



Union Water Supply System Inc.

Board of Directors Meeting

Wednesday, January 29, 2025

9:00 am

Roma Club, 19 Seacliff Drive
Leamington

AGENDA

A. Call to Order:

B. Land Acknowledgement

The Union Water Supply System Inc. Board of Directors acknowledges that this land is the traditional territory of the Three Fires Confederacy of First Nations, comprised of the Ojibway, the Odawa, and the Potawatomie Peoples and specifically, the traditional territory of the Caldwell First Nation. The UWSS Board of Directors values the significant historical and contemporary contributions of local and regional First Nations and all of the Original Peoples of Turtle Island - North America who have been living and working on the land from time immemorial.

C. Welcoming Remarks

D. Election of Chair and Vice Chair of the UWSS Inc. Board of Directors

UWSS/01/25 Procedure for the Election of the UWSS Inc. Chair and Vice Chair
dated January 24, 2025
Pages 3 - 5

E. Disclosures of Pecuniary Interest:

F. Approval of Minutes:

Minutes of the Board of Directors Meeting held on November 20th, 2024
Pages 6 - 10

G. Business Arising Out of the Minutes

H. Items for Consideration:

1. UWSS/02/24 dated January 24, 2025
Re: 2024 Annual Report under the Safe Drinking Water Act and Ontario
Regulation 170/03
Pages 11 - 19
2. UWSS/03/24 dated January 24, 2025
Re: Proposed 2025 UWSS Inc. Operations and Capital Budget
Pages 20 - 22

I. Consent Agenda:

That item 1 through 3 on the consent agenda, **BE RECEIVED**, as they have been approved through the UWSS Inc. Finance & Audit Committee

1. Finance and Minutes of the UWSS Inc. meeting held on September 5th, 2024
Pages 23 - 25
2. Finance & Audit Committee Minutes of meeting held on November 13th, 2024
Pages 26 - 29
3. Finance & Audit Committee Minutes of meeting held on December 5, 2024
Pages 30 - 32

J. New Business:**K. Action Items:****L. Comments, Announcements, and Other Business:****M. Adjournment:****N. Date of Next Meeting:** To be discussed

/kmj

UWSS/01/25

TO: Board of Directors of UWSS Inc.
FROM: Rodney Bouchard, CEO, UWSS Inc.
DATE: January 24, 2025
RE: Procedure for the Election of the UWSS Inc. Chair and Vice Chair



AIM:

To inform the Board of the procedure for the election of a Chair and Vice-Chair of the Board of Directors.

BACKGROUND

The General Bylaw No. 1 dated July 7, 2023, was established for the Union Water Supply System Inc. (UWSS) Board of Directors and sets out certain rules. The following are among the items specified in the Bylaw No. 1 regarding the Chair and Vice-Chair:

- That the Board members are appointed by the municipalities for a term of four (4) years.
- That there is to be a Chair and Vice-Chair elected from amongst the members of the Board of Directors.
- That the Chair and Vice-Chair must be from different municipalities.

DISCUSSION:

Functions of a Chair and Vice-Chair

The Chair and Vice-Chair are positions that are prescribed in the UWSS Bylaw No. 1. The Chair is responsible for the following duties under said Bylaw:

1. Chairing of meetings of the Board of Directors.
2. Calling meetings of the Board of Directors.
3. Executing agreements and conveyances entered into by the Board of Directors. The Chair co-signs with another member of the Board.

The Vice-Chair is designated under the Bylaw No. 1 to act as Chair in the absence of the Chair.

January 24, 2025 - UWSS/01/25

Re: Election for the 2025 Chair and
Vice Chair for the UWSS Inc. Board of Directors

In addition to the functions that are set out in the Bylaw No. 1, the Chair and Vice-Chair undertake the following tasks:

1. The Chair and Vice-Chair have signing authority on the UWSS Inc. bank accounts along with the UWSS Inc. CEO. Account transfers require two (2) signatures, one (1) of the Chair or Vice-Chair and one (1) of the CEO.
2. The Chair conduct an annual performance appraisal of the CEO.

The Chair and Vice-Chair are generally elected from different municipalities. This requirement is intended to ensure that the Board acts in the overall system's interest and in the interest of all of the municipal shareholders.

This memorandum is intended to allow the Board of Directors to prepare for the election. Any questions regarding the procedure should be given to the CEO before the meeting if possible.

Election Procedure

The established procedure for the election of the Chair and Vice-Chair of the Board of Directors should be as follows:

The CEO will chair the meeting until the election of the new Chair.

The CEO will call the meeting to order.

The first order of business is the election of the Chair.

The CEO will ask for nominations from the Directors for the position of Chair. Nominees must have a proposer and a seconder (neither of which can be the nominee) and the nominee will be asked if they are willing to accept the nomination. The list of candidates will be made up of those nominees who accept their nomination.

If there is only one (1) successful nomination, that candidate will be acclaimed as Chair.

If there are two (2) or more nominations, there will be an election. The CEO will state the names of the nominees in alphabetical order by surname. After each name is announced there will be a show of hands by those wishing to vote for that candidate. Board members shall only vote for one candidate. Candidates can vote for themselves.

The recording secretary will record the number of votes for each candidate. The nominee with the most votes will be declared to be the Chair for the term.

If there is a tie for the most votes cast, the name of each nominee who is tied will be written on a slip of paper by the CEO and the slips will be placed in a hat or box. The recording secretary will draw one slip and the name on that slip will be declared as the new Chair.

January 24, 2025 - UWSS/01/25

Re: Election for the 2025 Chair and
Vice Chair for the UWSS Inc. Board of Directors

The CEO will ask for a motion confirming the appointment of the successful candidate as Chair.

The new Chair will then take charge of the meeting.

The Chair will then proceed with the election of the Vice-Chair. If the Chair is from a municipality with more than one member on the Board, no Board member from that municipality is eligible to serve as Vice-Chair.

The Chair will ask for nominations from the Board for the post of Vice-Chair. Again, nominees must have a proposer and a seconder and the nominee will be asked if they are willing to accept the nomination. The list of candidates will be made up of those nominees who accept their nomination.

If there is only one (1) nomination, that candidate will be acclaimed as Vice-Chair.

If there are two (2) or more nominations, there will be an election by show of hands. The Chair will say the names of the nominees in alphabetical order by surname. After each name is announced there will be a show of hands by those wishing to cast a vote for that candidate. Board members shall only vote for one candidate. Candidates are allowed to vote for themselves.

The recording secretary will record the number of votes for each candidate. The candidate with the most votes will be declared to be the new Vice-Chair.

If there is a tie for the most votes cast, the name of each candidate who is tied will be written on a slip of paper by the CEO and the slips will be placed in a hat. The recording secretary will draw one slip and the name on that slip will be declared as the new Vice-Chair.

The Chair will ask for a motion confirming the appointment of the successful candidate as Vice-Chair.

Immediately after the election of the Vice-Chair, the meeting will proceed with the rest of the business on the Agenda.

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.

rb/kmj

**Board of Directors
Meeting**

Wednesday, November 20, 2024
9:00 am
Kingsville Arena
1741 Jasperson



MINUTES

Directors Hilda MacDonald (Chair)
 Kim DeYong (Vice Chair) - absent
 Sherry Bondy
 Kirk Walstedt - absent
 Dennis Rogers
 Mike St. Amant
 Lori Atkinson
 Tom Kissner
 Sebastian Schmoranz
 John Tofflemire
 Wayne Wharram
 Larry Verbeke

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

Guest Sabrina Nazzani, Capital Assist (Valuation) Inc. - CFO

OCWA Staff Robin Trepanier, Ken Penney, Dale Dillen

Municipal Staff
Present Shannon Belleau - Municipality of Leamington
 Rob Mackie - Town of Essex
 Erica Allen - Town of Kingsville

Call to Order: 9:01 am

Land Acknowledgement

The Union Water Supply System Inc. Board of Directors acknowledges the Three Fires Confederacy (Ojibwe, Potawatomie and Odawa) and the Traditional ancestral, unceded territory of Caldwell First Nation; the original people of Point Pelee, Pelee Island and its surrounding waters. We recognize and respect the First Nations who are stewards of the land and waters of Turtle Island and who have embraced this stewardship since time immemorial. We would also like to acknowledge all the moccasins who have walked the lands of Turtle Island.

Welcoming Remarks:

The CEO and the Chair both welcome everyone to the meeting.

Disclosure of Pecuniary Interest: none**Adoption of Board Minutes:****No. UWSS-57-24**

Moved by: Director Schmoranz

Seconded by: Director Rogers

That the minutes of the Union Water Supply System Inc. Board of Directors for the following meetings are received:

- Minutes of the UWSS Inc. Board of Directors meeting held on September 18, 2024

Carried

Business Arising out of Minutes:

There was none.

Items for Consideration**Report UWSS/28/24 dated November 15, 2024 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works from September 18 to November 15, 2024**

The CEO welcomes everyone and notes he will highlight some of the more notable items from his report.

He notes that Alberici Constructors are moving the capital projects forward. He provides an update on Clarifier #4 conversion to DAF #2, indicating that the dormer has been lifted off and placed to the side to allow construction to take place. He is anticipant that the work will be completed in May 2025, in time for the higher flow season. He is hopeful that there are no shipping delays, strikes, or port stoppages to allow materials to arrive on time. He expects the first shipment in January 2025.

He further explains that the Reservoir #3 project will break ground in January 2025 as well.

Moving on the CEO notes that the PLC in Filters #3 & 4 have been replaced. Summa was on site at the end of October to complete this work. All is up and running well.

Minutes of Union Water Supply System Incorporated

Date: November 20, 2024

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The interconnect flowmeters between Leamington and Wheatley have been installed, he anticipates that flowmeters will also be installed between Kingsville and Harrow. This will allow for more accurate readings when the interconnects are opened between our neighbouring systems. The CEO notes that UWSS Inc. is now supplying Wheatley with water most likely until May of 2025, to assist them as they continue working on the damage caused by the fire in 2023.

He also explains that UWSS Inc. is also feeding Harrow/Colchester with water as that system undertakes repairs and maintenance for approximately 2-3 weeks.

Finally, he notes that the intake in Lake Erie has been repaired.

He explains that flows are higher than last year but explains why there is the increase; namely assisting Wheatley and Harrow at times throughout the year, some watermain breaks and other factors. He confirms that there is a full accounting taking place between municipalities and UWSS Inc. regarding flows.

Director Tofflemire asks if the boundary meters are a new area of concern. The CEO explains that it is easier to get a more accurate reading. He notes that Amherstburg may want to complete some testing in the future as well, and the flowmeters will allow for more accurate readings and allow for appropriate municipalities to account for revenue.

Director St. Amant asks if there is concern over the intake being damaged. Operations Manager Dillen, of OCWA, explains that the damage was most likely caused by ice.

Director Bondy would like to see a better breakdown regarding the flows. The CEO explains that this item is currently being worked on, but during this first year of transition, it is presenting a few challenges. He anticipates this will be better once the template is complete and should have better information in the future.

No. UWSS Inc-58-24

Moved by: Director Verbeke

Seconded by: Director St. Amant

That report UWSS/26/24 dated September 13th, 2024 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works from July 17th to September 13th, 2024 is received.

Carried

Report UWSS/29/24 dated November 15, 2024 re: UWSS Inc. 2024 Financial Update

The CEO explains that the CFO, Sabrina Nazzani, will be reviewing this report with the Board. The CFO explains that the report before the board had been previously reviewed by the Finance & Audit Committee (FAC)

She explains to the Board that UWSS Inc. is currently running below budget, which was a conservative budget for 2024 to begin with. She notes that she, along with assistance

from the four (4) treasurers, is in the process of reconciling the flows. She further explains that year end will most likely not occur until after March, this is just due to timing of some of the municipal billing systems.

She moves on to explain that the operating budget is currently running below as well, but again due to timing some of these items will be brought closer together once expenses are realized. She assures the Board of Directors that UWSS Inc. has a healthy budget and everything seems to be in a favourable position. She also reminded members that the Sunlife Debt was paid off back in May of 2024, which used up some cash, but took that debt off of the books.

She anticipates that the WFCU financing to be in place shortly, with just some legal reviews still taking place.

The CEO then reminds members that this first year as an incorporation he anticipated that there would be a need to reconcile the flows and account for non-revenue water loss. He notes that this is taking a bit longer than anticipated. He confirms that he is working with the municipalities to create a template for the various categories of unaccounted for water. He notes that as UWSS Inc. moves forward year after year the budget will get tighter.

Director Tofflemire is glad to see that there is a tightening up of determining unaccounted for water. The CEO hopes that the categories within the template shed some light on this sector of water flow and in turn budget numbers.

The Chair asks for clarification on how accurate the template might be for the unaccounted for water, and what other regions experience in a similar category. The CEO explains that he has been in contact with his counterparts in other regions to discuss this issue and is hoping to see similar results compared to those regions.

No. UWSS Inc-59-24

Moved by: Director Wharram

Seconded by: Director Tofflemire

That report UWSS/29/24 dated November 15, 2024 re: UWSS Inc. 2024 Financial Update is received

Carried

New Business:

The UWSS Inc. Office Administrator notes that the Finance & Audit Committee (FAC) minutes neglected to be added to this agenda. The December agenda will include any sets not previously brought forward.

Minutes of Union Water Supply System Incorporated

Date: November 20, 2024

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The CEO notes that the preliminary budget will be brought to the FAC during the first week of December, however, he does not anticipate that the budget will be ready for approval for the Board of Directors December meeting, but rather the January meeting.

Comments, Announcements, and Other Business

There was none.

Adjournment:

No. UWSS-60-24

Moved by: Director Atkinson

Seconded by: Director Rogers

Time adjourned: 9:31 am

Date of Next Meeting: December 18,2024, Kingsville Arena - 9:00 am.

/kmj

UWSS/02/25

To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: January 24, 2025
Re: 2024 Annual Report under the Safe Drinking Water Act and Ontario Regulation 170/03



Aim

To present to the Board the Annual Report for 2024 as required under Regulation 170/03 made under the Safe Drinking Water Act 2002.

Background

Section 11 of Regulation 170/03 made under the Safe Drinking Water Act 2002 requires that an Annual Report be prepared for a water system and submitted to any water systems that are supplied from that water system. This is required to be done before February 28th of the following year.

Discussion

The attached Annual Report for 2024 has been prepared in accordance with O. Reg. 170/03. A copy has been provided to each of the four (4) participating municipalities therefore satisfying the requirement that it must be received before February 28, 2025.

There were two (2) instances where the Union Water Supply System Inc. (UWSS) was out of compliance with the requirements of the Safe Drinking Water Act 2002 under Ontario Regulation 170/03. These instances are detailed in the report on page 5.

Recommendation:

That the Board receive the Annual Report for 2024 prepared under Section 11 of Regulation 170/03 made under the Safe Drinking Water Act 2002.

Respectfully submitted,



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



Ontario Clean Water Agency
Agence Ontarienne Des Eaux



Annual Performance Report

Union Water Supply System

Drinking Water System # 210000853

2024

Prepared for Union Water Supply System Inc.

By the Ontario Clean Water Agency



Drinking Water Systems Regulation O. Reg. 170/03

ANNUAL REPORT

Drinking Water System Number:	210000853
Drinking Water System Name:	Union Water Supply System
Drinking Water System Owner:	Union Water Supply System Inc.
Drinking Water System Category:	Large Municipal Residential
Period being reported:	01-January-2024 to 31-December-2024

<u>Complete if your Category is Large Municipal Residential or Small Municipal Residential</u>	<u>Complete for all other Categories</u>
<p>Does your Drinking Water System serve more than 10,000 people? Yes [X] No []</p> <p>Is your annual report available to the public at no charge on a web site on the Internet? Yes [X] No []</p> <p>Location where Summary Report required under O. Reg. 170/03 Schedule 22 will be available for inspection.</p> <div style="border: 1px solid black; padding: 5px;"> Union Water Supply System P.O. Box 340, 1615 Union Ave., Ruthven, Ont. N0P 2G0 </div>	<p>Number of Designated Facilities served: <div style="border: 1px solid black; padding: 2px;">N/A</div> </p> <p>Did you provide a copy of your annual report to all Designated Facilities you serve? Yes [] No []</p> <p>Number of Interested Authorities you report to: <div style="border: 1px solid black; padding: 2px;">N/A</div></p> <p>Did you provide a copy of your annual report to all Interested Authorities you report to for each Designated Facility? Yes [] No []</p>

Note: For the following tables below, additional rows or columns may be added, or an appendix may be attached to the report

List all Drinking Water Systems (if any), which receive all their drinking water from your system:

Drinking Water System Name	Drinking Water System Number
Municipality of Leamington	220004992
Town of Kingsville	220003403
Town of Essex	220003680
Municipality of Lakeshore	260004995

Did you provide a copy of your annual report to all Drinking Water System owners that are connected to you and to whom you provide all drinking water?
 Yes [X] No []

Indicate how you notified system users that your annual report is available and is free of charge.

- Public access/notice via the web
 Public access/notice via Government Office
 Public access/notice via a newspaper
 Public access/notice via Public Request
 Public access/notice via a Public Library
 Public access/notice via other
 method _____

Describe your Drinking Water System

The Union Water Supply System (UWSS) includes one water treatment plant, the Ruthven Water Treatment Plant (RWTP) that is located in the hamlet of Ruthven in the Town of Kingsville, Ontario. The RWTP is a chemically assisted conventional filtration plant that draws water from Lake Erie.

The UWSS supplies potable water to the Town of Kingsville, Municipality of Leamington, a portion of the Town of Essex and a portion of the Municipality of Lakeshore with an estimated service population of 67,041.

The treatment process includes raw water pH control, chemically assisted up-flow clarification, chemically assisted Dissolved Air Flootation system, filtration with dual media filters, primary disinfection using Chlorine gas and secondary disinfection using Chlorine gas and Sodium Hypochlorite.

Seasonally, the RWTP uses sodium hypochlorite at its intakes to control Zebra Mussel formation.

There are also four water towers and a booster/storage station located on the Union Water Supply System.

List all water treatment chemicals used over this reporting period

Zebra Mussel Control:

- Sodium Hypochlorite – (Seasonal)

Clarification Chemicals:

- SternPAC 70 - Coagulant
- NorFloc 122 (polymer) – Coagulant Aid
- Powdered Activated Carbon – Taste and Odor Control
- CO₂ – PH adjustment

Filtration:

- Cat-Floc 8103 Plus (polymer) – Filter Aid (Seasonal)

Disinfection:

- Primary: Chlorine Gas
- Secondary: Chlorine Gas and Sodium Hypochlorite

Were any significant expenses incurred to?

- Install required equipment

- Repair required equipment
 Replace required equipment

Please provide a brief description and a breakdown of monetary expenses incurred

	Item Description	Expenditures to 2024 Year End
	Capital Works and Major Maintenance	
	Dissolved Air Flotation (DAF) #2 System Implementation	\$2,492,000
	Reservoir # 3 Design and Construction	\$1,035,000
	New Portable Backup Generator Purchase	\$450,000
	New Travelling Screen #4	\$267,000
	Boundary Flow Meter Chamber Upgrades	\$164,000
	Filter PLC Upgrades	\$163,000
	Kingsville Water Tower Utility Building Purchase	\$161,000
	Cottam Booster Reservoir Rehabilitation	\$106,000
	Low Lift Roof Replacement	\$91,000
	New Vehicle (Truck)	\$73,000
	Cottam Booster Pump/Valve/Flowmeter Upgrades	\$64,000
	Quench Buggy/Hydration Station System Purchase	\$63,000
	Pond Effluent Dechlorination System Implementation	\$61,000
	Spectrolyzer Water Quality Monitoring System Purchase	\$54,000
	New HVAC Unit for High Lift Area	\$52,000
	New Backup Generator Unit – Albuna Water Tower	\$47,000
	Low Lift Intake Crib Rehabilitation	\$45,000
	Rehabilitation of Low Lift Pumps	\$43,000
	New Flowmeters for Distribution System Interconnects	\$41,000
	Rehabilitation of High Lift Pumps	\$37,000
	Low Lift Generator Containment Area Rehabilitation	\$35,000
	Cottam Booster PLC Upgrades	\$27,000
	Filters 5-8 Actuator and Valve Upgrades	\$23,000
	New Telephone System	\$21,000
	Kingsville Water Tower Corrosion System Upgrades	\$17,000
	New Backup Generator for Leamington Water Tower	\$17,000
	Security System Upgrades	\$10,000
	DAF#1 Chemical Feed Pump Upgrade	\$9,600
	Low Lift Intake #2 Turbidity Analyzer Upgrade	\$9,500
	DAF #1 Gear Box Upgrade	\$7,400
	Electric Vehicle Charging System Install	\$6,300
	New Electric Heater for Low Lift	\$6,300
	New Insertion Flow Meter – Essex Water Tower	\$5,800
	Treatment Plant Effluent Chlorine Analyzer Upgrade	\$5,800
	New Insertion Flow Meter – Cottam Booster Inlet	\$5,800
	New Boardroom Furniture	\$5,000
	OCWA Capital Expenditures	\$118,654.48
	Total	\$5,832,854.48

Provide details on the notices submitted in accordance with subsection 18 (1) of the Safe Drinking Water Act or section 16-4 of Schedule 16 of O.Reg.170/03 and reported to Spills Action Centre

Incident Date	Parameter	Result	Unit of Measure	Corrective Action	Corrective Action Date
July 3, 2024	Total Coliform	20	CFU/100mL	Resample	July 4 – July 5, 2024
July 25, 2024	Low Pressure	Pressure <20 psi	psi	BacT Samples	July 29, 2024

Microbiological testing done under the Schedule 10, 11 or 12 of Regulation 170/03, during this reporting period

	Number of Samples	Range of E. Coli Results (min #)-(max #)	Range of Total Coliform Results (min #)-(max #)	Number of HPC Samples	Range of HPC Results (min #)-(max #)
Raw	53	<10 – 100	<10 – >4000	0	N/A
Treated	53	0 – 0	0 – 0	53	<10 - 30
Distribution	Please See Individual Annual Reports for Distribution System Information: Leamington (220004992), Kingsville (220003403), Essex (220003680), and Lakeshore (260004995).				

Operational testing done under Schedule 7, 8 or 9 of Regulation 170/03 during the period covered by this Annual Report.

	Number of Grab Samples	Range of Results (min #)-(max #)	Unit of Measure
Turbidity	8760	0.01 – 1.96	NTU
Chlorine - Free	8760	0.82 – 3.66	mg/L

NOTE: For continuous monitors use 8760 as the number of samples

Summary of additional testing and sampling carried out in accordance with the requirement of an approval, order or other legal instrument.

Drinking Water Systems Regulation O. Reg. 170/03

Date of legal instrument issued	Parameter	Date Sampled	Result	Unit
July 9, 2024	Suspended Solids	Jan 2, 2024	3	mg/L
	Suspended Solids	Feb 5, 2024	4	mg/L
	Suspended Solids	Mar 4, 2024	<3	mg/L
	Suspended Solids	Apr 2, 2024	<3	mg/L
	Suspended Solids	May 6, 2024	5	mg/L
	Suspended Solids	June 3, 2024	<3	mg/L
	Suspended Solids	July 2, 2024	<3	mg/L
	Suspended Solids	Aug 6, 2024	5	mg/L
	Suspended Solids	Sept 3, 2024	<3	mg/L
	Suspended Solids	Oct 2, 2024	<3	mg/L
	Suspended Solids	Nov 4, 2024	<3	mg/L
	Suspended Solids	Dec 4, 2024	<3	mg/L
	Annual Average		3.42	mg/L

Date of legal instrument issued	Parameter	Date Sampled	Result	Unit
July 9, 2024	Total Chlorine residuals	Jan 30, 2024	0.21	mg/L
	Total Chlorine residuals	Feb 12, 2024	0.12	mg/L
	Total Chlorine residuals	Mar 4, 2024	0.10	mg/L
	Total Chlorine residuals	Apr 9, 2024	0.12	mg/L
	Total Chlorine residuals	May 29, 2024	0.14	mg/L
	Total Chlorine residuals	June 24, 2024	0.13	mg/L
	Total Chlorine residuals	July 29, 2024	0.12	mg/L
	Total Chlorine residuals	Aug 26, 2024	0.10	mg/L
	Total Chlorine residuals	Sept 26, 2024	0.10	mg/L
	Total Chlorine residuals	Oct 29, 2024	0.11	mg/L
	Total Chlorine residuals	Nov 27, 2024	0.22	mg/L
	Total Chlorine residuals	Dec 30, 2024	0.15	mg/L
	Annual Average		0.14	mg/L

Summary of Inorganic parameters tested during this reporting period or the most recent sample results

TREATED WATER	Sample Date (yyyy/mm/dd)	Sample Result	MAC	No. of Exceedances	
				MAC	1/2 MAC
Antimony: Sb (ug/L)	2024/01/10	<0.1	6.0	No	No
Arsenic: As (ug/L)	2024/01/10	0.2	10.0	No	No
Barium: Ba (ug/L)	2024/01/10	17.0	1000.0	No	No
Boron: B (ug/L)	2024/01/10	9.0	5000.0	No	No
Cadmium: Cd (ug/L)	2024/01/10	<0.015	5.0	No	No
Chromium: Cr (ug/L)	2024/01/10	<1.0	50.0	No	No
Mercury: Hg (ug/L)	2024/01/10	<0.02	1.0	No	No
Selenium: Se (ug/L)	2024/01/10	<1.0	50.0	No	No
Uranium: U (ug/L)	2024/01/10	<0.05	20.0	No	No
Additional Inorganics					
Fluoride (mg/L)	2024/01/10	<0.1	1.5	No	No

Drinking Water Systems Regulation O. Reg. 170/03

Nitrite (mg/L)	2024/01/08	< 0.05	1.0	No	No
Nitrite (mg/L)	2024/04/03	< 0.05	1.0	No	No
Nitrite (mg/L)	2024/07/03	< 0.05	1.0	No	No
Nitrite (mg/L)	2024/10/02	< 0.05	1.0	No	No
Nitrate (mg/L)	2024/01/08	0.49	10.0	No	No
Nitrate (mg/L)	2024/04/03	0.68	10.0	No	No
Nitrate (mg/L)	2024/07/03	0.37	10.0	No	No
Nitrate (mg/L)	2024/10/02	0.13	10.0	No	No
Sodium: Na (mg/L)	2024/01/10	6.8	20*	No	No

*There is no "MAC" for Sodium. The aesthetic objective for sodium in drinking water is 200 mg/L. The local Medical Officer of Health should be notified when the sodium concentration exceeds 20 mg/L so that this information may be communicated to local physicians for their use with patients on sodium restricted diets.

Summary of lead testing under Schedule 15.1 during this reporting period

(applicable to the following drinking water systems; large municipal residential systems, small municipal residential systems, and non-municipal year-round residential systems)

Location Type	Number of Samples	Range of Lead Results (min#) – (max #)	Number of Exceedances
Plumbing	Please See Individual Annual Reports for Distribution System Information: Leamington (220004992), Kingsville (220003403), Essex (220003680), and Lakeshore (260004995).		
Distribution	Please See Individual Annual Reports for Distribution System Information: Leamington (220004992), Kingsville (220003403), Essex (220003680), and Lakeshore (260004995).		

Summary of Organic parameters sampled during this reporting period or the most recent sample results

TREATED WATER	Sample Date (yyyy/mm/dd)	Sample Result	MAC	Number of Exceedances	
				MAC	1/2 MAC
Alachlor (ug/L)	2024/01/10	< 0.3	5.0	No	No
Atrazine + N-dealkylated metabolites (ug/L)	2024/01/10	< 0.5	5.0	No	No
Azinphos-methyl (ug/L)	2024/01/10	< 1.0	20.0	No	No
Benzene (ug/L)	2024/01/10	< 0.5	1.0	No	No
Benzo(a)pyrene (ug/L)	2024/01/10	< 0.006	0.01	No	No
Bromoxynil (ug/L)	2024/01/10	< 0.5	5.0	No	No
Carbaryl (ug/L)	2024/01/10	< 3.0	90.0	No	No
Carbofuran (ug/L)	2024/01/10	< 1.0	90.0	No	No
Carbon Tetrachloride (ug/L)	2024/01/10	< 0.2	2.0	No	No
Chlorpyrifos (ug/L)	2024/01/10	< 0.5	90.0	No	No
Diazinon (ug/L)	2024/01/10	< 1.0	20.0	No	No
Dicamba (ug/L)	2024/01/10	< 1.0	120.0	No	No

Drinking Water Systems Regulation O. Reg. 170/03

1,2-Dichlorobenzene (ug/L)	2024/01/10	< 0.5	200.0	No	No
1,4-Dichlorobenzene (ug/L)	2024/01/10	< 0.5	5.0	No	No
1,2-Dichloroethane (ug/L)	2024/01/10	< 0.5	5.0	No	No
1,1-Dichloroethylene (ug/L)	2024/01/10	< 0.5	14.0	No	No
Dichloromethane (Methylene Chloride) (ug/L)	2024/01/10	< 5.0	50.0	No	No
2,4-Dichlorophenol (ug/L)	2024/01/10	< 0.2	900.0	No	No
2,4-Dichlorophenoxy acetic acid (2,4-D) (ug/L)	2024/01/10	< 1.0	100.0	No	No
Diclofop-methyl (ug/L)	2024/01/10	< 0.9	9.0	No	No
Dimethoate (ug/L)	2024/01/10	< 1.0	20.0	No	No
Diquat (ug/L)	2024/01/10	< 5.0	70.0	No	No
Diuron (ug/L)	2024/01/10	< 5.0	150.0	No	No
Glyphosate (ug/L)	2024/01/10	< 25.0	280.0	No	No
Malathion (ug/L)	2024/01/10	< 5.0	190.0	No	No
Metolachlor (ug/L)	2024/01/10	< 3.0	50.0	No	No
Metribuzin (ug/L)	2024/01/10	< 3.0	80.0	No	No
Monochlorobenzene (Chlorobenzene) (ug/L)	2024/01/10	< 0.05	80.0	No	No
Paraquat (ug/L)	2024/01/10	< 1.0	10.0	No	No
PCB (ug/L)	2024/01/10	< 0.05	3.0	No	No
Pentachlorophenol (ug/L)	2024/01/10	< 0.2	60.0	No	No
Phorate (ug/L)	2024/01/10	< 0.3	2.0	No	No
Picloram (ug/L)	2024/01/10	< 5.0	190.0	No	No
Prometryne (ug/L)	2024/01/10	< 0.1	1.0	No	No
Simazine (ug/L)	2024/01/10	< 0.5	10.0	No	No
Terbufos (ug/L)	2024/01/10	< 0.5	1.0	No	No
Tetrachloroethylene (ug/L)	2024/01/10	< 0.5	10.0	No	No
2,3,4,6-Tetrachlorophenol (ug/L)	2024/01/10	< 0.2	100.0	No	No
Triallate (ug/L)	2024/01/10	< 10.0	230.0	No	No
Trichloroethylene (ug/L)	2024/01/10	< 0.5	5.0	No	No
2,4,6-Trichlorophenol (ug/L)	2024/01/10	< 0.2	5.0	No	No
Trifluralin (ug/L)	2024/01/10	< 0.5	45.0	No	No
Vinyl Chloride (ug/L)	2024/01/10	< 0.2	1.0	No	No

List any Inorganic or Organic parameter(s) that exceeded half the standard prescribed in Schedule 2 of Ontario Drinking Water Quality Standards

Parameter	Result Value	Unit of Measure	Date of Sample
N/A	N/A	N/A	N/A

UWSS/03/25

To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: January 24, 2025
Re: Proposed 2025 UWSS Inc. Operations and Capital Budget



Recommendation

That the Union Water Supply System Inc. Board of Directors (Board) adopts the Proposed 2025 Operational and Capital Budget for the Union Water Supply System;

And further, that the Board approves an increase of \$0.0628 per cubic metre for the UWSS Treatment and Transmission Rate (Rate). The new proposed Treatment and Transmission Rate for 2024 would be \$0.7967 per cubic meter;

And further, that the Board approves a capital improvement levy of \$0.01 per cubic meter to be applied to greenhouse operations customers to support the treatment plant capacity expansion infrastructure projects.

Background:

On January 1, 2024, management of the Union Water Supply System was transferred from the UWSS Joint Board of Management to UWSS Inc. The approval of UWSS Inc. Operations and Capital Budgets is the responsibility of Union Water Supply System Inc. Board of Directors. UWSS Inc. management is accountable for development and implementation of the UWSS inc. budget on behalf of the Board of Directors. UWSS Inc. management is seeking approval of the proposed 2025 UWSS Budget so that critical studies and major capital upgrades and improvements can be initiated without delay.

This budget report is outlined to provide details on the following:

- Projected revenue for 2025 from sale of treated water to customers in the municipalities of Leamington, Kingsville, Essex and Lakeshore.
- Projected revenue from other sources including rental income from telecom companies for leased space on UWSS water towers and rental income from UWSS Inc. owned property.
- Projected investment income revenue.
- Projected operating expenditures for 2025 including estimated costs for operation and maintenance of UWSS facilities by the Ontario Clean Water Agency (OCWA), under its contract with UWSS.
- Proposed cash funded capital works and major maintenance program for 2025.
- Debt funded infrastructure projects for 2025.

Re: UWSS/03/25 - 2025 UWSS Inc. Operations and Capital Budgets

Discussion:

The draft 2025 UWSS Inc. Budget documents have been prepared by the UWSS Inc. Chief Executive Officer (CEO) and UWSS Inc.'s virtual Chief Financial Officer (CFO). The 2025 Budget was developed in collaboration with OCWA management, and operations/maintenance staff for UWSS Inc. facilities.

The preliminary 2025 UWSS Inc. Operations and Capital Budget were reviewed with UWSS Inc. Finance & Audit Committee (FAC) at two meetings held on December 5th, 2024 and January 15th, 2025. UWSS Inc. management received the FAC's endorsement to present the 2025 preliminary Budget to the UWSS Inc. Board of Directors for consideration and approval at the January 29th, 2025 UWSS Inc. Board meeting.

A summary of the 2025 UWSS Inc. budget is provided below:

Budget Highlights

- Potable water demand from UWSS facilities is projected at 21,856,000 m³ for 2025. This represents an increase of 1.5% over 2024 water demand. This projected demand incorporates a 10% non-revenue water adjustment for 2025.
- An increase of \$0.0628/m³ is proposed for the UWSS Treatment and Transmission Rate (Rate). This increase incorporates adjustment for CPI, a levy of \$0.02/m³ for infrastructure renewals and a levy of \$0.01/m³ to adjust for non-revenue water. The new proposed Treatment & Transmission Rate for 2025 would be \$0.7967/m³.
- A levy of \$0.01/m³ is proposed for greenhouse customers to support the water treatment plant capacity expansion projects.
- UWSS Revenue for 2025 is estimated at \$16,762,000. This includes estimated Rate revenue of \$15,576,000, investment income of \$1,133,000, and property rental income of \$53,000.
- Expenses for 2025 are estimated at \$9,899,000. This includes Operating Expenses of \$7,838,000, General & Admin Expenses of \$1,069,000, and interest costs for Debt Funded Capital of \$992,000. Operating Expenses include the OCWA Operations & Maintenance Contract that is valued at \$4,857,000 for 2025. General & Admin Expenses includes 2 new proposed staff for UWSS Inc.
- A cash funded capital program of \$11,960,000 is proposed for 2025. This includes but is not limited to the completion of DAF#2 (\$ 5 million), backup power system upgrades (\$2 million), treatment plant building upgrades (\$1.5 million) and Low Lift upgrades (\$1.095 million).
- As of January 1, 2025, UWSS Inc. cash & short-term investments and reserves funds totalled \$21 million.
- A debt funded capital program of \$34.85 million is proposed for 2025. This includes construction of reservoir #3 (\$50 million over 2025 & 2026) and detailed design for the water treatment filtration facility expansion to increase treatment plant capacity. UWSS Inc. has secured a \$60 million dollar credit facility to support this debt funded capital program.

Re: UWSS/03/25 - 2025 UWSS Inc. Operations and Capital Budgets

Additional details for the 2025 UWSS Inc. Operations and Capital Budget are included in the Union Water Supply System Inc. Budget Plan 2025 presentation document to be provided to UWSS Inc. Board of Directors under separate cover.

Closing Comments

It is the UWSS Inc. management's opinion that the 2025 Budget and 5-year projection presented in this report delivers a Budget for UWSS that is fiscally prudent while also providing for the major maintenance and lifecycle replacements needed to ensure that UWSS facilities and operations are effective and sustainable for the future.

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.

/kmj

**Finance & Audit
Committee
Meeting**

Wednesday, September 5, 2024
8:30 am
WTP



MINUTES

Directors Dennis Rogers - Chair
 Mike St. Amant
 Tom Kissner
 Wayne Wharram
 Lori Atkinson - absent

Also in Attendance: Rodney Bouchard, UWSS Inc. Chief Executive Officer
For UWSS Kristine Johnson, UWSS Inc. Office Administrator (Recording Secretary)

Guest The CFO Nazzani, CPA, CA Capital Assist Valuation

Call to Order: 9:03 am

Welcoming Remarks:

Chair Rogers calls the meeting and welcomes everyone.

Approval of Minutes

The Chair asks if there are any questions on the previous minutes of the meeting of the Finance and Audit Committee held on August 14th, 2024.

No. FAC-06-24

Moved by: Director Wharram

Seconded by: Director Kissner

The minutes of the UWSS Inc. Finance & Audit Committee, from the meeting of August 14th, 2024 are received; and

That the minutes are brought forward to be on the next UWSS Board of Directors meeting agenda.

Carried

Business to Discuss

The CFO takes over the meeting to indicate that she has not received all the flow information from the municipalities yet, but still working on that. She notes that the UWSS Board will see more of a summary whereas this committee will be seeing the finer details. She is hoping to true up that number in the coming weeks. She confirms that the true up is happening annually this year, so that the budget can be started.

She further notes that our banking interest is up this year, as WFCU has provided a great rate and notes that the Cost of Goods Sold (COGS) will be set out a bit differently than in previous years.

The members ask if our water revenue is trending similarly to last year, the CEO indicates that we are trending the same in flows, however now we must consider water loss. He further confirms that next year most member municipalities will be on AMI data and that will be much more helpful. There is some concern over the water loss. He also notes that there have been several large watermain breaks this year and that will be a big piece of the water loss figure.

There is a brief discussion on water loss, Director Kissner asks if hydrant flushing is captured, and suggests that perhaps it should be. Director Wharram asks if the municipalities are invoiced monthly. The CEO notes that this has been a more difficult process than anticipated, but confirms that the municipalities are invoiced monthly. We are hoping to close out 2024 by March of 2025 if possible, and hoping in the future to have bi-monthly invoicing.

There is then a discussion on lifecycle costs and Director Kissner suggests that the Asset Management Plan can assist with this item.

The CFO notes that we will be above budget this year for operating and general expenses. She then shows the income statement and asks if members would like to see more or less line items. There is a brief discussion around what members would like to see.

The CFO then asks for input on the Investment Policy and notes that all investments will be coming to this committee. We also need to confirm any policy to the Municipal Act. The CEO notes that he will be meeting with the treasurers and see where they are investing at this time.

Director St. Amant notes that every time the Bank of Canada meets and lowers the rates, UWSS Inc will be earning less interest. The CFO explains that we need a second policy for the Reserves and Reserve Accounts. Rodney notes that the Operating and General Reserves need to be funded at 13%. Director Rogers notes that the County of Essex has a Reserve Policy and is happy to share that policy with UWSS Inc. as a guidance document.

There is a discussion on how many accounts UWSS Inc should have.

No. FAC-06-24

Moved by: Director St. Amant

Seconded by: Director Kissner

The Finance & Audit Committee provide feedback to the CEO regarding the Investment and Reserve Policy by September 27th; and

That the Finance & Audit Committee have meetings set up for October, November and December, which will be sent directly to their calendars.

Carried

Director St. Amant leaves the meeting at 10 am.

There is a brief discussion around four (4) year budgeting and the CEO indicates that since this is the first year, we will take things year to year, but the end goal will be multi-year budgeting, which the CFO concurs.

Director Kissner asks is there has been any consideration to a Debt Management Plan, the CEO notes that there is a large capital project financing to consider and what affect this might have on rates. He reminds members that this plan is somewhat incorporated into the PWC Financial Plan but will need to be revisited.

Adjournment:

No. FAC-07-24

Moved by: Director Kissner

Seconded by: Director Wharram

Time adjourned: 10:15 am

Date of Next Meeting: November 13th, 2024, 8:30 am, Ruthven Water Treatment Plant, 1615 Union Ave

/kmj

**Finance & Audit
Committee
Meeting**

Wednesday, November 13, 2024
8:30 am
WTP



MINUTES

Directors Dennis Rogers - Chair
Mike St. Amant
Tom Kissner
Wayne Wharram
Lori Atkinson

Also in Attendance: Rodney Bouchard, UWSS Inc. Chief Executive Officer
For UWSS Kristine Johnson, UWSS Inc. Office Administrator (Recording
Secretary)

Guest The CFO Nazzani, CPA, CA Capital Assist Valuation

Call to Order: 8:32 am

Welcoming Remarks:

Chair Rogers calls the meeting and welcomes everyone.

Approval of Minutes

The Chair asks if there are any questions on the previous minutes of the meeting of the Finance and Audit Committee held on September 5, 2024.

No. FAC-08-24

Moved by: Director Atkinson

Seconded by: Director St. Amant

The minutes of the UWSS Inc. Finance & Audit Committee, from the meeting of September 5, 2024 are received; and

That the minutes are brought forward to be on the next UWSS Board of Directors meeting agenda.

Carried

Business to Discuss

The CFO takes over the meeting. She explains that since our last meeting she and the CEO have had an opportunity to meet with the four (4) treasurers to review the discrepancies within the flows for 2024.

She further explains that this meeting explained to the treasurers that there needed to be a reconciliation between the flows through the billing meters and the amount billed to customers, this includes working with both finance and operations to determine where those water loss numbers might be coming from. She indicates that there is a now a template being constructed to allow for the municipalities to account for some of this loss, such as flushing, fire flow, and watermain breaks.

The CFO notes that there is still some uncertainty as to what is causing the discrepancy with the flows, but the gap is closing. The CEO explains that UWSS knows what has gone through the boundary meters. There could be timing issue between the municipalities and UWSS. It is also noted that Lakeshore will not close their books on 2024 until March, therefore UWSS Inc. will not be able to close their books until after March 2025.

Since budgets will need to be prepared prior to March 2025 the CFO explains that there will be some assumptions made during the upcoming budget process.

There is then a discussion as to whether or not the municipalities should find the source of their losses, and not UWSS Inc., such as older meters, boundary issues, flushing and other issues. The CEO notes that overall UWSS Inc. is currently sitting at 12.9% unaccounted for water, which is higher than previously budgeted for, so there is some work to be done.

Director Wharram asks if perhaps this is a municipal problem and not up to UWSS Inc. to solve, as a new corporation. He also asks whether or not water theft has been considered as a possibility for the unaccounted for water. The CEO explains that this issues is definitely a consideration, and will be brought up with the Municipal Working Group to discuss.

The CEO briefly explains why UWSS Inc. still needs to be part of the solution for this issue, namely that UWSS Inc. now has a direct connection with the customers. Director Kissner points out that Leamington has already upgraded all of their meters and that is why their water loss is so in line with the budget, he feels that next Kingsville will follow suit, as they have almost finished implementing their own AMI system.

Director St. Amant asks the CEO for a bit of clarification on the financial model put together by PwC. The CEO explains that for the first year of UWSS Inc. the municipalities are being invoiced on a 12 month equal budgeted billing system, with the reconciliation occurring now, which included an 8% water loss number. Now UWSS Inc. is seeing that water loss, or unaccounted for water is higher than anticipated, and we need to determine who is responsible for all of that. The CFO hopes to get to seasonal billing, but this could take another year or two.

Director Atkinson asks if there is an industry best practice for this type of situation. The CEO explains that there is and again this is the first year, so there is going to be some adjustments that are necessary.

There is a discussion on what information should be brought forward to the Board of Directors. The CFO notes that she will bring forward the Executive Summary, which won't contain so much detail as discussed in this meeting, but still provide enough information. Director Kissner suggests a few changes to allow for a better understanding of the material. A few other suggestions are made from various directors. The CFO indicates that she will send the amended material to the Directors within a day or two.

The Chair suggests that we move forward with Financial Reports. The CFO explains that it is not possible to provide a comparative to last year's figures, due to changing over to the incorporation. She notes that she has re-grouped buckets of expenses to allow for a clearer understanding. She notes that expenses are below estimates.

Director Atkinson asks for a breakout of the investments. The CFO notes that currently there are no investments, but rather any money is sitting in a cash account, earning a decent rate of interest from WFCU. Director Atkinson asks for clarification on the reserve accounts, wherein the CFO explains that this Finance & Audit Committee (FAC) will be tasked with coming up with policies for these items, similarly with the Investment Policy.

No. FAC-09-24

Moved by: Director Kissner

Seconded by: Director Wharram

The Finance & Audit Committee receives the review of September 2024 Financial Reporting Package and the review of the Board Executive Summary.

Carried

There members move on to discussions regarding the 2025 UWSS Inc. Budget. The CFO notes that the final reconciliation will have to happen after March 2025, due to some municipalities meter readings for billing customers. The CEO notes that normally any rate change to the wholesale water rate would occur at the beginning of the second quarter, so this timeframe still aligns with the past.

Both the CFO and CEO note that they are hoping to eventually get to a multi-year budget, which will make projects a bit easier to deal with. They also note that financing through WFCU has not yet been finalized, however, the lawyers are working those details out.

Other Business:

There is some clarification regarding Director Compensation, and how that will work going forward. The CFO suggests the third week, after the close of the previous quarter, for the compensation to be paid. The CEO notes that mileage was determined from Directors' home addresses. He further notes that a third party will be reviewing the compensation of UWSS Inc. employees and Directors. One final note of clarification, the CFO notes that going forward agendas will be sent out a week prior, with first running across the Chair's desk.

Director Wharram is hoping for an opportunity for this committee to discuss the redundancy plan and Chair Rogers is hoping to have a discussion regarding a potential raw water line. The CEO notes that this is not part of UWSS's mandate, but certainly there can be those conversations.

Director St. Amant is hoping to see a draft budget prior to the next meeting in December and assumes there will be a rate increase. The CEO notes that yes the budget will be forthcoming, with a rate increase as a placeholder.

Adjournment:

No. FAC-10-24

Moved by: Director Atkinson

Seconded by: Director Wharram

Time adjourned: 9:55 am

Date of Next Meeting: December 5th, 2024, 8:30 am, Ruthven Water Treatment Plant, 1615 Union Ave

/kmj

**Finance & Audit
Committee
Meeting**

Thursday, December 5, 2024
8:30 am
WTP



MINUTES

Directors Dennis Rogers - Chair
 Mike St. Amant
 Tom Kissner
 Wayne Wharram
 Lori Atkinson

Also in Attendance: Rodney Bouchard, UWSS Inc. Chief Executive Officer
For UWSS Kristine Johnson, UWSS Inc. Office Administrator (Recording
 Secretary)

Guest The CFO Nazzani, CPA, CA Capital Assist Valuation

Call to Order: 8:30 am

Welcoming Remarks:

Chair Rogers calls the meeting and welcomes everyone.

Approval of Minutes

The Chair asks if there are any questions on the previous minutes of the meeting of the Finance and Audit Committee held on November 13, 2024.

Director St. Amant notes that there are a few date errors referring to 2024, when it should refer to 2025. The recording secretary will make the necessary amendments.

No. FAC-11-24

Moved by: Director Kissner

Seconded by: Director Atkinson

The minutes of the UWSS Inc. Finance & Audit Committee, from the meeting of November 13, 2024 are received with amendments; and

That the minutes are brought forward to be on the next UWSS Board of Directors meeting agenda.

Carried

Business to Discuss

The CFO takes over the meeting. She presents the draft budget to members and hopes they have time to review prior to this meeting. There is a review of the treatment and transmission information, the current wholesale rate, the addition of the CPI at 3.1% and a non-revenue adjustment. She provides the possible new water rate, but notes that this rate increase would take place as of April 2025. This is because UWSS Inc.'s end of year most likely will not be completed until late March 2025.

The CEO notes that he is still working OCWA staff to obtain some budget information for the contract for 2025. This will factor into the 2025 budget as well.

There is a discussion on where the CPI number was obtained from, with the CEO confirming that this is obtained from Government of Canada site.

A discussion takes place regarding the reason behind the water treatment plant expansion, when the growth occurred, and the possibility of applying rates to certain areas of that growth. The Directors note that the CEO should have discussions with legal counsel to determine if this plan is even possible.

Director Kissner asks if any thought has been given to consider a two-tiered rate system. Many thoughts are discussed around this topic, with members providing input. Director Atkinson states that there really should be policy around rates, with the CEO noting that policy development is in the works. He also notes that he is considering having a different rate structure and has considered the two-tiered rate or humpback or declining rate structure.

The CFO discusses the investment income and the rate currently received by UWSS Inc., but notes that this is policy needs to be developed around this area as well. She also explains that the new budget format shows items on a monthly basis, which allow for better flow. She further notes that the reserve funds need to be allocated, and a reserve policy should also be developed.

The main concern now is reconciling the flows with the municipalities and the non-revenue water. A lengthy discussion around this item occurs, which the CEO noting that some assumptions were made, and he is still waiting for some further data from the municipalities to try and true up this information.

The next discussion is around growth within the municipalities, that could affect water flows, with the CEO confirming that growth information and assumptions are provided by the municipalities. Within this discussion there is mention of greenhouse growth, as well as Highbury Canco. and how these industries affect possible plant expansions.

The CFO returns the discussion back to the budget and discusses salaries and potential new staff joining the UWSS Inc. team. The Directors remind the CEO that last year there has been instructions to hire a consultant to review the salary policy, pay and positions to ensure that rates were keeping pace with municipal counterparts. The CEO confirms that

Minutes of Union Water Supply System Inc. Finance & Audit Committee

Date: December 5, 2024

Page 3

he has hired a consultant and the review has started, he expects this to be completed early in 2025, with follow up coming back to the Board of Directors.

There is a brief discussion around the OCWA contract and what can be expected from this new contract.

The Directors ask the CFO is she is content with where the UWSS Inc. Budget is and how strong it is financially. The CFO confirms that UWSS Inc. has a healthy budget and is happy with the financial model.

Director Atkinson asks if there are rules surrounding UWSS Inc. rates and rate structure. The CEO explains that the Board has full authority to approve rates, however explains that generally must follow the Ontario Regulation 453/07, which require a Financial Plan completed every four (4) years. He notes that UWSS Inc. has completed this plan and it is posted.

The CEO updates the members on the capital loan.

The CFO explains that she will circulate assumptions to this team and potentially that there should be one (1) more meeting with the Finance & Audit Committee prior to bringing the 2025 Budget to the Board of Directors.

Adjournment:

No. FAC-12-24

Moved by: Director St. Amant

Seconded by: Director Atkinson

Time adjourned: 9:55 am

Date of Next Meeting: January 15th, 2025, 8:30 am, Ruthven Water Treatment Plant, 1615 Union Ave (TENTATIVELY)

/kmj