPALITY OF MIDDLESEX CENTRE

(hereafter, "Municipality")

AND:

KETTLE CREEK CONSERVATION AUTHORITY

(hereafter, "KCCA")

WHEREAS KCCA is a conservation authority established under the *Conservation Authorities Act* ("Act") and is governed by members appointed by its participating municipalities in accordance with the Act;

AND WHEREAS the Participating Municipality, as defined by the Act, is located wholly or partly within the area under the jurisdiction of KCCA;

AND WHEREAS the Act permits KCCA to provide non-mandatory programs and services under a Cost Apportioning Agreement or such other agreement pursuant to Ontario Regulation 686/21, when levy is required for the delivery of the non-mandatory programs or services that KCCA advises to further the purpose of the Act;

AND WHEREAS pursuant to Ontario Regulation 686/21, Conservation Authorities are authorized to apportion costs to municipalities for delivery of programs and services;

NOW THEREFORE, in consideration of the terms of this agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Term of Agreement

1. Initial Term of the Agreement is January 1, 2024 – December 31, 2028.
2. Thereafter, the Agreement shall continue for additional four-year periods (each a "Renewal Term") unless either party provides written notice of their intention to terminate this Agreement and such notice is given no less than one-hundred and eighty

(180) days and no more than three hundred (300) days prior to the end of such calendar year.

Agreement Principles

3. The following principles shall guide the implementation of the Agreement between KCCA and the Municipality:
 - a. The Agreement will provide overarching terms and conditions for delivery of non-mandatory programs and services by KCCA that KCCA deems advisable to further the purpose of the Act.
 - b. KCCA agrees to provide the programs and services outlined in Schedule A.
 - c. KCCA will not add to or delete from the programs and services supported through the Agreement without first consulting with the Municipality and identifying such changes in the annual budget process. Any changes to the programs or services must be approved in writing by the Municipality and any such change following the Municipality's written approval shall be reflected in an updated Schedule A and Schedule B to be circulated and posted once the final annual budget is approved.
 - d. Any change to the total municipal support outlined in Schedule B will be reviewed and approved by the KCCA Board of Directors within the annual budget process including a 30-day consultation period with the Municipality and applied effective January 1 each calendar year.
 - e. KCCA may charge a user fee in the delivery of any of the programs and services outlined in Schedule A where appropriate to reduce costs apportioned to the Municipality.

Review and Regular Intervals

4. This Agreement shall be reviewed by the parties:
 - a. On an annual basis; and
 - b. Prior to the expiry of the Initial Term and each Renewal Term it shall be KCCA's

responsibility to initiate the review with the Municipality at least one hundred and eighty (180) days prior to the expiry of the Initial Term or Renewal Term, as the case may be.

Dispute Resolution

5. The Municipality and KCCA will strive to facilitate open and timely communication at all levels.
6. Where a dispute arises between two or more parties, the parties agree that dispute resolution practices will be implemented using the following principles:
 - a) Agree to a fair process for mediating issues;
 - b) Utilize and equally share the costs of a neutral facilitator as agreed upon by the parties, if required;
 - c) Identify common agreement / ground in the best interest of the parties;
 - d) Identify all options to resolve;
 - e) Select best option.

Early Termination

7. Upon such written notice of intention to terminate this Agreement being given in any calendar year during the Initial Term or Renewal Term, the date that is the last date of such calendar year or such date as may be otherwise agreed to by all parties in writing, shall be the "Termination Date". In the event this Agreement is terminated, any operating expenses and costs incurred by KCCA for providing services shall be paid by the Municipality up to and including the Termination Date.

Available to the Public

8. This Cost Apportioning Agreement shall be made available on the KCCA's website.

Execution

9. The Agreement may be executed in counterparts in writing electronic signature and delivered by mail, facsimile, or other electronic means, including in Portable Document Format (PDF); no one copy needs to be executed by all parties. When each party has executed a counterpart, each of such counterparts shall be deemed to be an original and all such counterparts, when taken together, shall constitute one and the same agreement.

Letters of Agreement

10. The Agreement does not preclude the parties from identifying opportunities for further collaboration to the benefit of both parties, and ensure efficiency, transparency and accountability in the use of resources, including in-kind services and assistance, coordination of complementary policy and program initiatives, and projects involving third

parties. During the term of this agreement if additional programs and services are requested from KCCA to be delivered on behalf of the Municipality a separate Letter of Agreement will be established with the Municipality (or delegated staff member) and attached as an Appendix.

Watershed-based Resource Management Strategy

11. The Municipality acknowledges and agrees that all Programs and Services identified in Schedule "A" shall also be included in a Watershed-based Resource Management Strategy that the KCCA is required to develop and implement in accordance with the *Conservation Authorities Act*.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the Effective Date.

KETTLE CREEK CONSERVATION AUTHORITY

Per: _____

Chair - _____

Per: _____

General Manager/Secretary Treasurer - _____

MUNICIPALITY

Per: _____

Mayor - _____

Per: _____

Clerk - _____

Schedule A – Category 3 Programs and Services Requiring Municipal Financial Support Through Cost Apportioning

SERVICE AREAS

Under Section 21.1 of the Conservation *Authorities Act*, Conservation Authorities (CAs) are to classify their programs and services into 3 categories:

Category 1: Mandatory programs and services where municipal levy can be used without an agreement.

Category 2: Non-mandatory programs and services the CA delivers at the request of a municipality through an MOU or agreement.

It is recognized that natural systems benefit from a systems-wide approach and that watersheds are the ecologically meaningful scale for not only effective planning but to enact meaningful and sustainable change.

KCCA offers a comprehensive list of programs and services that benefit the health of the watershed, protects and educates residents about natural hazards and mitigates the effects of a changing climate. The chart below identifies KCCA’s program areas by Category.

Category 1	Category 2			Category 3	
Mandated Programs and Services which all CAs must provide in their jurisdiction. Eligible to be funded by municipal levy. No agreement required. Programs or Services as described in Ontario Regulation 686/21.	Programs and Services at the request of and on behalf of a Municipality through a MOU or other agreement. Programs or Services as described in Section 21.1.1 of the <i>Conservation Authorities Act</i> .			Programs and Services the CA determines are advisable to implement in the CA’s jurisdiction. Apportionment Agreement required for municipal levy continuance. Programs or Services as described in Section 21.1.2 of the <i>Conservation Authorities Act</i> .	
	Agreement	Municipality	Date/Status	Agreement Proposed	No Agreement Required
Risk of Natural Hazards	Kettle Creek Dog Park	Central Elgin/St. Thomas	2014/Current	Watershed Monitoring	Campgrounds
Planning and Regulations	Belmont and Union Conservation Areas	Central Elgin	2020/Current	Tree Planting	Land Acquisition
Flood Forecasting/Warning/Low Water	Elgin County Woodlands Conservation Bylaw	County of Elgin	2023/Current		Stewardship
Dam Operations					Education
Natural Hazard Technical Studies					
Conservation and Management of CA Lands	Category 2 Program and Services Agreements are posted on KCCA’s web site.				
Significant Areas Management					
Land Acquisition/Disposition					
Inventory of CA Owned Lands					
Conservation Area Strategy					
Provincial Water Quality Monitoring					
Drinking Water Source Protection Program					
Watershed-Based Management Strategy					
General Operating Expenses					
Administration/Communications					
Information Technology/GIS					

Over half of the programs and services included in KCCA's Category 3 program area are supported through self-generated means including fundraising, grant proposal writing and user fees and operate independent of municipal levy. These programs include Campgrounds, Stewardship, Education and Land Acquisition.

The remaining Category 3 services areas of Tree Planting and Environmental Monitoring are core components of integrated watershed management and have been provided within the watershed for decades. These programs have been funded historically through a combination of municipal levy and self-generated revenue.

KCCA is seeking the continued financial support of its member municipalities through levy for the delivery of the Tree Planting and Environmental Monitoring programs as described below:

Tree Planting

Currently, KCCA's forest cover is estimated at 14.15%, well below the 30% recommended by Environment Canada.

KCCA plants ~50,000 trees per year in the watershed through a mixture of large-scale plantings on public and private lands, over the counter tree sales and through the planting of large stock trees on roadsides and community volunteer events. This program area is crucial for bolstering forest cover, increasing biodiversity and is a cost-effective means to mitigate the effects of climate change, flooding and erosion. KCCA strives to match funds provided by its member municipalities with its own fundraising efforts.

Environmental Monitoring (non-mandatory)

While water quality monitoring through the Provincial Water Quality and Groundwater Monitoring Networks are considered Category 1 or mandatory programs, KCCA monitors additional sites that are considered Category 3. KCCA monitors six additional surface water quality sites, conducts benthic invertebrate sampling at 25 locations, and evaluates fish communities through electrofishing at a minimum of 15 sites per year. Surface water and benthic monitoring sites are distributed throughout the watershed to provide a comprehensive analysis of local watershed conditions and are reported every five years through the Watershed Report Card. This long-term historical data is integral to the development of the mandatory Watershed Based Resource Management Strategy.

Schedule B – Apportionment of Category 3 Programs

The municipal costs associated with the Category 3 programs and services outlined in Schedule A are included and clearly identified in KCCA’s overall annual budget. These costs will be apportioned among the participating municipalities according to the Modified Current Value Assessment (MCVA) as outlined below.

An increase, if any, to the total levy outlined below for 2023 will be applied effective January 1 each calendar year and will be the same percentage as KCCA’s overall budget increase. Current MCVA will be updated as soon as available from the Province. Schedule B will be updated annually and distributed to Member Municipalities following final budget and levy approval.

Apportionment of Category 3 Programs Requiring Municipal Levy for 2023

Municipality	2023 MCVA Apportionment %	Total Cost Apportionment for Service Areas: Tree Planting Environmental Monitoring
Central Elgin	7.857	10,947.71
Middlesex Centre	1.6689	2,325.40
London	56.7532	79,078.21
Thames Centre	1.343	1,871.30
Malahide	0.6798	947.21
Southwold	3.9779	5,542.69
St. Thomas	27.7201	38,624.36
Total	100%	139,337

This appendix will be updated annually and distributed to Member Municipalities following final budget and levy approval.