



Essex Region Conservation Authority

RISK MANAGEMENT SERVICES PROPOSAL

Prepared by the Essex Region Conservation Authority for municipalities within the Essex Region with Significant Drinking Water Threats who:

- Will require these services for the implementation of the Source Protection Plan;
- Expressed an interest in receiving those services from the Conservation Authority

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INTRODUCTION AND BACKGROUND

The *Clean Water Act (2006) (CWA)* plays a major role in ensuring that all Ontarians have access to safe drinking water. Protecting water at its source is the first step in ensuring safe drinking water. It means stopping contaminants from getting into sources of drinking water - lakes, rivers and aquifers.

The CWA requires that a Source Protection Committee (SPC) develop a Source Protection Plan (SPP) for the protection of Drinking Water Sources. The SPC is a local committee with stakeholder representation established by the CWA. The SPC is comprised of a Chair and representatives from sectors that encompass the broad, multi-sectoral interests of our Region. One third (five) of the members have been appointed by municipalities in the Region. The other two sectors, Economic and Other Interests also each have five members. During the past several years, under the guidance of the SPC, the Essex Region Conservation Authority (ERCA) has carried out technical studies to produce the Assessment Report (AR), and a Source Protection Plan (SPP) specifying actions to protect sources of drinking water to meet the requirements of the CWA.

The Essex Region AR was approved in March, 2015 and the SPP was approved by the Minister of the Environment and Climate Change on April 15, 2015. The effective date of the SPP, including policies, is October 1, 2015. To be ready for implementation, those municipalities with Significant Drinking Water Threats (SDWTs) as included in the SPP are required to have a Risk Management Official (RMO) and a Risk Management Inspector (RMI). This proposal collectively refers to these requirements as RMO/I, and refers to the services performed by and related to the RMO/I as Risk Management Services (RMS). The RMO/I is responsible for implementing policies written under Part IV of the CWA.

The RMS are the responsibility of the municipality who, under the *Municipal Act*, has the ability to pass bylaws pertaining to the treatment and distribution of drinking water. However, the CWA allows for municipalities to delegate enforcement of their Part IV responsibilities to another municipality, a board of health, planning board or Source Protection Authority (SPA) using a formal Source Protection Plan Part IV Enforcement Transfer Agreement.

Conservation Authorities were established on a watershed basis as a municipal-provincial partnership. The CWA built on this partnership to establish the SPA to facilitate the SPP development. In our Region, the CWA designated ERCA as the SPA and ERCA's board of directors, which are appointed by the municipalities of the watershed, carry out the business of the SPA. ERCA provides staffing and other resources to the SPA to carry out its responsibilities. ERCA has provided technical and policy development capacity since the Program began in 2007. This experience and understanding of the comprehensive requirements of the *Clean Water Act*, including Risk Management Services, is an inherent part of its capacity. Similarly, ERCA would provide the resources to the SPA to meet any obligations for Part IV implementation delegated to the SPA by an agreement with municipalities. This proposal is prepared by ERCA as the local SPA to provide RMS on behalf of the municipalities in the Essex Region based on discussions and general agreement with municipalities in November 2012. It is similar to models developed for other Source Protection Regions.

SOURCE PROTECTION PLAN

The SPP identifies and describes the drinking water systems in the Region as well as the technical work that was completed to delineate the vulnerable areas (Intake Protection Zones and Event Based Areas) for each drinking water intake. The Ministry of the Environment and Climate Change (MOECC) prescribed certain activities as drinking water threats if they contribute substances that may be harmful to human health if consumed in high concentrations. The SPP considered each of these activities and determined if they were low, moderate or significant threats to drinking water in each of the vulnerable areas based on their likelihood of contaminating drinking water sources. The SPP contains policies to ensure that those activities which are significant threats to drinking water cease to be, or never become, significant threats. The SPP also contains some policies to address low and moderate threats. Significant threat policies, including those written under Part IV of the CWA are legally binding and must be complied with. The SPP and associated Assessment Reports were approved by the SPA and presented to MOECC for review. The Minister, MOECC approved the Essex Region SPP on April 15, 2015, with an effective date of October 1, 2015.

The CWA provides a number of tools which the SPP uses in its policies. Those tools include:

- Prescribed Instruments (instruments under other provincial legislation, prescribed by the CWA)
- Prohibition (per CWA Part IV Section 57)
- Risk Management Plans (per CWA Part IV Section 58)
- Restricted Land Use (per CWA Part IV Section 59)
- Land Use Planning
- Education and Outreach
- Stewardship
- Other specified actions

While many of these tools have been used for years in protecting water resources, the CWA provides municipalities with new tools through Part IV of the CWA. These tools, as approved in the SPP, can be targeted at activities under very specific circumstances which make them Significant Drinking Water Threats (SDWT) and can only be implemented by trained and qualified RMO/I.

- Section 57 provides for the prohibition of SDWT activities. In the Essex Region, policies using Section 57 were only written for SDWTs that are highly unlikely to occur in specific vulnerable areas.
- Section 58 allows for the management of activities by requiring a Risk Management Plan (RMP) for specific activities in a regulated area, and under certain circumstances, which make the activity a SDWT.
- Section 59 or 'Restricted Land Use' policies require designated land use planning and building permits approvals to have a written notice from the RMO prior to approval if the permit includes a request that would be a SDWT. This is essentially a screening tool to capture possible future threats.

VULNERABLE AREAS

Policies written under Part IV of the CWA only apply to SDWTs in particular vulnerable areas. These include Intake Protection Zones (IPZs) and Event Based Areas (EBAs). IPZs are areas of land and water, where run-off from streams or drainage systems, in conjunction with currents in lakes and rivers, could directly impact the source water at the municipal drinking water intakes.

- IPZ-1s are the areas closest to the drinking water intakes (e.g. 1 km radius),
- IPZ-2s are areas based on a 'two hour time of travel' to the intake and
- IPZ-3s includes all rivers and tributaries where modeling demonstrates that contaminant spills may reach the intake during an extreme rainfall or wind storm event.

By definition the IPZ-1, IPZ-2, and IPZ-3 for each intake do not overlap. The EBAs in the Essex Region encompass the combination of these three zones for modeled activities (e.g. fuel spill with 2% benzene and a volume of 34,000 L) to which associated significant drinking water threat policies apply. In the Essex Region, Part IV policies have been used for a variety of SDWTs in Windsor IPZ-1 and IPZ-2, Lakeshore (Belle River) IPZ-1, and Amherstburg IPZ-1. There are also policies for the handling and storage of large volumes of liquid fuel that apply to all EBAs in the Region, which includes areas in all municipalities.

RISK MANAGEMENT OFFICIALS AND INSPECTORS

Risk Management Officials and Inspectors (RMO/I) are required to implement SPP policies written using Sections 57, 58, and 59 of the CWA. The CWA and O.Reg 287 outline the training, roles and responsibilities of these persons.

The RMO/I are required to complete and maintain training prescribed by the CWA and Regulations which has been developed and offered by the Ministry of Environment and Climate Change (MOECC). This training includes the provisions of the CWA and Regulations and background on the technical rules which guided the development of the AR and SPP. The RMO/I must also have the technical expertise to understand the rules and circumstances associated with SDWTs and best or beneficial management practices (BMP) related to the activities which are SDWTs. While it is not reasonable to assume that one individual could have expertise on all the of activities which could be SDWTs as well as the science behind the risks and vulnerabilities, it would be expected that they have access to appropriate experts who can provide this information as needed. Delegating RMS to ERCA is an ideal situation as these services would become part of our existing comprehensive program including:

- Education, outreach and communications, and community partnerships
- Stewardship and agricultural extension services
- Integrated watershed planning services related to natural hazards and natural heritage
- Water Quality including research, planning and implementation
- Information services including GIS, database management and mapping/reporting

ERCA staff responsible for providing RMS have received training as both RMO and RMI. This ensures access to appropriate resources at all times to be able to respond in a timely manner to inquiries and applications as well as negotiate RMPs as described later in this proposal. Having more than one person share these responsibilities offers an additional advantage of having persons with different expertise and backgrounds involved in the program, which is possible due to the economies of scale created by offering the services on a regional basis rather than within each individual municipality. This proposal also includes access to the support and technical staff at ERCA who have led and undertaken much of the vulnerability and risk assessment as well as the policy development, providing a consistent level of local and technical knowledge within the Region. Additionally, in carrying out SPA and CA responsibilities, ERCA staff have already built a collaborative/peer network with those responsible for planning and building permit processes and engineering technical support, information technology, water treatment plant operators, neighbouring jurisdictions, and other RMO/Is throughout the province.

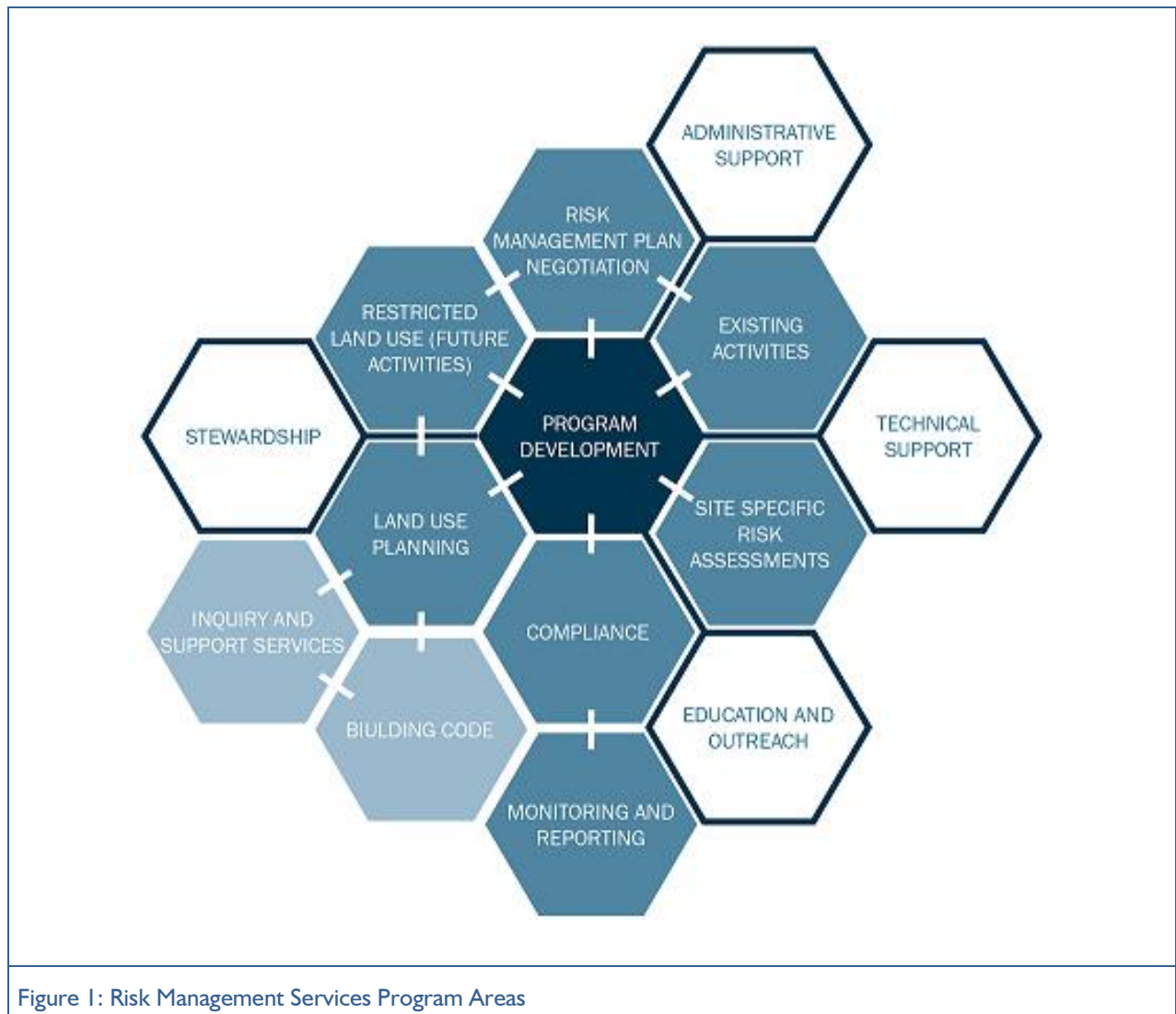
Consistency between areas was considered by the SPC in developing the policies. It was their intent that these policies be applied similarly across the Region while respecting local and site specific variations. It will be important that municipalities collaborate on developing these services. We are committed to facilitation of collaboration between those who will be providing the services.

SCOPE OF RISK MANAGEMENT SERVICES

The required Risk Management Services (RMS) as proposed by ERCA includes Program Development and Implementation of Part IV Policies.

- Program Development includes development of RMP templates, planning for S.59 (Restricted Land Use) Screening, Education & Outreach, Monitoring & Reporting and Technical Inquiries Support.
- Implementation includes RMP Negotiation, Compliance, Restricted Land Use and Site Specific Risk Assessment.

The various components of the RMS, as described in Figure 1, were discussed with the SPC and supported in principle by municipalities and members of the Source Protection Authority. The scope of each program area is briefly described in the following sections.



PROGRAM DEVELOPMENT

Program Development is the cornerstone of development and refinement of Risk Management Services programs and tools needed for the successful implementation of the program. The development of these tools will consider how they need to be integrated into existing municipal and CA programs including land use planning and building code programs. In developing these tools, ERCA will consider the local and provincial monitoring and reporting requirements. Policies and procedures will need to be developed to guide the proponents and those implementing the program.

Program Development efforts will largely be focussed in the first year however refinement is anticipated over the course of the program. All Program Development costs have been apportioned evenly amongst the proposed participating municipalities because these costs must be incurred regardless of the number of SDWTs.

DEVELOPMENT OF RISK MANAGEMENT PLAN TEMPLATE

The intent of RMP policies included in the SPP was that they would be consistently implemented across the Region. While each RMP is uniquely negotiated with proponents, it is our intention to use working groups to develop templates from which to base those RMPs. ERCA staff have already been in contact with those providing RMS in neighbouring jurisdictions to begin discussions of creating a southwestern Ontario regional RMO/I working group to ensure consistent implementation of similar policies including the handling and storage of large volumes of liquid fuel. As well, as trained RMO/I, we have access to materials available through an online provincial forum, which can be used to guide the creation of our local template. Along with the template for RMPs, this portion of program development will also include the development of a database that will integrate with our existing systems in order to store information and generate reports. This is an essential part of the RMS and will ensure that the remaining aspects of the program are able to be delivered efficiently.

PLANNING FOR S.59 (RESTRICTED LAND USE) SCREENING

Restricted Land Use is a screening tool which requires designated land uses to receive a written notice issued by the RMO prior to receiving planning or building permit approvals. The notice would indicate that either the application does not include an activity requiring a RMP or that a RMP has been negotiated. Either of these notices would indicate that the application can proceed through planning or building permit approvals. These notices would be considered as part of a complete application. Further, the *Ontario Building Code Act* has been updated so that as of January 1, 2014 the RMO notice is applicable law. This screening process is intended to include the RMP or prohibitions under Part IV in the planning and building permit processes. While it is intended to catch most new threats, there are many activities which might be SDWTs that are able to be established without either of these approval processes. Implementation of Restricted Land Use policies, allowed for under Section 59 and required by Essex Region SP policies 32 and 33, will require integration with planning applications and building permits. The RMO/I will work closely with municipal building officials and planning and regulations staff at ERCA to determine the most effective and efficient manner to administer and implement this portion of the program.

EDUCATION & OUTREACH

In addition to the Part IV tools included in this proposal, the SPP uses education, outreach and stewardship to complement the more regulatory Part IV tools. Education and Outreach specifically related to SDWTs requiring RMP is included in the development costs of RMS. RMO/I will have the benefit of access to other programs developed and offered by ERCA to assist in reaching out to those who are engaged in activities in the vulnerable areas. The RMS proposal does not include stewardship costs or general education and outreach costs, which will be offered by ERCA. The RMO/I will also have access to available stewardship and incentive programs to assist them in furthering the stewardship ethic within these vulnerable areas through voluntary compliance.

MONITORING & REPORTING

The CWA requires RMO/I to prepare and submit an annual report. This report must satisfy the requirements of the CWA and Regulations as well as guidance which MOECC is developing. It is anticipated that the data will focus on recording the details of the legal documents (notices, orders, warrants and RMPs) created, accepted or issued by the RMO/I. Further, it is expected that these reports will include the submission of digital data on RMP and SDWT as well as submission of a printed summary of activities undertaken by the RMO/I. The province is developing a database to which RMO/I will be required to submit their data.

The SPP also includes local monitoring and reporting requirements to assist the SPA in satisfying its requirements under the CWA to report annually on the implementation efforts and effectiveness of the SPP. The SPP requires that the CA develop guidance which will assist the implementers of the SPP with providing information in a consistent manner so that it may be assembled into the required annual report in a timely and efficient manner. These local reporting requirements will be integrated with the provincial requirements as much as possible. Further it is anticipated that the municipalities will also require that the CA report to them on the efforts taken to implement these services on behalf of the municipality. Annual reporting to the municipalities is included in this proposal.

This proposal includes allowances to develop the information management tools to be able to effectively and efficiently collect, analyze and report on the program. The collection and management of the information will be built directly into the RMS. Mechanisms to report to municipalities, SPA, SPC and the Province will be developed and implemented as part of these services. RMO/I are required to report to each SPA in their jurisdiction. For some municipalities in the Essex Region, this includes both the Essex Region SPA and the Thames-Sydenham and Region SPA (TSRSPA). Staff at ERCA are collaborating with the Province and with TSRSPA on information management tools, making us well positioned to meet the municipalities responsibilities for the Monitoring and Reporting associated with the RMS.

TECHNICAL INQUIRIES SUPPORT

Risk Management Services is a completely new program containing many complex concepts and tools. It will be important that ERCA and the municipalities are prepared to respond to inquiries from a number of individuals including municipal staff, property owners, developers, lawyers and consultants. Because the RMO/I will be best prepared to respond to most of these inquiries, this proposal includes a small allowance for technical inquires support. This will allow municipalities to direct all inquiries to the RMO/I as needed. ERCA is well positioned to be able to provide these services as the RMO/I will work directly with staff who worked on the creation of the SPP and policies to aid in policy interpretation as well expert technical staff to aid in questions related to implementation.

IMPLEMENTATION OF PART IV POLICIES

The level of effort required for implementation of the services will vary from municipality to municipality. The size, type and number of existing significant drinking water threat (SDWTs) vary, as does the size and nature of the areas which will be regulated through these tools. Inventories of SDWTs developed for the AR were used to apportion costs associated with activities directly related to SDWTs. This includes negotiating RMPs for existing and future SDWTs, compliance and screening planning applications and building permits for S.59 policies. The level of effort required for these services is assumed to be proportional to the number of SDWTs and costs have been assigned according. This is outlined in more detail for each activity below and in the attached spreadsheet.

RISK MANAGEMENT PLAN NEGOTIATION

A Risk Management Plan (RMP) is a negotiated agreement between the RMO and the person engaging in an activity (the proponent) that allows activities to occur in vulnerable areas where they would be a SDWT. The RMP describes how these activities can be managed such that they cease to be significant. This is achieved by first meeting with the proponent to discuss the activity and what makes it a significant threat to drinking water. The RMO will work with the proponent to review and describe risk management measures and BMPs the proponent may already have in place or is planning to have in place. The RMO and proponent may also discuss additional measures needed for the situation. The RMO will then work with the proponent to develop a Risk Management Plan for approval by the RMO. Alternatively the proponent may wish to have the RMO develop the RMP to establish it either through agreement or by order. If negotiation does not work, the RMO may notify the proponent that they intend to establish a RMP by order.

RMP negotiation is required for existing activities as identified in the AR and for future activities where the SPP allows for future SDWTs to be established with a RMP. It will also be required for anyone who is engaged in a SDWT when the SPP becomes effective, whether or not they were included in the AR inventories.

Currently, the Essex Region SPP requires RMPs for the:

- storage of fuel in the fuel-based EBAs across the watershed
- storage of hazardous or liquid industrial waste in Windsor, Lakeshore and Amherstburg IPZ-1s
- storage and application of non-agricultural source material (NASM) in Windsor IPZ-2
- storage of pesticide in the small areas of Windsor, Lakeshore and Amherstburg IPZ-1s
- application of pesticide in Windsor IPZ-2, Windsor, Lakeshore and Amherstburg IPZ-1s.

These activities have specific circumstances that make them significant drinking water threats (SDWT), including volume thresholds.

This proposal allows for the negotiation of existing and future RMP. It assumes a negotiation process will be successful in the majority of cases and does not allow for situations where the negotiation does not

reach a suitable outcome. These situations are considered extraordinary costs and would be considered on a case by case basis as it is difficult to predict whether or how many of these situations may occur. It is anticipated that these situations will be rare. The relative work load for the existing activities is based on the relative number of threats included in AR inventories for each municipality. A few future SDWTs are prohibited, but the level of effort to establish this is considered to be similar to that required for the negotiation of the RMP. The number of negotiations for future threats included in the proposal is based on an estimation of the total number of expected new SDWTs assigned proportionally to each municipality based on the distribution of existing SDWTs. This is a conservative estimate.

COMPLIANCE

The success of the CWA Part IV tools and the successful implementation of the SPP depend a great deal on compliance with prohibition policies as well as any RMP negotiated or otherwise established. The CWA provides the regulatory tools to ensure compliance with both Section 57 (Prohibition) and 58 policies (Risk Management Plans). The CWA allows the RMO/I to issue orders following due notice. These orders can include establishing a RMP, forcing compliance with a RMP or, if appropriate, causing things to be done and recovering costs. CWA Section 64 indicates when the RMO may 'cause things to be done' only if the person who is ordered to do a thing has refused to comply, is not likely to comply or requests the assistance of the RMO in complying with the order. An example would be to hire a company to complete work required under the RMP. In addition to these powers, the CWA provides the RMO/I with similar enforcement tools to Building Officials, By law Enforcement Officers and other Provincial Offenses Officers. These include seeking a warrant to gain access to property and the ability to lay charges.

Compliance monitoring will be required for all SDWT activities which require a RMP as well as those which have been prohibited. The cost of the compliance program is apportioned to the participating municipalities based on the relative number of existing and future SDWTs in the regulated areas. The proposal does not include an allowance to be able to defend against appeals and other challenges to the Part IV tools. These situations are considered extraordinary costs would be considered on a case by case basis as it is difficult to predict whether or how many of these situations may occur. It is anticipated that these situations will be rare.

RESTRICTED LAND USE

There are two Restricted Land Use policies included in the SPP that address all policies requiring a RMP. All planning applications and building permits within the named vulnerable areas will have to be screened to determine whether a notice from the RMO is required. The process for this will be determined during the Program Development phase of this proposal.

The relative work associated with Restricted Land Use (RLU) screening is based on the number of applications received by ERCA for either development applications or building permits by each municipality in 2014. These applications will now need to be screened for SDWTs and an additional notice issue by the RMO stating that the activity may proceed. This screening process will be integrated into ERCA's existing screening protocols. This estimate was used because the EBAs for fuel closely match

the Limits of the Regulated Area for the Essex Region. As residential land use has been excluded from these policies, the number of applications and permits requiring screening may be overestimated.

SITE SPECIFIC RISK ASSESSMENT

A proponent has the opportunity to undertake their own Site Specific Risk Assessment if they question the Risk Assessment completed through the broader, regional scale analysis undertaken and documented in the approved AR. This site specific re-assessment of risk would be assumed by the proponent's professionals according to the same technical rules which guided the Assessment Reports. It would also be based on guidance and requirements yet to be provided by the Province. In these additional requirements it is anticipated that the Province will identify what aspects of the risk assessment can be reassessed.

In the unlikely event that a proponent chooses to conduct a Site Specific Risk Assessment, the RMO will be required to review and accept the analysis or have access to appropriate professionals to review the work. The RMO would have access to ERCA staff that were part of the Source Protection Team which lead the technical work in the AR. The support of these technical staff would be crucial to being able to meet the obligations under the CWA and is a significant benefit of having the services offered on a regional scale. While it is not anticipated that many site specific risk assessments would be submitted for intake protection zones, it is important that the municipalities are prepared to respond if a SSRA is completed. These costs are not included in the current proposal and are considered extraordinary costs. These situations would be considered on a case by case basis as it is difficult to predict whether or how many of these situations may occur.

FUNDING IMPLEMENTATION

The costs associated with delivering RMS have been broken down into two parts. Program Development has been apportioned evenly amongst the participating municipalities as these services are required regardless of the number of SDTWs. We consider this to be an essential service in order to ensure that RMS is provided consistently throughout the Region. As such, we propose that these costs be shared regardless of a municipality's decision to delegate the Implementation of Part IV Policies. Implementation costs have been apportioned based on the proportion of known SDWTs found in each municipality, as described in detail in the preceding section. Because it is difficult to predict how much of each activity will occur in any given year of the agreement, total costs for the three year term have been calculated (Appendix I).

The attached budget estimates have been prepared to assist municipalities in planning for the services and exploring the merits of receiving the services from ERCA. This estimate may be revised through further discussions with the municipalities or based on factors such as the following:

- Changes to the participating municipalities - a reduction in the municipalities participating in the program would undoubtedly affect the scope, apportionment and possibly the economies of scale (depending on the magnitude of the changes in scope).

- Cost recovery for portions of the services - cost recovery may reduce the cost of the services for those municipalities who wish to recover part of the costs of the program from the proponents through application fees. As noted earlier it is proposed that fees collected would be used to offset the following year program costs to the municipality/system.
- Scope or levels of service changes - funding provided through the Source Protection Plan Part IV Enforcement Transfer would be based on the scope and levels of service included in that agreement. The budget estimate is based on the scope and levels of service described in this proposal.

SOURCE PROTECTION PLAN PART IV ENFORCEMENT TRANSFER AGREEMENT

In order for it to be cost effective to develop the services on behalf of the municipalities it is important that a multi-year commitment to funding be in place. It is therefore proposed that the agreement be for a three year period. This is necessary in order for the CA to be able to hire, train and set up the programs and is recommended by MOECC.

The funding would be provided through an Enforcement Transfer Agreement which would outline:

- Responsibilities of the parties to the agreement;
- Data sharing rights and responsibilities;
- Responsibility for cost of service delivery;
- Fee schedule;
- Any cost recovery and the mechanisms for collection;
- Appointment of RMO/I;
- Liability and insurance; and
- Other such items outlining the rights and responsibilities of the parties to the agreement.

FUNDING SOURCES

On November 1, 2013 the Ministry of Environment and Climate Change launched Ontario's Source Protection Municipal Implementation Fund (SPIMF), which distributed \$13.5 million to 189 eligible municipalities over three years. This funding is to offset a portion of the costs in implementing the SPP in small, rural municipalities for risk management services, and education and outreach. It provided one-time funding for implementation from December 2013 to December 2015 in keeping with the Source Protection Municipal Implementation Fund Guide. Municipalities were eligible for funding if:

- Municipality is located in an SPA;
- Municipality contains vulnerable areas identified in approved Assessment Reports at the time the funds were distributed;
- 25% or more of the population is living in rural areas, OR population is under 100,000, and is required to implement policies pertaining to Part IV, sections 57 and/or 58 of the CWA, 2006;

- Approved or proposed source protection plan specifies the municipality is required to implement one or more specific SDWT policies.

Eligible activities are those undertaken by a municipality, or on the municipality's behalf. There is also a collaborative incentive that was available to eligible municipalities in December 2014 who work together, to implement the SPP. All municipalities in the Essex Region signed collaboration statements in December 2014, which allowed each of them to receive an additional \$15,000 towards implementation for a total of \$75,000 for the Region.

In Essex Region, a total of \$250,346 was announced for municipalities within the by Essex Region SPA, as shown in the Table below:

No.	Municipality	Funding	Collaboration Incentive	Source Protection Authority
1	Amherstburg	\$69,803	\$15,000	Essex Region
2	Chatham-Kent	\$75,000	\$15,000	Essex Region, Lower Thames Valley, St. Clair Region
3	County of Essex	\$42,742	\$15,000	Essex Region, Lower Thames Valley
4	Lakeshore	\$32,801	\$15,000	Essex Region, Lower Thames Valley
5	Tecumseh	\$30,000	\$15,000	Essex Region

Table: Ontario's Source Protection Municipal Implementation Fund

The announced funding was based on results of the approved Assessment Report at the time the funding was announced. As such, municipalities that were not included in the 2011 AR did not receive SPIMF money. New work has since been included in the newly approved Updated AR related to Lake Erie intakes, where the number of fuel threats has increased. The SPC and SPA/ERCA Administration have identified this to Ministry Officials and continue to advocate for additional funds for those municipalities. ERCA worked with municipalities receiving support to secure collaboration funding as noted in the Table. Through collaboration, there may be opportunity to use collaboration funds or unused municipal SPIMF funds to offset overall costs for program development and/or implementation. ERCA would propose that these options be explored with municipalities.

COST RECOVERY OPTIONS

Risk Management is a tool that Part IV of the CWA makes a municipal responsibility. The province and ERCA have responsibilities for the implementation of other aspects of the SPP. There are a few funding sources which the municipality should consider to recover the costs of RMS. Program areas may be funded through cost recovery (fees), property taxes and/or water rates.

There are only certain parts of the RMS program that are able to be recovered by fees, which could be used to offset the costs charged to the municipalities under the proposed municipal service agreements. The CWA allows fees to be collected for such things as:

- Receiving an application (s58,59,60)
- Agreeing to or establishing a RMP (s56,58)
- Accepting a SSRA (s60)
- For entering property or any other power under s62 (inspections)

Further, the CWA requires that the RMO/I confirm that applicable fees have been paid before issuing certain documents (such as notices of acceptance).

The water system (through rates charged for water) is a potential funding source for these services (or those parts of the services not recovered from the person engaged in the activity).

Alternatively, municipal budgets (generated from property taxes) have been discussed as a source of funding. This would have the benefit of sharing the costs over a larger funding base, however in many cases the water systems provide services to only part of the municipality or may be providing water for a neighbouring municipality.

ERCA would propose to discuss options with the municipalities, but ultimately the source of the funding drawn upon to fund these agreements is left to individual municipal to decide. ERCA would support an approach that was consistent throughout the Region.

UNCERTAINTIES ASSOCIATED WITH COST OF SERVICES

The relative level of effort on each the components will shift as the program matures. For example, after the first year the program development cost will shrink to annual program administration. Similarly, following the first three to five years, negotiation with existing SDWT will be largely completed allowing the RMO/I to focus a more appropriate level of effort on compliance, which is why only a small amount has been allotted for in this three year proposal. Enforcement efforts are expected to increase with time as are the costs associated with appeals and legal costs. Other external factors such as growth and development pressures will undoubtedly have a large impact on year to year variability and are not considered in these estimates

As this is a completely new program there are a number of uncertainties which could affect the cost of the services. These include, but are not limited to:

- Number of identified existing SDWTs that require a RMP
- Development pressure significantly affecting the number of future threats requiring screening through Restricted Land Use
- Demand for inquiry services (formal or informal)
- Provincial monitoring requirements

- Provincial support for CWA mandated CA responsibilities (such as data maintenance and access, monitoring and reporting and support for prosecution and appeals)
- Compliance monitoring and enforcement needs, including Site Specific Risk Assessments

It is anticipated that generally cost in some of the program areas would decline following the first three year agreement.

Appendix I - Total RMS cost estimates for municipalities in the Essex Region

RISK MANAGEMENT PLAN DEVELOPMENT									
	PROGRAM DEVELOPMENT	RISK MANAGEMENT					SUB-TOTALS	CORPORATE SERVICES	TOTALS
Municipality	Shared Cost	Existing SDWT	Future SDWT	Compliance	s.59 Screening	MILEAGE	3-Year Costs	Office/ Overhead	3-Year Costs
Tecumseh	\$7,790.97	\$5,764.50	\$960.75	\$637.00	\$1,575.63	\$215.90	\$16,944.8	\$2,203	\$19,147.6
Lakeshore	\$7,790.97	\$13,930.88	\$1,921.50	\$1,433.25	\$3,420.27	\$608.00	\$29,104.9	\$3,784	\$32,888.5
Essex	\$7,790.97	\$14,891.63	\$2,882.25	\$1,751.75	\$947.94	\$616.50	\$28,881.0	\$3,755	\$32,635.6
Amherstburg	\$7,790.97	\$7,686.00	\$960.75	\$796.25	\$1,754.97	\$396.00	\$19,384.9	\$2,520	\$21,905.0
Windsor	\$7,790.97	\$15,852.38	\$2,882.25	\$1,751.75	\$1,050.42	\$1,015.20	\$30,343.0	\$3,945	\$34,287.6
LaSalle	\$7,790.97	\$1,441.13	\$0.00	\$159.25	\$807.03	\$96.40	\$10,294.8	\$1,338	\$11,633.1
Leamington	\$7,790.97	\$47,076.75	\$12,489.75	\$6,051.50	\$1,345.05	\$3,203.50	\$77,957.5	\$10,134	\$88,092.0
Kingsville	\$7,790.97	\$26,901.00	\$6,725.25	\$3,344.25	\$1,857.45	\$1,318.80	\$47,937.7	\$6,232	\$54,169.6
Pelee Island	\$7,790.97	\$1,441.13	\$0.00	\$159.25	\$153.72	\$190.40	\$9,735.5	\$1,266	\$11,001.1
Totals	\$70,118.75	\$134,985.38	\$28,822.50	\$16,084.25	\$12,912.48	\$7,660.70	\$270,584.06	\$35,175.93	\$305,759.98

