



**Union Water Supply System
Inc.**

Board of Directors Meeting

Wednesday, October 18th, 2023

10:00 am

Kingsville Arena

1741 Jasperson Lane, Kingsville

AGENDA

- A. Call to Order:**
- B. Welcoming Remarks**
- C. Disclosures of Pecuniary Interest:**
- D. Approval of Minutes:**
Minutes of the Board of Directors Meeting held on September 14th, 2023
Pages 2 - 6
- E. Business Arising Out of the Minutes**
- F. Items for Consideration:**
 - 1. UWSS/12/23 dated October 13, 2023 re: Rectifying Resolution to Confirm Decisions and Actions by UWSS Inc. Interim Board of Directors
Pages 7 - 8
- G. New Business:**
- H. Action Items:**
- I. Comments, Announcements, and Other Business:**
- J. Adjournment:**
- K. Date of Next Meeting: TBD**

/kmj



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UWSS Inc.
Board of Directors
Meeting

Thursday, September 14, 2023
Ruthven Water Treatment Plant
1615 Union Ave, Ruthven
1 pm

MINUTES

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

Also in Attendance: Rodney Bouchard, UWSS Inc. Chief Executive Officer
For UWSS Khristine Johnson, UWSS Inc. Office Coordinator

Guest William Willis, Willis Business Law - UWSS Legal Counsel

Call to Order: 9:05 am

Disclosure of Pecuniary Interest: none

Adoption of Board Minutes:

No. UWSS Inc-11-23

Moved by: Director Walstedt

Seconded by: Director Bondy

That the minutes of the Union Water Supply System Inc. meeting held on July 7th, 2023 is received.

Carried

Business Arising out of Minutes:

The UWSS Inc. Office Coordinator noted Director Walstedt's name was spelled incorrectly in a few spots, but has made the necessary changes.

Report UWSS/08/23 dated September 7, 2023 re: Appointment of UWSS Inc. External Financial Auditors

The CEO welcomes everyone to the meeting. He notes that part of the process of setting up the corporation is to select and appoint an external auditor. He explains that through discussions with financial administrators and legal counsel he searched for a local team.

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He further explains that initially he had discussion with the current Joint Board of Management auditing team to see if they could provide the service. The team from the local firm Hicks, MacPherson, latonna & Driedger (HMID) do not deal with International Financial Reporting Standards (IFRS), therefore, the CEO needed to look elsewhere for this service. After discussions with various entities, it was determined that the local branch of Baker Tilly Canada LLP was the best fit.

The Directors ask for confirmation on how this information will be provided to the full board of directors and shareholders. The CEO indicated that these items will be included in the in the Agenda of full board of directors meeting as an information report. William Willis confirms that at the annual shareholder meeting this information will be presented. Finally, the CEO notes that he met with representatives from Baker Tilly prior to the meeting and confirmed Baker Tilly is working on setting up a review to move forward on our behalf.

No. UWSS-12-23

Moved by: Director Bondy

Seconded by: Director DeYong

That report UWSS/09/23 dated September 7, 2023 re: Appointment of UWSS Inc. Financial Auditors is received; And

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.

Carried (UWSS/08/23)

Report UWSS/09/23 dated September 7, 2023 re: UWSS Inc. Dividend Policy

The CEO explains that under Regulation 599/06 of the Municipal Act, 2001, section 38 this is a requirement for the new corporation. He further notes that at the meeting of July 7th and the adoption of General By-Law No. 1 it was decided that any dividend would be reinvested into the corporation.

The Vice Chair asks for clarification, confirming that UWSS Inc. is a for profit corporation, however this policy directs that any profits would be reinvested back to the operations of the system.

The Chair asks for clarification as to whether UWSS Inc. would ever get to the point of shareholders obtaining dividends. William Willis explains that since there is an agreement in place the intent to is always reinvest any profits back into the system. However, this could be changed if the Board of Directors and Shareholders approved of the change.

Director Walstedt asks for clarification on the potential of cash build up each year. The CEO notes that the corporation will have several reserves and any surplus funds are not going to be sitting there, but rather rolled into the system constantly.

No. UWSS-13-23

Moved by: Director Walstedt

Seconded by: Director Bondy

That report UWSS/09/23 dated September 7, 2023 re: UWSS Inc. Dividend Policy is received; And

That the Union Water Supply System Inc. (UWSS Inc.) Board of Directors (“Board”) adopts the Dividend Policy as attached to this report and recommends the Dividend Policy to the shareholders of UWSS Inc. for approval.

Carried (UWSS/09/23)

Report UWSS/10/23 dated September 7, 2023 re: Temporary Adoption of Various UWSS Joint Board of Management Policies for UWSS Inc. Purposes

The CEO explains that as part of the incorporation process UWSS Inc. will need to adopt various policies. He further explains that trying to get new policies in place will take a great deal of time, but currently the Union Water Supply does have several policies in place and can be used for the time being. He is suggesting that UWSS Inc. temporarily adopt these policies, with the option to revise them at a later date.

The CEO reviews each of the policies as set out in the report. William Willis also notes that his firm has reviewed these policies and for now they are fine and explains that revisions might be forthcoming.

Director Walstedt notes that one of the policies still refers to “employees” but the wording should be changed to “board director”. The CEO will make the necessary changes. There is a brief discussion regarding the Salary Policy as the CEO explains it might be necessary to hire more staff in the next year or so and therefore, this policy is needed prior to hiring staff but that a revision will be required in the future.

No. UWSS-14-23

Moved by: Director Bondy

Seconded by: Director DeYong

That report UWSS/10/23 re: Temporary Adoption of Various UWSS Joint Board of Management Policies for UWSS Inc. Purposes is received; And

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;

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- 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.

Carried (UWSS/10/23)

Report UWSS/11/23 dated September 7, 2023 re: Authorization to Enter into an Agreement for Gas Station Water Service

The CEO explains that he had been contacted through the Municipality of Leamington to see if UWSS Inc. could enter into an agreement with Caldwell First Nation (CFN) and Municipality of Leamington for water supply at their gas station. He further explains that Leamington delivers the water and as part of the corporation UWSS Inc. will have a direct connection to the customers.

In consultation with legal it was determined that an agreement should be entered into. William Willis notes that UWSS Inc. is not making any guarantees and is not liable for anything.

Director DeYong asks why an agreement is necessary in this case. William Willis notes that such an agreement is needed due to CFN being a First Nation and, as such has its own rights and rules in regards to such agreements, etc.

No. UWSS-15-23

Moved by: Director DeYong

Seconded by: Director Bondy

That report UWSS/10/23 dated September 7, 2023 re: Authorization to Enter into an Agreement for Gas Station Water Service; And

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.

Carried (UWSS/11/23)

New Business:

Director DeYong asks for some explanation regarding the recent flooding experienced in Kingsville. The CEO notes that this will be addressed at the Joint Board of Management (JBM) meeting next week.

The CEO explains that a few signatures will be required regarding the Line of Credit established between both UWSS Inc. and UWSS JBM. The funds will be transferred to the newly established bank accounts for UWSS Inc.

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The CEO notes that the next Board of Directors meeting will be a full board meeting, with all of the new members present. An email will be sent out shortly to all members setting out a bit of the water system history and how UWSS got to this point. He further explains that there will be some training involved, especially for the new members.

The CEO finally notes that there is still further policies to come forward, such as a procurement policy and a salary policy, however, he needs to confer with legal first.

Adjournment:

No. UWSS-16-23

Moved by: Director Bondy

Seconded by: Director Walstedt

Time adjourned: 1:36 pm

Date of Next Meeting: To be determined

/kmj

To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: October 13, 2023
Re: Rectifying Resolution to Confirm Decisions and
Actions by UWSS Inc. Interim Board of Directors



Recommendation:

That the Union Water Supply System Inc. Board of Directors approves that, notwithstanding any defects or irregularities in the meetings of directors of the Corporation from February 24, 2023 until the date hereof including, but not necessarily limited to, by reason of defective or improper election of directors or otherwise, all acts and proceedings taken or purported to have been taken to the date hereof by the directors of the Corporation as disclosed by the minutes of meetings of the directors be and the same are hereby approved, ratified, sanctioned, confirmed and adopted for all purposes.

Background:

UWSS Inc. (“the Corporation”) was incorporated on February 24th, 2023, as a Municipal Services Corporation under Ontario Regulation 599/06 of the Municipal Act, 2001. UWSS Inc. has 4 shareholders which include the Municipality of Leamington, Town of Kingsville, Town of Essex and Municipality of Lakeshore. The incorporation director and first director of the Corporation was Rodney Bouchard, General Manager of the Union Water Supply System Joint Board of Management (UWSS JBM).

In Spring 2024, the municipal shareholders appointed an interim board of directors for the Corporation that includes one (1) director appointed by each of the 4 shareholders. This Interim Board of Directors held their first meeting on July 7th, 2023. The Interim Board of Director appointments for some shareholder specified that the appointments for interim directors were for a term that would end on the appointment of the “full” Board of Directors or September 1st, 2023, whichever came first.

Discussion:

Since the appointment of the “full” board of directors could not be completed by September 1st, 2023, there was apprehension that some appointees to the interim board would not be valid due to the September 1st, 2023 term end date. An interim board of directors meeting was scheduled for September 14th, 2023 that was important for approval of policies, procedures, and appointment of auditor and there concern that UWSS Inc. interim board of director decisions may not be valid if a director appointment was deemed to have lapsed

Discussions were held between UWSS Inc. management, UWSS Inc. retained legal counsel, and administration and legal counsel of affected municipal shareholders. Municipal legal counsel and administration of the affected municipality indicated the

Re: UWSS/12/23 - Rectifying Resolution to Confirm Decisions and
Actions by UWSS Inc. Interim Board of Directors

director appointment was still valid and that no further resolution would be needed. UWSS Inc. retained legal counsel recommended to UWSS Inc. management to solicit a “rectifying resolution” of the new full permanent board to ensure that decisions by the UWSS Interim Board of Directors would be valid.

Since the initial meeting of the UWSS Inc. Interim Board of Directors on July 7th, 2023, the following items have been approved by the Interim Board of Directors. It should be noted that the list is not fully inclusive of all resolutions or approvals by the Interim Board of Directors.

- Approval of UWSS Inc. General By-Law No. 1
- Election of UWSS Inc. Board of Directors Chair and Vice-Chair
- Appointment of UWSS Inc. Officers
- Approval of various policies that apply to Board of Directors such as Code of Conduct, etc.
- Approval of Delegated Authority Policy
- Approval of Dividend Policy
- Adoption of various UWSS Joint Board of Management (JBM) policies for use by UWSS Inc. such Travel Policy, Salaried Policy, etc.
- Approval of Release of Request for Finance Package to the credit market
- Appointment of external auditor
- Approval of Line of Credit between UWSS JBM and UWSS Inc.
- Approval for Water Supply Agreement between UWSS Inc., Municipality of Leamington and Caldwell First Nation for gas service station site

UWSS Inc. recommends that the permanent “full” Board of Directors for UWSS Inc. approve the recommendation for the “rectifying” resolution to further confirm the decisions that have been made since incorporation of UWSS Inc.

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.