



JOINT BOARD OF MANAGEMENT

Wednesday, December 20th, 2023

9:00 AM

Unico Community Hall
37 Beech St, Kingsville

AGENDA

A. Call to Order:

B. Disclosures of Pecuniary Interest:

C. Approval of Minutes:

Minutes of the meeting of the Union Water Supply System Joint Board of Management Meeting held Wednesday, November 22, 2023
Pages 2 - 7

D. Business Arising Out of the Minutes

E. Items for Consideration:

1. UW/23/23 dated December 15th, 2023 re: Status Update of UWSS Operations & Maintenance Activities and Capital Works from November 22nd to December 15th, 2023
Pages 8 - 10
2. UW/24/23 dated December 14th, 2023 re: Operating Agreement Between UWSS Joint Board of Management and UWSS Inc.
Pages 11 - 19
3. Dates for Union Water Supply System Joint Board of Management for 2024
Page 20

F. New Business:

G. Adjournment:

H. Date of Next Meeting: January 17th, 2023, Kingsville Arena

/kmj



**JOINT BOARD OF
MANAGEMENT**
Wednesday, November 22, 2023

Roma Club, 19 Seacliff Drive E.,
Leamington
9:00 am

MINUTES

Members Present Mayor MacDonald (Chair); Deputy Mayor Verbeke, Councillors
Union Water Abraham, Dunn, Tiessen - Leamington
Supply System Mayor Rogers, Deputy Mayor DeYong, Councillors Gaffan,
 Patterson - Kingsville
 Mayor Bondy - Essex
 Deputy Mayor Walstedt - Lakeshore

Members Absent Councillor Wilkinson - Leamington

Also in Attendance: Rodney Bouchard, Union Water Supply System Manager
For UWSS Kristine Johnson, Recording Secretary

Municipal Staff Shaun Martinho - Town of Kingsville
Present: Shannon Belleau - Municipality of Leamington

OCWA Staff Ken Penney, Dale Dillen, Robin Trepanier
Present: Dave Jubenville, Tim Woolner

Others present: Mike St. Amant, Tom Kissner, Wayne Wharram, John Tofflemire
 Sebastian Schmoranz, William Willis

Call to Order: 9:01 am

Disclosure of Pecuniary Interest: none

Adoption of Board Minutes:

No. UW-44-23

Moved by: Deputy Mayor Verbeke

Seconded by: Councillor Walstedt

That the minutes of the Union Water Supply System Joint Board of Management meeting held on October 18th, 2023 is received;

Carried

Business Arising out of Minutes:

There was an error on the names of the attendees, the secretary will correct this.

Report UW/23/23 dated November 17th, 2023 re: Operations & Maintenance Activities and Capital Works from October 18th to November 17th, 2023

The Manager thanks members for attending the meeting at a new location and explains the difficulty in finding a room with availability for this meeting. He then reviews his report with members of the board.

He notes that Clarifier #3 had been taken offline for annual maintenance, a new actuator has been installed. The actuator has been out of service since the spring but is now back in service.

A new soft start was installed on High Lift pump #4 and now back in service. The Cottam Booster Station (CBS) pump #4 was removed to repair the shaft, this pump is not needed at this time, and therefore, will have necessary repairs made and returned to service next year. The Low Lift pump #3 was removed for rehabilitation. The Manager notes that this is part of the preventive maintenance program and will be repaired and put back into service early next year.

The Manager notes that the four (4) new permanent “smart hydrant” monitors were installed. These will allow data integration to be even better, with the new monitors also having acoustics, which could assist with leak detection.

C3 Water, now Cima +, were at the Ruthven WTP to complete additional testing for the Albuna Water Tower (AWT) capacity project. A report is expected in the early new year, which provide results and recommendations.

The Manager notes that the boiler has now been started by Powerhouse Boiler and Construction Ltd. He further notes that Kent Compressor was on site to inspect and conduct regular maintenance on all the compressors.

The Manager notes that both the OCWA and UWSS staff met for both the Capital Works review and the Management review. This is part of the annual DWQMS program.

OCWA staff have replaced a check valve on High Lift pump #5, it has been failing, but is now disinfected and back in service.

The microcystin sampling program for 2023 has now been completed. The samples were below the regulatory limits. He also explains that the WTP is working with GLIER to have contingencies in place, however this year there was not much of an algae bloom.

The Manager informs the board that Nevro Pump and Mechanical was on site to remove High Lift pump #2, and it is noted that the motor on the pump should be replaced. We are in the process of obtaining quotes for this item. The lifting devices were also inspected this month by Zelus Materials, and a report is expected by month end.

DAF #1 had been taken out of service for some warranty inspections, an air compressor motor for the air dissolution system and will be installed later in the day.

The Manager reminds the board of the Filter PLC replacement project, and notes that the FAT testing has now been completed. He confirms that the installation of these panels is expected to take place on December 11th to the 15th.

Further maintenance items this past month include treatment plant filters 1-4 scheduled for later in the month, by maintenance staff.

The Manager then updates the board on several projects including updates on the Reservoir #3, which will include demolition of the greenhouse by the end of the year, with the intent to break ground in the spring of 2024. He then updates members on the improvements for the High Lift pumping system through Stantec, he states that the bidding process has been challenging and further states that this item might have to go out for re-tendering. Stantec is also working on the High Lift and Low Lift back up generators and this is scheduled to go to tender in the winter.

The Manager indicates that the billing meter chamber project through C3 Water (now Cima+) is being conducted as part of a pilot project and once this first set of four (4) has been completed, then UWSS can move on to the other 12 chambers.

He then confirms the new phone system at the Ruthven WTP is almost complete, we are just waiting on the transfer/porting of phone numbers. The integration of data through Eramosa' eRIS platform is still ongoing and once completed will work well with the municipalities.

The Manager reminds members that tonight is the Public Information Centre (PIC) for the Municipal Class EAS to provide peaking capacity for UWSS. He notes that the engineering consultant will be available to answer any questions or concerns the public may have. He also notes that Associated Engineering has been retained to develop and Asset Management plan for the UWSS.

UWSS continues to supply Wheatley with water while they deal with the necessary repairs after their fire.

Flows are just up slightly over last year and continue to remain up over the four (4) year average.

There are then several questions regarding some of the ongoing projects. The Chair asks for clarification on the acoustic monitors being placed on the pipes. The Manager confirms this will assist with leak detection and could prevent water loss in the future. She then asks for clarification on the reservoir project and the potential budget impacts with rising costs of materials and the difficulty in obtaining the materials. The manager notes that things have changed and there is the potential that this project is being reviewed to determine if sizing needs to be adjusted. The Manager confirms that he will be bringing back further information to the board once further discussions have been completed with the engineering consultant.

No. UW-45-23

Moved by: Councillor Dunn

Seconded by: Deputy Mayor DeYong

That report UW/23/23 dated November 17th, 2023 re: Status Update of UWSS Operations & Maintenance Activities and Capital Works from October 18th to November 17th, 2023 is received.

Carried (UW/23/23)

Verbal update on Redundancy Study

The Manager reminds the members of the Board of the ongoing study regarding the emergency redundancy between UWSS and Windsor Utilities Commission (WUC). He confirms that a lot of work has been completed to this point, including preferred siting locations for a shared reservoir and possible alignments for transmission piping. The Manager presents a presentation by the consultant on this issue, so members can have a visual reference.

The Manager also reminds members that this project will have to incorporate some upgrades to existing infrastructure, such as the watermain running to Cottam, and the benefits of this project to the overall system are high. He does confirm that the costs are identified as higher to UWSS than WUC, simply because they don't have the distance to go with the piping. However, it is assumed that this would be adjusted to be fair to both entities.

Councillor Gaffan asks if there is opportunity for grants or special funding on such a unique project. The Manager notes that once the incorporation and transition of UWSS assets to UWSS Inc. is complete, there will be opportunities to find grants and other sources of funding. He notes that the preliminary figures for this project are coming in around \$140-150 Million but that does not consider the complementary works that are already planned and also does not consider grant funding.

The Manager anticipates a report coming soon to bring back to the board.

No. UW-46-23

Moved by: Councillor Gaffan

Seconded by: Councillor Abraham

That the verbal update on the Emergency Redundancy project is received, for the record.

Carried

Verbal update on the Finances at Union Water Supply System

The Manager indicates that he would like to provide an update on the finances of the UWSS. He reminds members of the JBM and the audience that currently there are two boards running consecutively and this is necessary as the restructuring process weaves its way into 2024.

He then shows flows, revenues, investment income, sundry revenue, and expenses. He confirms that expenses are right on target and professional services are on track as well. He does note that Land Transfer Tax still needs to be completed, but this is unavoidable.

Some of the notable yearly expenses include Hydro and Natural Gas expenses, that are currently within budget. He also confirms that the Sun Life debt that has been ongoing for 22 + years is almost near the end. This will finish in 2026 and is the only remaining debt for UWSS.

He then reviews the Studies and Programs and what can be expected going forward. He explains that a service level review will take place but has yet to confirm a consultant to undertake this work. He believes this is necessary going forward to determine if UWSS is still being operated at optimal levels, including staffing and operators.

The Manager explains that the new Municipal Drinking Water License (MDWL) will need to be completed in 2024 and he has retained OCWA services to assist with that application, along with Watson and Associates to prepare the required Financial Plan.

He reviews the maintenance items happening at the UWSS facilities including new Low Lift Roof, Variable Frequency Drives at CBS, AWT upgrades, Meter chamber rehabs, and potential wastewater pond upgrades. He does indicate that some items from 2023 will need to be moved over to the 2024 budget.

The Manager then reviews some projects that must be reevaluated, including improvements to the administrative area of the WTP, fencing repairs, and grounds improvements. He notes that the upgrades to the administrative building were coming very high and not worth the price tag, he notes that the elevator will have to still be installed.

The Manager then reviews the net surplus of the budget.

There is a general discussion regarding some of the items, including administration costs, which included additional staffing on the operational side of things. The Manager notes that going into 2024 there could potentially be additional staffing for the UWSS, including an Asset Manager.

There is a discussion on the security of IT within the UWSS systems. The Manager briefly explains the security of our SCADA system, properties and computer systems.

No. UW-47-23

Moved by: Mayor Rogers

Seconded by: Councillor Patterson

That the verbal update on the UWSS Finances to date for 2023 is received, for the record.

Carried

New Business:

There was none.

Adjournment:

No. UW-48-23

Moved by: Councillor Patterson

Seconded by: Councillor Tiessen

Time: 10:16 am

Date of Next Meeting: December 20, 2023 at the Kingsville Arena, 9 am.

/kmj

To: Chair and Members of the Union Water Supply System Joint Board of Management

From: Rodney Bouchard, UWSS General Manager

Date: December 15, 2023

Re: Status Update of UWSS Operations & Maintenance Activities and Capital Works from November 22 to December 15, 2023



Aim:

To inform the UWSS Board about operational and maintenance activities and capital works projects for the Union Water Supply System since the last Board meeting on November 22nd, 2023.

Discussion:

The UWSS General Manager conducts regular meeting with OCWA Operations staff in regards to on-going operations and maintenance programs for the UWSS facilities. The following provides an update on UWSS operations, regular maintenance and major maintenance and Capital Works at UWSS facilities:

1. On November 27th, 2023, warranty maintenance work was initiated for DAF#1 as a result of issues identified during the November 22nd, 2023 inspection completed by the project consultant, design engineer and general contractor. Warranty work is substantially complete as of December 15, 2023 and the DAF will be tested to ensure optimal operation before returning to service.
2. On November 27, 2023 Clarifier #4 was taken offline for annual maintenance. The clarifier will remain out of service until needed to accommodate flow increases in the Spring.
3. On November 28th, 2023 the south residuals pond was taken out of service since it is approaching its capacity for residuals materials. The pond will be left to dewater until later in January 2024 at which time the materials will be excavated and staged on-site for further drying. Once dry, the materials will be hauled to the landfill for disposal or use by the landfill as daily cover materials.
4. On November 29th, 2023 UWSS OCWA operations staff shut down the sodium hypochlorite system for zebra/quagga mussel control due to the cold (below 4 degree C) water temperature. Maintenance staff flushed out the system and will complete any needed maintenance so that the system can be put back into service later in the Spring when water temperatures warm up enough for zebra/quagga mussels to propagate.
5. On November 29th, 2023, UWSS OCWA staff returned filters 1 & 3 to service after completion of annual maintenance of the filter components.

Re: UW/23/23 - Status Update of UWSS Operations & Maintenance Activities and Capital Works from November 22nd to December 15th, 2023.

6. December 5-7, 2023: Actemium Summa Engineering staff on-site to complete regular maintenance/upgrades on the SCADA system as part of the service maintenance agreement.
7. December 11-14, 2023: Actemium Summa Engineering staff and subcontractors on-site for the installation of new filter control consoles for Filters 1&3 (paired) and 2&4 (paired). The installation work, programming and testing was completed on December 14, 2023.
8. On December 11, 2023 the interconnects between UWSS and Harrow-Colchester drinking water systems were opened so that UWSS can supply the Harrow-Colchester system during treatment plant upgrades.
9. On December 11th, 2023 UWSS OCWA maintenance staff initiated annual cleaning of Low Lift pump wells 1 & 2. This work is scheduled to be completed by December 18th, 2023.
10. On December 1, 2023 Associated Engineering (AE) issued the draft Indicative Design Report for the Reservoir Expansion and UV Disinfection Project. AE also issued the draft Request for Proposal for retaining a Construction Manager Advisor and Construction Manager at Risk (CMA/CMAR) for the Reservoir Expansion/UV Disinfection Project.

A review workshop with UWSS and AE project team was held on Dec 7th at AE's Markham. The goal of the workshop was to review and identify any efficiencies (e.g. cost and financing, effort and scheduling) that may be achieved through combining projects and/or adjusting timelines for proposed upcoming capital projects including DAF#2, reservoir expansion, UV disinfection upgrades, high lift station upgrades and treatment capacity expansion.

AE will complete additional refinement of the CMA/CMAR RFP to incorporate feedback received during the workshop. A revised draft RFP document will be issued by the end of December 2023 for review by UWSS.

11. The request for bids for equipment/pump supply and installation for a new high lift pump (HL#7) in the north clearwell of the Ruthven Water Treatment plant was unsuccessful. Only 1 technically compliant bid was received; however, this bid was substantially over the approved budget and thus rejected. A different approach is being evaluated to complete this work.
12. The UWSS Municipal Class Environmental Assessment Study to Provide Peaking Capacity for the Union Water Supply System" is proceeding on schedule. A public consultation open house was held on November 22nd, 2023 at the Unico Hall. The public consultation/commenting period was closed on December 1st, 2023. The project consultant, Associated Engineering, is revising the reports to include comments received during consultation period. A second public open house will be held at the beginning of February 2024 to

Re: UW/23/23 - Status Update of UWSS Operations & Maintenance Activities and Capital Works from November 22nd to December 15th, 2023.

solicit further public input on the preferred alternative for the treatment plant expansion. It is anticipated that the EA report will be completed at the end of February 2024 for submittal to the Ministry of Environment, Conservation and Parks.

13. UWSS continues to supply water to the Wheatley drinking water system due to the Wheatley water treatment plant shut down that resulted from a fire at this plant. This will likely continue until the Wheatley water treatment plant is back in operation or an alternative “source” is established.

The first chart shows comparative flows for 2019 through 2023 in Mega Litres (ML) and the second chart shows Millions of Imperial Gallons (MIG) for the period January 1st to December 14, 2023.

	2019	2020	2021	2022	2023
Flow to Date (ML)	16,368.13	18,572.62	19,296.36	20,187.61	20,463.25
Max Day (ML)	85.40	97.33	93.83	99.17	108.68
Min Day (ML)	20.13	25.44	26.74	27.58	32.48
Average Day (ML)	47.03	53.22	55.45	58.01	58.80
No of Days	348	349	348	348	348

	2019	2020	2021	2022	2023
Flow to Date (MG)	3600.56	4085.48	4245.98	4441.40	4501.36
Max Day (MGD)	18.79	21.41	20.64	21.81	23.91
Min Day (MGD)	4.43	5.60	5.88	6.07	7.14
Average Day (MGD)	10.35	11.71	12.20	12.76	12.93
No of Days	348	349	348	348	348

Flows to date are up 275.64 ML (59.96 MIG) or 1.36% from last year. The 2023 flows to date are up 9.9% over the previous 4 year average.

Recommendation:

That this report be received by the UWSS Board for information purposes.

Respectfully submitted,



Rodney Bouchard, General Manager
Union Water Supply System Joint Board of Management

/kmj

To: Chair and Members of the Union Water Supply System Joint Board of Management

From: Rodney Bouchard, UWSS General Manager

Date: December 14, 2023

Re: Operating Agreement Between UWSS Joint Board of Management and UWSS Inc.



Recommendation:

That the Union Water Supply Joint Board of Management (UWSS JBM) approves the Operating Agreement between the UWSS JBM and UWSS Inc. to take effect on January 1, 2024.

Background:

As per the Transfer Order Union W1/1999 (“Transfer Order”) dated January 8, 2001, made under the Municipal Water and Sewage Transfer Act, 1997, the UWSS Joint Board of Management (UWSS JBM) is responsible for management of the Union Water Supply System on behalf of The Corporation of the Municipality of Leamington, The Corporation of the Town of Kingsville, The Corporation of the Town of Essex and the Municipality of Lakeshore (collectively, the “Municipalities”, and each individually, a “Municipality”), and has the authority to enter into agreements for the purpose of operating and maintaining the water supply system (the “System”)

Discussion:

Union Water Supply System Inc. (UWSS Inc.) was incorporated in February 2023, under the approval of the Municipalities, to take ownership and management of the System assets. The Municipalities and UWSS Inc. are in the process of transferring the assets and operations of the System from UWSS JBM to UWSS Inc. The original intended date of asset transfer was set for January 1, 2024.

UWSS Inc. management and retained legal counsel, Willis Business Law, have been working diligently to ensure that UWSS Inc. would be set to take over management of the System assets on January 1, 2024. This includes assignment of UWSS JBM-related operations agreements, such as the UWSS-OCWA Operations and Maintenance Agreement, and supplier agreements to UWSS Inc. starting January 1, 2024. Further, UWSS Inc. management, under authority provided by the UWSS Inc. Board (and previously, the Interim Board) has entered into new agreements, including staff health benefits agreements, financial audit agreements, accounting agreements, payroll, etc. that will take effect January 1, 2024. It is also noted that the Municipal Drinking Water License (MDWL) renewal application for the System, as required by the Safe Drinking Water Act 2002 will be submitted to the Ontario Ministry of Environment on January 17, 2024.

However, due to unforeseen delays, it is possible that the transfer of assets by each Municipality will not be completed by January 1, 2024. This could have implications to the System, especially regarding the development and approval of 2024 Operations and

Re: UW/24/23 Operating Agreement Between UWSS Joint Board of Management and UWSS Inc.

Capital Budgets for the System, and submittal of the MDWL application to meet the January 17, 2024 deadline. To ensure a smooth transition for management of the System between UWSS JBM and UWSS Inc. while the transfer of System assets is completed, and to ensure that UWSS Inc. Board and executive has the authority to manage the System and submit the MDWL application, UWSS Management recommends that management authority for the System be transferred from UWSS JBM to UWSS Inc. effective January 1, 2024.

Items 4 and 5 of the "*Powers and Obligations*" section of the Transfer Order stipulate that:

4. *The Management Board may delegate specific administrative functions to another party, subject to such terms and conditions as the Management Board decides from time to time.*
5. *The management arrangements specified in this Schedule may be changed upon a three-quarter majority vote of the Management Board at a meeting called for this purpose.*

UWSS Management and UWSS retained legal counsel have developed an Operating Agreement between UWSS JBM and UWSS Inc. to facilitate this transfer of management authority for the System. A copy of this agreement is attached to this report for review and consideration by the UWSS JBM. It is to be noted that this agreement is to remain in effect until transfer of System assets from the Municipalities to UWSS Inc. is complete.

Comments

UWSS Management recommends that UWSS JBM approves the Operating Agreement between UWSS JBM and UWSS Inc. to ensure continued effective management of the System during the transfer of assets from the Municipalities to UWSS Inc.

Respectfully submitted,



Rodney Bouchard, General Manager
Union Water Supply System Joint Board of Management

/kmj

OPERATING AGREEMENT

THIS OPERATING AGREEMENT (the “**Agreement**”) made to take effect as and from the 1st day of January, 2024 (the “**Effective Date**”).

BETWEEN:

UNION WATER SUPPLY SYSTEM JOINT BOARD OF MANAGEMENT
hereinafter called “**UWSS**”

OF THE FIRST PART

- and -

UNION WATER SUPPLY SYSTEM INC.
hereinafter called “**UWSS INC.**”

OF THE SECOND PART

RECITALS:

- A. WHEREAS** pursuant to Transfer Order Union W1/1999 of January 8, 2001 made under the *Municipal Water and Sewage Transfer Act, 1997*, UWSS is the management authority for the Union Water Supply System on behalf of The Corporation of the Municipality of Leamington, The Corporation of the Town of Kingsville, The Corporation of the Town of Essex and the Municipality of Lakeshore (collectively, the “**Municipalities**”, and each individually, a “**Municipality**”), and has the authority to enter into agreements for the purpose of operating and maintaining the water supply system (the “**System**”);
- B. AND WHEREAS** pursuant to the Articles of Incorporation dated February 24, 2023, UWSS Inc. was incorporated under the *Business Corporations Act* (Ontario) by the Municipalities;
- C. AND WHEREAS** the Municipalities and UWSS Inc. are in the process of transferring the assets and operations of the System from UWSS to UWSS Inc.;
- D. AND WHEREAS** effective the date hereof until completion of the transfer of assets and operations (the “**Interim Period**”) the parties wish to confirm that UWSS Inc. will manage and operate the System on behalf of UWSS, subject to the services provided by the Ontario Clean Water Agency under the Services Agreement dated July 1, 2019 (the “**OCWA Agreement**”), pursuant to the terms and conditions set out herein;

NOW THEREFORE WITNESSETH THAT in consideration of the sum of one dollar (\$1.00) of lawful money of Canada, paid by each of the Parties hereto to the other and in consideration of the mutual covenants and obligations herein contained, the receipt and

sufficiency whereof are hereby acknowledged, it is agreed by and between the Parties as follows:

ARTICLE I DEFINITIONS, INTERPRETATION AND SCHEDULES

1.1 Defined Terms: In this Agreement, unless the context otherwise requires, the following words, phrases and terms when bearing title case format, shall have the meanings ascribed to them as set forth below:

“**Claim**” means any claim for liability, construction lien, certificate of action, repair lien, proceeding, action, judgment, execution, writ of seizure and sale (including reasonable legal fees and expenses) for or pertaining to any Damages and for any Injury;

“**Cost**” means all expenses, charges, taxes and duties including any professional, consulting and legal fees (if applicable), and “**Costing**” has a corresponding meaning;

“**Damages**” means any direct loss, expense, cost or damage including compensatory, diminution in value of an asset or any part thereof;

“**Equipment Leases**” includes all leases of System Equipment and other personal property pertaining to the System;

“**Injury**” means any property damage, personal or bodily injury with respect to the System, including death resulting therefrom whether such death occurs before or after the end of the Term;

“**Interim Period**” has the meaning set out in the recitals hereto;

“**Leases**” includes all real property leases, licences, and other rights of Occupants relating to the System;

“**Manage**” means the responsibilities and obligations of UWSS Inc. as set forth in Article II below and the performance of the management functions set forth in Article II below, and “**Management**” shall have a corresponding meaning;

“**Occupant**” means any tenant, licensee, concessionaire, franchisee, user or other Person who occupies, holds or uses any part of the System under any System Contract;

“**OCWA Agreement**” has the meaning set out in the recitals hereto;

“**Operating Account**” means the System Operating Account, to be established and maintained by UWSS Inc., and into which shall be deposited all System Operating Revenue, necessary capital and operating contributions and other monies as required by the Agreement and upon which shall be drawn the System Operating Expenses;

“**Parties**” means UWSS and UWSS Inc., and “**Party**” means either one of them;

“**Person**” means any individual, body corporate, partnership, firm, sole proprietorship, trustee or trust or unincorporated association;

“**Records**” means the records and books of account described in Section 3.2;

“**System**” has the meaning set out in the recitals hereto;

“**System Contracts**” means all contracts, agreements, instruments and other legally binding commitments or arrangements, written or oral, pertaining to the System, and any Equipment Leases, and Leases;

“**System Equipment**” means all items of tangible personal property owned by UWSS, and used in connection with the System;

“**System Operating Expenses**” means all costs and expenses directly related to the Management of the System, which shall be paid by UWSS Inc. out of the Operating Account;

“**System Operating Revenue**” includes all moneys, sums, income and revenues whatsoever emanating from or generated by the System or any part thereof and all activities therewith associated, regardless of form, and shall without limitation include all revenue received and receivable by UWSS Inc. from users of the System, proceeds payable under business interruption insurance policies, retail sales tax, goods and services tax;

“**UWSS Inc.**” has the meaning set out in the preamble hereof; and

“**UWSS**” has the meaning set out in the preamble hereof.

ARTICLE II OWNERSHIP AND MANAGEMENT OF THE SYSTEM

2.1 Ownership of the System: The Parties acknowledge during the Interim Period UWSS will continue to own the property, assets and undertakings of the System. UWSS has the right in its sole discretion to deal with the System, and is entitled to designate the operation, management, maintenance, repair and improvement thereof to UWSS Inc. and UWSS Inc. is entitled to all the benefits, obligations and proceeds therefrom.

2.2 Management and Control of the System: Subject to the provisions of this Agreement and the provisions of the OCWA Agreement, the Parties acknowledge that UWSS shall own the System and UWSS Inc. shall operate, control, manage and maintain the System on behalf of UWSS pursuant to this Agreement.

ARTICLE III FINANCIAL MATTERS AND REPORTING

3.1 System Operating Revenue: UWSS Inc. shall provide adequate supervision, bookkeeping and accounting and auditing procedures to safeguard the receipt and handling of System Operating Revenue, all of which is to be collected and deposited into the Operating

Account by UWSS Inc. (or if received by UWSS such receipts are to be delivered to UWSS Inc. for deposit). All monies in the Operating Account are for the account of UWSS Inc. and shall be used for the payment of the System Operating Expenses. For greater certainty, from the Effective Date all System Operating Revenue and all System Operating Expenses shall be recorded on the books of UWSS Inc.

3.2 Books and Records:

- (a) UWSS Inc. shall cause to be kept and maintained on a current basis, proper and complete financial records in which shall be entered fully, accurately and clearly all transactions and other matters relative to the System and its Management containing sufficient detail to permit all System Operating Revenue to be recorded by source and classification and containing sufficient detail to permit all System Operating Expenses to be recorded by destination and classification.
- (b) UWSS Inc. shall also keep and continue to maintain on a current basis all existing books, records, plans, drawings, systems and programs (collectively, the “**Records**”) and any reports in which Records it shall enter and record fully, and accurately, and clearly all the information necessary or desirable to permit the preparation by UWSS Inc. of any addition to the existing reports and such other reports as the Parties may agree upon from time to time.

3.3 Financial Reports: UWSS Inc. shall prepare and deliver to UWSS quarterly financial reports for the System, in form and reasonable detail approved by UWSS.

3.4 Staffing: Except where services are contracted out to third parties, all personnel performing the services of UWSS Inc. herein shall be and are deemed to be employees of UWSS Inc. and not UWSS.

ARTICLE IV INDEMNIFICATION

4.1 UWSS Inc. Indemnity: UWSS Inc. shall, and hereby does, agree to indemnify, defend and hold harmless UWSS, its officers, directors, shareholders and employees, from and against any and all Claims resulting from or arising out of any act or omission of UWSS Inc. relating to the Management of the System, except any Claims resulting from or arising out of any breach by UWSS of its obligations and responsibilities contained herein or any failure by UWSS to perform or any negligent performance by UWSS of its duties, obligations and responsibilities hereunder.

4.2 UWSS Indemnity: UWSS shall, and hereby does, agree to indemnify, defend and hold harmless UWSS Inc., its officers, directors and shareholders and employees, from and against any and all Claims resulting from or arising out of any act or omission of UWSS relating to this Agreement except any Claims resulting from or arising out of any breach by UWSS Inc. of its obligations and responsibilities contained herein or any failure by UWSS

Inc. to perform or any negligent performance by UWSS Inc. of its duties, obligations and responsibilities hereunder.

ARTICLE V TERM AND TERMINATION

5.1 Term: Unless terminated earlier as set forth herein, the term of this Agreement shall be from the Effective Date until the date of completion of the transfer of assets and operations from UWSS to UWSS Inc.

5.2 Termination: Notwithstanding the foregoing, either Party may terminate this Agreement by giving thirty (30) days prior written notice of termination to the other Party.

ARTICLE VI GENERAL PROVISIONS OF AGREEMENT

6.1 Notices:

(a) **Delivery:** All notices and other communications required or permitted to be given hereunder shall be in writing and shall be given by facsimile or by delivery as hereafter provided. Notices and other communications shall be addressed as follows:

(i) If to UWSS Inc.:

1615 Union Ave.
P.O. Box 340
Ruthven, ON
N0P 2G0

Attention: Rodney Bouchard, Chief Executive Officer

(ii) If to UWSS:

1615 Union Ave.
P.O. Box 340
Ruthven, ON
N0P 2G0

Attention: Rodney Bouchard, General Manager

6.2 Time of Essence: Time shall be of the essence of this Agreement and of every part thereof.

6.3 Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

6.4 Entire Agreement and Amendments: This Agreement constitutes the entire

agreement between the Parties with respect to the matters herein and supersedes all prior agreements relating to the subject matter hereof. The execution of this Agreement has not been induced by, nor do the Parties rely upon or regard as material, any representations, promises, agreements or statements whatsoever not incorporated herein. This Agreement shall not be amended, altered or qualified except by a memorandum in writing signed by the Parties.

6.5 Waiver: No Party shall be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing, and then such waiver shall be limited to the circumstances set forth in such written waiver.

6.6 Severability: If any provisions of this Agreement is determined to be unenforceable or invalid, that unenforceability or invalidity shall not affect the remaining portions of this Agreement and such unenforceable or invalid provision shall be deemed to be severed from the remainder of this Agreement.

6.7 Counterparts: This Agreement may be executed by the Parties in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

6.8 Relationship: There shall be no relationship of partnership, joint venture or tenancy created under or by virtue of this Agreement and any intention to create any such relationship is expressly disclaimed.

6.9 Assignment: This Agreement shall not be assigned by any of the Parties hereto without the prior written consent of the other Party.

6.10 Enurement: This Agreement shall be binding upon and enure to the benefit of the Parties and their permitted assigns.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first set out above.

**UNION WATER SUPPLY SYSTEM
JOINT BOARD OF MANAGEMENT**

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have authority to bind the Corporation.

**UNION WATER SUPPLY SYSTEM
INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have authority to bind the Corporation.

**Dates for the Union Water Supply System Joint Board of Management Meetings
for the 2024 Year**

January 17, 2024

February 21, 2024

March 20, 2024

April 17, 2024

May 15, 2024

June 19, 2024

July 19, 2024

August 21, 2024

September 18, 2024

October 16, 2024

November 20, 2024

December 18, 2024

Locations to be determined, but notification will be provided the Friday prior to the Board meeting.