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December 20, 2022

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Sent: December 20, 2022 10:12 AM

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Cc: Angela Coleman <acoleman@conservationontario.ca>; joshua.campbell@cvc.ca

Subject: CVC Planning and Development Services Cost Recovery & Fee Schedule Update

CAUTION: EXTERNAL MAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST.

Good morning,

For your information, please see attached Credit Valley Conservation Board report and associated resolution regarding CVC's Planning and Development Services cost recovery and fee schedule update.

Sincerely,

Tamara Chipperfield | she/her/hers
Corporate Secretariat | Credit Valley Conservation
905-670-1615 ext 420 | M: 647-625-3038
tamara.chipperfield@cvc.ca | cvc.ca



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REFERRAL TO _____
RECOMMENDED _____
DIRECTION REQUIRED _____
RECEIPT RECOMMENDED _____

Resolution

Date: December 9, 2022
Resolution No. 88/22

Moved By: Stephen Dasko
Seconded By: Matt Mahoney

#88/22

WHEREAS CVC collects user fees for plan review and permitting services in keeping with the Conservation Authorities Act and provincial guidelines and policies; and

WHEREAS CVC relies on collecting user fees for plan review and permitting services on a program cost recovery basis; and

WHEREAS CVC undertook a comprehensive fee and policy review for plan review and regulation programs for 2022 fees and fee policies in 2021; and

WHEREAS Conservation Ontario recently finalized their 'Guidance on CA Fee Policies and Fee Schedules' document to further assist CAs in fee policy development; and

WHEREAS Cost recovery for plan review and regulation programs is predicted to improve appreciably for 2022, compared to previous years;

THEREFORE BE IT RESOLVED THAT the report entitled "Planning and Development Services Cost Recovery and Fee Schedule Update" be received and appended to the minutes of this meeting as Schedule 'D'; and

THAT the Board of Directors approve the proposed 2023 plan review and regulation program fee policies attached as Schedule 'D', Appendix 3, and direct staff to administratively consolidate this and other approved CVC fee policies to form CVC's Fee Policies; and further

THAT the Board of Directors approve the proposed 2023 plan review and permit fee schedules attached as Schedule 'D', Appendix 4 and 5.

**Original signed T. Adams
CARRIED**

TO: The Chair and Members
of the Board of Directors,
Credit Valley Conservation

SUBJECT: **PLANNING AND DEVELOPMENT SERVICES COST
RECOVERY AND FEE SCHEDULE UPDATE**

PURPOSE: **To inform the CVC Board of Directors of the status of cost recovery for CVC's plan review and regulation programs, and to seek approval of CVC's 2023 plan review and permit fee policies and schedules.**

BACKGROUND:

Conservation authorities (CAs) continue to play a key role in ensuring an efficient, expeditious, fair, and transparent process in providing approvals under Section 28 of the *Conservation Authorities Act* (CA Act), and in providing technical review and clearance services to municipalities for planning, infrastructure, and other development-related activities. In keeping with requirements under Section 21 of the CA Act, Credit Valley Conservation (CVC) collects user fees for plan review and permitting services, including responses to real estate and public inquiries.

Conservation Authorities Act Updates – Fees for Programs and Services (S 21.2)

On January 1, 2023, the CA Act will be amended by repealing Section 21 (1) (m.1) which relates to the power of CAs to charge fees for programs and services approved by the Minister of Natural Resources and Forestry (MNRF), and enacting Section 21.2 (1) to (12) "Fees for Programs and Services". This 'new' section also contains provisions which replace the MNRF's 1997 Policies and Procedures for the Charging of Conservation Authority Fees – which currently governs how CAs charge user fees for plan review and regulatory program services (among other programs and services).

The intent of these amendments is to increase transparency and accountability in the establishment and charging of CA fees.

Classes of Programs and Services – CVC Planning and Permit Fees

In general, (new) Section 21.2 enables the Minister to determine the classes of programs and services for which a CA may charge a fee and requires the Minister to publish a 'list' via a policy document. In April 2022, in anticipation of this requirement, the Minister published the required list outlining CA fee-eligible programs and services entitled "*Policy: Minister's list of classes of programs and services in respect of which conservation authorities may charge a fee (Minister's list)*" (see Schedule 'D', Appendix 1). CAs may only charge a fee for a program or service provided if it is included in the Minister's list.

CVC's administration of Section 28 natural hazard development permits (CVC permits), technical advice and comments related to natural hazards on *Planning Act* and other development related legislation (e.g., *Environmental Assessment Act*), as well as responses to legal, real estate and public enquiries regarding CVC permits are listed as fee eligible (Category 1 mandatory programs and services). Additionally, CVC comments on *Planning Act* applications for technical and policy matters other than for consistency with natural hazard policies, such as natural heritage or storm water management, as requested by a municipality (plan review) are also listed as fee eligible (Category 2 municipal programs and services – provided by CVC on behalf of municipality in accordance with a memorandum of understanding or service level agreement).

Conservation Authority Fee Schedules and Policies

Section 21.2 also includes provisions directing CAs to prepare and adopt both a written fee policy and fee schedules with respect to the fees that it charges for the programs and services it provides. CVC has a long history of preparing and adopting both written fee policies and schedules for planning and permit services on an annual basis.

In 2021 CVC's Planning and Development Services department (PDS) retained a consultant, Watson and Associates Economists Inc., to complete a comprehensive review of CVC's fees. This was undertaken to ensure CVC's plan review and permit fee policies met industry standards while continuing to be consistent with current, and anticipated, legislative and regulatory requirements. This comprehensive review resulted in CVC's Board approved 2022 plan review and permit fees and policies.

CVC Plan Review and Permit Fee Cost Recovery Strategy

CVC's continued plan review and permit fee cost recovery strategy is to target "development paying for development" (aka "user pay principle") in keeping with industry standards – while reaching a balance with customer affordability for watershed residents, reasonable consistency with other CAs/municipalities offering similar services, as well as maintaining a high level of customer service.

Over time, a 60/40 revenue-to-levy standard was established for CVC, targeting 60% revenue from development (fee-for-service) and the remaining 40% from general/special levy to cover program costs. This was based on trends developed from CVC and several other CA's experiences - including CVC program staff time tracking (beginning in 2016), and most recently confirmed through the completion of PDS's comprehensive 'Plan Review and Permitting Fees Review' project in 2021. The 60% revenue (fee-for-service) cost recoverable component recognizes the substantial amount of resources required to support plan review and regulation programs, while the 40% levy component recognizes the high level of effort needed to support CVC's plan input (levy) program and other non-cost recoverable activities (e.g. enforcement and compliance, commenting on NEC development permits, etc.).

Recent CVC Plan Review and Permit Fee Reviews

Since 2003, plan review and permit fees have been consistently adjusted to reflect cost of living adjustments and service delivery costs, the range of types of applications, and the increased policy and regulatory scope continually requiring a higher level of resources and expertise for review. While navigating these increasingly complex and resource intensive applications, it continues to be expected that CVC staff meet service delivery standards and that permit fees for smaller projects and individual property owners be kept at a level that is sensitive to the corresponding fees of our municipal partners, and maintained at a level that does not become a deterrent resulting in increased unauthorized works/violations.

As noted above, in the spring of 2021, PDS completed a comprehensive plan review and permit fee review, and the consultant's final report and recommendations were endorsed by CVC's Board at the May 2021 meeting (Board resolution #52/21). After further consultation with watershed stakeholders, CVC's Board approved the recommended updates to PDS's fee policies and schedules to be implemented for 2022 at the November 2021 meeting (Board resolution #117/21). This resulted in comprehensive modifications to PDS fee categories, plan review and permit category fees, and fee policies based on an activity-based costing methodology, market analyses, review of industry standards and existing (and anticipated) legislation, regulations, and policies.

ANALYSIS:

A continuing factor identified as a major influence on achieving full cost recovery targets for PDS, is that CVC is not in control of the number and types of plan review and permit applications received each year, which are dependent upon external factors. These factors include the state of the economy, political influences, market limitations, and the pace, phasing, and timing of development. While the unpredictable nature of these factors continues, the following analysis demonstrates the current policy framework and cost recovery model provides sufficient cost recovery support to the plan review and regulation programs to assist in staff retention, and to facilitate CVC to continue to meet client service delivery standards.

Trends in Planning and Permit Applications Received (2015 to 2021)

The following tables provide a brief overview of the plan review and permit applications received by CVC (Table 1) and associated revenue, general program cost, and cost recovery percentage (Table 2) from 2015 to 2021.

Table 1 – Trends in Applications Received for 2015 to 2021

Year	Plan Review Applications	Permit Applications	Property Inquiries	Environmental Assessments¹
2015	161	367	146	15
2016	158	354	168	17
2017	171	373	144	14
2018	180	386	175	14
2019	189	300	203	14
2020	187	336	128	17
2021	224	454	222	12
AVERAGE	181	367	169	14

1 - excludes Class EA Schedule A/A+ - municipal minor works and standard maintenance activities.

Table 2 – Trends in Revenue, Program Cost and Cost Recovery for 2015 to 2021

Year	Revenue (\$)¹	Program Cost (\$)²	Cost Recovery (%)
2015	541,000	1,200,000	45
2016	716,000	1,300,000	55
2017	725,000	1,300,000	56
2018	809,000	1,300,000 ³	62
2019	898,000	1,350,000	67
2020	1,114,000	1,350,000	83
2021	890,404	1,350,000	66
AVERAGE	813,000	1,307,000	62

1 - revenue rounded to nearest thousand.

2 - program cost calculated using wage and fringe benefit data for Plan Review and Regulation programs only, as of Dec 31 for each year – rounded to nearest ten thousand.

3 - program cost remained constant from 2016 to 2018, and 2019 to 2021, due to cost savings in staffing (e.g., gapping, underfilling etc.) and minor wage allocation adjustments between programs.

Applications Received

In general, trends indicate an increasing or stable volume of plan review, permit and EA applications, revenue generated, and cost recovery from 2015 to 2021. For 2021, plan review and permit applications received increased, with property inquiries also trending upwards. These increases in applications received was expected as a result of the diminishing pandemic related impacts (i.e., markets fully 're-opening'), new provincial and municipal legislative changes further incentivizing development, as well as enhanced municipal planning process and streamlining efforts.

It is noted that approximately 80% of all applications received in 2021, in particular for permit applications, fell within the minor, small scale, intermediate, and medium scale types of application categories. For permits, applications received from municipalities and utility companies combined for just over 20% of all permit applications received – which continues to trend upwards as partnerships and awareness of regulatory requirements improves.

It is important to note that the number of applications received during any given year does not reflect the upward trend in the complexity and increasing amount of effort and expertise needed to review applications that has also been observed during this time frame. This is

in part due to the increasing scope and complexity of policy and regulatory frameworks, on-going demands on expeditious issue management and review timelines – notwithstanding CVC’s continued commitment to maintaining partnerships and a high level of client services.

Cost Recovery

While PDS has maintained a sufficient level of cost recovery from year to year, efforts to improve efficiencies to further meet CVC’s cost recovery strategy for plan review and regulatory programs continue. Most recently, this included a comprehensive fee and policy review by a consultant in 2021 resulting in comprehensive modifications to PDS plan review and permit fees, fee categories, and policies implemented in 2022.

Based on the staff level cost recovery analysis, Table 2 shows that cost recovery for eligible activities in 2021 was approximately 66%. While this decrease from the reported 2020 cost recovery level (83%) was anticipated based on trends as reported in the 2021 “PDS Cost Recovery and Fee Schedule” Board report, it continues to be above the 7-year cost recovery average and sufficient to maintain resourcing support for the programs.

Additional Factors

As previously reported in PDS staff’s 2021 “PDS Cost Recovery and Fee Schedule” Board report, the number of regulatory enforcement and compliance activities related to unauthorized works in 2021 continued to increase from 2020 levels. This is significant in that fees for this category of permits (unauthorized works) are double the applicable permit category fee (i.e., if the unauthorized works qualified for a large-scale development permit fee (\$3,250), the permit fee in resolution of the issue was double (\$6,500)), further supplementing regulatory program costs. It is also notable that most of the unauthorized work to be resolved is done at the staff level, not through litigation.

While this trend is expected to continue as PDS enhances resourcing of regulatory enforcement and compliance activities, our commitment to a strong watershed residence education campaign in keeping with PDS’s Board approved “Customer Service Streamlining and Enhancement Action Plan” also continues. These client centric service enhancements are further outlined in a report being considered by the Board at the December 2022 meeting titled “Planning and Development Services Customer Service and Streamlining Action Plan Status Report.”

Projected Applications Received and Cost Recovery for 2022

Table 3 below provides the projected 2022 plan review and permit applications received (including property inquiries and environmental assessments), and Table 4 the associated projected 2022 revenue, program cost and cost recovery for those cost recoverable eligible activities. Additionally, both Tables 4 and 5 include the averages for each category for comparison purposes.

Table 3 – Projected Applications Received for 2021

Year	Plan Review Applications	Permit Applications	Property Inquiries	Environmental Assessments ¹
2022 ²	201	356	179	7
AVERAGE³	181	367	169	14

1 - excludes Class EA Schedule A/A+ - municipal minor works and standard maintenance activities.

2 - calculated using actuals as of September 30, projected to December 31.

3 - average calculated from 2015 to 2021.

Table 4 – Projected Revenue, Program Cost and Cost Recovery for 2021

Year	Revenue (\$) ¹	Program Cost (\$) ²	Cost Recovery (%)
2022 ³	1,240,000	1,350,000 ⁴	93
AVERAGE⁵	813,000	1,307,000	62

1 - rounded to nearest thousand.

2 - calculated using wage and fringe benefit data for Plan Review and Regulation programs only - rounded to nearest ten thousand.

3 - calculated using actuals as of September 30, projected to December 31.

4 - projected to be similar to 2021 program costs due to significant staff gapping, underfilling, and minor wage allocation adjustments between programs.

5 - average calculated from 2015 to 2021.

It is important to recall the following analysis reflects approximately 60% of PDS staff's overall resources and time spent. Whereas the remaining 40% is focused on plan input, pre-development and enforcement activities, as well as other non-cost recoverable support activities. Another important factor to consider is that many of the applications received in one year may require a level of effort spread over a number of years (i.e. an application received in 2021, may continue to require review in 2022 or beyond depending on when the application was received (beginning or end of the year), the type and complexity of the proposal, as well as the timing and phasing of the development).

As shown in Table 3, it is projected that plan review applications and property enquiries will trend above the calculated averages, while permit and EA applications received will be below the average. However, as Table 4 indicates the projected 2022 revenue exceeds the average annual revenue received (projected cost recovery for fee eligible activities of approximately 92%) – which is an indication the modifications made to planning and permit fee schedules through the comprehensive review in 2021 to improve 2022 (and beyond) cost recovery was effective (particularly for minor, small scale, intermediate and medium scale application types which were identified as having the largest cost recovery gap through the comprehensive review).

However, it is cautioned not to draw conclusive inferences from Tables 3 or 4, as it is difficult to accurately project future applications or revenue received over any given period. This is because the types, numbers, and timing of when planning and permit applications are received is highly variable, unpredictable, and subject to factors beyond CVC's control.

Proposed 2023 Planning and Permit Fee Policies and Fee Schedules

Plan Review and Permit Fee Policies

A component of PDS's comprehensive fee review in 2021 included a review and update to the 2022 plan review and permit fee policies. Planning and Development Services staff have reviewed the anticipated new provincial requirements (effective January 1, 2023) and recent CO guidance on CA fee policies and fee schedules (see Schedule 'D', Appendix 2) to assess if any further modifications are required. Upon review, PDS staff has determined the existing plan review and permit fee policies contained within the 2022 fee schedules comply with the province's new requirements, and that appropriate consultation was completed during this process in accordance with the new requirements under the Act.

However, to improve transparency and consistency with the recent CO guidance on CA fee policies and schedules, CVC staff have 'repackaged' how the policies are presented into a separate 'stand-alone' fee policy document. Attached as Schedule 'D', Appendix 3 is PDS staff's proposed '*CVC Planning and Development Services Plan Review and Regulatory Program Fee Policies*' – which are generally consistent with previously Board approved fee policies but include additional text for context and housekeeping amendments (formatting, etc.). This fee policy document will be consolidated with all other CVC fee policies (e.g. PLACE fee policies) into one comprehensive document, as "CVC's Fee Policies", and placed on CVC's governance webpage.

Planning and Permit Fee Schedules

As highlighted above, CVC's 2022 plan review and permit fees were updated based on the recommendations of a comprehensive fee review undertaken by a consultant in 2021, including additional consultation with watershed stakeholders (CVC Board Resolution #117/21). Projections for 2022 plan review and regulation program cost recovery shown in Table 4 suggests an improved level of cost recovery from previous years is anticipated, continuing to be sufficient to support effective program delivery (and reducing dependency on municipal levy to supplement program resourcing).

Considering the above, and in keeping with CVC plan review and permit fee policies and practices, PDS staff recommends that all 2023 planning and permit fees for all categories be increased by 2%. This recommended 2% fee increase is consistent with the proposed cost of living adjustment (COLA) for CVC's 2023 budget – recognizing the plan review and permitting program budgets are largely determined by staffing costs. Schedule 'D', Appendix 4 and 5 provides the proposed plan review and permit fee schedules for 2023, including fee policies which are consistent with forthcoming provincial regulatory requirements.

COMMUNICATIONS PLAN:

The Building Industry and Land Development Association (BILD), Greater Golden Horseshoe Conservation Authorities, and several municipalities have been consulted and no concerns have been received with the proposed 2023 fee schedules.

All watershed municipalities will receive the 2023 fee schedules and policies in advance of the start of the new year, and they will be posted on the CVC website for public viewing or comment.

FINANCIAL IMPLICATIONS:

The recommended 2023 fee schedules will continue to assist in meeting 2023 budgetary projections, as a steady and consistent level of plan review and permit applications continue to be anticipated. The planning fee reserve (or 'holding') account created in 2018 will continue to only be used in the event revenue is received from a new application in one year, and the fee (or a portion thereof) should be deferred to subsequent years if determined most of the resources will be used in that subsequent year.

CONCLUSION:

Credit Valley Conservation collects user fees for plan review and permitting services, including responses to real estate and public inquiries, in keeping with the *Conservation Authorities Act* and the province's most current guidelines and policies for CA fees for programs and services. In the spring of 2021, PDS completed a comprehensive fee review for CVC's plan review and regulation programs to be implemented in 2022. These updated policies and schedules were anticipated to improve clarity and transparency regarding PDS's cost recovery program policies, as well as improve program cost recovery for 2022.

Based on a staff level analysis, cost recovery for CVC plan review and regulation program's fee eligible activities in 2021 was 66% - continuing to trend above the calculated 7-year cost recovery average. Projected cost recovery for these program activities in 2022 is 92% - and while drawing conclusions from this prediction should be done cautiously, this estimated cost recovery increase reflects the effectiveness of the comprehensive updates made to the 2022 plan review and permit fees in 2021.

In keeping with CVC plan review and permit fee policies and practices, and considering the improved cost recovery predicted for 2022, PDS staff recommends that all 2023 plan review and permit fees for all categories be increased by 2% - consistent with the proposed 2023 CVC budget COLA. In keeping with PDS fee policies, a comprehensive fee review is anticipated to be undertaken in 2026 for 2027 plan review and regulation program fees.

RECOMMENDED RESOLUTION:

WHEREAS CVC collects user fees for plan review and permitting services in keeping with the Conservation Authorities Act and provincial guidelines and policies; and

WHEREAS CVC relies on collecting user fees for plan review and permitting services on a program cost recovery basis; and

WHEREAS CVC undertook a comprehensive fee and policy review for plan review and regulation programs for 2022 fees and fee policies in 2021; and

WHEREAS Conservation Ontario recently finalized their 'Guidance on CA Fee Policies and Fee Schedules' document to further assist CAs in fee policy development; and

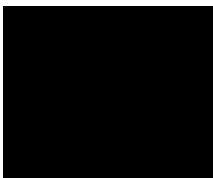
WHEREAS Cost recovery for plan review and regulation programs is predicted to improve appreciably for 2022, compared to previous years;

THEREFORE BE IT RESOLVED THAT the report entitled "Planning and Development Services Cost Recovery and Fee Schedule Update" be received and appended to the minutes of this meeting as Schedule 'D'; and

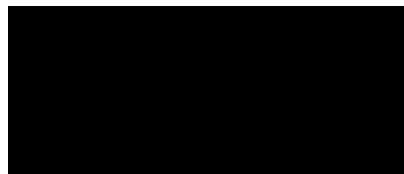
THAT the Board of Directors approve the proposed 2023 plan review and regulation program fee policies attached as Schedule 'D', Appendix 3, and direct staff to administratively consolidate this and other approved CVC fee policies to form CVC's Fee Policies; and further

THAT the Board of Directors approve the proposed 2023 plan review and permit fee schedules attached as Schedule 'D', Appendix 4 and 5.

Submitted by:



Josh Campbell
Director, Planning & Development Services



Andrew Kett
Director, Corporate Services

Recommended by:



Quentin Hanchard
Chief Administrative Officer

Policy: Minister's list of classes of programs and services in respect of which conservation authorities may charge a fee

April 11, 2022

Preamble

A conservation authority is permitted to charge a fee for a program or service only if the program or service is included in the Minister's list of classes of programs and services in respect of which a conservation authority may charge a fee. The Minister's published list of classes of programs and services in respect of which a conservation authority may charge a fee ("Minister's Fee Classes Policy") is provided as per the provisions set out in section 21.2 of the *Conservation Authorities Act*. From time to time, the Minister may make changes to the list and will promptly update this document and distribute it to each conservation authority.

Fees that a conservation authority may charge under the *Conservation Authorities Act*

Section 21.2 of the *Conservation Authorities Act* requires a conservation authority to administer the charging of fees in a transparent and accountable manner by adopting and publishing a written fee policy, which includes a fee schedule that lists the programs and services for which an authority charges a fee and the amount to be charged. Conservation authorities must maintain their fee schedule and if an authority wishes to make changes to its fee schedule, it must notify the public of the proposed change (e.g., on its website). In its fee policy, a conservation authority must also set out the frequency with which it will conduct a review of its fee policy, including its fee schedule, the process for carrying out a review of the fee policy, including the rules for giving notice of the review and any changes as a result of a review, and the circumstances under which any person may request the authority to reconsider a fee that was charged to the person and the procedures applicable to the reconsideration. Decisions regarding the fee policy and fee schedule are made by the members of a conservation authority, comprised of representatives appointed by the participating municipalities and the agricultural sector representative member, where appointed by the Minister of the Environment, Conservation and Parks.

Reconsideration of fee charged

A conservation authority's fee policy must define the circumstances in which a person may request that the authority reconsider a fee that was charged and the procedures applicable to the reconsideration. Where the authority's fee policy permits a person to request the authority to reconsider the fee it has charged that person because it is contrary to the authority's fee schedule or excessive in relation to the program or service for which it was charged, that person may apply to the authority, in accordance with the procedures set out in the authority's fee policy, to request a reconsideration of the fee.

After receiving and considering the request, the authority may vary the amount of the fee to be charged to an amount the authority considers appropriate, order that no fee be charged, or confirm the original amount of the fee.

Fees that a conservation authority may charge as prescribed by other legislation

The Minister's Fee Classes Policy does not include those instances where the authority is already authorized under another statute to charge a fee for a program or service. For example, where an authority administers an on-site sewage system program under the *Building Code Act, 1992*, the authority has the power to charge fees for that program. Similarly, under Part IV of the *Clean Water Act, 2006*, a municipality has enforcement responsibility to regulate significant drinking water threats in wellhead protection areas and intake protection zones and may delegate that responsibility to a conservation authority. When this delegation occurs, the conservation authority is also given the power to charge fees as the enforcement body under that Act.

User-Pay Principle

The fees that conservation authorities charge, in accordance with the Minister's Fee Classes Policy, are considered 'user fees.' 'User fees' are fees paid to an authority by a person or organization for a service that they specifically benefit from. This includes use of a public resource (e.g., park access or facility rental) or the privilege to do something (e.g., receive an approval through a permit or other permission to undertake a regulated activity).

For the purposes of this Minister's Fee Classes Policy, a fee may only be applied when the User-Pay Principle is considered appropriate, which is when there is a class of persons that directly benefits from a program or service delivered by an authority ("User-Pay Principle") (note: other restrictions may apply; see Table 1 below).

Enabling authorities to charge a fee for programs and services where the User-Pay Principle is considered appropriate increases opportunities for an authority to generate revenue. This may reduce an authority's reliance on the municipal levy (now called an "apportionment") to finance the programs and services it provides. However, it is up to a conservation authority to decide the proportion of the costs associated with administering and delivering a program or service that should be recovered by a user fee versus those costs that are offset by other funding sources, such as the municipal levy. Beginning with the 2024 calendar year budgets, if an authority considered opportunities to raise and use self-generated revenue such as fees to finance its operations, the authority will be required to include in its budget a description of what the authority considered.

Fee amounts

A conservation authority may determine the amount of a fee to be charged for a program or service that it provides. If a fee is to be charged for a program or service, the amount to be charged or the manner for determining the amount must be listed in the conservation authority's fee schedule. Some fee amounts cannot exceed the authority's costs for administering and delivering a program or service. For example, fees for planning services should be developed in conjunction with the appropriate planning authorities and set to recover but not exceed the costs associated with administering and delivering the services on a program basis. Similarly, fees for permitting services should be developed to recover but not exceed the costs associated with administering and delivering the services on a program basis. Other fees set by the authority for a program or service are not subject to this restriction, such as fees for selling products or fees for rentals. Fees that are not subject to this restriction can provide the authority with a source of revenue to help offset costs for other programs and services offered by the authority.

Minister's fee classes

The following is the list of classes of programs and services in respect of which an authority may charge a fee.

Table 1. Classes of programs and services for which conservation authorities may charge a fee

Classes of programs and services	Criteria	Examples
Category 1 mandatory programs and services (section 21.1 of the <i>Conservation Authorities Act</i>)	Category 1 programs and services where the following requirement is met: <ul style="list-style-type: none"> • The User-Pay Principle is appropriate. 	Examples may include: <ul style="list-style-type: none"> – Administration of section 28 natural hazards development permits (current section 28 and unproclaimed section 28.1), including related technical advice and studies. – Responses to legal, real estate and public inquiries regarding a section 28 permit (and unproclaimed section 28.1) and natural hazard inquiries under the <i>Planning Act</i>. – Activities requiring a permit made pursuant to section 29 of the <i>Conservation Authorities Act</i>. – Review and commenting on applications under other

		<p>legislation noted under the Mandatory Programs and Services Regulation (O. Reg. 686/21) and associated inquiries.</p> <ul style="list-style-type: none"> - Access to authority owned or controlled land for recreational activities not requiring direct authority or other staff involvement.
<p>Category 2 municipal programs and services – i.e., those programs and services an authority provides on behalf a municipality pursuant to a memorandum of understanding or service level agreement (or other agreement) (section 21.1.1 of the <i>Conservation Authorities Act</i>)</p>	<p>Category 2 programs and services where the following requirements are met:</p> <ul style="list-style-type: none"> • The User-Pay Principle is appropriate; and • The parties agree through provisions in a memorandum of understanding, service level agreement, or other agreement governing the provision of the Category 2 program or service that the authority should be permitted to charge a fee for that program or service. 	<p>Examples may include commenting on <i>Planning Act</i> applications for technical and policy matters other than for consistency with natural hazard policies, such as related to natural heritage, storm water management, or other matters requested by a municipality.</p>
<p>Category 3 authority determined programs and services (section 21.1.2 of the <i>Conservation Authorities Act</i>) that are financed in whole or in part by the municipal levy and on or</p>	<p>Category 3 programs and services that are financed in whole or in part by the municipal levy, where the following requirements are met:</p> <ul style="list-style-type: none"> • The User-Pay Principle is appropriate; and • Where a cost apportionment agreement has been entered into for a Category 3 program or service, the agreement includes provisions permitting the authority to charge a fee for the program or service. This requirement does not apply where the cost apportionment agreement 	<p>Examples may include private land stewardship or extension services that are partially funded by municipal levy.</p>

<p>after January 1, 2024 will require a cost apportioning agreement</p>	<p>relates to any of the following Category 3 programs and services:</p> <ul style="list-style-type: none"> i) Recreational activities that are provided on land that is owned or controlled by the authority with the direct support or supervision of staff employed by the authority or by another person or body, or with facilities or other amenities maintained by the authority, including equipment rentals and renting facilities for special events. ii) Community relations to help establish, maintain, or improve relationships between the authority and community members. iii) Public education services to improve awareness of issues relating to the conservation, restoration, development, and management of natural resources in watersheds in Ontario. iv) The provision of information to the public. v) The sale of products by the authority. 	
<p>Category 3 authority determined programs and services (section 21.1.2 of the <i>Conservation Authorities Act</i>) that are not financed in whole or in part by the municipal levy</p>	<p>Category 3 programs and services that are not financed in whole or in part by the municipal levy, where the following requirement is met:</p> <ul style="list-style-type: none"> • The User-Pay Principle is appropriate. 	<p>Examples may include those listed in the row above that are not financed in whole or in part by municipal levy.</p>

Disclaimer

This Minister’s Fee Classes Policy summarizes some of the requirements in the *Conservation Authorities Act* with respect to the charging of a fees by a conservation

authority for programs and services. This document should not be construed as legal advice or a substitute for seeking independent legal advice. Anyone seeking to fully understand how the Act may apply to the charging of fees by a conservation authority for programs or services should refer to the Act. In the event of any inconsistency between the *Conservation Authorities Act* and this policy, the Act will always take precedence.



Guidance on CA Fee Policies and Fee Schedules

Note: This guidance provides best advice based on available materials and current understanding of the legislation, regulations, and policy.

September 13, 2022

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1.0 Executive Summary

On January 1, 2023 the *Conservation Authorities Act* will be amended by enacting section 21.2 (1)-(12) related to fees for programs and services. The January 1, 2023, proclamation date is intended to enable conservation authorities (CAs) to develop the required **fee policy** and **fee schedule** in advance of enactment. This guidance document provides an overview of the fee policy and fee schedule requirements. It includes detailed checklists to ensure that CAs meet the legislative, regulatory and policy requirements for the fee policy ([Appendix 1](#)) and fee schedule ([Appendix 3](#)). In addition, it provides an annotated sample fee policy for CA programs and services ([Appendix 2](#)).

Conservation Ontario has previously issued guidance on the calculation of CA fees through the [Guideline for CA Fee Administration Policies for Plan Review and Permitting](#) in 2019. Additional guidance will be developed to support CAs as they refine their fee schedules relative to the January 1, 2023, requirements.

2.0 Overview of Fee Policy and Fee Schedule Requirements

On January 1, 2023, the [Conservation Authorities Act](#) is amended by repealing 21 (1) (m.1) which related to the power of CAs to charge fees for services approved by the Minister of Natural Resources and Forestry and enacting section 21.2 (1)-(12) “Fees for Programs and Services”. Subsection (1) enables the Minister to determine the classes of programs and services in respect of which an authority may charge a fee and (2) requires the minister to publish a List in a policy document. The Minister published the list through the [Policy: Minister’s list of classes of programs and services in respect of which conservation authorities may charge a fee](#) (“Minister’s List”) on April 11, 2022. Conservation authorities may only charge a fee for a program or service that it provides if it is included in this List. This List replaces the 1997 *Policies and Procedures for the Charging of Conservation Authority Fees* which was approved by the Minister of Natural Resources and Forestry.

No date for proclamation of subsections 21.2 (13)-(21) which address reconsideration of fees for permit applications have been announced. It is expected that these clauses will not be enacted until a new Section 28 regulation is enacted.

Section 21.2 of the *Conservation Authorities Act* sets out that every Conservation Authority shall prepare and adopt both a written **fee policy** and **fee schedule** with respect to the fees that it charges for the programs and services it provides. Note that the Minister’s List does not apply to those instances where the authority is already authorized under another statute to charge a fee for a program or service (e.g., *Clean Water Act*, *Building Code Act*).

Both the Fee Policy and Fee Schedule are intended to increase transparency and accountability surrounding the establishment and charging of CA fees. Upon enactment of the new Section 21.2 of the *Conservation Authorities Act* on January 1, 2023, all CAs will be required to have a fee policy and fee schedule approved by their Members. Given this deadline, CAs should endeavour to have their fee policy and schedule approved in 2022.

2.1 Fee Policy

The Fee Policy is intended as an overarching document which sets out key information on the fees that an Authority charges for the programs and services it provides. Pursuant to Section 21.2 (7) of the *Conservation Authorities Act*, a Fee Policy must include the following:

- The Conservation Authority's Fee Schedule;
- The frequency within which the fee policy will be reviewed by the Authority;
- The process for carrying out a review of the Policy, including rules for giving notice of the review and of any changes as a result of the review; and,
- The circumstances in which a person may request that the authority reconsider a fee that was charged to the person and the procedures applicable to the reconsideration.

Requirements for the preparation of a Conservation Authority's Fee Policy are outlined in both the [Policy: Minister's list of classes of programs and services in respect of which conservation authorities may charge a fee](#) ("Minister's List") as well as in the *Conservation Authorities Act* (s. 21.2). Conservation Ontario's "Guidance on the Second Phase of the Transition Period" (dated June 27, 2022) provides additional direction regarding the incorporation of fees into municipal (Category 2) and other (Category 3) agreements. See [Appendix 1: Summary of Requirements for CA Fees Policy](#) for a concise list of what needs to be included in a fee policy. Appendix 2 provides an [Annotated Sample Fee Policy for Conservation Authority Programs and Services](#).

2.2 Fee Schedule

The Fee Schedule is a required component of the Fee Policy and may be included as an Appendix or schedule to the Fee Policy. The Fee schedule includes two key components: (1) a list of the programs and services that the CA provides where a fee is charged, (2) as well as the amount of the fee charged for each individual program or service, or, where a set fee is not established, the manner in which the fee is determined. While the fee schedule is a part of the overall fee policy, it is expected that the fee schedule would be subject to more regular review and update.

When establishing a Fee Schedule, conservation authorities must adhere to the direction outlined in the "Policy: Minister's list of classes of programs and services in respect of which conservation authorities may charge a fee" as well as the requirements of s. 21.2 of the *Conservation Authorities Act*. See [Appendix 3](#) for a summary of the requirements. The "Minister's List" establishes classes of programs and services where a conservation authority may charge a fee. This list may be amended from time to time, and where updates are made, a new policy document will be distributed to each CA. Currently, the Minister's List established three classes of programs and services where a CA may charge a fee, along with specific criteria for each class:

1. **Category 1 Mandatory Programs and Services** (*where the user-pay principle is appropriate*);
2. **Category 2 Municipal Programs and Services** (*where the user-pay principle is appropriate and the parties agree through the provisions of an MOU or other such agreement that the authority should be permitted to charge a fee for that program or service*); and,

3. **Category 3 Other Programs and Services** (where the user-pay principle is appropriate. Where a cost apportionment agreement has been entered into for these programs and services, the agreement must also include provisions permitting the authority to charge a fee for the program or service).

As per the [Minister's List](#) the following programs and services do not need to be incorporated into a cost apportioning agreement to enable the charging of CA fees: recreational activities with the direct supervision of staff; community relations; public education services; provision of information to the public; and the sale of products by the authority. See Table 1 of the [List](#) for further details.

Fees charged by conservation authorities are considered "User Fees", which are fees paid to the Authority by a person or organization for a program or service that they specifically benefit from. In accordance with the Minister's List, a fee may only be applied by the CA when the "User-Pay Principle" is considered appropriate (i.e., when there is a person or class of persons that directly benefit from a program or service delivered by the Authority). Examples of such fees may include:

- Use of a public resource (e.g., access to a park or CA facilities);
- Equipment rentals;
- Commenting on *Planning Act* applications; and,
- Responses to legal, real estate and public inquiries regarding a section 28 permit

Conservation Ontario will develop future guidance on considerations for calculating fees.

It is noted that many conservation authorities are in the process of updating/creating memorandums of understanding with their municipalities for Category 2 Municipal programs and services in advance of the new requirements for the annual budget (effective January 1, 2024) as per the [Budget and Apportionment Regulation](#). In addition, many conservation authorities are in the process of entering into cost apportioning agreements for Category 3 Other programs and services as per the [Transition Plans and Agreements for Programs and Services under Section 21.1.2 of the Act](#) (to be completed by January 1, 2024). The finalization of these MOUs/agreements may result in more frequent amendments to the conservation authority's fee schedule throughout the 2022-2024 period or CAs may choose to consolidate the updates as part of an annual review.

2.3 Consultation Requirements

The *Conservation Authorities Act* (s. 21.2 (7) (c)) requires that the CA includes within their fee policy information regarding the process for carrying out a review of the policy, including the rules for giving notice and of any changes resulting from the review. The Minister's List directs that CAs must notify the public of any proposed change it wishes to make to its fee schedule. Any updates to the fee schedule should follow the procedures outlined in the CA's fee policy.

Section 4 of the [Policies and Procedures for Conservation Plan Review and Permitting Activities](#) identifies minimum requirements for policy consultation for plan review and permitting activities which may be considered more broadly for the purposes of consultation on the fee policy and plan review and permitting fee schedule(s).

Appendix 1: Summary of Requirements for CA Fees Policy

The following is a summary of the legislative, regulatory and policy requirements for a CA Fees Policy.

[Conservation Authorities Act](#) (see 21.2 (1) – 21.2 (12)) to be enacted January 1, 2023

Must include:

- Fee schedule (21.2(6)), including
 - List of programs and services that it provides and charges a fee
 - Amount of fee charged or manner in which fee is determined
- Frequency in which the fee policy will be reviewed (21.2 (7) (b))
- Process for carrying out a review, including rules for giving notice (21.2 (7) (c))
- Circumstances in which CA will reconsider a fee and the applicable procedure to do so (21.2(7) (d))
- Made available to the public (21.2 (8))
- Requirement to periodically review fee schedule and fee policy (21.2(9))
- Notice to public if changes are proposed to the fee schedule (21.2 (10))
- Procedures for re-consideration of a fee (21.2 (11)). Powers upon reconsideration include (21.2 (12))
 - Order to pay fee
 - Vary the fee amount
 - Charge no fee for program or service

Note that 21.2 (13)–(21) has no timeline associated with its effective date.

[O. Reg. 399/22: TRANSITION PLANS AND AGREEMENTS FOR PROGRAMS AND SERVICES UNDER SECTION 21.1.2 OF THE ACT](#)

Optional:

Amendments to the Transition Plans regulation filed April 20, 2022 include a new requirement where fees are proposed to be charged for **Category 3/Other** programs and services to identify the program or service provided by the authority and set out procedures that must be followed before a fee is established by the authority, including consultations with the parties to the agreement. Consideration could be made to referencing the authority's fee policy in the agreement¹.

¹ As per the [Minister's List](#) the following programs and services do not need to be incorporated into a cost apportioning agreement to enable the charging of CA fees: recreational activities with the direct supervision of staff; community relations; public education services; provision of information to the public; and the sale of products by the authority. See Table 1 within the Minister's List for further details.

Minister's Fee Class Policy

Must include:

- Must define the circumstances in which a person may request that the authority reconsider a fee that was charged and the procedures applicable to the reconsideration
- Ability to identify which types of fees may be reconsidered via the fee policy
- Fee schedule must be consistent with the Minister's List regarding the types of programs and services CAs can charge a fee for (generally, all Categories where the user-pay principle is appropriate)
- Fees for planning services should be developed in conjunction with planning authorities and not exceed the costs of administration on a program basis
- Fees for permitting services should be developed to recover but not exceed the costs associated with administering and delivering the service on a program basis

Optional:

- Fees can only be charged for **Category 2/ Municipal** programs and services where the user-pay principle is appropriate and there is a provision in the MOU or agreement that the authority should be permitted to charge a fee for that program or service
- Include note that Minister's List does not include those instances where the authority is already authorized under another statute to charge a fee for a program or service (e.g., Clean Water Act, Building Code Act)

O. Reg. 400/22: Information Requirements

Optional:

- Posting of fee policy on the CA Governance website (2.1 (9) – any other document prepared by the Authority that it considers appropriate to post)

Appendix 2: Annotated Sample Fee Policy for Conservation Authority Programs and Services

Background

Amendments to the *Conservation Authorities Act* were undertaken in 2020 to clarify the programs and services that conservation authorities (CAs) deliver. In 2021, [O. Reg. 686/21 Mandatory Programs and Services](#) provided additional clarity regarding the programs and services that CAs are required to provide. In April, 2022 the Minister released [Policy: Minister's list of classes of programs and services in respect of which conservation authorities may charge a fee](#) ("Minister's List"). CAs may only charge a fee for a program or services that it provides if it is set out in the Minister's List. The Minister's List identifies that CAs may charge a fee for mandatory, municipal and other programs and services where the user-pay principle is appropriate.

The Minister's List replaces the 1997 *Policies and Procedures for the Charging of Conservation Authority Fees* which was approved by the Minister of Natural Resources and Forestry. The new Minister's List will come into effect on January 1, 2023. This policy document is intended to fulfill the requirement for each authority to adopt a written policy with respect to the fees that it charges for the programs and services it provides.

Legislation

On January 1, 2023, the *Conservation Authorities Act* is amended by enacting section 21.2 (1)-(12) "Fees for Programs and Services". Subsection (1) enables the Minister to determine the classes of programs and services in respect of which an authority may charge a fee and (2) requires to the minister to publish a List in a policy document. CAs may only charge a fee for a program or service that it provides if it falls within this list.

Under the *Conservation Authorities Act*, programs and services delivered by conservation authorities include:

- **Mandatory programs and services.** Mandatory programs and services that that the conservation authority is required to provide [see 21.1 for further details]. These services are further defined in [O. Reg. 686/21: Mandatory Programs and Services](#) and may be funded by provincial grants, other sources, municipal apportionment and/or conservation authority self-generated revenue (e.g., user fees) where the user-pay principle is appropriate.
- **Municipal programs and services.** Programs and services that an authority agrees to provide on behalf of a municipality under a MOU or agreement [see 21.1.1 for further details]. The program or service may be funded by the municipality or by other funding mechanisms (e.g., user fees where the user-pay principle is appropriate) as per the MOU or agreement.
- **Other programs and services.** Programs and services that an authority determines are advisable to further the purposes of the Act [see 21.1.2 for further details]. The program or service may be funded by the municipality or by other funding mechanisms (e.g., user fees where the user-pay principle is appropriate) as per the cost apportioning agreement and the Minister's List.

Policy Scope

This policy would apply to all classes of programs and services for which a conservation authority may charge a fee. This policy does not include those instances where the authority is already authorized under another statute to charge a fee for a program or service (e.g on-site sewage system program under the *Building Code Act*).

Policy Principles and Statements

Consider including high-level policy principles/statements that will guide the implementation of the fee policy, including the fee schedule.

For example. When developing fee schedules, the following policy principles apply:

- *Conservation authorities are entitled to set rates, charge and collect fees for services rendered*
- *Conservation authority fee recovery direction/standards for programs and services should be set by the Members of the authority*
- *Fees for planning and permitting services should be set to recover but not exceed the costs associated with administering and delivering the services on a program basis*
- *Direct and indirect costs associated with the program or service should be included in the calculation of the overall cost*
- *The methods for calculating costs should be robust and transparent*
- *For fees associated with municipal and other programs and services provisions to enable the charging of fees must be included in the MOU or cost apportioning agreement except where already authorized through the Minister's List*
- *Fees should be established with due regard to legislative requirements, ability to sustain programs and reflect a user-pay principle*

Implementation

Speak to the direction of the Members regarding cost recovery.

Some conservation authorities break the implementation section down in terms of the program and service they are referring to. Not all fee schedules need to be reviewed using the same timeframe. For example, the costs for education programs could be established in advance of the school year (i.e., September) to ensure continuity of costs throughout the academic year. The CA may choose to amend other fee schedules based on the fiscal or budget year.

Planning Services

Cannot exceed the authority's costs for administering and delivering the program or service.

When establishing these fees, also consider the client service objectives outlined in the [Policies and Procedures for Conservation Authority Plan Review and Permitting Activities](#) as well as the [Conservation Ontario Client Service Standards for Conservation Authority Plan and Permit Review](#). Each CA has a Board resolution in support of the client service initiative.

Permitting Services

Cannot exceed the authority's costs for administering and delivering the program or service.

When establishing these fees, also consider the client service objectives outlined in the Policies and Procedures for Conservation Authority Plan Review and Permitting Activities as well as the [Client Service Standards for Conservation Authority Plan and Permit Review](#).

Remaining Programs and Services

Remaining programs and services are not subject to a limitation regarding the percentage of costs of administering and delivering the program which can be recovered. These costs can be established at the direction of the Authority.

When developing a fee schedule for programs and services related to the conservation and management of lands owned or controlled by the Authority, consideration should be made to referencing any objectives contained within the CA's Conservation Areas Strategy (to be completed by December 31, 2024; see 9.(1) 1 of [O. Reg. 686/21](#) for further details).

When developing a fee schedule for the remaining programs and services conservation authorities may consider the costs associated with delivering the program or service, relevant market considerations, the nature and level of fees charged by local municipalities and other agencies for related services and opportunities to harmonize fees with neighbouring CAs where costs for similar services are comparable.

Exemptions and In-Kind Services

May consider a statement about the Authority's ability to waive fees and to provide in-kind services. This should likely be only at the direction of senior management and/or the General Manager/CAO for external customers. Conservation authorities may choose to waive fees for activities undertaken by the conservation authority (e.g., a permit application fee for a stewardship project).

Refunds

Recommend including a note regarding how the CA will address requests for refunds. Consider including an administrative fee related to the refund.

Appeal Process

As per subsection 21.2 (11) and (12), conservation authorities must identify the circumstances under which any person may request a reconsideration of fees and the applicable procedures. After considering the request, the authority may vary the amount of the fee to be charged, order that no fee be charged, or confirm the original amount of the fee.

Note that 21.2 (13)-(21) has no timeline for enactment.

It is recommended that conservation authorities identify the scope of fees that could be subject to appeal within their fee policy (for example, planning and permitting fees, as compared to fees for a specific product).

Some conservation authorities have established a process similar to an administrative review for fees. This directs the original appeal to the GM/CAO and then, if not satisfied, to the Members of the Authority. Examples can be found on the [CO Members website](#).

Review of Policy

Speak to the internal review process that your conservation authority will undertake for the fee schedule/fee policy and the timeline for the review(s).

As per [O. Reg. 687/21](#) after January 1, 2023 conservation authorities must consult with participating municipalities that are party to a cost apportioning agreement prior to setting a fee for an other/category 3 program or service (see 8 (4.1) for further details).

Consideration should be made to differentiating the consultation process for fee schedules reflecting the level of public interest/ amount of fee. For example, a more comprehensive process should be undertaken to amend fee schedules associated with plan review and permitting activities as compared to minor fees associated with equipment rentals. For minor fees, the CA could provide notice of the review through a post on their website.

Public Notification

This section should include the rules for giving notice of review of the fee policy and fee schedule(s) and any changes made as a result of the review. CA should notify the public of any changes to its fee schedule (e.g., on its website).

Date of Effect and Transition

Decisions regarding the fee policy and fee schedules are made by the Members of the CA.

Speak to the relationship of this policy to previous policies that the Authority may have had in place.

Resources

[Policy: Minister's List of Classes of Programs and Services in respect of which conservation authorities may charge a fee](#)

[Policies and Procedures for Conservation Authority Plan Review and Permitting Activities](#)

[Client Service Standards for Conservation Authority Plan and Permit Review](#)

Appendix 3: Summary of Requirements for CA Fee Schedule

The following is a summary of the legislative, regulatory and policy requirements for a CA Fees Schedule.

[Conservation Authorities Act](#) (see 21.2 (1) – 21.2 (12) to be enacted January 1, 2023

Must include:

- Consistency with the Minister's classes of programs and services in respect of which a CA may charge a fee (21.2 (4))
- The list of programs and services that a CA charges a fee (21.2 (6) (a))
- The fee amount determined by the authority (21.2 (6) (b))
- Be available to the public in a manner the CA considers appropriate as part of the fee policy (21.2 (8))
- Be subject to periodic review as per the CA's fees policy (21.2 (9))
- Notice to be provided whenever there is a proposed change to the list of fees or how the fees are determined as per the CA's fee policy (21.2 (10))
- Fees to be subject to reconsideration as per the CA's fee policy (21.2 (11))

[O. Reg. 399/22: TRANSITION PLANS AND AGREEMENTS FOR PROGRAMS AND SERVICES UNDER SECTION 21.1.2 OF THE ACT](#)

Consideration:

Amendments to the Transition Plans regulation filed April 20, 2022 include a new requirement where fees are proposed to be charged for **Category 3/Other** programs and services to identify the program or service provided by the authority and set out procedures that must be followed before a fee is established by the authority, including consultations with the parties to the agreement.

[Minister's Fee Class Policy](#)

Must include:

- Fee schedule must be consistent with the Minister's Fee Class Policy regarding the types of programs and services CAs can charge a fee for (generally, all Categories where the user-pay principle is appropriate)
- List of programs and services for which it will charge a fee and the amount
- Public must be notified of any proposed changes to its fee schedule
- Decisions regarding the fee schedule are made by members of the Authority
- Fees authorized under another statute are not subject to the Minister's Fee Class Policy
- Fees for planning services should be developed in conjunction with planning authorities and not exceed the costs of administration on a program basis
- Fees for permitting services should be developed to recover but not exceed the costs associated with administering and delivering the service on a program basis

Consideration:

- Fees can only be charged for **Category 2/ Municipal** programs and services where the user-pay principle is appropriate and there is a provision in the MOU or agreement that the authority should be permitted to charge a fee for that program or service
- Fees can only be charged for **Category 3/Other** programs and services where financed in whole or in part by the municipal levy where there is a provision in the cost apportioning agreement that the authority should be permitted to charge a fee for that program or service and the user-pay principle is appropriate. This is subject to the exclusions included in Table 1 of the Minister's List.

[O. Reg. 400/22: Information Requirements](#)

Optional:

- Posting of fee schedule on the CA Governance website (2.1 (9) – any other document prepared by the Authority that it considers appropriate to post)

Fee Policy for Credit Valley Conservation Planning and Development Services: Plan Review and Regulation Programs and Services

BACKGROUND

Amendments to the *Conservation Authorities Act* (CAA) were undertaken in 2020 to clarify the programs and services that conservation authorities (CAs) deliver. In 2021, [O. Reg. 686/21 Mandatory Programs and Services](#) provided additional clarity regarding the programs and services that CAs are required to provide. In April, 2022 the Minister released [Policy: Minister's list of classes of programs and services in respect of which conservation authorities may charge a fee](#) ("Minister's List"). CAs may only charge a fee for a program or services that it provides if it is set out in the Minister's List. The Minister's List identifies that CAs may charge a fee for mandatory, municipal, and other programs and services where the user-pay principle is appropriate.

The Minister's List replaces the 1997 *Policies and Procedures for the Charging of Conservation Authority Fees* which was approved by the Minister of Natural Resources and Forestry (MNRF). The new Minister's List will come into effect on January 1, 2023. This policy document is intended to fulfill the requirement for Credit Valley Conservation's (CVC's) Planning and Development Services (PDS's) with respect to the fees charged for the Plan Review and Regulation programs and services.

LEGISLATION

On January 1, 2023, the CAA is amended by enacting section 21.2 (1)-(12) "Fees for Programs and Services". Subsection (1) enables the Minister to determine the classes of programs and services in respect of which an authority may charge a fee and (2) requires to the minister to publish a List in a policy document. CAs may only charge a fee for a program or service that it provides if it falls within this list.

Under the *Conservation Authorities Act*, programs and services delivered by conservation authorities include:

- **Mandatory programs and services.** Mandatory programs and services that that the conservation authority is required to provide [see 21.1 for further details]. These services are further defined in [O. Reg. 686/21: Mandatory Programs and Services](#) and may be funded by provincial grants, other sources, municipal apportionment and/or conservation authority self-generated revenue (e.g., user fees) where the user-pay principle is appropriate;
- **Municipal programs and services.** Programs and services that an authority agrees to provide on behalf of a municipality under a MOU or agreement [see 21.1.1 for further details]. The program or service may be funded by the municipality or by other funding mechanisms (e.g., user fees where the user-pay principle is appropriate) as per the MOU or agreement; and
- **Other programs and services.** Programs and services that an authority determines are advisable to further the purposes of the Act [see 21.1.2 for further details]. The program or service may be funded by the municipality or by other funding mechanisms (e.g., user

fees where the user-pay principle is appropriate) as per the cost apportioning agreement and the Minister's List.

POLICY SCOPE

This policy applies to CVC's Plan Review and Regulation programs and services (i.e., plan review fees and permit fees) which have been identified as both Mandatory (category 1) and Municipal (category 2) services in the Minister's List.

POLICY PRINCIPLES

The following policy principles will guide the on-going development and implementation of CVC's Plan Review and Regulation program fee policies and fee schedules:

- CVC is entitled to set rates, charge, and collect fees for Plan Review and Regulation program services rendered under the Conservation Authorities Act;
- CVC cost recovery standards and fees for Plan Review and Regulation programs and services will be approved by the CVC Board of Directors, after an appropriate level of consultation with member municipalities and watershed stakeholders;
- Fees for plan review and regulation programs and services will be set to recover, but not exceed, the costs associated with administering and delivering the services on a program basis;
- CVC will consider direct and indirect costs associated with the Plan Review and Regulation program or service in the calculation of the overall program cost and in setting fees;
- The methods and associated analyses for calculating costs, and setting fees, will be robust, transparent, and be comprehensively reviewed as necessary;
- For fees associated with municipal (Category 2) programs and services, provisions to enable the charging of fees will be included in MOUs except where already authorized through the Minister's List; and
- Fees will be established with due regard to legislative requirements, ability to sustain programs and services to meet customer service standards and reflect a user-pay principle.

POLICIES

Fee Schedules and Implementation

CVC's fees for plan review and permit applications will be consistent with CVC Board of Director approved fee schedules. However, fees may be adjusted to a different fee category prior to the issuance final comments, a clearance, or permit (regardless of the initial fee paid upon submission) should it be determined the application requires/required a greater or lower level of resources to process and review. Any fee adjustments will be at the discretion of the Director of Planning and Development Services.

CVC reserves the right to reassess fees owed/paid after two years of receipt of an application, based on timing and receipt of required technical information (i.e. an

application submitted in one year, may be subject to additional fees where delays in submitting technical materials span multiple years - recognizing annual fee adjustments to meet program cost recovery targets).

Permit Applications – non-compliance

CVC will not accept permit applications to recognize (existing) unauthorized works that are non-compliant with Section 28 of the CAA, CVC's associated regulation, and/or CVC policies. (Existing) Unauthorized works that are non-compliant are handled through CVC's compliance and enforcement program.

Appeal Process

An applicant has the right to appeal should they be dissatisfied with the prescribed fee. Any appeal shall first be considered by CVC's Chief Administrative Officer (CAO), and then through a deputation by the applicant to the CVC Board of Directors if not satisfied with the CAO's decision.

Review Process

The frequency and process for undertaking future fee and policy reviews shall be as follows:

- Fees shall be reviewed on an annual basis as part of the budgeting process;
- A comprehensive review of fee policies, plan review and permit fees, and full costs of services shall be undertaken every 5 years (beginning for 2022 fees). This will include the following activities:
 - an assessment of the full cost of services;
 - a review of cost recovery targets;
 - considerations for variable pricing and categories to reflect the marginal costs and range of processing applications; and
 - a review of legislative requirements, as well as a survey of CA and municipal fees to ensure consistency and fees meet industry standards and applicant affordability.

Consultation

The development of Plan Review and Permit fees and policies shall incorporate an appropriate level of public consultation. At a minimum, this should include consultation with the Building Industry and Land Development Association (BILD), members of the public, adjacent CAs, and municipal partners.

Approval Process and Administration

Plan Review and Permit fees and policies shall be approved by the CVC Board of Directors prior to coming into effect. Once approved, updated fee schedules shall:

- come into effect on January 1st of the intended fee schedule year;
- be applicable to all new application submissions and other fee categories - including revisions, repeat submissions, and unauthorized works; and
- be posted on the CVC website and readily available in hard copy upon request.

2023 CVC Plan Review Fee Schedule

Planning Application Type	Fees
Minor Variance	\$478
Consents (Severances)	Minor \$1,228 Major \$3,645
Site Plan - Residential	Minor \$1,058 Intermediate \$6,406 Major \$8,620
Site Plan - Commercial, Industrial, Institutional	Minor \$2,640 Intermediate \$7,068 Major \$12,346
Site Plan Multi-unit Building and Condominiums	Minor \$7,289 Intermediate \$14,607 Major \$38,544
Clearances	Minor \$3,490 Intermediate/Major \$6,981
Site Plan Water Balance Review Only (WHPA Q2 Area)	\$1,823
Official Plan Amendment	Minor \$1,049 Intermediate \$2,429 Major \$5,305
Zoning By-law Amendment	Minor \$1,046 Intermediate \$2,429 Major \$5,305
Subdivisions	\$4,162 per net ha 50% at EIR or EMP submission* 25% at draft plan submission 25% at draft plan approval
Clearances	Minor \$5,878 Major \$14,108
Technical Review (per study/report)	Scoped study \$2,788 Full report/assessment \$5,496
Review of Repeat Submissions (after 3 rd submission)	(minimum) 25% of current fee

* EIR refers to Environmental Implementation Report/EMP refers to Environmental Master Plan (or equivalent)

Project/Environmental Assessments (EA)	Fees
Golf Courses	\$18,516
Aggregate Operations	Minor \$7,289 Intermediate \$24,336 Major \$72,890
Class EA review-Schedule A	Permit fee only
Class EA review-Schedule B	\$6,038 (plus permit fee)
Class EA review-Schedule C	\$11,582 (plus permit fee)
Individual EA/Master Plan	\$17,635

NOTES and POLICIES

1. All fees include HST.
2. The application fee must be paid at the time of filing an application and/or within 30 days of CVC notification in writing. For outstanding payments, CVC may place the application on hold upon review until satisfactory arrangements are established.
3. When processing and reviewing consolidated applications (ZBA/OPA applications), the highest rate of fees will apply.
4. Separate fees will apply for the processing of associated CVC permit approvals, with the exception of Subdivision applications.
5. **The 'Technical Review' application category applies to all technical** report submissions not associated with a formal Plan Review file that has already paid the appropriate CVC fee (e.g. applicant requests a review of a technical report during pre-consultation). Subsequently, if a formal Plan Review application is submitted in relation to **the 'Technical Review' file**, 50% of the **'Technical Review'** fee previously paid is to be credited against the formal application fee.
6. Fees related to review of repeat submissions (more than 3 submissions) will be determined by CVC depending on the number, completeness and quality of the repeat submission(s). The minimum 25% of current fee applies to each resubmission (starting at 4th submission).
7. **Requests for 'Expedited Reviews' are subject to resource availability and** service level agreement (SLA) – at the discretion of the Director, Planning and Development Services.
8. **CVC's fees for plan review and permit applications will be consistent with** CVC Board of Director approved fee schedules. However, fees may be adjusted to a different fee category prior to the issuance final comments or clearances (regardless of the initial fee paid upon submission) should it be determined the application requires/required a greater or lower level of resources to process and review. Any fee adjustments will be at the discretion of the Director of Planning and Development Services.
9. CVC reserves the right to reassess fees owed/paid after two years of receipt of an application, based on timing and receipt of required technical information (i.e. an application submitted in one year, may be subject to additional fees where delays in submitting technical materials span multiple years - recognizing annual fee adjustments to meet program cost recovery targets).
10. An applicant has the right to appeal should they be dissatisfied with the prescribed fee. Any appeal shall first be considered by CVC's Chief Administrative Officer (CAO), and then through a deputation by the applicant to the CVC Board of Directors if not satisfied with the CAO's decision.
11. The frequency and process for undertaking future Plan Review fee and policy reviews shall be as follows:
 - a. Plan Review fees shall be reviewed on an annual basis as part of the budgeting process;
 - b. A comprehensive review of Plan Review fees and full costs of services shall be undertaken every 5 years (beginning for 2022 fees). This will include the following activities:
 - i. an assessment of the full cost of services;
 - ii. a review of cost recovery targets;

- iii. considerations for variable pricing and categories to reflect marginal costs and range of processing applications; and
 - iv. a survey of CA and municipal fees to ensure consistency and fees meet industry standards and applicant affordability.
12. The development of Plan Review fees and policies shall incorporate an appropriate level of public consultation. At a minimum, this should include consultation with the Building Industry and Land Development Association (BILD), members of the public, adjacent CAs, and municipal partners.
13. Plan Review fees and policies shall be approved by the CVC Board of Directors prior to coming into effect. Once approved, updated fee schedules shall:
- a. come into effect on January 1st of the intended fee schedule year;
 - b. be applicable to all new plan review applications and other fee categories - including clearances and repeat submissions; and
 - c. be posted on the CVC website and readily available in hard copy upon request.

DEFINITIONS

1. **Minor:** an application is determined to be "Minor" where no technical studies are required.
Minor for the purposes of administering clearance fees is a subdivision clearance of draft plan conditions that is administrative in nature with no technical studies (e.g. preparation of a letter after confirming that CVC is satisfied with the registration of the subdivision and review is limited to grading and sediment and erosion control plans, etc.).
2. **Intermediate:** an application is determined to be "Intermediate" where, as an example, a scoped Environmental Impact Study (EIS) is required.
3. **Major:** an application is determined to be "Major" where technical studies (e.g. EIS, stormwater management, geotechnical) are required.
Major for the purposes of administering clearance fees is a subdivision clearance of draft plan conditions prior to registration which requires significant work to review and clear conditions and requires the review of technical information (stormwater management ponds, natural heritage system design, etc.).

2023 CVC Permit Fee Schedule

Ontario Regulation 160/06 Permit Applications	Permit Fees
Development	Small scale \$548 Medium scale \$2,107 Large scale \$18,727 Major \$26,010
Interference with Wetlands and Alterations to Watercourses and Shorelines	Small Scale \$974 Medium Scale \$7,023 Large Scale \$22,889 Major \$30,172
Permit for Minor Works	\$268
In Stream Timing Window Extension	Minor \$859 Major \$2,147
Fill Placement (less than 500m ³) Large Fill Placement (greater than 500m ³)	\$859 \$4,209 plus \$1 per m ³
Additional Site Visit	\$295
Technical Review (per study/report)	Scoped study \$2,788 Full report/assessment \$5,496
Permit Revisions	50% of current fee
Review of Repeat Submissions (after 3 rd submission)	(minimum) 25% of current fee
Expedited Review (dedicated technical review and approvals team)	(minimum) Additional 100% of current Fee(s)
Unauthorized Works (violations)	Compliance 2 x current fee Non-compliance 3 x current fee
Property Information *	
Solicitor/Realtor/Property Inquiry	\$383
GIS Information Request/Service	\$294

* HST included

NOTES and POLICIES

1. HST does not apply to CVC permit fees.
2. The application fee must be paid at the time of filing an application. A permit will not be issued unless the application fee has been submitted.
3. All permits are issued for two years. Permit extensions and/or renewals will not be granted. However, applicants may re-apply for re-issuance of a new permit for the original approved works in accordance with the most recent technical requirements.
4. For large fill placements, the CVC Procedural Guideline for receiving and processing applications to place fill in excess of 500 cubic metres should be referenced.
5. **The 'Technical Review' application category applies to all technical** report submissions not associated with a formal Permit file that has already paid the appropriate CVC fee (e.g. applicant requests a review of a technical report during pre-consultation). Subsequently, if a formal Permit application is **submitted in relation to the 'Technical Review' file, 50% of the 'Technical Review' fee** previously paid is to be credited against the formal application fee.
6. Fees related to review of repeat submissions (more than 3 submissions) will be determined by CVC depending on the number, completeness and quality of the repeat submission(s). The minimum 25% of current fee applies to each resubmission (starting at 4th submission).
7. **Requests for 'Expedited Reviews' are subject to resource availability and** service level agreement (SLA) – at the discretion of the Director, Planning and Development Services.
8. **CVC's fees for plan review and permit applications will be consistent** with CVC Board of Director approved fee schedules. However, fees may be adjusted to a different fee category prior to the issuance of a permit (regardless of the initial fee paid upon submission) should it be determined the application requires/required a greater or lower level of resources to process and review. Any fee adjustments will be at the discretion of the Director of Planning and Development Services.
9. CVC reserves the right to reassess fees owed/paid after two years of receipt of an application, based on timing and receipt of required technical information (i.e. an application submitted in one year, may be subject to additional fees where delays in submitting technical materials span multiple years - recognizing annual fee adjustments to meet program cost recovery targets).
10. CVC will not accept permit applications to recognize (existing) unauthorized works that are non-compliant with **Section 28 of the CAA, CVC's associated** regulation, and/or CVC policies. (Existing) Unauthorized works that are non-compliant are handled **through CVC's compliance and enforcement** programming.
11. An applicant has the right to appeal should they be dissatisfied with the **prescribed fee. Any appeal shall first be considered by CVC's Chief** Administrative Officer (CAO), and then through a deputation by the applicant **to the CVC Board of Directors if not satisfied with the CAO's decision.**
12. The frequency and process for undertaking future Permit fee and policy reviews shall be as follows:
 - a. Permit fees shall be reviewed on an annual basis as part of the budgeting process;

- b. A comprehensive review of Permit fees and full costs of services shall be undertaken every 5 years (beginning for 2022 fees). This will include the following activities:
 - i. an assessment of the full cost of services;
 - ii. a review of cost recovery targets;
 - iii. considerations for variable pricing and categories to reflect the marginal costs and range of processing applications; and
 - iv. a survey of CA and municipal fees to ensure consistency and fees meet industry standards and applicant affordability.
- 13. The development of Permit fees and policies shall incorporate an appropriate level of public consultation. At a minimum, this should include consultation with the Building Industry and Land Development Association (BILD), members of the public, adjacent CAs, and municipal partners.
- 14. Permit fees and policies shall be approved by the CVC Board of Directors prior to coming into effect. Once approved, updated fee schedules shall:
 - a. come into effect on January 1st of the intended fee schedule year;
 - b. be applicable to all new permit application submissions and other fee categories - including permit revisions, repeat submissions, and unauthorized works; and
 - c. be posted on the CVC website and readily available in hard copy upon request.

DEFINITIONS

- 1. **Small Scale:** an application is determined to be "Small Scale" where no technical studies are required.
- 2. **Medium Scale:** an application is determined to be "Medium Scale" where limited or scoped technical studies are required.
- 3. **Large Scale:** an application is determined to be "Large Scale" where technical studies are required.
- 4. **Major:** an application is determined to be "Major Scale" where a number of technical studies are required (hydraulic analysis, storm water management, geotechnical, etc.).
- 5. Minor in the In Stream Timing Window Extension is applicable where the request to extend the timing window is made well in advance of the final date, is considered low risk and requires minimal review.
- 6. Major in the In Stream Timing Window Extension is applicable where the request to extend the timing window is made within less than a week of the final date and/or requires considerable review and effort by CVC staff.