

**MEMORANDUM OF UNDERSTANDING (“MOU”)**

THIS AGREEMENT is made as of the 8th day of December, 2023 (the “Effective Date”).

**BETWEEN:**

**THE REGIONAL MUNICIPALITY OF YORK**

(“Participating Municipality”)

**AND:**

**LAKE SIMCOE REGION CONSERVATION AUTHORITY**

(“LSRCA”)

**WHEREAS** LSRCA is a conservation authority established under the *Conservation Authorities Act* (“Act”) providing programs and services that further the conservation, restoration, development and management of natural resources in its watersheds;

**AND WHEREAS** the Participating Municipality is an upper-tier municipality, located wholly or partly within the area under the jurisdiction of LSRCA, and is designated as a participating municipality under the Act;

**AND WHEREAS** in carrying out its mandate under the Act, LSRCA is required to provide mandatory programs and services (Category 1) set out under the Act and Ontario Regulation 686/21, as amended or superseded;

**AND WHEREAS** in carrying out its mandate under the Act, LSRCA is required to provide mandatory programs and services (Category 1) related to the Lake Simcoe Protection Plan (LSPP) under the *Lake Simcoe Protection Act, 2008* and the *Clean Water Act, 2006*, as amended or superseded;

**AND WHEREAS** in carrying out its mandate under the Act, LSRCA may also provide non-mandatory programs and services (Category 2) at the request of or on behalf of its municipal partners within its jurisdiction;

**AND WHEREAS** in carrying out its mandate under the Act, LSRCA may identify non-mandatory programs and services (Category 3) that LSRCA may implement to manage and conserve the watershed;

**AND WHEREAS** under the Act, Category 1 programs and services are to be funded through the annual budget and apportionment process in accordance with the applicable regulations;

**AND WHEREAS** under the applicable regulations, Category 1 operating expenses and capital costs may be included in the apportionment and provided without an agreement;

**AND WHEREAS** under the Act, Category 2 programs and services requested by the participating municipalities may be provided under a memorandum of understanding (“MOU”) or such other agreement in respect of the programs and services, such as a procurement or other agreement;

**AND WHEREAS** under the applicable regulations, Category 2 operating expenses and capital costs may be included in the apportionment under an MOU or other agreement, and the operating expenses and capital costs shall be apportioned, in their entirety, to the participating municipality that requested the programs and services;

**AND WHEREAS** under the Act, Category 2 programs and services may be provided at the request of participating municipalities, outside of the annual budget and apportionment process, through an MOU or other agreements;

**AND WHEREAS** this MOU sets out the principles, terms and conditions governing the delivery of Category 2 programs and services funded by the Participating Municipality through the budget and apportionment, or otherwise requested outside of the budget and apportionment process;

**AND WHEREAS** under the Act, Category 3 programs and services implemented by LSRCA may be provided in accordance with the Act through a cost apportioning agreement, where financing from a participating municipality is necessary in order for the conservation authority to provide the program or service, in accordance with the Act and applicable regulations;

**AND WHEREAS** the Act requires such MOUs or other agreements to be reviewed at regular intervals, and to be made available to the public, subject to certain exemptions including an exemption for procurement agreements;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration the sufficiency of which is hereby acknowledged by the parties, the parties hereto agree as follows:

1. This MOU shall commence on the Effective Date and shall continue for four (4) years (the “**Initial Term**”). Thereafter this MOU shall continue for additional four (4) year periods (each a “**Renewal Term**”) on the same terms and conditions unless either party provides written notice of termination to the other party at least sixty (60) days prior to the expiry of the Initial Term or Renewal Term, as the case may be.
2. This MOU shall be reviewed by the parties on an annual basis as part of the budget and apportionment process.
3. When preparing its annual budget, LSRCA shall follow the prescribed budgetary process in accordance with the requirements of the applicable regulations, including preparation of

a draft budget, consultations with participating municipalities, rules for voting to approve the apportionment, and preparation of the final budget in alignment with the budgetary procedures of the participating municipalities. Further, upon request, LSRCA shall also submit a variance report by July 1<sup>st</sup> every year that includes a summary of deferred revenue for all programs and services included in the apportionment, and LSRCA and the Participating Municipality will review unspent funding to determine opportunities to reallocate funding to other priority program and service areas on mutual agreement. Schedule “C” to this MOU summarizes the current annual budget process carried out by LSRCA in consultation with the participating municipalities, which may be amended from time to time by as agreed to by the parties outside of this MOU.

LSRCA shall identify Category 1 programs and services in the annual budget. LSRCA shall comply with the prescribed methods of apportionment for Category 1 services. LSRCA and the Participating Municipality will identify and agree on requested Category 2 programs and services to be included in the annual budget and apportionment. Where the requested Category 2 services and programs are included in the annual budget and apportionment, LSRCA shall, in accordance with the applicable regulations, apportion the operating expenses and capital costs, in their entirety, to the Participating Municipality. The method of apportionment for each program and service shall be identified in the annual budget. The parties may elect to use LSRCA’s or the Participating Municipality’s form of agreement for the delivery of some municipally requested programs and services funded through the apportionment. LSRCA and the Participating Municipality will identify and agree on Category 3 programs and services proposed to be included in the annual budget and apportionment.

Schedule “B” to this MOU depicts the current account structure used by LSRCA as part of the annual budget and apportionment process. The account structure may be updated from time to time through the approval of the annual budget and apportionment, and the final approved budget and apportionment, as amended on an annual basis through LSRCA’s budget and apportionment process consistent with the Participating Municipality’s annual budget process and approval, are hereby incorporated by reference into this MOU.

Schedule “D” contains the Category 3 programs or services identified and included in the annual budget and apportionment as of the Effective Date. Schedule “D” will be updated on an annual basis through the approval of the annual budget and apportionment process, and the final approved budget and apportionment, as amended on an annual basis are hereby incorporated by reference into this MOU.


4. Where after the Effective Date LSRCA identifies a new Category 3 program or service or changes to the current Category 3 programs or services to be proposed for inclusion in the next annual budget, LSRCA shall notify the Participating Municipality of the program or service by May 1<sup>st</sup> of the preceding year and shall review the program or service with all participating municipalities to which corresponding cost apportioning terms would be proposed in accordance with the Act.

5. Where Category 2 programs and services are requested and procured outside of the annual budget process, and not included in the apportionment, the following principles, terms and conditions shall govern the delivery of Category 2 programs and services requested by the Participating Municipality:
  - a. Subject to complying with procurement and purchasing policies, the Participating Municipality will give due consideration to LSRCA when procuring services related to LSRCA's mandate and areas of expertise.
  - b. LSRCA's or the Participating Municipality's standard form of purchase order and procurement and other agreements will be used for the delivery of municipally requested programs and services.
  - c. LSRCA will maintain such insurance policies as required by the Participating Municipality in respect of the delivery of programs and services provided outside of the budget process pursuant to this MOU.
6. LSRCA will retain all financial and project records in connection with the programs and services for audit purposes by the Participating Municipality for no less than seven years and shall provide such records to the Participating Municipality on request.
7. Schedule "A" to this MOU provides a list of existing procurement agreements and other agreements with the Participating Municipality. LSRCA shall maintain a list of such agreements and provide to the Participating Municipality on request.
8. Notwithstanding any provision in this MOU, the parties acknowledge and agree that nothing in this MOU shall be construed as amending, superseding or affecting existing agreements between the Participating Municipality and LSRCA entered into prior to the Effective Date of this MOU.
9. Category 1 programs and services shall be provided in accordance with any standards and requirements that may be prescribed under subsection 21.1(3) of the Act. Category 2 programs and services provided shall be in accordance with the Act and any standards and requirements that may be prescribed under subsection 21.1.1(4) of the Act. Category 3 programs and services provided shall be in accordance with the Act standards and requirements, and any terms and conditions, that may be prescribed under subsection 21.1.2(3) of the Act.
10. Where Category 2 programs and services funded by the Participating Municipality involve user fees, such user fees shall be imposed either in accordance with LSRCA's fee policy and fee schedules adopted in accordance with the provisions of the Act, or otherwise in accordance with provisions set out in an agreement between LSRCA and the Participating Municipality.


- 11. The Participating Municipality and LSRCA will continue to work together to identify opportunities for further collaboration to the benefit of both parties and ensure efficiency, transparency and accountability in the use of public sector resources.
- 12. This MOU shall be made available to the public in accordance with the Act and any applicable regulations.
- 13. This MOU may be executed in counterparts and when each party has executed a counterpart, each of such counterparts shall be deemed to be an original and all of such counterparts, when taken together, shall constitute one and the same agreement. The parties may sign this MOU by means of electronic signature and deliver this MOU by electronic transmission.

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

**LAKE SIMCOE REGION  
CONSERVATION AUTHORITY**

Per:  Digitally signed by Mark Critch  
Date: 2023.12.08 14:15:24 -05'00'

Name: Mark Critch  
Title: General Manager, Corporate & Financial Services/CFO

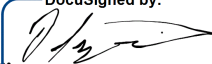
Per:  Digitally signed by Rob Baldwin  
Date: 2023.12.08 14:14:45 -05'00'

Name: Rob Baldwin  
Title: Chief Administrative Officer

**THE REGIONAL MUNICIPALITY OF YORK**

Approved as to form and content.



Per:  DocuSigned by:  
45203E5097894AA

Name: David Szeptycki  
Title: Commissioner, Public Works (Acting)

**SCHEDULE "A"**  
**LIST OF EXISTING AGREEMENTS**

- Service level agreement for environmental permitting and approvals for York Region Public Works projects (Effective January 1, 2018)
- Memorandum of Understanding for planning support services (Effective September 30, 2009)
- Memorandum of Understanding for the Oak Ridges Moraine Groundwater Program (Effective January 1, 2021)
- Service Level Agreement for Conservation Authority Data Acquisition Business Requirements
- Memorandum of Understanding for the Grow Your Legacy partnership (Effective January 1, 2020)

**SCHEDULE “B”****MANDATORY (CATEGORY 1) AND MUNICIPALLY REQUESTED (CATEGORY 2)  
AND CA REQUESTED (CATEGORY 3)**

<b>Program</b>	<b>O. Reg. 686/21 Section</b>	<b>Mandatory (Category 1)</b>	<b>Mandatory (Category 1 LSPP)</b>	<b>Municipal Request/Non-mandatory (Category 2)**</b>	<b>LSRCA Requested (Category 3)**</b>	<b>Apportionment Method*</b>
<b>Corporate Services</b>						
Corporate Communications		X				MCVA
Facility Management		X				MCVA
Financial Management		X				MCVA
Governance	S. 15	X	X			MCVA-LSPP
Human Resource Management		X				MCVA
Information Management		X				MCVA
<b>Ecological Management</b>						
Ecosystem Science and Monitoring	S. 1, S. 3(2), S. 12	X				MCVA
Forestry Management				X		Benefit Based (York only)
Forestry Services – GYL				X		Benefit Based (York only)
Restoration and Regeneration	S. 15		X	X		LSPP/Benefit Based
<b>Education &amp; Engagement</b>						
Community Programming					X	MCVA
School Programming					X	MCVA
<b>Greenspace Services</b>						
Greenspace Management	S. 9(1)	X				MCVA
Securement	S. 9, S. 10, S. 11	X		X		MCVA/Benefit Based
<b>Planning &amp; Development</b>						
Development Planning	S. 1, S. 7, S. 8	X		X		MCVA/Benefit Based

Permitting and Enforcement	S. 7(2)	X		X		MCVA/Benefit Based
<b>Water Risk Management</b>						
Flood Management and Warning	S. 1, S. 2(2)	X				MCVA
Water Management/Restoration	S. 15		X	X		LSPP/Benefit Based
Water Science and Monitoring	S. 1, S. 3(2), S. 12, S. 15	X	X	X		MCVA/LSPP/Benefit Based
<b>Watershed Studies &amp; Strategies</b>						
Climate Change	S. 1(3), S. 15	X	X			MCVA/LSPP
Research and Innovation	S. 15		X	X		LSPP/Benefit Based
Watershed Planning	S. 12(4), S. 15	X	X			MCVA/LSPP

\*Items that have more than one apportionment method require split apportionment based on Lake Simcoe Protection Plan requirements

\*\*Non-mandatory services are undertaken at the sole discretion of the conservation authority and participating municipality

**Apportionment definitions:**

**Benefit Based**– Participating municipalities fund the program, where funding received is used entirely for projects or services within the participating municipality’s jurisdiction.

**LSPP** – Lake Simcoe Protection Plan-based projects or services within the participating municipality’s jurisdiction based on LSPA apportionment calculated in accordance with the *Conservation Authorities Act* and provided to LSRCA by the Province of Ontario.

**MCVA** – Modified Current Value Assessment as defined in O. Reg. 402/22



## SCHEDULE “C”

### LSRCA CURRENT BUDGET PROCESS

<b>PHASE ONE: BUDGET DRAFTING AND DETERMINING AMOUNTS OWED</b>		
<b>O. Reg. 402/22 requirements</b>	<b>LSRCA actions and timelines</b>	<b>York actions and timelines</b>
<p>Determination revenue, operating expenses, capital costs and reduced amounts to be apportioned.</p> <p>Prepare draft budget</p>	<p><b>April/May/June</b> Participating municipalities provide guidance on budget allocation</p> <p>Staff level meetings/communications with each participating municipality, including advance notice of the LSRCA Board meeting for approval of the draft budget</p> <p>LSRCA Board of Directors endorse Budget Assumptions</p>	<p><b>April/May/June</b> Provides preliminary funding envelope to LSRCA</p> <p>Regional DRIs review expectations for Category 2 deliverables</p> <p>Staff level meetings with LSRCA to clarify Regional expectations and/or requirements for Category 2 services</p> <p>Provide guidance on budget allocation</p>
<b>PHASE TWO: APPROVAL OF THE DRAFT BUDGET</b>		
<p>Meeting on draft budget</p> <p>Public Notice of Draft Budget</p>	<p><b>July</b> Upon request: For the prior year budget, variance report is provided by July 1<sup>st</sup> each year that includes a summary of deferred revenue for all programs and services Participating municipalities provide feedback on programs and deliverables for Category 2 services</p> <p>LSRCA Board approves draft budget for consultation with participating municipalities</p> <p>Draft budget published on LSRCA website for public review (Minimum 30 days)</p>	<p><b>July</b> Received and reviews budget submission. Category 2 program deliverables distributed to Regional DRIs</p> <p>Review deferred or unspent funding in annual variance report from prior year budget to assess programming and potential opportunities to reallocate funding to other programs</p> <p>Provide feedback to LSRCA on Category 2 deliverables and programs</p>
<b>PHASE THREE: APPROVAL OF LEVY AMOUNTS</b>		
<p>Consultations as are necessary to finalize draft budget</p>	<p><b>August/September</b> Budget documents provided to participating municipalities, as well as a copy of the budget and of all financial information related to the apportionment of operating expenses and capital costs</p> <p><b>September/October</b> Staff level meetings/communications with each participating municipality, including</p>	<p><b>August</b> Confirm budget allocations and submit to York Region Corporate Finance</p>

	<p>resubmission of binder if required, regarding any changes to apportionment and/or updated Current Value Assessment (CVA) shares as calculated/provided by the Province. Upon request, LSRCA presents proposed budget to CAO of the participating municipality for feedback ahead of Council</p> <p>Upon request: Variance report provided that includes a summary of deferred revenue for all programs and services included in schedule B for the <i>current year budget</i>.</p> <p><b>November/December (February in election years)</b> Optional: LSRCA Board status update report Upon request: LSRCA presents proposed budget to the Council of the participating municipality for approval</p>	<p><b>September/October</b> Staff level meetings/communications to prepare for CAO budget presentation</p> <p><b>November/December</b> Staff level meetings/communications to prepare for Regional Council budget presentation</p>
<p><b>PHASE FOUR: FINAL BUDGET</b></p>		
<p>Approval of apportionment and final budget</p> <p>Providing links or copies and posting of final budget</p> <p>Notice</p>	<p><b>January/February/March</b> Staff level meetings/communications with each participating municipality, including advance notice of the LSRCA Board meeting for approval of final budget and apportionment amounts</p> <p><b>March/April/May</b> LSRCA Board approves apportionment amounts and final budget (Separate approval for Mandatory programs, LSPP budget and LSRCA total budget)</p> <p>Copy of final budget provided to Minister, participating municipalities and posted on Governance section of website</p>	

	Formal notices of apportionment amount sent to participating municipalities, along with formal invoice for payment.	
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## SCHEDULE "D"

### Category 3 – Other Programs and Services Additional Cost Apportioning Terms

1. In accordance with section 21.1.2 of the Act LSRCA has identified the following Category 3 programs and/or services:
  - a. Education & Engagement – Community Programming
  - b. Education & Engagement – School Programming(collectively or individually, as the context requires, referred to as the “**Programs**”).
2. Subject to Council approval of the budget and approval of apportioning agreements for the Programs by other participating municipalities in accordance with section 8(5) of O.Reg. 687/21 the Participating Municipality shall pay to LSRCA an amount not to exceed the corresponding line item in the Participating Municipality’s Council-approved budget for the Programs.
3. The Participating Municipality acknowledges and agrees that its approved apportionment commitment for the Programs in section 2 of this Schedule “D” shall remain in effect for the entire calendar year in which it gives notice of termination prior to expiration of the Initial Term or a Renewal Term.
4. LSRCA may charge a user fee for the delivery of the Programs, in accordance with the Minister’s List of Classes of Programs and Services in Respect of Which Conservation Authorities May Charge a Fee (December 28, 2022, as may be amended from time to time), to reduce the cost apportioned to the Participating Municipality.
5. LSRCA shall indemnify and save harmless the Region, its Chair, Regional Councillors, employees, agents and assigns from any costs, losses, damages or expenses and all suits, claims, proceedings, causes of action and demands arising by reason of, or connection in any way with omissions, or failure to exercise reasonable care, skill or diligence in the performance or rendering of the Programs by LSRCA, its agents and employees.
6. In the event of any dispute about the Programs between LSRCA and the Participating Municipality during the term of this MOU, which the parties are unable to resolve by negotiation, then the parties may jointly agree to mediation or arbitration of the dispute. Thereupon the following dispute resolution provisions shall apply:
  - a. LSRCA and the Participating Municipality shall jointly choose a single arbitrator or mediator, acceptable to both to hear the matters in dispute. In the case of an arbitration, the decision of the arbitrator shall be binding on both parties;
  - b. In the event that the parties are unable to agree on the choice of a single arbitrator or mediator, each party shall appoint an arbitrator and/or mediator and the arbitrators or mediators shall jointly select a third and the decision of any two shall be final and binding upon the parties;
  - c. In any event, the selection of arbitrators or mediators shall take place within seven (7) days of the giving of notice of arbitration or mediation. If selection has not occurred in seven (7) days then the arbitrator or mediator selected by one party shall be the sole arbitrator or mediator;

- d. The cost of the arbitration or mediation shall be shared by LSRCA and the Participating Municipality and the arbitrator or mediator shall determine what portion each party shall pay; and during the period of any arbitration or mediation proceedings there shall be no interruption to the Service.