

# **BEST PRACTICES FOR SOURCE WATER PROTECTION PROGRAM**

2027-2028 Funding Application Guide

Ministry of the Environment, Conservation and Parks

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# 1 Part 1: Program Guide

## 1.1 Program Objectives

The Best Practices for Source Water Protection (BPSWP) program helps Ontario communities develop local source water protection action plans for managing and protecting their drinking water sources. Program funding is provided to support rural, northern, and Indigenous communities that are not included in provincially approved source protection plans under the *Clean Water Act, 2006*.

The intended outcomes are safer drinking water, stronger local planning, more informed communities, and long-term sustainability of water sources.

## 1.2 Funding

Transfer payment funding is proposed to be provided from approximately March 2027 to February 2028, and:

- The maximum funding available per project is \$100,000
- Cash contributions and other in-kind contributions are not required but will be considered during the application review and selection process

## 1.3 Eligible Applicants

Eligible applicants under the program must be within Ontario and represent:

- Municipalities
- Incorporated Non-Profit Organizations
- Indigenous Communities/Organizations

Eligible applicants must:

- Be legal entities registered with the Canada Revenue Agency and have a valid Business Number
- Be registered with [Transfer Payment Ontario](#)
- Maintain insurance as specified in Section 2.8 of this guide

Ineligible applicants under the program include:

- Provincial Government Ministries
- Federal Government Departments or Agencies
- Unincorporated Informal Groups or Clubs (non-legal entities)
- For-Profit Businesses
- Individual Private Citizens

**NOTE:** If you do not have a TPON account you must create one by following the steps outlined at [Ontario.ca/GetFunding](#). Sign up as early as possible, since it can take up to five business days to get access.

## 1.4 Eligible Projects

Eligible projects must:

- Be focussed geographically on a community in Ontario, where a "community" is defined as:
  - municipal community (town, village, hamlet)
  - watershed community (subwatershed scale less than 200km<sup>2</sup>)
  - lake community (lake association, cottager association, land-owner association)
  - Indigenous community
- Be able to provide an estimate of the total population served by the project within the project application
- Clearly identify the type(s), size(s) and number(s) of drinking water systems included in the project application
- Include and complete all eligible activities listed in Section 1.5

Ineligible projects include:

- projects for communities that are already included in a provincially approved source protection plan under the *Clean Water Act, 2006*
- projects that are exclusively focused on individual sites or facilities
- projects covering large geographic areas and spanning more than one community
- projects involving new drinking water source exploration, siting and development for a community

**NOTE:** the ministry reserves the right to consider other projects on a case-by-case basis.

## 1.5 Eligible Activities

Projects under the BPSWP program are expected to develop a final report, in relation to local drinking water sources and drinking water systems, that is structured with three main sections:

- 1) characterization of the local community
- 2) vulnerable area mapping and risk assessment
- 3) preparation of a source water protection action plan

These core activities are discussed in the following three sub-sections and generally reflect the approach and steps outlined in the ministry's online guide to [Best Practices for Source Water Protection](#).

### 1.5.1 Community Characterization

Community characterization involves documenting key aspects of the local project area through the development of descriptions of various features of the community (e.g. in writing and supported by maps). Guidance on common key features may be found in the following:

- Various sections within the BPSWP guide:
  - [Assess Your Local Setting](#)
  - [A Watershed Approach](#)
- Various sections within the *Clean Water Act, 2006* Technical Rules:
  - [Watershed Characterization](#)
  - [Conceptual Water Budget](#)

The following is a sample list of key features that may be included in a community characterization:

- |                           |                     |                            |
|---------------------------|---------------------|----------------------------|
| • project area boundaries | • land cover        | • rivers / streams / lakes |
| • watershed boundaries    | • land use          | • wetlands                 |
| • municipal boundaries    | • natural heritage  | • surface water flow       |
| • community boundaries    | • aquatic habitat   | • water control structures |
| • traditional knowledge   | • physiography      | • aquifers                 |
| • population              | • topography        | • groundwater flow         |
| • transportation          | • bedrock geology   | • water well records       |
| • buildings               | • surficial geology | • permitted water takings  |
| • land parcels            | • soil types        | • climate                  |
| • drinking water supplies | • subwatershed      | • temperature              |
| • drinking water systems  | boundaries          | • precipitation            |

### 1.5.2 Vulnerable Area Mapping and Risk Assessment

Vulnerable area mapping and risk assessment should follow the recommended approaches in the BPSWP guide as outlined in the following sections:

- Initial Thinking and Considerations:
  - [Vulnerable Drinking Water Sources](#)
  - [Consider a Risk-Based Approach](#)
- Vulnerable Area delineation
  - [Use a Scientific Method](#)
- Risk Identification
  - [Identify Local Risks](#)

### 1.5.3 Source Water Protection Action Plan

Development of an action plan should follow the recommended approaches in the BPSWP guide as outlined in the following sections:

- Action Plan Approach and Tools
  - [Manage Local Activities that May Be a Risk](#)
- Review Past and Planned Actions
  - [Review The Actions You Are Taking to Protect Drinking Water Sources](#)

### 1.5.4 Ineligible Activities

Activities that will not be funded include:

- Water quality or water quantity monitoring or testing programs with costs greater than 10% of the grant funds requested (maximum \$10,000);
- Academic research that is not directly related to completing a source water protection action plan;
- Source water protection action plan implementation (e.g. provision of grants, goods or capital funding to third parties to carry out the actions described in the plan)

## 1.6 Costs

The following sub-sections provide additional detail on eligible and ineligible costs under the BPSWP program.

### 1.6.1 Eligible Project Costs

The following list describes eligible expenditures covered under the BPSWP program. This list is not exhaustive and is provided to assist applicants with completing their application.

- Staff – salaries and benefits of project team members to undertake eligible work including administration staff involved in the project.
- Goods – including materials, supplies, printing and postage costs.
- Services – third party costs for services to support the project.
- Consultants – third party advice or expertise to support the project (e.g. engineering, hydrogeology).
- Travel – travel costs associated with transportation, accommodation and food and beverage are limited to the rates in the Government of Ontario [Travel, Meal and Hospitality Expenses Directive](#).
- Administration Costs – administration costs exclusively required to support the day-to-day operation of the project such as support services, office equipment rental/services and office supplies.

**NOTE:** other eligible projects costs may be considered on a case-by-case basis.

The ministry adheres to principles of value for money in the use of government funds and holding recipients accountable for the funds they receive. Applicants must always consider responsible fiscal management and expenditure restraint, and if necessary, contact the ministry to determine eligible expenses (e.g. only expenses deemed necessary).

### 1.6.2 Eligible Administration Costs

Administration costs are indirect costs associated with the general administration of the activities approved under the transfer payment agreement. Applicants can apply to cover reasonable administrative costs required for the day-to-day operation of the project that can be reasonably attributed to the activities proposed in the application.

A list of allowable administration costs is provided in the table below. Costs not identified in the table below (e.g. costs unique to the applicant) can be identified in the application for consideration by the ministry.

Administration costs attributable to the transfer payment funded activities should be reasonable relative to the project budget to a **maximum of 10%** of the total cost of staff salaries and benefits associated with the project.

| Cost Category                                 | Examples of Eligible Administration Costs                                                                                                                                                                         |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Administration/<br>Support<br>Services        | <ul style="list-style-type: none"> <li>• Payroll</li> <li>• Financial Services (financial reporting/accounting)</li> <li>• Human Resources</li> <li>• IT support</li> </ul>                                       |
| Office<br>Equipment<br>Rental and<br>Services | <ul style="list-style-type: none"> <li>• Internet</li> <li>• Telephone lines (landlines or cellphone)</li> <li>• Computer leasing</li> <li>• Photocopier/scanner/printer</li> <li>• Software licensing</li> </ul> |
| Office Supplies                               | <ul style="list-style-type: none"> <li>• Stationary and other office supply items (Pens, pencils, paper, etc.)</li> </ul>                                                                                         |

### 1.6.3 Cost Sharing and In-Kind Contributions

Cost sharing (through the contribution of cash funds) and in-kind contributions (through the contribution of staff time) are not mandatory requirements for applying but will be considered as part of the project evaluation process under the value-for-money criteria outlined in Section 2.2.1.

### 1.6.4 Ineligible Project Costs

The following list is a sample of ineligible costs not covered under the BPSWP program. This list is not exhaustive and is provided to assist applicants with completing their application.

- Sponsorship
- Hospitality
- Professional association dues
- Costs associated with building, developing, purchasing or improving the recipient's capital assets, such as buildings, vehicles, computers, information technology or office furniture
- Source water protection action plan implementation (e.g. provision of grants, goods or capital funding to third parties to carry out the actions described in the plan)
- Land acquisition or securement
- Clothing (except where required for safety purposes)

- Gifts or honoraria, except honoraria provided to Indigenous Elders or community knowledge holders for their direct participation in project activities
- Signage not directly related to project delivery or outcomes
- Costs incurred prior to the effective date of an executed transfer payment agreement
- Refundable harmonized sales tax (HST)
- Legal costs, including litigation
- Activities for which the recipient is already receiving funding from another source including provincial or federal funding

**NOTE:** the ministry reserves the right to review projects costs and deem proposed items as eligible or ineligible on a case-by-case basis.

### 1.7 Eligibility Exceptions

The ministry reserves the right to make exceptions to the eligible list of applicants, projects, activities and costs on a case-by-case basis based on demonstrated need or shifting program priorities.

### 1.8 Accountability

While the work may include activities performed by a consultant or subcontractor, it will be the responsibility of the recipient to administer the agreement with the ministry, to ensure the project deliverables are completed, all objectives are achieved and that the work undertaken is within the terms and conditions set out in the agreement.

## 2 Part 2: Application Process

### 2.1 Application Form

A companion application form has been distributed with this funding application guide. The application form contains the following sections and has additional instruction to complete the application process. Projects that do not fully complete the application form will not be considered for funding.

- A. Organization Information
- B. Project Contact Information
- C. Eligibility Confirmation
- D. Project Information
- E. Performance Measures
- F. Financial Budget Details
- G. Declaration and Signing

**NOTE:** application forms must be submitted by the deadline noted in the call for applications. Application forms submitted after the deadline will be deemed ineligible.

## 2.2 Application Evaluation

Once deemed complete and eligible, all applications undergo a comprehensive, multi-staged assessment process. Applications are evaluated against multiple criteria outlined in the sub-sections below. Meeting the eligibility requirements for projects, activities and costs outlined in this application guide **does not guarantee** that an application will be funded.

### 2.2.1 Project and Applicant Evaluation

Using information provided within the application, both the application and the applicant will be evaluated to assess project value-for-money, applicant capacity and experience, and applicant program understanding and alignment.

- **Project value-for-money** may be assessed by evaluating the budget to ensure it is detailed and appropriate for the scope of work proposed and is balanced to ensure a mix of project management and designated professionals are involved. Value-for-money may also be determined by evaluating the likelihood of success given the information provided within the application, and by assessing cash contributions or other in-kind contributions to the project.
- **Applicant capacity and experience** may be assessed by evaluating the demonstrated organizational strength/capacity (financial and operational) of the applicant, and a demonstrated history of completing similar projects or other transfer payment projects funded by the province. In addition, clarity in the description of staff and consulting services will be evaluated, especially as they pertain to source water protection, drinking water systems, community characterization, vulnerability/risk assessment and action planning.
- **Applicant program understanding and alignment** may be assessed by evaluating whether the proposed project directly addresses the program objectives and includes a work plan that is clear, detailed and appropriate for the scope of work. The evaluation will focus on applications that clearly demonstrate understanding of:
  - the overall outcome of the project (to create a source water protection action plan)
  - the three core activities in Section 1.5
  - other eligible and ineligible activities and costs in Sections 1.5 and 1.6
  - the budget categories in Section 1.6 and the application form

### 2.2.2 Community Risk Evaluation

Using information provided within the application and/or information that is otherwise publicly available, each application will be evaluated based on local community risk. The intent of the community risk evaluation is to assign higher scores to communities with higher risks, thereby prioritizing them under the program. Standard risk components of community exposure, community coping capacity and community hazard will be assessed as part of the evaluation.

- **Community exposure** may be evaluated by assessing the sources of drinking water for a community and its relative position within a landscape/watershed (e.g. upstream/upgradient contributing areas, river/lake/aquifer systems, times-of-travel, capture areas, well/intake density, etc.)
- **Community coping capacity** may be evaluated by assessing community strengths/weaknesses, size, organizational complexity/capacity, access to services and specialized skills/knowledge.
- **Community hazard** may be evaluated by assessing known or documented water quality hazards within the community, or determining if the community is in a hazard-prone area (e.g. land use intensity, geologic/soil types, etc.)

### 2.2.3 Program Considerations

Whether or not to provide funding and who funding is provided to is within the sole discretion of the ministry. In its final evaluation, the ministry may also consider the kinds of projects proposed, the number of projects funded per organization, and types of organizations applying in order to support a balanced and diverse number of projects and recipients across the province. The ministry may elect not to consider an application containing misrepresentations or inaccurate or misleading information.

### 2.3 Notification

All applicants will be notified in writing of the outcome of their application. Applicants should not proceed with a project on the expectation that it will be funded without an executed agreement with the ministry.

### 2.4 Agreement and Payment

Successful applicants will be required to enter into a transfer payment agreement which includes the terms and conditions for the funding, eligible expenditures and reporting requirements. The terms and conditions of the funding will be set out in detail in the transfer payment agreement. Generally, those terms and conditions will be consistent with the following:

- Payments will be made following the completion of milestones and ministry approval of required project reporting. An initial payment will be available upon signing of the transfer payment agreement.
- The final date to submit all final reporting and financial documentation is **February 18, 2028**.
- Applicants approved for funding will be required to submit certificates of insurance to confirm insurance coverage in accordance with Section 2.8 and the terms of the transfer payment agreement.
- Applicants will be required to attest that they are in good standing with tax, labour and environmental laws.

If you would like to see an example of the detailed transfer payment agreement before applying, please contact us at [SourceProtectionFunding@ontario.ca](mailto:SourceProtectionFunding@ontario.ca)

**NOTE:** The ministry will not cover any expenses beyond the approved funding amount or any expenses that are incurred prior to the effective date of the transfer payment agreement.

## 2.5 Recognition

Successful applicants will be required to acknowledge the receipt of financial assistance from the Government of Ontario.

## 2.6 Auditing

To ensure integrity in the use of public funds, the Province of Ontario reserves the right to require independent verification of reported information as required in the terms of the transfer payment agreement. The terms as set out in a transfer payment agreement must be satisfied to receive payments.

## 2.7 Freedom of Information and Protection of Privacy Act

All applications submitted to the ministry are subject to the Freedom of Information and Protection of Privacy Act ("FIPPA"). FIPPA provides every person with a right of access to information in the custody or under the control of the ministry, subject to a limited set of exemptions. One such exemption is information that reveals a trade secret, or scientific, technical, commercial, financial or labour relations information supplied in confidence, where the disclosure could reasonably be expected to result in certain harms.

If an applicant believes that any of the information contained in its application or submitted to the ministry in connection with the funding request reveals any trade secret or scientific, technical, commercial, financial or labour relations information, and the applicant (or another party to whom the information relates) wishes to protect the confidentiality of such information, this information should be clearly marked as confidential. Before the ministry grants a request for access to a record that might contain information referred to in section 17(1) of FIPPA, the ministry will notify the applicant so that it may, if it so chooses, make representations concerning disclosure.

The FIPPA is available in both English and French at:

[www.e-laws.gov.on.ca/html/statutes/english/elaws\\_statutes\\_90f31\\_e.htm](http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90f31_e.htm)

[www.e-laws.gov.on.ca/html/statutes/french/elaws\\_statutes\\_90f31\\_f.htm](http://www.e-laws.gov.on.ca/html/statutes/french/elaws_statutes_90f31_f.htm)

It is also available for purchase by calling 1-800-668-9938 or 1-800-268-7095 (TTY).

## 2.8 Certificate of Insurance

Parties signing agreements with the Province of Ontario shall maintain for the term of the agreement, at its own cost and expense, all the necessary and appropriate insurance (or equivalent self-insured program) that a prudent person carrying out a project similar to the Project would maintain, including commercial general liability insurance (or equivalent) on an occurrence basis for third party bodily injury, personal injury, and property damage, to an inclusive limit of not less than \$2,000,000 per occurrence. The insurance policy will include the following:

- a) His Majesty the King in right of Ontario, his ministers, agents, appointees and employees as additional insureds with respect to liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the agreement;
- b) a cross-liability clause;
- c) contractual liability coverage; and
- d) a 30-day written notice of cancellation, termination or material change.

The insurance is required throughout the term of the agreement and without proof of insurance funding will not be provided by the ministry.

A certificate of insurance must be provided prior to the ministry distributing any funds under an agreement but is not required to be submitted with the project application.

Please note project-specific insurance is separate from this general liability insurance requirement.

## 2.9 Terms and Conditions

The following provisions apply to the BPSWP program application process.

By providing the ministry with an application, an applicant is deemed to agree with the following:

- (i) the BPSWP program and application guide is not intended to create a formal legally-binding procurement process and shall not give rise to the legal rights or duties applied to a formal legally-binding procurement process;
- (ii) the ministry reserves the right to seek clarification and supplementary information relating to the application from the applicant. The response received by the ministry from an applicant shall form an integral part of the application;
- (iii) at the conclusion of this process, selected applicants will be expected to enter into a transfer payment agreement with the ministry;
- (iv) neither party shall have the right to make claims against the other with respect to this application process, the selection of any applicant, the failure to be selected to enter into a transfer payment agreement, or the failure to honour applications prior to the execution of such an agreement;
- (v) no legal relationship or obligation regarding the application process or any funding shall be created between any applicant and the ministry prior to the execution of an agreement;
- (vi) The ministry may make public the names, addresses, telephone numbers, e-mail addresses, website addresses, project description and funding amount, if applicable, of any or all applicants;
- (vii) the applicant consents to the ministry's collection of the information as contemplated under the call for applications for uses contemplated under the BPSWP program;

- (viii) the ministry will not consider an applicant whose application is found to contain misrepresentations, or any other inaccurate or misleading information, and;
- (ix) the applicant agrees to all of the terms of the application process set out in this Application Guide.
- (x) applicants are responsible for obtaining landowner permission to access private property, if necessary, to undertake proposed activities.

The Government of Ontario is not bound to act based on any findings that are produced during a project. Any results of a project are for the voluntary use of applicants only. The methods and results of a project will not necessarily be endorsed by the ministry nor the Government of Ontario.

## 2.10 Contact

Please email [SourceProtectionFunding@ontario.ca](mailto:SourceProtectionFunding@ontario.ca) with questions about this application process and program eligibility and include the name of your organization in the subject line.