

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:

LOWER THAMES VALLEY CONSERVATION AUTHORITY

(hereafter, "LTVCA")

WHEREAS LTVCA 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 the LTVCA;

AND WHEREAS the Act permits LTVCA 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 LTVCA 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 LTVCA and the Municipality:
 - a. The Agreement will provide overarching terms and conditions for delivery of non-mandatory programs and services by LTVCA that LTVCA deems advisable to further the purpose of the Act.
 - b. LTVCA agrees to provide the programs and services outlined in Schedule A.
 - c. The Municipality agrees to financially support the programs and services outlined in Schedule A and for such support to be apportioned among the participating municipalities using the Modified Current Value Assessment method, as outlined in Schedule B.
 - d. LTVCA 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.
 - e. Any change to the total municipal support outlined in Schedule B will be reviewed and approved by the LTVCA 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.
 - f. LTVCA 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 LTVCA'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 LTVCA 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 LTVCA 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 LTVCA'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 LTVCA 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 LTVCA 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.

LOWER THAMES VALLEY CONSERVATION AUTHORITY

Per: _____

Chair - _____

Per: _____

General Manager/Secretary Treasurer - _____

MUNICIPALITY OF MIDDLESEX CENTRE

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.

Category 3: Other non-mandatory programs and services a CA determines are advisable to implement in the CA's jurisdiction. These programs and services may use municipal levy when a MOU/agreement is in place. Programs and services in Category 3 may also be funded through other means. In the latter situation, an MOU/agreement with the municipality is not required.

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.

LTVCA 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 LTVCA's program areas by Category.

Cost Apportioning Agreement

<p align="center">Category 1</p> <p>Mandated Programs and Services which all Cas must provide in their jurisdiction. Eligible to be funded by municipal levy. No agreement required.</p> <p>Programs or Services as described in Ontario Regulation 686/21</p>	<p align="center">Category 2</p> <p>Programs and Services at the request of and on behalf of a Municipality through a MOU or other agreement.</p> <p>Programs or Services as described in Section 21.1.1 of the <i>Conservation Authorities Act</i></p>	<p align="center">Category 3</p> <p>Programs and Services the CA determines are advisable to implement in the CA's jurisdiction. Apportionment Agreement required for municipal levy continuance.</p> <p>Programs or Services as described in Section 21.1.2 of the <i>Conservation Authorities Act</i></p>
Risk of Natural Hazards		Watershed Monitoring
Planning and Regulations		Tree Planting, Restoration, Stewardship
Flood Forecasting / Warning / Low Water		Land Acquisition
Dam Operations		Education
Natural Hazard Technical Studies		Campgrounds
Conservation and Management of CA Lands		ALUS Programs
Significant Areas Management		Species At Risk
Land Acquisition / Disposition		Agricultural Programs
Inventory of CA Owned Lands		
Conservation Area Strategy		
Provincial Water Quality Monitoring		
Provincial Groundwater Monitoring Network		
Thames River Clearwater Revival		
Drinking Water Source Protection Program		
Watershed-Based Management Strategy		
Watershed Report Cards		
General Operating Expenses		
Administration / Communications		
Information Technology / GIS		
Vehicles / Equipment / Infrastructure		

Half of the programs and services included in LTVCA'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 (conservation areas), our ALUS Elgin, Middlesex and Chatham-Kent Programs, Species At Risk Program, and our Agricultural Programs.

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

LTVCA is seeking the continued financial support of its member municipalities through levy for the delivery of the Category 3 programs as described below:

Watershed Monitoring

While water quality monitoring through the Provincial Water Quality and Groundwater Monitoring Networks are considered Category 1 or mandatory programs, LTVCA monitors additional sites that are considered Category 3. LTVCA monitors 11 additional surface water quality sites, conducts benthic invertebrate sampling, evaluates fish communities through eDNA sampling at 7 sites, seining at 9 sites and timed mussel surveys at 5 sites throughout the watershed. The LTVCA is also undertaking Species at Risk and Invasive Species inventories at all of our conservation areas. 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.

Tree Planting, Restoration, Stewardship

Currently, LTVCA's forest cover is estimated at just over 3%, well below the 30% recommended by Environment Canada. The LTVCA has provided a tree seedling program to our ratepayers for well over 50 decades, providing seedlings at cost to rural residents wishing to establish wind breaks on farm parcels or establish woodlots, prairies and/or wetlands on marginal lands. In any given year, the LTVCA is responsible for planting as many as 140,000 trees within our watershed jurisdiction. The LTVCA has a variety of trees to choose from, with funding available for tree planting projects over 1 acre in size. The LTVCA also undertakes Tall Grass Prairie plantings, as well as creating wetlands in areas unsuitable for crop growth to interested landowners within the watershed. 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. LTVCA strives to match funds provided by its member municipalities with its own fundraising efforts.

Land Acquisition

The LTVCA primarily acquires lands through donation, however in certain circumstances lands may be purchased by the authority and associated partners. The lands must meet criteria to provide a recreational opportunity and/or serve an ecological function within the watershed. The LTVCA always tries to have a management fund accompany land donations which is used to pay taxes, maintenance of buildings etc., but this is not always possible. If there is no fund available with a donation, the LTVCA pursues avenues to collect revenue from the property i.e. farm land to rent, woodlot to manage for timber, recreational sources of funding, etc.

Education

Education programs provide on-site opportunities and in-class presentations to school groups and community members. Roughly 3,000 to 6,000 children are involved in programs in any given year. Education staff help facilitate an understanding and appreciation for our natural resources and local heritage, thereby complimenting the efforts of stewardship partners, service clubs, schools, community groups, volunteers, and members of the public.

Campgrounds

Out of the 31 LTVCA owned lands, there are five conservation areas that the LTVCA permits overnight stays: there are two main conservation areas for camping; one designated as a group camping site; and another two that sees sporadic group camping use. The remaining conservation areas are set aside as nature reserves. We promote our objectives through recreational and educational opportunities in the conservation areas, providing places to actively experience the natural world, promote physical activity through hiking trail creation and increase environmental awareness through interpretive signage and special events.

ALUS Programs

The LTVCA is involved with three counties for the ALUS program: Chatham-Kent, Middlesex and Elgin Counties. ALUS projects demonstrate how natural restoration projects can mitigate effects of a changing climate, benefitting both the community and environment. With collaboration with agricultural producers through this program, we can support farmers in their sustainability efforts. Restoration projects include establishing tall grass prairies, planting native trees and shrubs, reducing field erosion and restoring critical wetland habitats, which close the gap between agriculture and the environment. Every project aims to address local environmental issues, which are prioritized by the farmers themselves. Issues like Lake Erie water quality, shoreline erosion, and biodiversity and habitat loss are what drive decision making.

Species At Risk

The Species At Risk (SAR) program offered through the LTVCA is aimed at habitat improvement, human impact mitigation, outreach education and surveys, and inventories and monitoring. The program is geared towards SAR recovery within the Thames River and its associated sub-watersheds. The program is to provide opportunities for habitat improvement for these sensitive species, with knowledge sharing and engagement with Indigenous communities, watershed residents and our member municipalities. The monitoring of aquatic SAR populations and habitat conditions (temperature, oxygen and sediment composition) will aid in the evaluation of the scope and extent of watershed-scale stressors to better understand the impact of sediment and nutrient inputs, and will direct recovery efforts in the lower Thames River to help inform fish and mussel SAR recovery efforts.

Agricultural Programs

Phosphorus Reduction Initiatives - The 2012 Great Lakes Water Quality Agreement recognized the need to reduce phosphorous loadings to Lake Erie. In December 2014, the Canada-Ontario Agreement on Great Lakes Water Quality and Ecosystem Health was signed and in June 2015, Ontario signed the Western Basin of Lake Erie Collaborative Agreement. The consensus is that the annual total phosphorus loadings to the western and central basin of Lake Erie should be reduced by 40%. The Thames River has been identified as a priority watershed that requires a 40% reduction in dissolved phosphorus and total spring loadings. If this reduction is achieved, it is anticipated that the lake will maintain algal species consistent with healthy aquatic ecosystems and minimize the extent of hypoxic zones in the lake. In February 2018, the Canada Ontario Lake Erie Action Plan was released. The LTVCA continues to engage watershed stakeholders through the delivery of phosphorus reduction initiatives, with the goal of reducing the Thames River's load contribution to Lake Erie.

Lower Thames Valley Soil Health Program - The LTVCA launched a watershed Soil Health Program (SHP) for agricultural producers during 2021. The primary objective of the project is to assist watershed farm businesses with implementing agricultural BMPs to sequester carbon, improve soil health and water quality. The SHP currently provides financial incentives to farm businesses to plant cover crops. The program has also periodically provided farm businesses with financial support to conduct soil sampling to evaluate fertility and health, to inform agronomic decision making. The program is currently funded by the Nature Smart Climate Solutions Fund, a Government of Canada Department of Environment and Climate Change (ECCC) program.

On-Farm Applied Research and Monitoring (ONFARM) Program - The LTVCA continues to conduct environmental and agricultural monitoring to support the objectives of the ONFARM

program. The goal of the program is to support the agricultural sector to strengthen environmental stewardship, enhance water quality, and improve soil health. The LTVCA continues to monitor a 20km² study area of Jeannette's Creek. The LTVCA is specifically focused on evaluating field and subwatershed nutrient transportation, to identify what agricultural practices are effective at reducing annual phosphorus and nitrogen loads. The project is administered by the Ontario Soil & Crop Improvement Association and was historically funded by Growing Forward 2 (GF2) and the Canadian Agricultural Partnership (CAP).

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 LTVCA’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 LTVCA’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 (Category 3 listed in Schedule A)
Chatham-Kent	56.5105%	80,546.79
Dutton Dunwich	3.6831%	5,251.27
Lakeshore	9.5328%	13,591.65
Leamington	2.3706%	3,379.95
London	11.5696%	16,495.64
Middlesex Centre	1.7011%	2,425.33
Southwest Middlesex	3.0075%	4,287.99
Southwold	1.1436%	1,630.58
Strathroy-Caradoc	6.1822%	8,814.45
West Elgin	4.2989%	6,129.29
Total	100%	\$142,552.93

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