

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:

ST. CLAIR REGION CONSERVATION AUTHORITY

(hereafter, "SCRCA")

WHEREAS SCRCA 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 SCRCA;

AND WHEREAS the Act permits the SCRCA 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 SCRCA 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 SCRCA and the Municipality:
 - a. The Agreement will provide overarching terms and conditions for delivery of non-mandatory programs and services by SCRCA that SCRCA deems advisable to further the purpose of the Act.
 - b. The SCRCA 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 determined by the Municipality and the SCRCA as outlined in Schedule B.
 - d. The SCRCA 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 SCRCA 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. The SCRCA 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 the SCRCA'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 the SCRCA 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 the SCRCA for providing services shall be paid by the Municipality up to and including the Termination Date.

Available to the Public

8. This Cost Agreement shall be made available on the SCRCA'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 the SCRCA 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 SCRCA 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.

ST. CLAIR REGION 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.

The SCRCA is intending to enter into an agreement with Middlesex Centre with regard to the maintenance and operation of Coldstream Conservation Area. It is proposed that this Cost Sharing Apportionment Agreement be executed in order to maintain consistency with the guidelines from the Province of Ontario. See Schedule B.

The SCRCA 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 the SCRCA's program areas by Category.

Cost Apportioning Agreement

Category 1 Mandatory programs and services as identified in Ontario Regulation 686/21. These programs are eligible to be funded through general municipal levy (no agreement required).	Category 2 Municipal programs and services that are provided at the request of the municipality. These programs can be funded through self-generated revenue, government and other agency grants and/or municipal funding under a memorandum of understanding (MOU) or agreement with the municipality.			Category 3 Other programs and services that an Authority (Board) determines are advisable. These programs can be funded through self-generated revenue, user fees, government and other agency grants, donations, etc. Any use of municipal funding will require an agreement and would be subject to cost apportioning.	
	Agreement	Municipality	Date / Status	Agreement Proposed	No Agreement Required
Conservation Management of CA Lands					
SCRCA Forests and Management Areas (McKeough Upstream Lands)	Local Conservation Areas			Managed Lands (Lambton County)	Land Management for SCRCF
Strategy for CA owned or controlled lands	Owned and Operation by SCRCA	Middlesex Centre		Regional Conservation Areas, including campgrounds	
Land Acquisition and Disposition Strategy	Long-term Lease to Municipality			Conservation Services	Private Land Stewardship Program
Land Inventory				Invasive Species Management	
Land Management Plans				Tree Planting	
Watershed-Based Management Strategy				Woodlands Conservation By-Law	
Water Quality Monitoring Program				Great Lakes Regional Initiative	
				Sydenham River Regional Initiative	
				Watershed report cards	
General Operating Expenses					
Corporate Services					School and Community Programs
Administration Buildings					
Communications and Outreach					
Natural Hazards Communications, Outreach and Education					
Financial Services					
Governance					
Information Technology					
GIS					
Watershed Geographical Information Management					
Strategy Development					
Vehicles and Equipment					
Natural Hazards, Flooding and Erosion					
Flood and Erosion Control Infrastructure (WECI)	DRWSP Risk Management Official			Drinking Water Source Protection Program (DWSP)	
WECI Major Maintenance/Capital Projects	Plan Review Not Related to Natural Hazards			Ecological Monitoring plans/strategies	
WECI Operation and Management				Municipal Drain and Fisheries Review	
Drinking Water Source Protection Program					
Low Water Response					
Municipal Plan Input and Review					
Section 28.1 Permit Administration					
Technical Studies and Policy Review					

Currently, all of the programs and services included in the SCRCA'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 Tree Planting.

The SCRCA is seeking the financial support of its member municipalities through Category 3 agreements for the delivery of the Tree Planting services.

Tree Planting

Currently, SCRCA's forest cover is estimated at 13%, well below the 30% recommended by Environment Canada.

Since 2017, the SCRCA has planted over 54,000 trees in Middlesex Centre (total project value of approximately \$185,000) through a mixture of large-scale plantings on corporate and private lands. 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. The SCRCA will match funds provided by its member municipalities with its own fundraising efforts.

Schedule B – Apportionment of Category 2 Programs

The SCRCA and The Municipality of Middlesex Centre currently have an agreement for the operation and maintenance of Coldstream Conservation Area. This agreement will supersede the current agreement and with costs being subject to review annually to permit inflationary or extraordinary costs associated with the day-to-day operations and capital improvements of property. This appendix will be updated annually and distributed to the Municipality following final budget and levy approval. The cost for the 2024 budget year is proposed to be \$26,010, to be paid by the Municipality. Schedule B will be updated annually and distributed to Member Municipalities following final budget and levy approval.

Schedule C – Apportionment of Category 3 Programs

The costs associated with the Category 3 programs and services outlined in Schedule A are included and clearly identified in SCRCA’s overall annual budget. The financial commitment of the Municipality will be based on a council approved monetary amount.

An increase, if any, to the contribution of the Municipality will be applied effective January 1 each calendar year and based on a council approved percentage. Schedule C will be updated annually and distributed to Member Municipalities following final budget and levy approval.

Contribution of Category 3 Programs Requiring Municipal Support for 2024

Municipality	Total Cost Apportionment for Service Areas: Tree Planting
Middlesex Centre	2,000
Chatham-Kent	TBD
Brooke-Alvinston	TBD
Dawn-Euphemia	TBD
Enniskillen	TBD
Lambton Shores	TBD
Oil Springs	TBD
Petrolia	TBD
Plympton-Wyoming	TBD
Point Edward	TBD
Sarnia	TBD
St.Clair	TBD
Strathroy-Caradoc	TBD
Adelaide-Metcalf	TBD
Warwick	TBD
Newbury	TBD

Southwest Middlesex	TBD
Total	TBD

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