

February XX, 2022

Sent via email to: XXX

Municipality of XXX
Address

Attention: XXX, Municipal contact

IMPROVING WASTEWATER AND STORMWATER DISCHARGES IN LAKE ONTARIO PROGRAM

Dear XXX,

The Ministry of the Environment, Conservation and Parks recognizes the impacts to Lake Ontario caused by wastewater and stormwater discharges from urban areas. The Government of Ontario's 2020 budget announced \$15 million in funding to provide support to municipalities for improving their management of wastewater and stormwater discharges to Lake Ontario to ensure Ontarians can continue to access clean and safe water. This funding is being provided through the government's "Improving Wastewater and Stormwater Discharges in Lake Ontario Program" ("**Program**"). The objectives of the Program are to improve the management of wastewater and stormwater discharges to Lake Ontario by lowering phosphorus discharges, reducing the likelihood of sewage overflows and bypasses and improving the overall quality of stormwater.

Under this Program, Her Majesty the Queen in right of Ontario as represented by the Minister of the Environment, Conservation and Parks ("**MECP**") is offering capital funds to the Corporation of the Municipality of XXXX ("**Municipality**") up to a total amount of \$XXX ("**Funds**") in two parts, subject to the Municipality meeting the eligibility criteria for each part. Municipal spending of the Funds is subject to the Terms and Conditions attached as Schedule "A" to this letter.

In order to start receiving the Funds, the Municipality must provide the following to MECP by March 31, 2022:

- i) a copy of the council by-law, council resolution that acts as a by-law or delegation of authority by-law authorizing the Municipality to sign the Terms and Conditions (Schedule "A");
- ii) Terms and Conditions (Schedule "A") signed by an authorized signing officer; and
- iii) confirmation that the Municipality is registered in the Transfer Payment Ontario system <https://www.app.grants.gov.on.ca/tpcr/#/home> (i.e., the organizational and financial information for the Municipality is up to date in that system).

The MECP will provide Funds for the Municipality's eligible expenses through Transfer Payment Ontario on a reimbursement basis based on quarterly reports submitted by the Municipality up to and including March 31, 2024.

If you have any questions, please contact Madhu Malhotra, Manager, Waterways Protection Office, Great Lakes and Inland Waters Branch at madhu.malhotra@ontario.ca.

Sincerely,

Her Majesty the Queen in right of Ontario as represented by the Minister of the Environment, Conservation and Parks

per:

XXXX
Land and Water Division

DRAFT

SCHEDULE “A”

Terms and Conditions for Municipalities of the Improving Wastewater and Stormwater Discharges in Lake Ontario Program (“Terms and Conditions”)

As a condition of receiving the Funds from Her Majesty the Queen in right of Ontario as represented by the Minister of the Environment, Conservation and Parks (MECP) as described in the letter dated February XX, 2022 to the Corporation of the Municipality of XXX (Municipality), which is incorporated into and forms part of this Schedule “A”, the Municipality agrees to the following terms and conditions:

Eligibility Criteria

Part 1 Funding - \$XXX

The Ministry has determined that the Municipality meets the following eligibility criteria as of the date of the above-noted letter, and is eligible to receive Program funding:

- 1) The Municipality is or has the status of a municipality within the Province of Ontario;
- 2) The Municipality has one or more sewage treatment plants with a capacity of 3.78 million litres or more per day within the Lake Ontario watershed; and
- 3) The Municipality discharged phosphorus over 0.5 mg/L (monthly average Total Phosphorus) in 2020 from one or more of its sewage treatment plants that have a capacity of 3.78 million litres or more per day and/or the Municipality reported sewage overflows or bypasses into Lake Ontario to MECP in 2016-2018.

Part 2 Funding - \$XXX

The Municipality will be eligible for Part 2 Program funding when it provides MECP with the report due on June 30, 2022 as per the Reporting section below.

For clarity, eligible expenses utilizing funds from each funding Part may be incurred by the Municipality any time between the date the eligibility criteria for the Part was met and March 31, 2024.

The Municipality agrees to inform MECP forthwith if it no longer meets one or more of the eligibility criteria.

Eligible Expenses:

Expenses considered eligible under the Program as defined in the above-noted letter are limited to the following, provided they are incurred on or before March 31, 2024 for improving the management of wastewater and stormwater discharges to Lake Ontario:

- a) Wastewater treatment optimization

- i) Infrastructure upgrades such as instrumentation, pumps, mixers, valves, automation and chemical addition
 - ii) Equipment for enhanced sampling and testing
- b) Overflow and bypass reduction
- i) Downspout and sump-pump disconnection programs
 - ii) Collection system optimization such as installation of sensors, flow control devices and automation
 - iii) Sewer lining and leak repair
 - iv) Stormwater separation from combined sewers
- c) Stormwater management
- i) Purchase and installation of stormwater management equipment
 - ii) Green stormwater infrastructure installation
 - iii) Stormwater pond cleanout
 - iv) Collection system optimization such as installation of sensors, flow control devices and automation
 - i) Sewer lining and leak repair
- d) Other capital expenses related to improving management of wastewater and stormwater discharges to Lake Ontario

Expenses listed above are only considered eligible if they are capital in nature or able to be capitalized based on standard accounting principles. However, engineering, design, or other consultant costs cannot be the significant/sole expenditure. Funding must be used for equipment and construction. Engineering, design, or other consultant costs shall be incidental to that. Municipal staff time and staff costs are not an eligible expense under the Program.

Eligible expenses do not include any costs (including taxes) for which the Municipality has received, will receive, or is eligible to receive, a rebate, credit, or refund. Expenses incurred prior to the date of the Municipality's execution of this Terms and Conditions are ineligible.

Procurement:

In acquiring equipment, services or other eligible items, the Municipality agrees to do so through a procurement process that promotes the best value for money.

Reporting:

The Municipality agrees to:

- 1) Provide MECP with reports on a quarterly basis on the amount of Funds spent on eligible expenses in accordance with these Terms and Conditions in a form specified by the Ministry. The reporting due dates are as follows:

- June 30, 2022
- September 30, 2022
- December 31, 2022
- March 31, 2023
- June 30, 2023
- September 30, 2023
- December 31, 2023
- March 31, 2024

2) Provide MECP with receipts or other proof of payment to confirm the eligibility of the reported spending if requested by MECP.

Audit:

1) The Municipality agrees that MECP and its representatives may conduct an audit or investigation in respect of the expenditures reported by the Municipality.

The undersigned acknowledges that in providing his/her name on the applicable line below in electronic form will constitute a signature for the purposes of the *Electronic Commerce Act, 2000*, S.O. 2000, c. 17, as amended.

The Corporation of the Municipality of XXX

per: _____

Name: XXX

Title: XXX

Date: _____

I have authority to bind the Municipality.