Section I – Items for Toronto and Region Source Protection Authority Action

TO: Chair and Members of the Toronto and Region Source Protection Authority Friday, January 29, 2021 Meeting

FROM: Laurie Nelson, Director, Policy Planning

RE: CREDIT VALLEY-TORONTO AND REGION-CENTRAL LAKE ONTARIO (CTC) SOURCE PROTECTION REGION CHANGE IN LEAD SOURCE PROTECTION AUTHORITY

KEY ISSUE

To obtain endorsement from the Toronto and Region Source Protection Authority (TRSPA) to change the Lead Source Protection Authority (SPA) for the Credit Valley-Toronto and Region-Central Lake Ontario (CTC) Source Protection Region from Toronto and Region SPA to Credit Valley SPA.

RECOMMENDATION

WHEREAS 422 of the 424 remaining Significant Drinking Water Threats that are within the Credit Valley-Toronto and Region-Central Lake Ontario (CTC) Source Protection Region are located within the Credit Valley Source Protection Authority jurisdiction;

AND WHEREAS the CTC Management Committee consisting of the CEO/CAOs of the Credit Valley, Toronto and Region, and Central Lake Ontario Conservation Authorities have directed staff to transfer Lead Source Protection Authority responsibilities from the Toronto and Region Conservation Authority to the Credit Valley Conservation Authority;

THEREFORE, LET IT BE RESOLVED THAT the Toronto and Region Source Protection Authority endorse the transfer of Lead Source Protection Authority responsibilities from Toronto and Region Source Protection Authority to Credit Valley Source Protection Authority for the 2020-2021 Provincial fiscal year, as described in the Letter Agreement dated October 21, 2020;

AND FURTHER THAT the Toronto and Region Source Protection Authority endorse the request that the Minister of the Environment, Conservation and Parks designate Credit Valley Source Protection Authority as the Lead Source Protection Authority for the CTC Source Protection Region under Ontario Regulation 284/07.

BACKGROUND

Under Ontario Regulation 284/07, the Credit Valley Source Protection Area (SPA) was grouped with the Central Lake Ontario and Toronto and Region SPAs and called the CTC Source Protection Region (CTC SPR). Toronto and Region SPA was identified as the Lead Source Protection Authority. All legal and transfer payment agreements are made between the Province and the Lead SPA on behalf of the SPR. The Lead and supporting SPA responsibilities are outlined in an annual Transfer Payment Agreement (TPA) that is negotiated and drawn between the Lead SPA and the Province.

Under the TPA, the Lead SPA is charged with general administration of the program, including establishment and management of the Source Protection Committee (SPC) that deliberates and makes policy decisions for the SPR. Two additional types of agreement exist: an agreement

Item 7.1

between the 3 SPAs outlining the division of responsibilities and work, and agreements between each SPA and its Conservation Authority (CA) to authorize the Board of the CA to also act as the Board of the SPA.

Ontario Regulation 284/07 gives a Management Committee comprised of the CEO/CAOs of the CAs the authority to request the Province make a change in Lead SPA. Precedence for a shift in Lead SPA for an SPR exists (e.g., Saugeen Valley CA to Grey Sauble CA for the Saugeen, Grey Sauble, Northern Bruce Peninsula SPR).

The CTC CEO/CAOs Management Committee recently agreed to submit a request to the Ministry of Environment, Conservation and Parks (MECP) to shift the Lead SPA responsibilities from the TRSPA to the CVSPA. The proposed change was endorsed by the CTC SPR Chair after submission of the 2019 CTC SPR annual report regarding the implementation of the Source Protection Plan.

RATIONALE

The rationale for this request is primarily based on the fact that the total count for remaining Significant Drinking Water Threats (SDWTs) in the CTC region is 424, and of these, the majority (422) are located within the CVSPA (2 in the TRSPA and 0 in the CLOSPA). In 2015, when the Source Protection Plan became effective, the TRSPA and CLOSPA had 479 and 8 reported SDWTs respectively, while the CVSPA had 10,116. This distribution of SDWTs was revealed during the completion of the first Assessment Reports circa 2012.

A phone conversation was held on June 9, 2020 with representatives of MECP to discuss options to authorize a change in Lead SPA from Toronto and Region to Credit Valley effective April 2021, the beginning of the provincial 2021-2022 fiscal year. Implications for the current fiscal year's TPA were discussed and three procedural options were outlined, as follows:

- 1. Maintain the current TPA and TRSPA as the Lead SPA until April 2021 but shift the Lead SPA responsibilities through an internal agreement between the SPAs. The CTC SPR would then initiate a formal request to amend the regulation identifying the Lead SPA for the 2021-2022 Provincial fiscal year.
- 2. The Province could terminate the current TPA with the TRSPA and prepare a new TPA with the CVSPA as the lead. Should the TPA be terminated, this would entail a reporting of funds spent to date, processing of refunds if necessary, and then a newly prepared TPA along with a revised workplan inclusive of allocations. The CTC SPR does not currently have the staff resources to complete this work in advance of spring 2021 and it would be inefficient to go through this process.
- 3. Legally draft a 'Consent to Assignment' agreement which would provide permission to the TRSPA to assign duties to the CVSPA. This instrument has never been used as a source water protection tool, and thus would have to be modified through a legal process which could be lengthy.

Option 1 was recommended for two reasons. Firstly, the current fiscal year's TPA between the MECP and the TRCA was signed on Apr 30, 2020 and runs only until March 30, 2021. The legal, accounting, and administrative processes to modify an existing TPA would be lengthy. The CTC SPR Program Manager position was vacant between May and October 2020 and was only recently filled by the CVSPA. A supporting coordinator position has recently been advertised. It was determined that as CTC SPR staff had to assume the responsibilities of the

Program Manager during the interim to ensure that critical timelines were met, it was prudent that time not be lost in an administrative disruption.

Secondly, while the Lead SPA change could be 'accommodated' by a revision in the TPA without a change in the regulation, (as was done for the Saugeen-Grey Sauble lead SPA change), a regulatory change is eventually required. As a result, the Province suggested that the CTC SPR shift the responsibilities internally for this year and that the CTC initiate the formal regulatory change process in the 2021-2022 fiscal year. MECP will provide the CTC SPR with a list of items that should be considered when initiating the request to amend the regulation.

Option 1 was approved by the CEO/CAO Management Committee to prevent major disruptions in administration of the CTC SPR. It has been agreed that the CVSPA, with the support of SPR staff, will manage the interim progress and financial reporting under the existing 2020-2021 TPA. This decision was discussed and endorsed by the Chair of the CTC SPR.

Negotiations for renewed TPAs typically start in the fall and the Province will engage with CVSPA for that task. As well, the Province advised that they may consider reaching out to all the SPRs to determine what other SPRs may be interested so that they may proceed with a group amendment. The formal shift in Lead SPA for the Saugeen, Grey Sauble, Northern Bruce Peninsula SPR will be included in this grouping.

TRCA, CVC, and CLOCA have signed a Letter Agreement (*Attachment 1*), that will serve as the interim agreement to transfer Lead SPA responsibilities from TRSPA to CVSPA for the 2020-2021 fiscal year. The development of this Agreement was informed by consultation with MECP staff and prepared by TRCA's Legal Counsel. Work on the 2021-2022 TPA with the Province is expected to begin shortly. A potential list of activities has already been provided to the MECP via Conservation Ontario. A report on the change in Lead SPA was presented to and received for information by the CTC Source Protection Committee through Resolution #20/20, at their meeting held on November 23, 2020. The Credit Valley Conservation Source Protection Authority endorsed the recommendation to change the Lead SPA from TRSCP to CVSPA at their meeting on December 11, 2020. It should be noted that although there will be a change in Lead SPA, the TRSPA will continue to fulfill its responsibilities under the *Clean Water Act*.

FINANCIAL DETAILS

A Transfer Payment Agreement between TRCA and MECP has been established for source water protection program costs for the 2020-2021 Provincial fiscal year. Under the attached Letter Agreement between the CTC Conservation Authorities, costs incurred by CVC in undertaking the responsibilities of the Lead SPA will be invoiced to TRCA. Negotiations for the Transfer Payment Agreement between CVC and MECP for the 2021-2022 Provincial fiscal year are expected to begin over the next month.

DETAILS OF WORK TO BE DONE

TRCA, CVC, and CLOCA have signed a Letter Agreement that will serve as the interim agreement to transfer Lead SPA responsibilities from TRSPA to CVSPA for the 2020-2021 fiscal year. The development of this Agreement was informed by consultation with MECP staff and prepared by TRCA's Legal Counsel. Work on the 2021-2022 TPA with the Province is expected to begin shortly. A potential list of activities has already been provided to the MECP via Conservation Ontario.

Item 7.1

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Attachment 1: Letter Agreement for Transfer of Lead Source Protection Authority Responsibilities from Toronto and Region Conservation Authority to Credit Valley Conservation Authority, October 21, 2020