



**Union Water Supply System
Inc.**

Board of Directors Meeting

Thursday, September 14th, 2023

1:00 pm

Ruthven Water Treatment Plant

1615 Union Avenue

AGENDA

A. Call to Order:

B. Disclosures of Pecuniary Interest:

C. Approval of Minutes:

Minutes of the Board of Directors Meeting held on July 7th, 2023
Pages 2 - 10

D. Business Arising Out of the Minutes

E. Items for Consideration:

1. UWSS/08/23 dated September 7, 2023 re: Appointment of UWSS Inc. External Financial Auditors
Pages 11 -12
2. UWSS/09/23 dated September 7, 2023 re: UWSS Inc. Dividend Policy
Pages 13 - 16
3. UWSS/10/23 dated September 7, 2023 re: Temporary Adoption of Various UWSS Joint Board of Management Policies for UWSS Inc. Purposes
Pages 17 - 43
4. UWSS/11/23 dated September 7, 2023 re: Authorization to Enter into an Agreement for Gas Station Water Service
Pages 44 - 45

F. New Business:

G. Adjournment:

H. Date of Next Meeting: TBD

/kmj

UWSS Inc.

Interim Board

Wednesday, July 7, 2023

9:00 am

Grovedale House

103 Park Street Kingsville



MINUTES

Directors: Hilda MacDonald (Chair)
Kimberley DeYong (Vice Chair)
Sherry Bondy
Kirk Walstedt

Management/ Staff: Rodney Bouchard, CEO & Secretary
Khristine Johnson, Office Coordinator

Guests: William Willis, Willis Business Law- UWSS Legal Counsel
Laura Rauch, Municipality of Leamington
Garry Punt, Municipality of Lakeshore

Call to Order: 9:04 am

Disclosure of Pecuniary Interest: none

Business Arising out of Minutes:

There was none as this was the inaugural meeting.

Items for Consideration

Report UWSS/01/23 dated May 29, 2023 re: Approval of UWSS Inc. General By-Law No. 1

Mr. Rodney Bouchard, UWSS Inc. Incorporating Director, welcomes everyone and thanks them for coming to this inaugural meeting of UWSS Inc. Interim Board of Directors. He notes that he will be chairing the meeting until a UWSS Inc. Board of Directors Chair is selected.

Mr. Bouchard reminds members that the UWSS Inc. became a corporation on February 24th, 2023, with four (4) shareholders. He notes that part of the process is to set out and adopt bylaws for the corporation to function properly. These bylaws set out importation information and establishes where the offices are located, ownership, board of directors, who is appointed as officers and other pertinent information.

Board Directors ask several clarifying questions regarding a few items set out in the bylaws. There was a discussion regarding compensation for board Directors, and it was noted by UWSS legal counsel that a full board package regarding the type of compensation available would be discussed at the September board meeting.

The next issue was the issue of the length of term for each board member. At this point the solicitor notes that it would be in the best interest of UWSS to have only one year terms in order to catch some of the overlapping that could occur, due to municipal elections. Director MacDonald noted that on other boards the person might not remain on the board, but the position they hold might; for example if a mayor needs to hold said position regardless of who is elected.

There is then a discussion on how many meetings per year UWSS Inc would have, the manager notes that there will be at minimum quarterly meetings, or perhaps bi-monthly meetings. There is also clarification that UWSS Inc meetings will also be held in public.

No. UWSS Inc-01-23

Moved by: Director DeYong

Seconded by: Director MacDonald

That Union Water Supply System Inc. (UWSS Inc.) Interim Board of Directors resolve to approve UWSS Inc. General By-Law No. 1 and its attached schedules, as presented to the directors, as the by-laws of the Corporation; and

That report UWSS/02/23 dated May 29, 2023 re: Approval of UWSS Inc. General By-Law No. 1 is received; and

That UWSS Inc. review the General By-Law No. 1 in one year.

Carried

Mr. Bouchard notes that with the approval of UWSS Inc. General By-Law No. 1, the Board of Directors can now proceed with the election of the Chair and Vice-Chair of the UWSS Inc. Board of Directors.

Mr. Bouchard opens the floor for nominations for UWSS Inc. Board of Directors Chair. Director DeYong nominates Director MacDonald, who accepts the nomination. Director Bondy seconds the nomination. Mr. Bouchard calls for nominations two (2) more times. Seeing no other nominations, then nominations for Chair are closed. Director MacDonald accepts the nomination and is acclaimed as the Chair of the UWSS Inc. Board of Directors.

No. UWSS Inc-02-23

Moved by: Director Walstead

Seconded by: Director Bondy

That Director MacDonald is acclaimed as Chair of the of the UWSS Inc. Board of Directors.

Carried

Chair MacDonald then presides over the meeting and opens the floor for nominations for Vice-Chair of the UWSS Inc. Board of Directors.

Director Bondy nominates Director DeYong for the position and Director Walstead seconds the nomination. The Chair calls for nominations two (2) more times and seeing none closes the nominations. Director DeYong accepts the nomination and is acclaimed as the Vice Chair of the UWSS Inc. Board of Directors.

No. UWSS Inc-03-23

Moved by: Director Walstedt

Seconded by: Director Bondy

That Director DeYong is acclaimed as Vice Chair of the UWSS Inc. Board of Directors.

Carried

Report UWSS/02/23 dated May 29, 2023 re: Appointment of Union Water Supply System Inc. Officers of Corporation

Mr. Bouchard explains that UWSS Inc. requires officers, and as current General Manager of Union Water Supply System, he recommends that the UWSS General Manager would be best suited to become UWSS Inc. Chief Executive Officer (CEO). Mr. Bouchard also notes that the UWSS General Manager should also be appointed as Treasurer and Secretary until these positions can be fulfilled in the future by other UWSS Inc. management as approved the Board of Directors.

No. UWSS Inc-04-23

Moved by: Director Bondy

Seconded by: Director DeYong

That UWSS Inc Board of Directors appoint the following UWSS Inc. Officers of the Corporation:

Rodney Bouchard - Chief Executive Officer (CEO)
 Rodney Bouchard - Treasurer
 Rodney Bouchard - Secretary

And; That report UWSS/02/23 dated May 29, 2023 re: Appointment of Union Water Supply System Inc. Officers of Corporation is received.

Carried

Report UWSS/03/23 dated May 29, 2023 re: UWSS Inc. Board of Directors Related Policies

The CEO explains the purpose of the various policies contained in the report and explains that UWSS Inc. wants to operate in a professional and courteous manner and that requires to have some policies in place.

The Vice Chair asks whether she works for the municipality or UWSS Inc. The UWSS Inc. legal counsel clarifies that Directors work in best interest of the water system. The CEO also notes that all matters would continue to be shared with the shareholder municipalities as well as the public.

No. UWSS Inc-05-23

Moved by: Director DeYong

Seconded by: Director Walstedt

That report UWSS/03/23 dated May 29, 2023 re: UWSS Inc. Board of Directors Related Policies is received; And

That the UWSS Inc. Interim adopt the following policies:

- M01 - Code of Conduct and Conflict of Interest Policy for Board Members and Committee Members;
- M02 - Role and Responsibilities of the Board and Individual Board and Board Committee Members' Responsibilities and Expectations;
- M03 - Board of Directors Competencies and Board Member Attributes;

Carried

Report UWSS/04/23 dated May 29, 2023 re: UWSS Inc. Delegated Authority Policy

The CEO notes that this item is important and necessary for the board and its officers. This will allow things to be streamlined and operate more efficiently. This will allow board members to monitor CEO activities as well as approve budget and ensure that things operate within the appropriate authority.

The Financial Director of Leamington seeks clarification regarding the budget process and the CEO explains. He notes that the Interim Board will be aware of and approve an annual budget and the CEO will have delegated authority to move forward with approved items on the budget, anything above and beyond that will need to be brought back in front of the board for approval.

Director DeYong asks the CEO if there is a procurement policy. At this time there is not, but one will be coming forward. There is a brief discussion on the current budget procedure if a capital item goes over budget, with the CEO noting that usually capital items have a 10% leeway and anything beyond that would need to come before the board.

The CEO also explains the reasoning behind going with the Windsor Family Credit Union (WFCU), noting that the Municipality of Leamington uses their services and as Union Water Supply System's administrator this made for convenience and ease of financial transactions. The CEO notes that services through the WFCU have been good and this was identified as the best option.

No. UWSS Inc-06-23

Moved by: Director Bondy

Seconded by: Director DeYong

That report UWSS/04/23 dated May 29, 2023 re: Delegated Authority Policy is received;
And

It is recommended that the Union Water Supply System Inc. (UWSS Inc.) Interim Board of Directors adopt a policy to delegate certain authority to the UWSS Inc. Chief Executive Officer (CEO) and other corporate officers and management as stated in M04- Delegated Authority Policy.

Carried

Report UWSS/05/23 dated May 29, 2023 re: Approval of UWSS Inc. Corporate Administrative Items

The CEO reviews this report and notes that several small items contained in this report can be taken care quickly; namely confirming the address, fiscal year end date, banking information, share certificate information and our solicitor be authorized to file necessary documents with the Ministry of Government Services.

The CEO notes that share certificate breakdown is based on water consumption and explains that each Board Director will need to sign the certificates.

No. UWSS Inc-07-23

Moved by: Director Bondy

Seconded by: Director Walstedt

That report UWSS/05/23 dated May 29, 2023 re: Approval of UWSS Inc. Corporate Administrative Items is received; And

That the Union Water Supply System Inc. Interim Board of Directors resolve to approve the following:

- That the Registered Office of Union Water Supply System Inc. (“the Corporation”) is 1615 Union Avenue, Box 340, Ruthven, Ontario, N0P 2G0; and
- That the fiscal year of the Corporation shall end December 31 in each year; and
- That a bank account be opened at Windsor Family Credit Union Limited; and
- That the form of share certificate for the shares in the capital stock of the Corporation which were presented for the meeting be, and the same are, hereby approved and adopted as the form of share certificates for the shares in the capital stock of the Corporation; and
- That the share certificates be issued as follows:
 - To The Corporation of the Municipality of Leamington 5,300 Class A Special Tracking shares;
 - To The Corporation of the Town of Kingsville 3,872 Class A Special Tracking shares;
 - To The Corporation of the Town of Essex 492 Class A Special Tracking shares;
 - To The Corporation of the Municipality of Lakeshore 336 Class A Special Tracking shares; and

That Willis Business Law be authorized to file the requisite materials with the Ministry of Government Services to update the Corporation’s records in regard to the current board of directors and officers.

Carried

At this point of the meeting William Willis, UWSS Inc. retained legal counsel has Board of Directors sign the appropriate certificates for filing.

Small break of five (5) minutes.

Report UWSS/06/23 dated May 29, 2023 re: Approval to Release “Request for Financing” Package

The CEO brings up the draft financing document on the overhead to review with the Board of Directors. He notes this will be sent out to financial institutions seeing financing for the UWSS Inc. capital programs. This will establish financing through 2026 for approximately \$60 million. This will be completed in phases.

He further explains that the over the next 10 years UWSS Inc. will be looking at approximately \$150 million in capital upgrades. Our partners at PwC have confirmed that there are three (3) interested financial institutions, there is also the possibility of financing through Infrastructure Bank of Canada. They normally do not lend to municipalities but with the new structure UWSS Inc. could potentially be the first to obtain financing through them for such projects.

The CEO notes that it will most likely take 2-3 months to obtain financing proposals back to us for review. This information would then be presented to the board, with board PwC and William Willis present.

Director Walstedt wants it noted that any option for financing needs to be reviewed thoroughly to avoid potential high interest loans.

No. UWSS Inc-08-23

Moved by: Director Walstedt

Seconded by: Director Bondy

That report UWSS/06/23 dated May 29, 2023 re: Approval to Release “Request for Financing” Package; And

That the Union Water Supply System Inc. (UWSS Inc.) Interim Board of Directors delegates authority to the UWSS CEO to release the Request for Financing Package for the purpose of soliciting debt financing proposals from interested financial institutions in the amount of \$60 million to fund the UWSS Inc. capital program for 2023-2026.

Carried

Report UW/18/23 dated July 7, 2023 re: Line of Credit between UWSS Joint Board of Management and UWSS Inc.

The CEO notes that UWSS Inc. has no money currently, but will need to pay staff, benefits and other operational expenses. William Willis notes that the Joint Board can lend UWSS Inc. funding through an agreement. This can appear on the balance sheet as a loan, however, he is unsure if the Joint Board would charge interest to UWSS Inc.. This would be temporary in nature.

The CEO notes that this report will be going forward to the Joint Board of Management.

No. UWSS Inc-09-23

Moved by: Director Walstedt

Seconded by: Director DeYong

That report UW/18/23 dated July 7, 2023 re: Line of Credit between UWSS Joint Board of Management and UWSS Inc.; And

That Union Water Supply System Inc. delegates authority to the UWSS General Manager to establish a line of credit between UWSS Inc. and the Union Water Supply System Joint Board of Management in the amount of \$2 million to allow for UWSS Inc. undertake necessary administrative and operational activities.

Carried

New Business:

Director Bondy asks whether the UWSS is open for tours. The CEO notes that prior to COVID-19 the water treatment plant (WTP) often had tours go trough. He mentions that perhaps during the Ruthven Apple Festival something can be arranged. She also recommends small social media videos to show how things are done at the facility to educate the public might be helpful.

Others expressed concern for allowing too much public involvement as to avoid potential contamination of the water treatment process.

There was a small conversation regarding the old policies and how they will need to be brought forward. The CEO notes that William Willis' team is currently working on those items. A lot more information will be coming forward in the coming months.

The CEO also notes that the allocation process will change as the previous method has not been updated in 20 years.

The CEO thanks all members, past and present, along with William Willis and PwC to get to this point of the restructuring process.

Adjournment:

No. UWSS Inc-10-23

Moved by: Director Bondy

Seconded by: Director DeYong

Time: 10:19 am

Date of Next Meeting: to be determined

/kmj

To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: September 7, 2023
Re: Appointment of UWSS Inc. External Financial Auditors



Recommendation:

It is recommended that the Union Water Supply System Inc. (UWSS Inc.) Board of Directors (“Board”) appoints Baker Tilly Trillium LLP to be auditor of the Corporation, to hold office until the close of the next annual meeting of UWSS Inc.

Background:

The statutory audit requirements for a corporation in Ontario are established under the Ontario Business Corporations Act and various accounting and auditing standards. Sections 149-154 of the Ontario Business Corporations Act require a corporation to appoint an independent auditor of the Corporation on an annual basis. Section 148 of the Act identifies some exceptions to this requirement under certain circumstances.

Discussion:

On July 7, 2023, the shareholders of UWSS Inc. passed a resolution directing the directors of UWSS Inc. to appoint an auditor.

In consultation with Willis Business Law, UWSS Inc. reached out to the following three (3) local area firms that provide financial accounting and auditing services:

- Hicks, MacPherson, Iatonna, Driedger LLP (HMID) - Leamington
- Baker Tilly Canada LLP - Leamington office
- Capital Assist Valuation Inc. - Windsor

It is to be noted that HMID is the existing external financial auditor for the UWSS Joint Board of Management and thus HMID was included due to their familiarity with UWSS finances and operations. However, HMID informed UWSS Inc. that they do not have the capacity to conduct audits for International Financial Report Standards (IFRS), which is the financial reporting standards that are required for UWSS Inc. The reporting standards used by UWSS JBM are Public Sector Accounting Board (PSAB) Reporting Standards.

The UWSS Inc. CEO completed interviews with and reviewed proposals by Baker Tilly and Capital Assist Valuation for UWSS Inc. external auditing and financial services. Based on these interviews and review of proposals, Baker Tilly was identified as the best option for UWSS Inc. for external financial auditing services. This was based on Baker Tilly’s capabilities with IFRS reporting, extensive experience with auditing for both

Re: UWSS/08/23 - Appointment of UWSS Inc. External Financial Auditor

corporate entities and municipalities. Baker Tilly's local presence and staffing resources combined with their national reach and network was also factored into the decision.

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.
/kmj

To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: September 7, 2023
Re: UWSS Inc. Dividend Policy



Recommendation:

It is recommended that UWSS Inc. Board of Directors adopts the Dividend Policy as attached to this report and recommends the Dividend Policy to the shareholders of UWSS Inc. for approval.

Background:

UWSS Inc. (the Corporation) was created on February 24th, 2023 as a Municipal Services Corporation under Ontario Regulation 599/06 of the Municipal Act, 2001. The Corporation is incorporated under the Ontario Business Corporations Act, 1990. UWSS Inc. has 4 shareholders which include the Municipality of Leamington, Town of Kingsville, Town of Essex and Municipality of Lakeshore.

Ontario Business Corporations Act, R.S.O. 1990 Section 38 (1) stipulates that;

“Subject to its articles (of incorporation) and any unanimous shareholder agreement, the directors may declare and a corporation may pay a dividend by issuing fully paid shares of the corporation or options or rights to acquire fully paid shares of the corporation and, subject to subsection (3), a corporation may pay a dividend in money or property. R.S.O. 1990, c. B.16, s. 38 (1)”

Based on this Act, the Shareholders have a right to dividends declared by the Corporation.

Discussion:

On July 7, 2023, the UWSS Inc. Board of Directors (Board) adopted UWSS Inc. General By-Law No. 1. This By-Law was also adopted by the UWSS Inc. Shareholders. Section 19.1 of By-Law No. 1 stipulates that any earnings (aka profits) by the Corporation shall be retained by the Corporation and reinvested into the system.

UWSS Inc. management, in consultation with retained legal counsel (Willis Business Law LLP) have developed a draft Dividend Policy for Union Water Supply System Inc. The purpose of the Dividend Policy is to establish conditions for “if and when” dividends would be declared by the Corporation. The Board has determined at the time of drafting of this Dividend Policy that there will be no surplus funds for the foreseeable future and, thus, Dividends shall not be paid to the shareholders. Additional details are provided in the draft Dividend Policy attached to this report.

Comments:

Re: UWSS/09/23 - UWSS Inc. Dividend Policy

UWSS Inc. is a municipal drinking water utility with a mandate to provide adequate and safe drinking water to the residents and businesses within its service boundary. In order to ensure long-term sustainability of the UWSS Inc. drinking water system and infrastructure, and to provide the best value to UWSS Inc. customers, it is imperative that any profits generated from UWSS Inc. operations be reinvested into the Corporation. As such, UWSS Inc. management recommends that the UWSS Inc. Board and shareholders adopt the proposed draft UWSS Inc. Dividend Policy.

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.

/kmj



The Union Water Supply System Inc.

P.O. Box 340, 1615 Union Avenue,

Ruthven, Ontario, N0P 2G0

Phone: 519-326-1668

Policy No. []: Dividend Policy

Date Adopted: [], 2023

Date Amended:

UNION WATER SUPPLY SYSTEM INC. DIVIDEND POLICY

THIS DIVIDEND POLICY is adopted by the Board of Directors for Union Water Supply System Inc. (the “Board”) as of the [] day of [], 2023 and approved by the shareholders as of the [] day of [], 2023.

1. SCOPE OF POLICY

- 1.1 This Dividend Policy applies with respect to dividends which are permitted to be issued by Union Water Supply System Inc. (the “Corporation”) to its shareholders under its constating documents.

2. APPLICABLE LEGAL REQUIREMENTS

- 2.1 Pursuant to Article 7(4) of the Corporation’s Articles of Incorporation, to the extent that there are any retained earnings in the Corporation, the Shareholders are entitled to receive dividends (if any), to the extent declared, in an amount determined by the Board from time to time and in accordance with this Dividend Policy.
- 2.2 Pursuant to Section 19.1 of General By-Law No. 1, to the extent there are any retained earnings in the Corporation, such earnings shall be retained by the Corporation and reinvested into the System, as defined in General By-Law No. 1, by way of capital works, reserves or otherwise. Dividends shall only be paid to the extent there are surplus funds that are not required for the System as determined in accordance with this Dividend Policy. To the extent that any dividends are declared and paid, same shall be in an amount determined by the Board from time to time, and in accordance with this Dividend Policy.
- 2.3 In furtherance of the Corporation’s obligations under applicable legislation and the Water Service Agreement to be entered into by the Corporation with its shareholders, any dividends declared or paid to the Corporation’s shareholders shall not impair the operations of the Corporation or its ability to provide potable water to the shareholders and their end customers.

3. ISSUANCE OF DIVIDENDS

- 3.1 The Board has determined at the time of drafting of this Dividend Policy that there will be no surplus funds for the foreseeable future and therefore Dividends shall not be paid to the shareholders. In making this determination, the Board has undertaken a holistic assessment of

the System and considered the following, without limitation, in consultation with the appointed auditors of the Corporation as necessary: projected annual revenues, Board-approved capital expenditures, capital expenditures projected for the period after the Board-approved capital expenditure plan, short to long term financial conditions, annual increases or decreases to end user rates, and/or fluctuations in water treatment and transmission demands.

- 3.3 This Dividend Policy shall be subject to detailed review and future amendment should the Board contemplate the payment of dividends at a later date.

DRAFT

To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: September 7, 2023
Re: Temporary Adoption of Various UWSS Joint Board
Of Management Policies for UWSS Inc. Purposes



Recommendation:

It is recommended that the UWSS Inc. Interim Board of Directors adopts the following policies of Union Water Supply System Joint Board of Management and such policies shall apply *mutatis mutandis* to UWSS Inc.:

- 1) UW F06 - Finance Policy - Tangible Capital Assets, adopted January 21, 2009, as amended July 15, 2010;
- 2) UW F09 - Travel, adopted July 18, 2007, as amended April 2013;
- 3) UW H00 - Salaried Policy, adopted July 2007, as amended April 2013;
- 4) UW M10 - Privacy Policy for UWSS Website, adopted April 15, 2020; and
- 5) UW M10 - Website Terms of Use, adopted April 15, 2020.

Background:

UWSS Inc. was created by its four municipal shareholders as a “restructuring” of the existing Union Water Supply System Joint Board of Management (UWSS JBM). The functions of the UWSS JBM are currently being transitioned to UWSS Inc. and the process is scheduled to be completed by December 31st, 2023.

Discussion:

As part of the transition process, UWSS Inc. will need to develop policies to ensure good governance and effective operation of the corporation. Development of new policies is a time consuming process and UWSS Inc. currently has limited staffing resources for this work. However, some policies are needed in short order so that UWSS Inc. management can undertake needed administrative actions.

In consultation with retained legal counsel (Willis Business Law LLP), UWSS Inc. management proposes to temporarily adopt existing UWSS JBM policies until such a time as similar policies can be developed for UWSS Inc. The following UWSS JBM policies are proposed to be temporarily adopted for UWSS Inc. purposes:

- 1) UW F06 - Finance Policy - Tangible Capital Assets, adopted January 21, 2009, as amended July 15, 2010;
- 2) UW F09 - Travel, adopted July 18, 2007, as amended April 2013;
- 3) UW H00 - Salaried Policy, adopted July 2007, as amended April 2013;

Re: UWSS/10/23 - Temporary Adoption of Various UWSS Joint Board
of Management Policies for UWSS Inc. Purposes

- 4) UW M10 - Privacy Policy for UWSS Website, adopted April 15, 2020; and
UW M10 - Website Terms of Use, adopted April 15, 2020.

A copy of these UWSS JBM policies are attached to this report.

Comments:

UWSS Inc. management recommends that the UWSS Inc. Board adopts the above-referenced UWSS JBM policies until similar policies can be developed for UWSS Inc.

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.

/kmj



The Union Water Supply System Joint Board of Management

Policy: F06-2008 Finance Policy - Tangible Capital Assets

Date Adopted: January 21, 2009 (UW/04/09)

Amended: July 15, 2010 (new header added, changes in body)

PURPOSE

The purpose of this policy is to achieve compliance with the Public Sector Accounting Board (PSAB) Handbook Section PS 3150 (Attachment I). It provides overall direction for the capitalization of assets, technical guidance in the creation of a tangible capital assets accounting system and addresses areas of PSAB PS 3150 that may require professional judgement. In addition, it provides a framework in which to make consistent and sound decisions, plan ahead for future needs and provide public confidence in accounting and financial reporting processes.

SCOPE

All tangible property owned in common by the participating municipalities and controlled by the Joint Board of Management (JBM) on their behalf, either through donation or purchase, and which qualifies as a tangible capital asset is included in the scope of this Policy.

DEFINITIONS

Board

This is the JBM of the Union Water Supply System (UWSS) established under the Transfer Order Union WI/1999 to manage the system on behalf of the owner municipalities.

Municipalities

This is the four participating municipalities in the system, the Municipality of Leamington, and the Towns of Kingsville, Essex and Lakeshore.

Tangible Capital Assets

In accordance with PSAB PS 3150, tangible capital assets are non-financial assets having physical substance that

- i. are held for use in the production or supply of goods or services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- ii. have useful economic lives extending beyond an accounting period;
- iii. are to be used on a continuing basis; and
- iv. are not for sale in the ordinary course of operations.

Tangible Capital Assets are recorded at historical cost. Where historical cost information is not available, valuation approaches such as appraisals, the deflated replacement cost, the deflated reproduction cost or fair value are to be applied where appropriate.

Cost as defined by PSAB PS 3150, is the gross amount of consideration given up to acquire, construct, develop or better a TCA, and includes all costs directly attributable to acquisition, construction, development or betterment of the TCA, including installing the asset at the location and in the condition necessary for its intended use. The cost of a contributed TCA, is considered to be equal to its fair value at the date of contribution. Capital grants are not to be netted against the cost of the related TCA. The cost of a leased TCA is determined in accordance with Public Sector Guidelines PSG-2, Leased Tangible Capital Assets.

Fair Value is the amount of the consideration that would be agreed upon in an arms length transaction between knowledgeable, willing parties who are under no compulsion to act. For assets controlled by the Board but not paid for by the Board including contributions, gifts and donations, valuation may be assessed by fair value.

Amortization is the accounting process of allocating the cost less the residual value of a tangible capital asset to operating periods as an expense over its useful life in a rational and systematic manner appropriate to its nature and use. Amortization expense is an important part of the cost associated with providing drinking water services, regardless of how the acquisition of tangible capital assets is funded. Depreciation accounting is another commonly used term to describe the amortization of tangible capital assets.

Amortization is an annual charge to expenditures for the use of a capital asset. The Board sets amortization rates on a straight line basis based on the number of years in service less residual value. It is calculated the month the asset is put into service. Economic useful life is used for amortization rather than physical useful life. Attachment III provides a general rule for useful life. **Note:** *All assets acquired prior to 2008 have been assumed to be acquired July 1 of the year of acquisition.*

Write Downs of assets occur when a reduction in the future economic benefit is expected to be permanent and the value of future economic benefit is less than the TCA's net book value. A write down should not be reversed. Further information regarding write downs may be found in PSAB 3150 – Tangible Capital Assets Standard from the CICA Handbook.

Betterments are subsequent expenditures on tangible capital assets that significantly:

- a. Increase previously assessed physical output or service capacity;
- b. Lower associated operating costs;
- c. Extend the useful life of the asset; or
- d. Improve the quality of the output

Any other expenditure would be considered a repair or maintenance and expensed in the period incurred.

Capitalization is the accounting process of recognizing an asset and recording its value.

In Service Date is realized as the date at which an asset begins to be utilized by the Board. The calculation and recording of amortization will not begin until the "in service" date has been reached.

Pooled Assets have a unit value below the capitalization threshold but have a material value as a group. These assets are recorded as a single asset with one combined value. Examples could include major computer components such as servers, furniture and fixtures, etc.

ASSET CATEGORIES

The level of detail required in the capital asset inventory is a balance between the cost of data collection, tracking and analysis and the beneficial use of the information gathered. A category of assets is a grouping of assets of a similar nature or function in the Board's operations. The following list of categories and sub-categories shall be used:

ASSET CLASS/SEGMENT	TYPE OF ASSET
Land	Land (all land except land for resale)
Land Improvements	Fencing, Artificial Turfs, Retaining Walls, Etc.
Buildings	Structure, Site Elements, Interior Components, Exterior Components, Mechanical/Electrical System, Elevator, Site Services, Fire & Safety
Building Improvements	Improvements to Existing Buildings
Infrastructure - Linear Assets	Watermains and Parking Lots
Vehicles	Licensed Vehicles & Equipment
Machinery & Equipment	Unlicensed Vehicles & Equipment, Attachments / Fixtures, Operational, Misc. Equipment, IT Hardware & Peripherals, Radio Equipment, Other

CAPITALIZATION THRESHOLDS

Capitalization thresholds are established to determine whether expenditures are to be capitalized as assets and depreciated or treated as current year expenditures. For financial reporting purposes thresholds are set fairly high, however, details may be useful for the Board's capital asset management program. Therefore, an optimal threshold for each asset category is a balance between the two.

The Board's capitalization thresholds are set based on information gathered from various industry sources and experts combined the consideration of the materiality of the asset category.

Tangible capital assets should be capitalized according to the following thresholds:

ASSET CLASS/SEGMENT	CAPITALIZATION THRESHOLD
Land	Capitalize All
Land Improvements	\$5,000
Infrastructure - Linear Assets	Capitalize All
Buildings	\$5,000
Building Improvements	\$5,000
Machinery & Equipment	\$5,000
Vehicles	\$5,000

Betterments are to be capitalized using the above-mentioned thresholds.

Acquisition and betterment costs that do not exceed the threshold shall be expensed in the period incurred. These items shall be charged against the operating budget of the department that acquired the asset.

Thresholds apply to capital goods purchased and capital projects constructed with the total cost of the good or project meeting the capitalization threshold criteria. Long term assets that do not individually meet threshold limits but do meet threshold limits when pooled are to be capitalized. The value of pooled assets must be equal to or exceed a threshold of \$5,000. Like assets are grouped to form a pool, e.g. system meters.

Further refinement to threshold levels will occur as the Board develops an understanding of its asset and reporting needs. Improvements are capitalized as an asset betterment when they extend the useful life of the asset.

CLASSIFICATION, AGGREGATION & SEGMENTATION

LAND

Land owned by the municipalities in common includes land for Board managed facilities. All land owned by the Municipalities in common is segmented by each parcel held. Land for system facilities and leased facilities is quantified and included in the Board’s land database.

LAND IMPROVEMENTS

Land improvements include fencing. Each asset when capitalized is separately recorded with an attached useful life.

BUILDINGS

Buildings owned by the municipalities in common and controlled by the Board include the Ruthven WTP, the Low Lift Pump Station, the Cottam Booster Station and Reservoir and elevated water towers. A building is segmented by base building (envelope), roof and HVAC based on useful life. This treatment provides for capital replacement of each component over the years of ownership.

BUILDING IMPROVEMENTS

Building improvements include fixtures and equipment along with interior fit-outs required to make the building ready for use. Fixtures and fit-outs are capitalized if purchased in volume and the volume exceeds the threshold limit or if the individual cost of items exceeds the threshold.

CONSTRUCTION IN PROGRESS

Construction in progress contains capital projects underway but not complete or put to use. These projects are individually segmented and are inventoried if costs exceed threshold limits, and then capitalized when ready for use.

The cost includes all costs directly attributable to the acquisition, construction or development of an asset. Carrying costs such as internal design, inspection etc., may be capitalized. General administrative costs should not be capitalized.

Capitalization of carrying costs ceases when there is no construction occurring or the tangible capital asset is ready for use.

INFRASTRUCTURE - LINEAR ASSETS

The water system components include and are segmented by water mains, valves, and meter chambers. Aggregation for threshold purposes is by capital project. Capital projects when complete are recorded as assets by allocating costs to each component part.

MACHINERY & EQUIPMENT

TECHNOLOGY/COMMUNICATIONS

IT infrastructure includes hardware, infrastructure, computers, printers, scanners, photocopiers and the telephone network. IT infrastructure is capitalized if each purchase or project meets threshold limits. Computers and printers, scanners, photocopiers, etc. are capitalized and included in the appropriate asset pool.

ALL OTHER MACHINERY & EQUIPMENT

Machinery and equipment are inventoried at the asset level and pooled for threshold purposes.

VEHICLES

Vehicles are inventoried at the asset level and grouped according to useful life.

TCA INVENTORY – OWNERSHIP

Ownership of assets requires safeguarding, maintenance, amortization for replacement and possibly write-downs. These requirements are addressed in this section.

It is the responsibility of the UWSS Manager and staff members to ensure capital assets assigned to his or her custody are maintained, safeguarded and accurately reflected in the asset inventory. The UWSS Manager will monitor the contracted operating authority to ensure capital assets assigned to its custody are maintained, safeguarded and accurately reflected in the asset inventory.

Amortization is an annual charge to expenditures for the use of a capital asset. The Municipality sets amortization rates on a straight line basis based on number of years in service less salvage value. The asset categories are amortized as follows:

Asset Class / Segment	Amortization of Cost less Savage Value
Land	Not amortized
Land Improvements	Not amortized / Straight line over useful life of asset
Buildings	Straight line over useful life of asset
Building Improvements	Straight line over useful life of asset
Construction in Progress	Not amortized
Machinery & Equipment	Straight line over useful life of asset less salvage value
Vehicles	Straight line over useful life of asset less salvage value
Infrastructure - Linear Assets	Straight line over average useful life of asset

Amortization is calculated based on a half year rule, meaning that the asset is amortized for half a year, the year it is put into service. Economic useful life is used for amortization rather than physical useful life. Attachment I provides a general guide for useful life.

A write down of assets occurs when reduction in future economic benefit is expected to be permanent and the value of future economic benefit is less than the TCA's net book value. A write down should not be reversed.

TCA INVENTORY - DISPOSAL

Disposal procedures for capital assets are in accordance with the Board's Procurement Policy. All disposals of TCA's are recorded in the Board's financial statements in accordance with PSAB 3150. Disposal of TCA's must also be reported via the Board's 'TCA Disposal Form'.

The Public Sector Accounting Board expectations regarding transition to PSAB 3150 is provided in PSAB 3150.43 to PSAB 3150.48. PSG-7 Tangible Capital Assets of Local Governments (Attachment III), provides further guidance on the notes to the Financial Statements.

Preliminary transition steps are as follows:

- i. Remove Tangible Capital Assets and Investment in Tangible Capital Assets from the Statement of Financial Position.
- ii. Keep long term debt as a financial responsibility.
- iii. Add to the Statement of Financial Position, the recently valued, currently held, tangible capital assets along with related accumulated amortization. The offsetting account is prior year surplus.
- iv. Record new additions on the Statement of Financial Position with the offsetting entry to cash, accounts payable or long term debt. Do not expense the cost of capital assets.
- v. Record disposals at the time of replacement. Disposals reduce the cost of the asset, accumulated amortization with the residual recorded as either an expense or revenue.
- vi. Amortize the assets each year. Budget for amortization.
- vii. Write-downs are an adjustment to the costs of the TCA (PSAB 3150.31) and expense.
- viii. Offsetting adjustment for amortization in the budget for the purposes of a balanced budget is a transfer from equity.
- ix. Budgeting for capital assets will be for the costs expected on the Statement of Financial Position.

Tangible Capital Assets on the financial statements will result in net capital assets on the balance sheet and expenditures for depreciation and write-downs on the income statement.

PRESENTATION AND DISCLOSURE

In total and for each major category of capital assets, the Municipality will disclose the following in accordance with CICA Public Sector Guideline 7 (PSG-7):

- a. Cost at the beginning and end of the period;
- b. Additions in the period;
- c. Disposals in the period;
- d. The amount of any write-downs in the period;
- e. The amount of depreciation for the period;
- f. Accumulated amortization at the beginning and end of the period;
- g. Net carrying amount at the beginning and end of the period;

Also in accordance with PSG-7 disclosure will include:

- a. The method used to determine the cost of each major category of TCA;
- b. The amortization method used, including amortization period or rate for each major capital category of TCA;
- c. The net book value of TCA's not being amortized because they are under construction or development or have been removed from service;
- d. The nature and amount of contributed TCA's received in the period;
- e. The nature and use of tangible capital assets disclosed at nominal value;
- f. The nature of the works of art and historical treasures held by the government ;
and
- g. The amount of interest included in the cost in the period.

ATTACHMENT I

ASSET USEFUL LIFE – General Guidelines

<u>ASSET TYPE</u>	<u>ESTIMATED USEFUL LIFE</u>
Land	Infinite
Land Improvements	15 - Infinite
Fencing	15
Buildings	
Medium, Large Buildings, Water Towers:	20 - 50
<i>Base Building, Water Towers</i>	50
<i>Roof, HVAC, Water Tower Foundation Upgrades</i>	20
Small Buildings (Stand along – equipment rooms):	
<i>Complete Building</i>	40
Temporary Buildings (PortaPaks, Sheds, Outbuildings):	
<i>Complete Building</i>	40
Machinery & Equipment	
Technology and Communications	4 - 20
<i>Computer</i>	4
<i>Laptop, Projector</i>	5
<i>Television, Sound System, Monitor</i>	7
<i>Telephone System</i>	15
<i>Telephone</i>	20
<i>Network</i>	3 - 15
<i>Printer, Typewriter</i>	4 - 8
<i>Server, Scanner, UPS</i>	4 - 7
All Other Machinery & Equipment	5 - 25
Vehicles (<i>Licensed Vehicles & Equipment</i>)	
Cars and Light Vehicles	7
Heavy Vehicles & Equipment	10
Linear Assets	
Watermains & associated appurtenances (useful life varies with material and location)	10-90

APPROVAL HISTORY

APPROVED BY: Union Water Supply System JBM	DATE: January 21, 2009
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Union Water Supply System Joint Board of Management

POLICY No: UW F09 - Travel

Date Adopted: July 18, 2007

Amended: April 2013

SUBJECT: TRAVEL POLICY

The following is the Union Water Supply System Joint Board of Management Policy used to determine expenses paid to Board members and employees who travel on business to take approved conferences, training seminars or educational courses.

DEFINITIONS: Board - Union Water Supply System Joint Board of Management

Conference - is defined as a meeting for consultation, discussion or instruction between individuals or groups. Examples include the OWWA, OMWA, AWWA, CWWA

Training Seminars/Educational Courses - the process of education, teaching or training, which is job related.

REGISTRATION:

The Board will pay reasonable registration fees for Board members, employees and their spouses or companions when the Board or the Manager has authorized the travel in writing, in advance.

MILEAGE:

The current mileage rate per kilometre, as established by the UWSS, will be the allowable rate, and as a tax-exempt allowance that will be paid to all employees who use their own vehicle on approved Board business. These expenses will be charged to the mileage, training or conference account, whichever is applicable.

Reasonable parking charges at a hotel or adjacent parking lot and taxi fares for required transportation to and from airport/train station/bus depot to hotel and from hotel to conference to training centre will be treated as legitimate travel expenses. Receipts must be obtained and submitted to the Manager. Receipts will not be required for expenses less than \$5.00.

MODE OF TRANSPORTATION:

Board members and employees required to travel within a 400 kilometre radius of Ruthven, will be reimbursed an amount equivalent to the mileage entitlement had the member or employee driven regardless of the mode of transportation.

Board members and employees required to travel outside a 400 kilometre radius of Ruthven, will be reimbursed an amount equivalent to the least expensive mode of transportation. The UWSS will not be responsible for costs incurred by companions traveling with employees.

ACCOMMODATIONS:

The UWSS will pay the actual cost of overnight accommodations but receipts must be obtained and submitted to the Manager.

DAILY SUBSISTENCE:

The UWSS will pay Board members and employees a daily subsistence of \$90.00 per day for meals (\$15.00 for breakfast, \$25.00 for lunch and \$50.00 for dinner). Receipts will be required to receive this reimbursement. Any meals provided for by a conference/course, will be deducted from the daily allowance. The meal allowance will be paid in Canadian dollars in the event travel is outside of Canada.

PER DIEM:

When UWSS Board members are required to travel on weekends or holidays a \$75.00 per diem will be paid to the employee. If required to travel on a weekday (other than a holiday) the Board member will be paid \$150.00 per diem. Partial payments will be made for partial days of travel.

Employees will be paid \$75.00 per diem when required by the Board to travel on their days off. The Manager has the option of approving or not approving per diem to employees.

Expenses related to the payment of per diem will be charged to the conference or training account, whichever is applicable. Per diems will be paid in conjunction with the payroll and will be taxable.

CONFERENCE EXPENSE:

Board members are authorized to spend up to a maximum of \$2,000.00 per year for conference expenses. When calculating conference expenses the cost of registration will be excluded in the figures.

The Manager is authorized to spend \$5,000.00 per year for conference expenses. When calculating conference expenses the cost of registration will be excluded in the figures.

Other Board employees are authorized to spend \$1,000.00 per year for conference expenses, with the prior approval of the Manager. When calculating conference expenses the cost of registration will be excluded in the figures.

NOTE

- a) Expenses related to conferences will be charged to the conference account;
- b) Board members and employees can exceed the conference expense limits provided that prior to exceeding the limits the Board has approved exceeding the limits.

TRAVEL EXPENSES:

No monies shall be paid to a Board member or employee until the prescribed travel form is completed. All required receipts must be attached to the proper travel form and submitted to the Manager for approval.

TRAVEL ADVANCE

An employee attending a conference or training seminar may request a travel advance in writing and submit it to the Manager for approval. The request for travel advance must be submitted no later than noon on the Wednesday prior to the regular Board meeting, in order that the request can be processed with the regular cheque runs. The Manager will determine the exact amount of the travel expense after examining the specific request. The maximum travel advance will be \$75.00 per day for each day an employee is required to be in attendance at a conference or a training seminar.

EDUCATIONAL COURSES/TRAINING SEMINARS:

If the Manager deems an educational course relevant to an employee's job, then the UWSS will pay the tuition cost, so long as the course is taken at an educational institute approved by the

UWSS. Payment shall be made when the employee provides written proof that he/she has passed the course.

The following scale of reimbursement to the UWSS shall apply when an employee, who has received financial assistance, terminates his/her employment with the UWSS or is terminated for cause by the UWSS.

Completed Years of Service by the Employee Since the Date of Payment (per course) (Any 12 month period)	Pay Back
1 year	100%
2 years	75%
3 years	50%
4 years and over	n/a

The provisions for repayment of educational and financial assistance shall not apply when an employee's services are terminated on normal retirement or retirement due to a health issue.

When the UWSS requests an employee to attend a course/seminar, which is to be considered in the UWSS's interest, then full assistance will be given to the employee, including tuition fees, traveling expenses, and living allowance (if required to live away from home). In such cases since the UWSS required the employee to take the course and if the employee terminates his employment, repayment will not apply.

The Manager may attend training seminars/courses, which have been budgeted for.

The cost of such education, courses, and training seminars will not be charged to the employee's conference allotment. These expenses will be charged to the training budget.

ASSOCIATION MEETINGS:

A Board member or employee may accept appointments to associations upon the authorization of The Manager. The Manager will determine, on an individual basis, what expenses will be paid to employee when attending the association functions. The expenses incurred will be charged to the UWSS Joint Board of Management's Conference account.

ENTERTAINMENT:

The Chair and the Manager of the UWSS Joint Board of Management are authorized to make expenditures to entertain various individuals or groups when the Chair or the Manager deems it to be advantageous to the Board. The expenses will be charged to the Board expenses account.

All other employees must obtain permission from The Manager to incur expenditures related to entertaining various individuals or groups. Expenses will be charged to the Board expenses account.

REPORTING OF EXPENDITURES:

The Manager will make a report to the UWSS Joint Board of Management listing all of the expenses incurred by Board members and employees for attendance at conferences, educational courses, and training seminars. Also, a list will be made showing the expenses in the Training account.

ASSOCIATION DUES

The UWSS will pay the cost of reasonable association dues for the Manager and employees when memberships are job related or deemed to be in best interest of the Board.

PROFESSIONAL REGISTRATION

The UWSS will pay the reasonable cost of maintaining a professional designation, where such designation is considered to be part of the job description.

GENERAL STATEMENT

The Manager, may under special circumstances, decides to allow expenses for conferences, travel, training, or education which do not conform to this policy. This policy shall be reviewed in one year from the date of adoption.



Union Water Supply System Joint Board of Management

POLICY No: UW H00 - Salaried Policy

Date Adopted: July 2007

Amended: April 2013

SUBJECT: NON-UNION SALARIED EMPLOYEES - POLICY STATEMENTS & WORKING CONDITIONS

DEFINITIONS:

Board: The Joint Board of Management of the Union Water Supply System

Dependent:

- employee spouse
- employee's unmarried children under 21 years of age;
- employee's unmarried children under 25 years of age who are full-time students; and
- your unmarried children who are mentally or physically incapable of self-support and became so before reaching 25 years of age

Employee: Any full-time salaried employee who is not covered by a Union or Association Agreement

Board Service: Board service shall include continuous full-time employment with The Union Water Supply System Joint Board of Management.

UWSS: Union Water Supply System

ARTICLE 1 - HOURS OF WORK

1.01 The normal workweek for employees covered under this policy will be the regularly scheduled hours for their respective department, as determined by the Manager.

1.02 Any hours worked in excess of the normal workweek, as decided by the Manager, will be considered as overtime work. In the event of overtime, straight time is paid up to 44 hours per week, after which non union staff will receive time and a half. Payment or time off in lieu of overtime will be granted at the discretion of the Manager.

ARTICLE 2 - VACATION

2.01 Vacation shall be granted in the calendar year following the calendar year in which it was earned. For the purposes of this policy, a calendar year shall mean a full year January 1 to December 31.

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2.02 For less than twelve (12) months service, vacation with pay will be granted in accordance with the following table:

Commencement of Employment on or before	Vacation in Working Days
January 31st	2 weeks
February 28th	1 week, 4 days
March 31 st	1 week, 3 days
April 30th	1 week, 2 days
May 31st	1 week, 1 day
July 31 st	1 week
August 31st	4 days
September 30th	3 days
October 31st	2 days
November 30th	1 day

2.03 Vacation for long service employees will be as follows:

After one (1) complete calendar year of service, an employee shall be entitled to two (2) weeks vacation.

After three (3) complete calendar years of service, an employee shall be entitled to three (3) weeks vacation.

After ten (10) complete calendar years of service, an employee shall be entitled to four (4) weeks vacation.

After fifteen (15) complete calendar years of service, an employee shall be entitled to five (5) weeks vacation.

After twenty-five (25) complete calendar years of service, an employee shall be entitled to six (6) weeks vacation.

2.04 For employees who have a minimum of 15 days vacation earned in any one year and do not use their total vacation in any one-year, the remaining portion may be used in the following year. Such portion shall not exceed 5 days, and only when reasonable notice has been given and the Manager has approved, in writing, prior arrangements.

Employees who have greater than 20 vacation days earned in any one year and who have taken a minimum of 20 vacation days that were earned in that one year, may at the end of that year exercise one of the following options or combination thereof:

- i) Receive payment for unused vacation to a maximum of 10 days
- ii) Bank unused vacation to a maximum of 10 days

While in the employ of the Board, payment for vacation cannot be exercised at a later date except as noted in the paragraph immediately below. The request for payment for vacation must be exercised by December 31st in the year the vacation was to be used.

Banked vacation is not eligible for payout upon retirement; however, should the employee leave the employment of the Board prior to retirement to take full time employment elsewhere, they can either receive payment for banked vacation or use the vacation prior to leaving the employment of the Board.

Employees who have banked vacation may not use more than 10 days in their bank in any given year except in the year of retirement, and at all times approval of banked vacation is at the discretion of the Manager. Time in lieu cannot be banked.

- 2.05 Vacation(s) will be taken so that the Board will never be unable to perform its normal work through lack of available personnel.
- 2.06 Requests for annual vacation shall be granted on a seniority basis subject to such request being submitted to the Manager by January 31st in each year. Under no circumstances shall any request be submitted later than September 30th in any year. All vacation must have the advanced written approval of the Manager.
- 2.08 Employees shall be granted one (1) Floater Day per year to be taken at a time that is agreeable between the employee and the Manager and cannot be carried over into the following year.

ARTICLE 3 - JURY DUTY

- 3.01 The Board shall grant leave of absence without a loss of seniority benefits to an employee who serves as a juror or witness in any Court. The Board shall pay such an employee the difference between his/her normal earnings and the payment he/she receives for jury service or Court witness, excluding payment for traveling, meals, or other expenses. The employee will present proof of service and the amount of pay received. The time spent by an employee required to serve as a Court witness in any matter arising out of his/her employment shall be considered as time worked at the appropriate rate of pay.

ARTICLE 4 - SPECIAL LEAVE

- 4.01 In the event of a life threatening illness (as determined by the Manger) of an employee's parent, step-parent, wife, husband, brother, sister, child, step-child, mother-in-law, father-in-law, employee's grandparent or grandchildren, the employee shall be granted a leave of absence with pay; provided, however, that such leave or leaves of absence shall not exceed five (5) days in total in any calendar year.
- 4.02 An employee shall be granted up to five (5) regularly scheduled working days leave in conjunction with and must include the day of the funeral / memorial without loss of wages and benefits in the case of the death of a parent, spouse, children or step-children. A child shall be defined to include foster child or other child for whom the employee is a legal guardian.
- 4.03 An employee shall be granted up to three (3) regularly scheduled working days leave in conjunction with and must include the day of the funeral / memorial without loss of wages and benefits in the case of the death of a brother, sister, mother-in-law, father-in-law, grandparent, step-brother, step-sister, brother-in-law, sister-in-law, grandchild, step-father, step-mother, son-in-law, daughter-in-law and grandparent-in-law.

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4.04 One (1) day shall be granted without loss of wages to attend a funeral as a pallbearer, provided such employee has the approval of the Supervisor. Leaves to attend a funeral, as a pallbearer shall not exceed two (2) days in any calendar year. One (1) day leave shall be granted without loss of wages to attend the funeral of an employee's relative. Leaves to attend the funeral of a relative shall not exceed two (2) in one calendar year.

ARTICLE 5 - STATUTORY HOLIDAYS

5.01 All employees shall be given the following holidays at regular rate of pay:

New Years Day	Good Friday	Christmas Day
Easter Monday	Victoria Day	Boxing Day
Dominion Day	Civic Holiday	1/2 Day before Christmas
Labour Day	Thanksgiving Day	1/2 Day before New Years
Remembrance Day	Family Day	

In order to qualify for paid holiday pay, employees must work their regular working day immediately prior to the paid holiday and on the working day immediately following the paid holiday, unless the reason for absence is sickness or accident or authorized leave of absence; provided that the absence, except vacation, commenced within thirty (30) calendar days before the paid holiday.

Should any of the recognized holidays listed above be publicly observed on a day other than the traditional calendar date, then such observed day will be considered the holiday for purposes of time off work and pay allowance. Should any of the recognized holidays fall on a Saturday or a Sunday, the Monday immediately following the Saturday or Sunday shall be considered the holiday for the purpose of time off work and pay allowance.

ARTICLE 6 - PREGNANCY/PARENTAL LEAVE

6.01 Employees eligible for pregnancy/parental leave in accordance with the Employment Standards Act shall receive benefits (while on pregnancy/parental leave) for a period of time not to exceed the required leave time according to the Act.

6.02 The Board shall grant parental leave in accordance with time periods established by the Employment Standards Act. The Board shall not grant any leaves of absence which would extend the parental leave time period.

ARTICLE 7 - SICK LEAVE

7.01 All employees shall receive a credit of one and one-half (1 1/2) days sick leave for each unbroken month of service with the Board, such a credit to be cumulative during the service of the employee. For the purpose of this section, the employee must work fifty percent (50%) of the scheduled working days in the month to accumulate a day and a half sick leave credit in that month, unless the employee is absent as a result of vacation, jury duty or a special leave.

7.02 (a) each employee shall be eligible to receive sick leave pay, at full salary for any time lost by reason of illness or injury to the full extent of sick leave credits accumulated by the employee at the time of each absence, except where an award is made under the Workplace Safety & Insurance Board.

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- (b) Sick leave pay shall not be paid to any employee once he/she is approved for Long Term Disability
- 7.03 The number of days or parts thereof for which an employee receives sick leave pay shall be deducted from his/her cumulative sick leave credits.
- 7.04 In cases where an employee is absent due to personal illness or accident for more than three (3) consecutive working days, the employee shall furnish a report completed and signed by a qualified medical practitioner, confirming that the employee was disabled.
- 7.05 Employees shall arrange for eye examinations, medical, and dental appointments whenever possible outside normal working hours. If this is not possible, the employee shall schedule appointments at such time so as to cause the least interruption in daily work routine.
- 7.06 A record of unused sick leave for each of such employees for each year of his employment shall be kept.
- 7.07 To be entitled to sick leave, an employee shall provide notification to the Manager or the Manager's designate before 9:00 a.m. on the day of the absence.
- 7.08 Notwithstanding any provision contained in this policy, when an employee is absent due to illness or injury, the Board shall have the right to require proof of such illness or injury in a form satisfactory to the Manager.
- 7.10 Employees who retire from employment at age 55 and are eligible to receive retiree benefits from OMERS will, along with eligible dependents, continue to be enrolled in the health and welfare benefits set out in this Article at the Board's expense, except for Short Term Disability and Long Term Disability.

ARTICLE 8 - WORKPLACE SAFETY & INSURANCE BOARD (WSIB)

- 8.01 The Board shall pay 100 per cent of WSIB premiums.
- 8.02 An employee who is in receipt of WSIB benefits shall receive "make-up pay" from the Board, such "make-up pay" being the difference between the employee's net regular pay and WSIB benefits paid to the employee. Such "make-up pay" shall be wholly subject to the following terms and conditions:
 - (a) The employee must have sick leave credits to his/her standing at the time of the compensate injury; "make-up pay" shall cease when sick leave credits are exhausted.
 - (b) The "make-up pay" shall be charged to the employee's sick leave credits on the basis of an amount that reflects the difference between the employee's net regular pay and that amount paid to the employee by the WSIB.
 - (c) An employee who qualifies for "make-up pay" shall pay all sums received from the WSIB to the Board.

- (d) The WSIB shall have determined that the employee has sustained personal injury by accident arising out of the course of his/her employment.
- (e) The employee must have formally elected to take compensation in cases where any third party is involved.
- (f) Such payments shall not extend to cases of permanent disability in which case the award of the WSIB shall be final nor shall they extend to cases where the employment is terminated before the period of disability has expired.
- (g) It is agreed that whenever an employee shall recover from a third party any amount claimed for loss of wages or sick leave, he/she shall repay to the Board forthwith the amount of all monies paid to him by the Board either by way of sick leave or advances of salary or wages in respect of the period for which such amount is recovered from the third party as aforesaid, provided that the amount to be repaid to the Board shall not exceed the amount recovered as aforesaid, and upon such repayment to the Board, the equivalent amount of any sick leave credit which may have been deducted shall be restored to such employee.

ARTICLE 9 - SAFETY BOOTS AND UNIFORMS

- 9.01 The Board will pay annually for the purchase of safety boots for an employee, who has been determined by the Manager to be required to possess a pair, with the maximum limit to be the same as is provided to the UWSS non-union employees. Payment will be made by the Board on being supplied with proof, satisfactory to the Manager, of purchase of safety boots and the purchase price paid.
- 9.02 The employee will wear safety boots if directed to do so by the Manager or if the employee considers that the safety policies of the Board and the Plant Operator require it.

ARTICLE 10 - SENIORITY

- 10.01 Seniority shall date from the time an employee commenced full time service with the Board.
- 10.02 An employee shall lose his/her seniority and his/her employment shall be terminated when the employee:
 - (a) quits, resigns or retires;
 - (b) fails to report for work for two (2) consecutive working days without notifying the Manager and without supplying a reason satisfactory to the Manager for such failure;
 - (c) is laid off and not recalled for a period of twenty-four (24) month;
 - (d) the employee has been laid off and fails to return to work within five (5) working days after recall by the Board;

- (e) the employee overstays a leave of absence granted by the Board without notifying the Board and without supplying a reason satisfactory to the Board for such failure;
- (f) the employee engages in gainful employment while on leave of absence from the Board; or
- (g) the employee leaves work without obtaining a leave of absence, unless the employee supplies a reason satisfactory to the Board for not obtaining a leave of absence.

ARTICLE 11 - EMPLOYEE COMPLAINTS

11.01 The Board shall provide employees an opportunity to present to the Manager a complaint which they may have concerning any aspect of their working conditions.

Complaints shall be dealt with in accordance with the procedures set out below.

- (1) When an employee has any complaint, he/she shall submit the complaint in writing, to the Manager within seven (7) working days of the occurrence stating all facts relative to the complaint. The employee and the Manager shall attempt to resolve the problem.
- (2) If the employee and the Manager cannot resolve the complaint, the Manager will make a decision. The Manager will give the employee that decision in writing. The decision of the Manager will be final.

ARTICLE 12 - HEALTH AND WELFARE

- 12.01 The Board shall pay the premium to provide a Group Life Insurance and Accidental Death and Dismemberment Policy for employees and their dependants, with coverage.
- 12.02 The Board shall pay the employer's portion of the Basic O.M.E.R.S. Pension Plan.
- 12.03 The Board shall pay the premium to provide a Group Long Term Disability Policy for employees. This coverage shall be provided by the UWSS.
- 12.04 The Board shall pay the premium to provide a Group Extended Health Care Policy for employees and their dependants with coverage.
- 12.05 The Board shall pay the premium to provide a Group Dental Care Policy for employees. This coverage shall be provided by UWSS.
- 12.06 The Board reserves the right to change carriers from time to time and provide equivalent benefits.

ARTICLE 13 - CONTINUATION OF BENEFITS

13.01 The Board shall continue to pay premiums to provide benefit coverage (life insurance, long term disability, extended health, dental and vision) for eligible

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employees who are laid off for the month in which the layoff commences and for the twenty-four (24) calendar months immediately following the month in which the layoff commenced, provided they continue to satisfy the requirements for enrolment in the plans.

13.02 The Board shall continue to pay premiums (for benefits noted in item 13.01, subject to and in accordance with the terms and provisions of the plans, for eligible employees who are unable to work due to illness or injury for the earlier of a period of time equivalent to the amount of the employee's full-time credited service with the Board; date of retirement; or the employee attains the age of sixty-five (65) years.

13.03 In the event of the death of an employee or retiree, the Board shall continue to pay premiums to provide extended health, dental and vision benefits for the employee's/retiree's spouse and dependants, provided they continue to satisfy the requirements for enrolment in the plans, for the earlier of a period of time equivalent to the employee's full time length of service, when the employee's /retiree's spouse take a new spouse or if the spouse is or becomes actively employed and a benefit plan is available to the spouse at the place of employment.

ARTICLE 14 - AUTHORITY TO DIRECT

14.01 Employees will report to and take direction from the Board and the Manager. Employees are not responsible to take direction from individual Board Members or the Councillors and employees of the participating municipalities.

ARTICLE 15 - REVIEW OF WORKING CONDITIONS

15.01 The Board shall review the employee working conditions bi-annually.



Union Water Supply System Joint Board of Management

POLICY No: UW M10 - Privacy Policy for UWSS Website

Date Adopted: April 15th, 2020

Amended:

Subject: Privacy Policy for the Union Water Supply System website www.unionwater.ca

WHEREAS The Union Water Supply System Joint Board of Management has enacted Policy No. UW M10;

WHEREAS The Union Water Supply System ("UWSS") Joint Board of Management is committed to respecting your privacy and protecting your personal information. We have taken the appropriate measures to protect the privacy of any personal information that we collect when you visit our website.

WHEREAS The UWSS's privacy practices are governed by the Municipal Freedom of Information and Protection of Privacy Act, which states how we must protect personal information.

NOW THEREFORE the UWSS Joint Board of Management Board enacts the following:

Collection of Information

UWSS only collects personal information through its website that is necessary for the administration of a lawfully authorized purpose in accordance with section 28(2) of the Municipal Freedom of Information and Protection of Privacy Act.

When you browse our website, we collect the following information:

- Our servers automatically collect standard analytic information, which may include, as examples:
 - Internet Protocol (IP) address.
 - Browser type
 - Operating system
 - Date and times of visits
 - Referring website address
- We have certain features on our website. For example, you can send us an email. Our features change from time to time as we make improvements to our website. Depending on which feature you use, we collect additional personal information, such as for examples, your name, phone number, email address and any comments you wish to make.

Use of Information

Personal information collected through our website is used as follows:

- Insofar as website analytics to:
 - fix errors on our website
 - defend against malicious attacks
 - generate website usage statistics
 - improve service delivery in general
- Insofar as information collected through our website features, to fulfill the purposes of those features. At the time of collection, you will be informed of the specific purpose for which personal information is being collected.
- For any other purposes permitted or required by law.

Disclosure

We do not exchange, rent or sell your personal information to any outside organization or person.

We only disclose your personal information for the purposes for which it was collected or as permitted or required by law.

Security of Personal Information

The UWSS is committed to ensuring the integrity and confidentiality of the personal information collected through our website. We use security software, procedures and encryption protocols such as the use of Secure Socket Layer (SSL) protocol to protect your personal information from unauthorized access, use or disclosure.

Use of Cookies

When a user interacts with the UWSS website, a browser feature called a "cookie" may be used to collect certain types of information. A cookie is a small data file that websites write to your hard drive when you visit them.

A cookies file can contain information such as:

- the user ID that the site uses to track the pages you have visited
- your ID and password for a page on our site
- the options you have selected on a page that can be customized

If you have set your browser to warn you before accepting cookies, you will receive the warning message with each cookie. You can refuse cookies by turning them off in your browser. This

may disable some features on our site, but all content will remain available to you. You can check your browser's "Help" files to learn more about cookies.

Privacy Inquiries

If you have a concern about the collection, retention, use and disclosure of your personal information through this site, please contact us through our "contact us" page.

If you would like further information regarding the Municipal Freedom of Information and Protection of Privacy Act visit the website of the [Information and Privacy Commissioner of Ontario](#).

This policy has been enacted on this 15th day of April, 2020



Union Water Supply System Joint Board of Management

UW M10 - Website Terms of Use

SUBJECT:

Website terms of use pertaining to the Union Water Supply System website www.unionwater.ca

DISCLAIMER:

All Union Water Supply System ("UWSS") Board Agendas, Minutes, Reports and Policies available on this website are for convenience only and are not certified true copies. As such, users should verify all information before acting on it. All UWSS Board documents are available on our website under Public Information or by contacting the Office Coordinator.

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To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: September 7, 2023
Re: Authorization to Enter into an Agreement for Gas Station Water Service



Recommendation:

It is recommended that the Union Water Supply System Inc. Board of Directors resolve to authorize the Chief Executive Officer to enter into a Service Agreement between the Corporation of the Municipality of Leamington, Northwind Business Development GP Inc. COB as Caldwell Gas and Variety, Caldwell First Nation and Union Water Supply System Inc.

Background:

The Union Water Supply System was approached by the Municipality of Leamington in regards to water servicing for the Caldwell Gas and Variety being developed on Caldwell First Nation reserve lands. With the on-going transition of UWSS Joint Board of Management to UWSS Inc., the Municipality of Leamington and Caldwell First Nation ("CFN") wanted to establish proper direction with UWSS was being taken to ensure future water servicing for Caldwell Gas and Variety.

Discussion:

The Municipality of Leamington (the "Municipality"), Northwind Business Development GP Inc. COB as Caldwell Gas and Variety ("Northwind"), Caldwell First Nation ("CFN") and Union Water Supply System Inc. ("UWSS Inc.") propose to enter into a Gas Station Water Services Agreement (the "Services Agreement") which sets out the terms upon which the Municipality and UWSS Inc. will treat, transmit and distribute water to the gas station owned by CNF and operated by Northwind located on the CFN reserve.

UWSS Inc. is a party for the purpose of specific provisions of the Services Agreement which have been summarized in the Discussion section below.

Prior to the transfer of assets from UWSS Joint Board of Management to UWSS Inc. the UWSS Joint Board treats and transmits the water which the Municipality supplies and distributes to the gas station pursuant to Section 6.

From the date of the transfer of assets to UWSS Inc., the Services Agreement will establish a direct contractual relationship between Northwind and CFN and UWSS Inc. and UWSS Inc. will provide the treatment and transmission of water to the gas station through its water treatment and transmission system. The Municipality will thereafter distribute the water to the gas station and act as agent to collect the fees charged by UWSS Inc. for the treatment and transmission of water.

Re: UWSS/11/23 - Authorization to Enter into an Agreement for Gas Station
Water Service

The fees shall be payable by Northwind to the Municipality and shall be equivalent to the rate established from time to time under Schedule A of the Water Services Agreement between UWSS Inc. and its shareholders, to be adjusted annually.

Under section 16 of the Services Agreement the Municipality and UWSS Inc. confirm that neither is making any representations or warranties in respect of the level or degree of services provided. Further, under section 17, neither UWSS Inc. or the Municipality will be liable for any loss, costs, damages, claims or expenses arising from or connected with a temporary interruption or reduction in service level.

The Service Agreement has an initial term of 5 years and will be automatically extended at the end of such term and each extension term for an additional period of 5 years, unless CNF and Northwind together provide notice to the Municipality and UWSS Inc. at least 90 days prior to the end of the term or an extension term that it does not wish for the agreement to be further extended.

In addition to the above, Northwind and CNF may cancel any service provided under the Services Agreement upon 30 days notice to the Municipality and if such service relates to the supply of water also to UWSS Inc.

Legal Considerations

UWSS Inc. retained Willis Business Law LLP for assistance with development of the agreement on UWSS Inc.'s behalf. The draft agreement has been reviewed by all parties concerned and is being presented as the final draft for approval by the UWSS Inc. Board.

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.

/kmj