

CONSERVATION HALTON'S PROGRAMS & SERVICES INVENTORY

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Executive Summary

On October 1, 2021, *Ontario Regulation 687/21* (Transition Plans and Agreements for Programs & Services under Section 21.1.2 of the Conservation Authorities Act) came into effect. The regulation outlines the steps that conservation authorities (CAs) must take to develop an inventory of Programs & Services (P&S) and to enter into agreements with participating municipalities to fund non-mandatory P&S through a municipal levy. It also establishes the transition period to enter into those agreements.

Conservation Halton's P&S Inventory includes all information required under Section 6 of *Ontario Regulation 687/21*, including:

- i. List of CH's P&S (pre-2022 and post-2022)
- ii. Categorization of CH's P&S (i.e., Category 1, 2, or 3)
- iii. Cost of P&S and source(s) of funding
- iv. List of P&S that will require MOUs/service agreements with benefiting municipality and/or whether there is an intent to pursue a cost apportioning agreement

Initial findings suggest that CH's existing P&S can be delivered without a significant change in total municipal levy support. However, CH will need to engage its municipal partners in discussions on the long-term, sustainable delivery of required P&S such as watershed strategies and passive recreation, as well as discuss the P&S that will require service agreements. There are also some new requirements under *Ontario Regulation 686/21*, to be delivered by December 31, 2024, that were not accounted for in CH's 2022 budget and will require additional analysis to determine how best to fund transition-related costs.

Introduction

This document is Conservation Halton's (CH) Inventory of Programs & Services (P&S), as required under *Ontario Regulation 687/21*. This document contains the following:

- 1) **Background** – brief overview of the legislative and regulatory context for the Inventory, as well as a summary of the regulatory requirements
- 2) **Methodology** – overview of the key steps taken by CH to develop the Inventory and review its P&S
- 3) **Key Service Areas** – summary of CH's key service areas, as well as categorization of the P&S under each area
- 4) **Key Findings & New Requirements** - high-level summary of findings of CH's P&S review, as well as a list of new regulatory requirements and P&S CH intends to deliver
- 5) **Next Steps** – summary of next steps for municipal partner engagement, reporting, and additional regulatory requirements

Background

On December 8, 2020, Bill 229, the “Protect, Support and Recover from COVID-19 Act” received Royal Assent and made changes to the *Conservation Authorities Act* and the *Planning Act*. To implement some of the changes, two regulations related to conservation authority (CA) P&S were developed.

1. *Ontario Regulation 686/21*: Mandatory P&S. This regulation prescribes the mandatory P&S that CAs must provide. This regulation came into effect on January 1, 2022.
2. *Ontario Regulation 687/21*: Transition Plans and Agreements for P&S under Section 21.1.2 of the CA Act. The regulation outlines the steps that are to be taken to develop an inventory of P&S and to enter into agreements with participating municipalities to fund non-mandatory P&S through a municipal levy. It also establishes the transition period to enter into those agreements. This regulation came into effect on October 1, 2021.

The first requirement under *Ontario Regulation 687/21*, was for CAs to submit a Transition Plan to the Province and their partner municipalities. Conservation Halton's (CH) Plan was submitted in December 2021. The second requirement was to develop and circulate a P&S Inventory to the Ministry of the Environment, Conservation and Parks (MECP) and all participating municipalities by February 28, 2022, as well as to post online.

Under *Ontario Regulation 687/21*, all CAs are required to develop an inventory of P&S, including costs and funding sources, and classify all P&S based on the categories established under the CA Act. The three categories of P&S include:

- **Category 1**: Mandatory P&S described in O. Reg. 686/21; funded through municipal levy, user fees, or grants
- **Category 2**: P&S that are at the request of a municipality; funded through municipal levy, user fees, or grants; MOU/service agreement required

- **Category 3:** P&S that the CA considers advisable to further the purposes of the CA Act; funded through user fees, or grants; use of municipal funding requires MOU/service agreement

The P&S Inventory must also contain a list of P&S that will require MOUs or service agreements with the benefiting municipality.

Methodology

To develop CH's P&S Inventory, a framework was first created using MS Excel. A critical review of Section 6 of *Ontario Regulation 687/21* was also undertaken to ensure that all required information would be contained in the Inventory. Outlined below is an overview of the key steps taken to develop CH's P&S Inventory.

- Step 1:** The first step in developing CH's P&S Inventory involved undertaking a review of CH's existing P&S. To better describe CH's P&S and align with the terminology presented in the *CA Act*, *Ontario Regulation 686/21*, and *Ontario Regulation 687/21*, some of CH's existing P&S and budget categories were renamed or reorganized under one of four key service areas, which include:
- 1) Natural Hazards & Watershed Management
 - 2) Permitting & Planning
 - 3) Conservation Lands & Recreation
 - 4) Corporate Services
- Step 2:** CH's existing P&S were grouped under a key service area and classified as a Category 1, 2, or 3 P&S with a rationale or explanation. **Figures 1 – 5** in the section below graphically present CH's key service areas, as well as the categorization of each P&S.
- Step 3:** The cost and source of funding of each P&S using CH's approved 2022 Budget (\$40,191,782 operating and capital costs), as well the five-year average annual costs were calculated. Each line item in CH's 2022 Budget Summary was re-classified and grouped based on the key service areas and P&S identified in Steps 1 and 2. Where 2022 Budget items covered more than one P&S and/or covered more than one category (i.e., category 1, 2, or 3), an approximate percentage was allocated to each of the P&S categories. Total P&S costs were then calculated, and sources of funding identified, based on the new groupings of CH's service areas and P&S.
- Step 4:** Municipalities benefitting from the P&S and a list of P&S requiring MOUs or service agreements were identified.
- Step 5:** Gaps in CH's existing P&S, based on those described as mandatory under *Ontario Regulation 686/21*, were identified and costed. Additional deliverables required under *Ontario Regulation 687/21*, but not accounted for in CH's approved 2022 budget, were also identified.

All information required under Section 6 of *Ontario Regulation 687/21* is presented in **Tables 1 and 2 of Appendix 1**. The entire MS Excel file will be sent to municipalities and the Province.

CH's Key Service Areas

Figure 1: CH's Key Service Areas

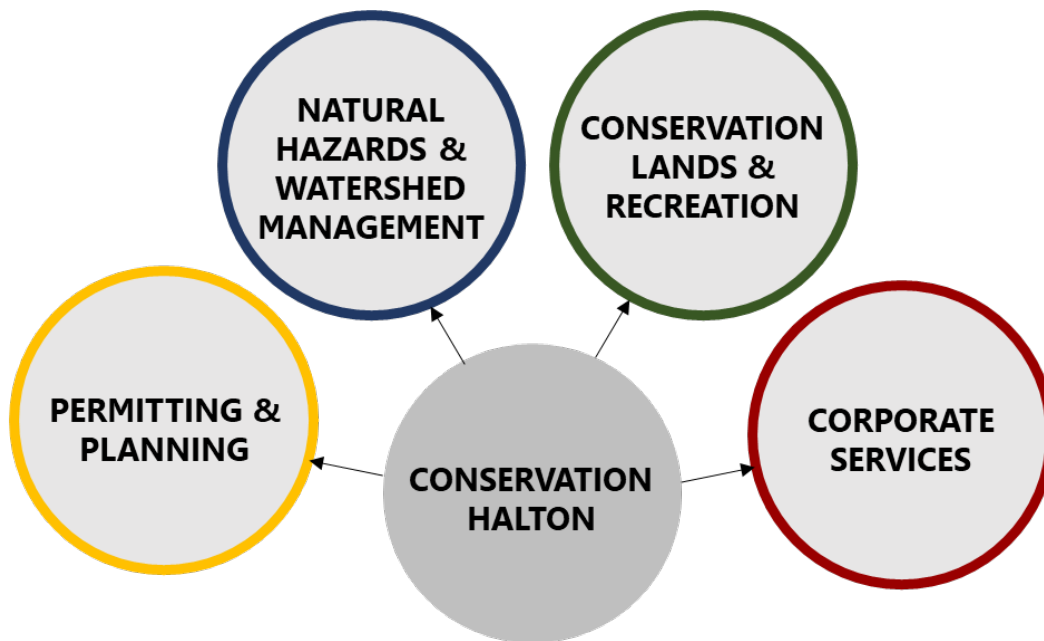
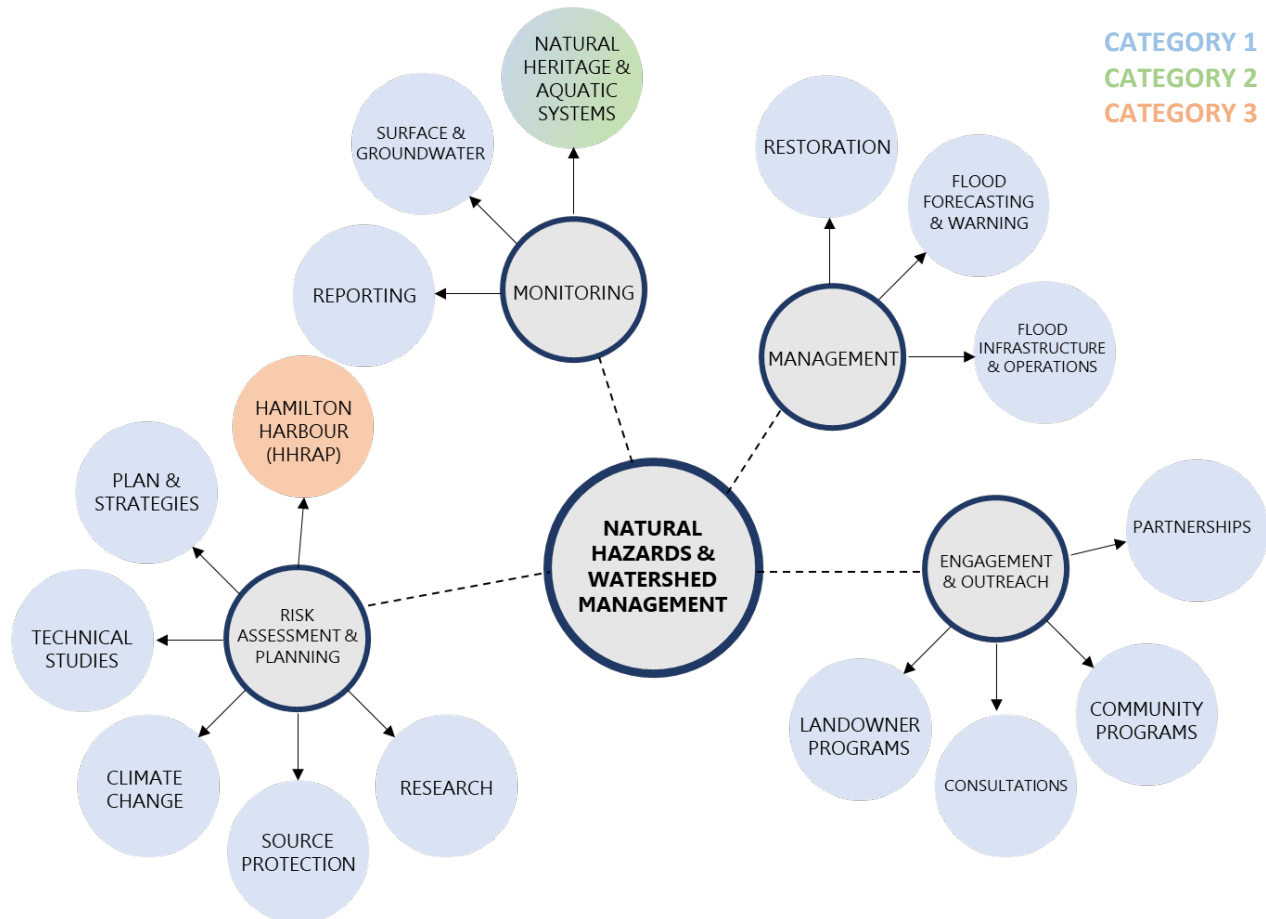


Figure 2: Natural Hazards & Watershed Management Programs & Services



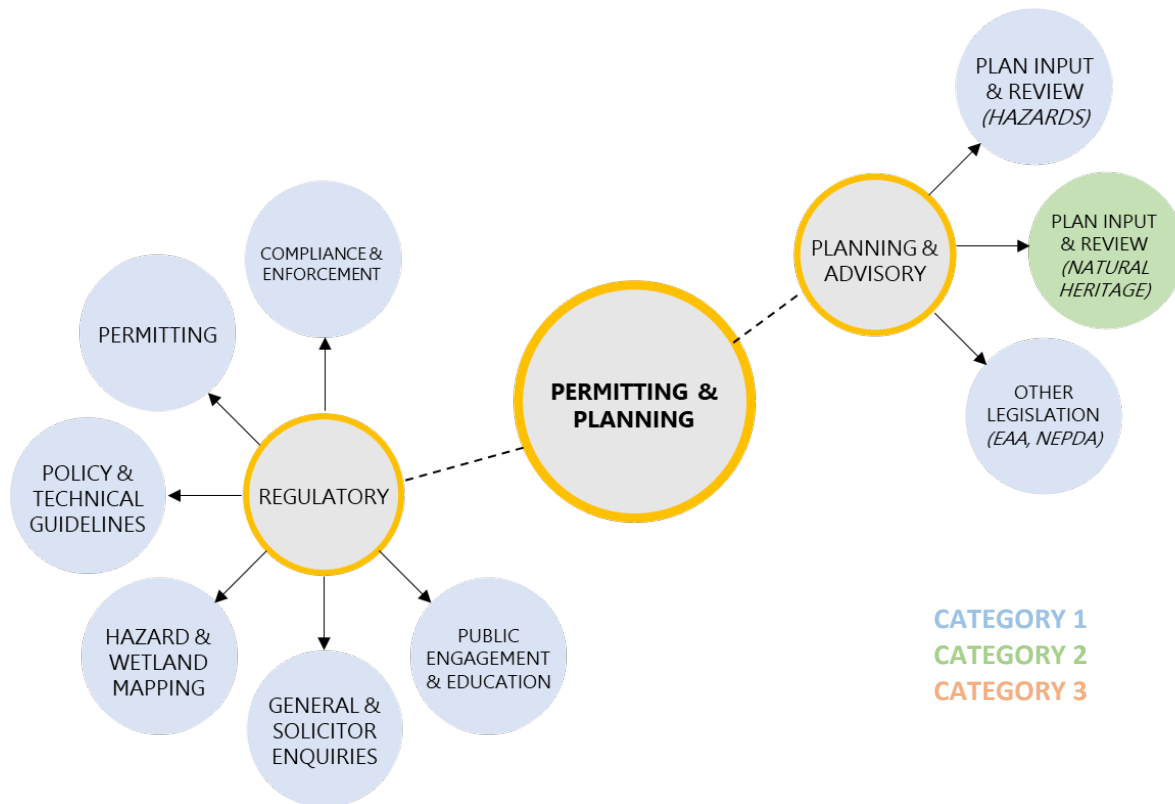
The Natural Hazards & Watershed Management service areas includes the monitoring, risk assessment, management, and outreach P&S that CH undertakes to address natural hazard or watershed management risks, issues, or opportunities.

The Flood Forecasting & Operations program is responsible for the management, operation, and maintenance of CH's flood management infrastructure with a capital asset value of more than \$100 million, including dams and channels that provide flood protection and low-flow augmentation. This responsibility is integrated with CH's role in supporting municipal emergency response to flooding by monitoring local watershed conditions, predicting flooding potential and providing flood messaging to watershed stakeholders.

CH's Monitoring and Outreach teams inventory, monitor, and assess watershed conditions and trends, such as surface and ground water quality and quantity, forest health and biodiversity, create partnerships with landowners and funders to address hazard related issues or restore degraded habitats, promote land and water stewardship, and provide support to the Hamilton Harbour Remedial Action Plan (HHRAP).

CH also implements the Source Water Protection Program under the Clean Water Act and undertake watershed planning initiatives, including resource management and climate change strategies.

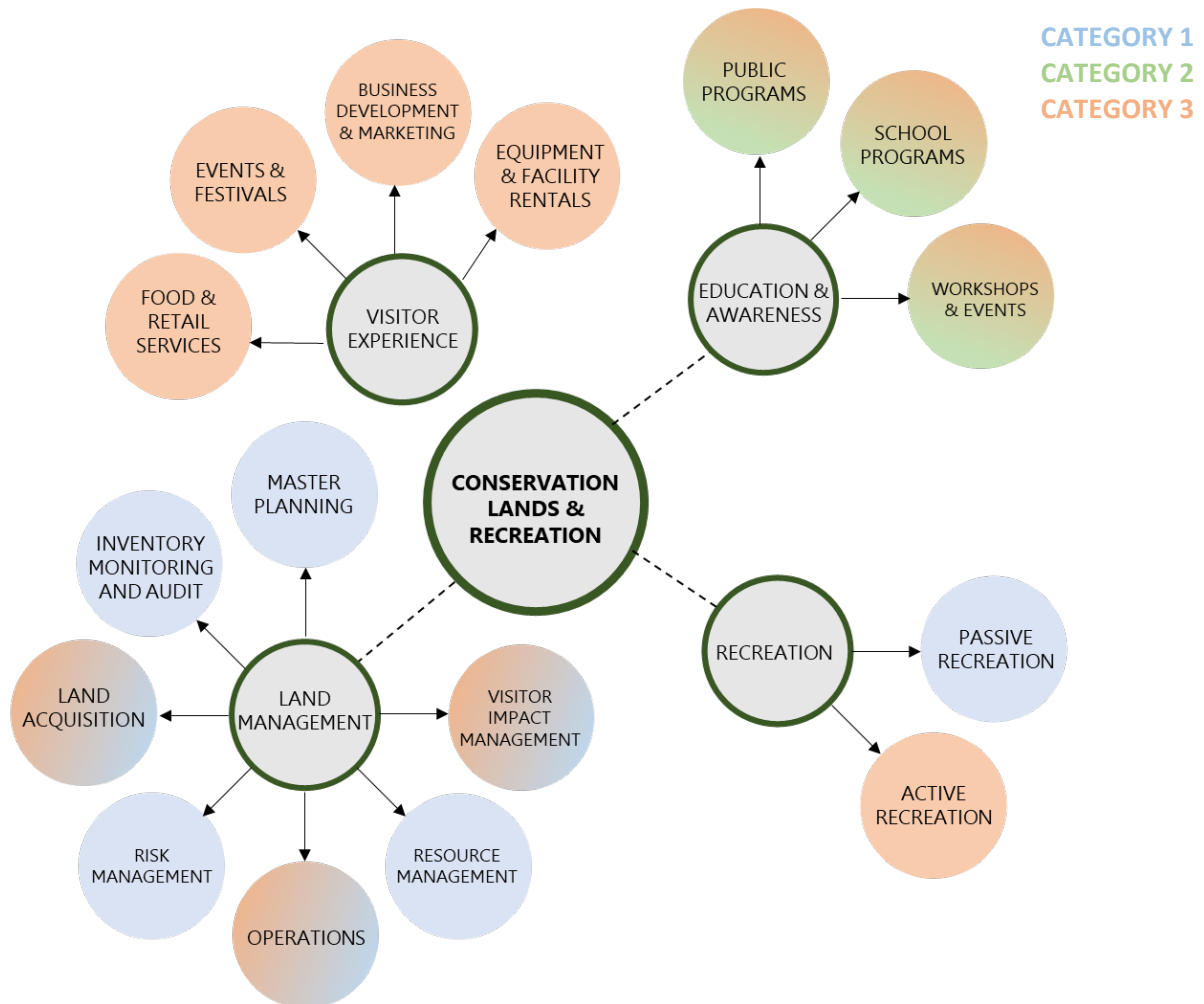
Figure 3: Planning & Permitting Programs & Services



The Permitting & Planning service area relates to CH's roles and responsibilities as a regulatory authority, a Provincially-delegated reviewer for natural hazards-related matters, service provider, public commenting body, resource management agency, and landowner. The Planning & Regulations team carries out permitting, compliance and enforcement activities as required by regulations enacted under the *Conservation Authorities Act*. The team also reviews a range of planning and development applications, as well as technical studies, under the *Planning Act*, *Niagara Escarpment Planning & Development Act*, *Environmental Assessment Act*, *Aggregate Resources Act*, and provides input on federal, provincial, regional, and municipal policies and initiatives. The team is also responsible for developing Board-approved policies and technical guides for permitting and plan review and responding to changes to the *Conservation Authorities Act*.

The Floodplain Mapping program is responsible for updating flood hazard mapping across the watershed to support the planning and regulatory programs and flood warning and forecasting operations. This mapping also informs infrastructure management decisions, emergency planning and response, prioritization of flood mitigation efforts, and infrastructure design.

Figure 4: Conservation Lands & Recreation Programs & Services

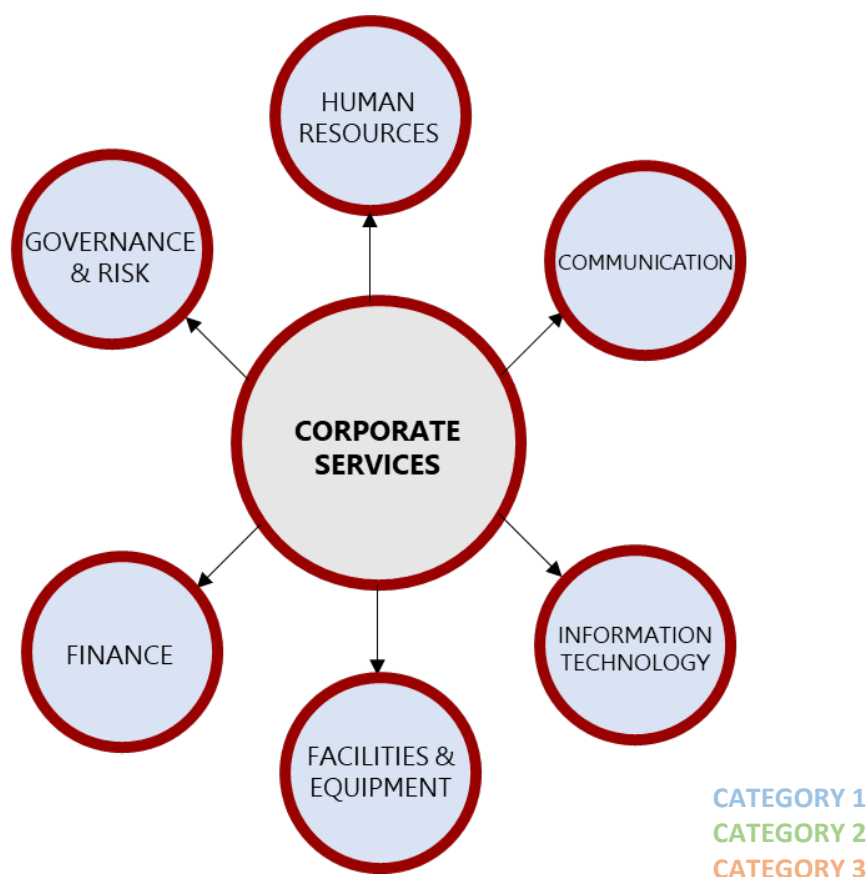


The Conservation Lands & Recreation service area includes the wide variety of recreational and educational programs and services that CH provides to over 1,000,000 annual visitors. It also includes the management and securement of environmentally significant lands, as well as provide for passive recreational uses such as trails. Park operations, programming and services are funded almost entirely through self-generated revenue from annual and seasonal passes, daily access fees, education fees, and lesson and camp registrations.

CH provides community outreach and education programs that have an annual reach of over 200,000 participants (pre-COVID-19). Programs include Halton Children's Water Festival, Stream of Dreams, From The Ground Up and Healthy Neighboursheds. We also work with the local school board to deliver affordable, innovative outdoor education programs.

P&S under this service area also include the long-term planning and management of all CH properties from an administrative perspective (leases, agreements, permits to enter, title searches and records), landscape maintenance (turf management, landscape management and snow clearing support), and security and risk.

Figure 5: Corporate Services Programs & Services



Corporate Service P&S includes the financial, technical, creative and administrative services that CH requires in order to efficiently and effectively deliver the programs and services of the organization. Corporate Services lead the organization in its focus on financial sustainability through the provision of clear financial data and analysis to support informed, strategic and operational decision-making for budget development and long-term planning. Corporate Services P&S are also responsible for implementing business practices that ensure economic, social and environmental sustainability.

Key Findings & New Requirements

Based on staff's analysis, CH's existing P&S can be delivered without a significant change in total municipal levy support. Other key findings include:

- Almost 60% of both the 2022 budget and five-year historical budget average (approximately \$22 million) are Category 1 P&S
- 94% (\$10.1 million) of the 2022 base municipal levy of \$10.8 million is allocated to Category 1 P&S; 6% (\$673,000) of the 2022 base municipal levy is allocated to Category 2 or 3 P&S
- 55% (\$12.2 million) of Category 1 P&S in 2022 budget are funded by self-generated revenue, grants, chargebacks and reserves; municipal levy funds 45% of Category 1 P&S costs

Discussion between CH and its municipal partners will be needed to address the following items or new Provincial requirements:

- Long-term, sustainable delivery of new P&S such as watershed strategies and passive recreation
- New MOUs or service agreements that are required for some P&S (e.g., components of CHs monitoring and education programs) and/or any other P&S requested by a municipality for CH to undertake
- MOU updates to select planning-related agreements (e.g., City of Hamilton MOU, SWM-related aspects of Region of Halton MOU)
- New deliverables to be completed by December 31, 2024, not accounted for in CH's 2022 budget:
 - Watershed-based Resource Management Strategy
 - Operational and Asset Management Plans for Natural Hazard Infrastructure (note: CH completed an Asset Management Plans through a phased approach between 2017-2020; Dams & Channels Plan (2017) is being updated this year)
 - Ice Management Plan
 - Conservation Area Strategy
 - Land Inventory

Next Steps

CH's P&S Inventory includes all required information outlined in Section 6 of *Ontario Regulation 687/21*. As presented in CH's Transition Plan (December 2021), Phase 1 of the transition period is considered complete following the submission of the P&S Inventory to the MECP and all participating municipalities by February 28, 2022, as well as once it is posted online.

The second phase of the transition period will involve CH staff consulting with municipal staff on CH's P&S Inventory and, as necessary, revising the P&S Inventory based on municipal feedback/comments.

Progress reports will be submitted to the Province and updates provided to CH's Board of Directors on a regular basis.

Once the P&S Inventory is confirmed by CH's municipal partners, CH staff will engage municipal staff in discussions on the development of MOUs/service agreements for category 2 and 3 P&S. CH's Final P&S Inventory and all MOUs/service agreements are to be completed by January 1, 2024.

Note: Phase 2 Regulations under the *CA Act* have not yet been released by the Province, and may result in changes to two levy-related regulations (O. Reg. 670/00 "Conservation Authority Levies"; O. Reg. 139/96 "Municipal Levies"), as well as the CA Fee Policy. Updates to these regulations and policy could have an impact on the financial component of the Inventory and will be amended, as necessary, at that time.

APPENDIX 1

TABLE 1: Conservation Halton Programs & Services Inventory (P&S Review)
Wednesday, February 9, 2022

Key Service Areas	Programs & Services	Category 1 P&S Mandatory P&S described in O. Reg. 686/21; funded through municipal levy, user fees or grants	Category 2 P&S P&S that are at the request of a municipality; funded through municipal levy, user fees, or grants; MOU/service agreement required	Category 3 P&S P&S that CH Board considers advisable to further the purposes of the CA Act; funded through user fees, self-generated revenue, government and other agency grants, donations, etc.; use of municipal funding requires MOU/service agreement and subject to cost apportioning	Explanation/Rationale for Categorization (e.g., Section of CA Act & O. Reg. 686/21, where applicable)	Benefiting Municipality	MOU requirements
Natural Hazards & Watershed Management							
	Monitoring						
	Surface & Groundwater Systems	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1-3, s.12)	All	n/a
	Natural Heritage & Aquatic Systems	✓	✓		CA Act 21.1 (1); O.Reg. 686/21 (s.12) [Category 1] & CA Act 21.1.2; MOU/MOA with municipality(ies) required [Category 2] as P&S undertaken at municipality's request and to support municipal objectives	All	New MOU required for all municipalities
	Reporting	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1-3, s.12)	All	n/a
	Risk Assessment & Planning						
	Plans & Strategies	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1-3, s.12)	All	n/a
	Technical Studies	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1-3, s.12)	All	n/a
	Climate Change	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1-3, s.12)	All	n/a
	Source Protection	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.13)	All	n/a
	HHRAP			✓	Multi-Government Agreement Federal (EC), Provincial (MECP); Burlington; Hamilton; delivered by CH.	Burlington & Hamilton	n/a
	Research	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1-3, s.12)	All	n/a
	Management						
	Flood Forecasting & Warning	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.2)	All	n/a
	Flood Infrastructure & Operations	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.5)	All	n/a
	Restoration	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.9-10, s.12)	All	n/a
	Engagement & Outreach						
	Community Programs	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1-3, s.12)	All	n/a
	Public Consultations	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1-3, s.12)	All	n/a
	Landowner Programs	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1-3, s.12)	All	n/a
	Partnerships	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1-3, s.12)	All	n/a
Permitting & Planning							
	Regulatory						
	Compliance & Enforcement	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.1, s.8)	All	n/a
	Permitting	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.1, s.8); non-municipal levy supported, user fees	All	n/a
	Policy & Technical Guidelines	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.1, s.8)	All	n/a
	Hazard & Wetland Mapping	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.1, s.8)	All	n/a
	General & Solicitor Inquiries	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.1, s.8)	All	n/a
	Public Engagement & Education	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.1, s.8)	All	n/a
	Planning & Advisory						
	Plan Input & Review (Hazards)	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1, s.6-8); municipal levy and non-levy supported, supported/user fees	All	n/a
	Plan Input & Review (e.g., Nat Heritage, SWM)		✓		CA Act 21.1.2; MOU/MOA with municipality(ies) required, as P&S undertaken at municipality's request and to support municipal objectives; special agreements exist (e.g., IESA with ROH); municipal levy and non-levy supported, supported/user fees		New/updated MOU required for Hamilton (2013) & Peel (2012); Existing MOU in place for Halton (2018; 2021) & Wellington (2017)
	Other Legislation (e.g., EAA, NEPDA, ARA)	✓			CA Act 21.1 (1); O.Reg. 686/21 (s. 1, s.6-8); municipal levy and non-levy supported, supported/user fees	All	n/a
Conservation Lands & Recreation							
	Land Management						
	Master Planning/CA Strategy	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.9-11); municipal levy and non-levy supported	All	n/a
	Inventory, Monitoring & Audit	✓			CA Act 21.1 (1); O.Reg. 686/21 (s.9-11); municipal levy supported	All	n/a
	Land Acquisition	✓		✓	CA Act 21.1.2; non-municipal levy supported P&S		n/a

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TABLE 2: Conservation Halton Programs & Services Inventory (Financial Summary)
Wednesday, February 9, 2022

	Key Service Areas	Programs & Services	Total Expenses (\$)	Program Revenue	Provincial Funding	Other	Internal Chargeback Recoveries	Reserve Funding	Municipal Funding	Total Revenues (\$)	Historical Average	Comments
CATEGORY 1	Natural Hazards & Watershed Management	Monitoring	536,221	1%			3%		96%	100%		
	Natural Hazards & Watershed Management	Risk & Assessment	266,141		79%	11%			10%	100%		
	Natural Hazards & Watershed Management	Management	2,336,238		22%		2%	15%	61%	100%		
	Natural Hazards & Watershed Management	Engagement & Outreach	3,038,436	2%		62%	17%	2%	16%	100%		
	Permitting & Planning	Regulatory	3,231,290	34%		35%	1%	3%	27%	100%		
	Permitting & Planning	Planning & Advisory	1,799,446	71%					29%	100%		
	Conservation Lands & Recreation	Land Management	2,935,172	6%	5%	32%	12%	3%	43%	100%		
	Conservation Lands & Recreation	Recreation	1,124,434	100%						100%		
	Corporate Services	Corporate Services	7,066,829	1%		1%	18%	7%	72%	100%		
	Total Category 1		22,334,206	4,188,129	841,660	3,865,297	2,225,914	1,090,461	10,122,747	22,334,206	22,619,657	
CATEGORY 2	Natural Hazards & Watershed Management	Monitoring	94,627	1%			3%		95%	100%		
	Permitting & Planning	Regulatory	344,099	59%			2%	5%	34%	100%		
	Permitting & Planning	Planning & Advisory	317,549	71%					29%	100%		
	Conservation Lands & Recreation	Education & Awareness	682,420	80%					19%	100%		
	Total Category 2		1,438,696	980,242	-	-	13,096	15,000	430,358	1,438,696	3,750,139	
CATEGORY 3	Natural Hazards & Watershed Management	Risk & Assessment	289,092			104%			-4%	100%		
	Conservation Lands & Recreation	Land Management	4,337,152		29%	57%	2%	11%	1%	100%		
	Conservation Lands & Recreation	Recreation	6,670,183	91%				9%		100%		
	Conservation Lands & Recreation	Visitor Experience	3,589,324	83%		5%		12%		100%		
	Conservation Lands & Recreation	Education & Awareness	1,533,129	84%					16%	100%		
	Total Category 3		16,418,879	11,986,179	759,924	1,920,076	44,742	1,465,427	242,531	16,418,879	12,976,372	
	Total Programs and Services		40,191,781	17,154,550	1,601,584	5,785,373	2,283,751	2,570,888	10,795,636	40,191,781	39,346,167	

Annual cost estimates for new Category 1 P&S*:

Natural Hazards & Watershed Management P&S - Watershed Strategy \$150-\$200K, in addition to current budget funding of \$25K

Conservation Lands & Recreation P&S - Passive Recreation & Visitor Impact Management - \$75K, less \$25K in current budget

*CH staff will work with municipal staff to phase in costs and minimize the impact of annual municipal funding

New deliverables to be completed by December 31, 2024:**

- Watershed-based Resource Management Strategy, Operational & Asset Management Plans for Natural Hazard Infrastructure***, Ice Management Plan, Conservation Area Strategy, & Land Inventory

**CH staff will work with municipal staff to identify a funding strategy for these items

***CH Asset Management Plan completed through a phased approach 2017-2020; Dams & Channels (2017) is being updated in 2022