



Union Water Supply System Inc.

Board of Directors Meeting

Wednesday, July 17th, 2024

9:00 am

Kingsville Arena, 1741 Jasperson

AGENDA

- A. **Call to Order:**
- B. **Welcoming Remarks**
- C. **Disclosures of Pecuniary Interest:**
- D. **Approval of Minutes:**
Minutes of the Board of Directors Meeting held on June 19th, 2024
Pages 3 - 10
- E. **Business Arising Out of the Minutes**
- F. **Items for Consideration:**
 - 1. UWSS/22/24 dated July 12th, 2024
RE: Status Update of UWSS Operations & Maintenance Activities and Capital Works from June 19th to July 11th, 2024
Pages 11 - 13
 - 2. UWSS/23/24 dated July 11th, 2024
RE: Nomination for Source Water Protection Committee Representative from UWSS Inc.
Pages 14 - 16
 - 3. UWSS/24/24 dated July 11th, 2024
RE: Supply of Water by UWSS Inc. to Caldwell First Nation
Pages 17 - 20
- G. **Special Closed Meeting of the UWSS Joint Board of Management**

Recommendation:

That the That the UWSS Inc. Board of Directors move into a Special Closed Meeting, pursuant to the Municipal Act Section 239 (2)(f)(j) for the following reason:

Matters for Consideration:

Legal discussion Under Municipal Act Sections 239 (2)(f)(j) wherein UWSS Inc.'s solicitor will provide (f) advice subject to solicitor-client privilege, including communications necessary for that purpose (j) a trade secret or scientific, technical, commercial or financial information that belongs to the municipality or local board and has monetary value or potential monetary.

- New Financing for Union Water Supply System

H. Disclosure of Pecuniary Interest and General Nature Thereof

I. Adjournment of Special Closed Meeting

J. Report on Closed Session

K. New Business:

L. Action Items:

M. Comments, Announcements, and Other Business:

N. Adjournment:

O. Date of Next Meeting: September 18th, 2024 9:00 am Kingsville Arena

/kmj



Board of Directors Meeting

Wednesday, June 19, 2024
9:00 am

Kingsville Arena, 1741 Jasperson

MINUTES

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

Absent Lori Atkinson

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

Guest William Willis, Willis Business Law - UWSS Legal Counsel

OCWA Staff Robin Trepanier, Dave Jubenville

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

Call to Order: 9:21 am

Welcoming Remarks:

The Chair welcomes everyone to the meeting.

Additional Item to the Agenda

The Chair indicates that an item was missed from the agenda. She asks the CEO to speak to missing item. The CEO explains that it is time to schedule the annual

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Date: June 19th, 2024

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shareholder meeting, as this first Annual Shareholder meeting needs to be completed within 18 months of incorporation.

He suggests that the Annual Shareholder Meeting take place immediately prior to the next Board of Directors meeting. He notes that his first Shareholder Meeting should be short in nature, but he is looking for a motion from the members to schedule said meeting. Once he has approval, he will move forward with informing the four (4) shareholder municipalities.

No. UWSS-34-24

Moved by: Director Wharram

Seconded by: Director DeYong

That the Union Water Supply System Inc. Board of Directors (Board) directs UWSS Inc. Administration to schedule the UWSS Inc. Annual Shareholders meeting on July 17, 2024 at 9:00am and that the shareholders be notified of the meeting, and

That the UWSS Inc. Administration inform the municipal shareholders of the Annual Shareholder Meeting.

Carried

Disclosure of Pecuniary Interest: none

Adoption of Board Minutes:

No. UWSS-35-24

Moved by: Director Schmoranz

Seconded by: Director Kissner

That the minutes of the Union Water Supply System Inc. Board of Directors meeting held May 15, 2024 are received.

Carried

Business Arising out of Minutes:

Director Bondy notes that Director Kissner is marked as both present and absent and there was an error on the final time noted. The recording secretary confirmed she would make the necessary changes to the minutes.

Items for Consideration**Report UWSS/18/24 dated June 14th, 2024 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works from May 15th to June 14th, 2024**

The CEO welcomes everyone. He hopes that everyone has had an opportunity to review the reports. He highlights a few items, including the official launch of the Hydration Station (Quench Bugg) for several upcoming community events. He does indicate that this is only available if there are staff available to assist.

He notes that Digital Water Solutions has been retained to install leak detection along the 300mm watermain between Hwy 3 and CBS. This will provide acoustic data. He further notes that staff is working with the Town of Kingsville to upgrade several hydrants along this line. Several hydrants are too old to be retrofitted. The installation should be near the end of July.

The CEO updates the Directors on the progress on the Municipal Class Assessment Study. He explains that the MECP has replied to our correspondence and have asked for clarification on a few items. The contracted engineer is taking care of this matter, but he suspects that a new letter addressing the MECP's concerns should be completed shortly and we can move forward.

He notes that he will be bringing recommendations to the board soon and looking to get financing in place soon. Water demands are higher now and still only about 1.5% over last year, but that the system is running at about 77%. He also reminds members that the DAF#2 project will commence in the Fall.

Director St. Amant inquires about who owns the hydrants along the leak detection watermain project. The CEO explains that Kingsville owns them and there will need to be an upgrade to several of the hydrants. Therefore, he is proposing a shared cost with Kingsville, as UWSS Inc. needs the data. He also confirms there is funding in the budget for this project.

Director Bondy asks if there is a way to provide a breakdown of flows, when interconnects are open to neighbouring communities. He will attempt to provide a better flow breakdown in the future.

No. UWSS Inc-36-24

Moved by: Director St. Amant

Seconded by: Director Schmoranz

That report UWSS/18/24 dated June 14th, 2024 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works from May 15th to June 14th, 2024

Carried

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Report UWSS/19/24 dated June 13th, 2024 re: Terms of Reference for Finance & Audit Committee and Governance Committee

The CEO reminds the directors that this is an item that we've been working on for a number of months. He also confirms that he has been working with UWSS Inc.'s legal counsel to address the concerns raised at the previous meeting and feels that this version addressing everyone's concerns. He hopes that everyone has had an opportunity to thoroughly review the items that were sent out early. He feels that all of the directors' concerns have been addressed.

No. UWSS-37-24

Moved by: Director Walstedt

Seconded by: Director Rogers

That the Union Water Supply System Inc. (UWSS Inc.) Board of Directors receives this report and the referenced legal counsel document "**Re: Terms of Reference for the Finance and Audit and Governance Committees, dated June 5th, 2024**", and

That the UWSS Inc. Board adopts the following updated Terms of Reference documents:

- Terms of Reference for the UWSS Inc. Finance & Audit Committee (updated June 5, 2024)
- Terms of Reference for the UWSS Inc. Governance Committee (updated June 5, 2024)

Carried

Report UWSS/20/24 dated June 13th, 2024 re: UWSS Inc. Energy Conservation Demand Management (CDM) Plan 2025-2029

The CEO explains that the Energy Conservation Demand Management (CDM) Plan 2025-2029 is a requirement under O.Reg.397/11 and under the Green Energy Act 2009. He notes that this was prepared in collaboration with OCWA.

This plan will identify some savings on natural gas, however electrical costs have increased 39% since 2024, which is heavily tied to the increase in flows since that time. He explains that UWSS has tried to input cost savings with new lights, VFDs, new windows, and roofs etc.

The CEO further notes that there are many new projects moving forward and efforts will be made to ensure that energy efficiencies are incorporated into these projects. The reservoir should help, as there is potentially less pumping, which saves on energy costs.

Director St. Amant wants to know if variable costs are going up, and the CEO indicates that they are trying to make things more efficient to help with that.

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Director Tofflemire states that energy consumption is tied to increased water consumption, therefore, he feels that conservation is key to reducing energy costs. He suggests a policy related to energy conservation. The Chair notes that greenhouses in the area have done a very good job recycling their water and using the allotted water in a mindful way. The CEO notes that greenhouses have become very innovative over the last several years to conserve and use water in an efficient and a more environmentally friendly way.

No. UWSS-38-24

Moved by: Director Schmoranz

Seconded by: Director Kissner

That the Union Water Supply System Inc. Board of Directors (Board) receives report UWSS/20/24 *UWSS Inc. Energy Conservation Demand Management (CDM) Plan 2025-2029* for information purposes; and

That the Board endorses in principle the goals of the draft *Union Water Supply System Inc. Energy Conservation and Demand Management Plan 2025-2029, June 1, 2024* prepared by the Ontario Clean Water Agency (OCWA) for the Union Water Supply System.

Carried

Report UWSS/21/24 dated May 9, 2024 re: Update on Service Level Review of UWSS Inc. Contracted Operations and Maintenance Services

The CEO reminds the directors of his work on the service level review. He notes that the first phase was an OCWA Vendor Assessment and looking at alternatives and best value for the money. He confirmed that Deloitte had been retained to complete the assessment over the last several months.

Deloitte's assessment included review of the existing agreement, interviews with staff, OCWA management and other utilities, those who used OCWA and those who used other contract providers. The report then assessed the pros and cons of OCWA as a contract provider and their recommendations.

The CEO notes that Deloitte recommended that he begin negotiations to create an entirely new contract with OCWA. The CEO continues to provide a more detailed explanation of the current contract and how it might differ going forward. The recommendation is to negotiate a brand new contract.

The CEO reviews the recommendations and also suggests that directors with experience assist in the negotiation process. Director DeYong asks why there is a \$75k price tag to negotiate a new contract. The CEO explains that it is difficult to negotiate legacy contracts such as this and make substantial changes that are impactful. The consultant's fees are high but the knowledge/experience within a firm like Deloitte, he feels this is worth the

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value. The CEO explains that with a new contract there is hope that staff retention will be handled better. He confirms that OCWA has made some significant improvements over the last year or so.

Finally, the CEO notes that OCWA maintains its own maintenance system and it might be helpful for UWSS Inc to have some sort of shared access for review and understanding.

No. UWSS-39-24

Moved by: Director DeYong

Seconded by: Director St. Amant

That the Union Water Supply System Inc. (UWSS Inc.) Board of Directors receives this report UWSS/16/24 for information.

Carried

VERBAL UPDATE:

UWSS-Windsor Utilities Commission Water Security Redundancy Study

The CEO indicates that since the May UWSS Inc Board of Directors' meeting he was hoping to have a joint board meeting scheduled between Union Water and WUC. Attempts were made to schedule this meeting, however, dates were not aligning to both parties. He is now looking to September to schedule this joint meeting. He notes that they are still moving forward through the EA process.

He also points out that financial costs have not been determined, however both sides agree that working with a financial firm will be beneficial. He is also hopeful that a steering committee can be created between both boards.

TIME: 10:13 am

Special Closed Meeting of the UWSS Joint Board of Management

No. C-UWSS Inc -05-24

Moved by: Director Wharram

Seconded by: Director Tofflemire

That the That the UWSS Inc. Board of Directors move into a Special Closed Meeting, pursuant to the Municipal Act Section 239 (2)(f)(j) for the following reason:

Matters for Consideration:

Legal discussion Under Municipal Act Sections 239 (2)(f)(j) wherein UWSS Inc.'s solicitor will provide (f) advice subject to solicitor-client privilege, including communications necessary for that purpose (j) a trade secret or scientific, technical, commercial or

financial information that belongs to the municipality or local board and has monetary value or potential monetary.

- New Financing for Union Water Supply System

Disclosures of Pecuniary Interest and General Nature Thereof

There was none.

The CEO provides the members with a verbal update on the financing proposals from institutions to fund UWSS Inc. capital works program. He notes that at the last meeting Director Rogers asked for a comparison so that all options were thoroughly reviewed.

There is a discussion of annual interest rates for borrowing, the type of funding models and the payment and prepayment options. The CEO notes that he is looking for direction from the Board to move forward. Legal counsel provides some clarification on the financing terms along with the advantages threaded throughout the proposal.

Adjournment of Special Closed Meeting

No. C-UWSS Inc.-06-24

Moved by: Director Walstedt

Seconded by: Director Tofflemire

That the UWSS Inc. Board of Directors moves out of closed session.

Report on Closed Session

The recording secretary reads the report.

UWSS Inc. Board of Directors entered into closed session under the Municipal Act section 239 subsection 2, and parts (f) and (J) for the purposes of advice under solicitor-client privilege, and regarding financial information. The CEO of UWSS Inc. received directions from the Directors of the Board in reference to the New Capital Financing for UWSS Inc.

No. UWSS-40-24

Moved by: Director Schmoranz

Seconded by: Director DeYong

That the UWSS Inc. Board of Directors direct the CEO to open an account and submit the necessary application to Infrastructure Ontario.

Carried

New Business:

Director DeYong asks the CEO if the increasing summer heat is a concern for flows yet. He notes that the growing season has changed a bit, but next year he might put out a survey to determine when pools are being filled in May /June, since the late May to late June now seems to contain the highest flows/demands.

Director Rogers inquires as to whether there has been any consideration to having UWSS Inc. Board meeting moving to a bi-monthly format. The CEO thinks that by fall that might be a direction that we can consider.

Comments, Announcements, and Other Business

There was none.

Adjournment:

No. UWSS-41-24

Moved by: Director Schmoranz

Seconded by: Director Tofflemire

Time adjourned: 10:50 am

Date of Next Meeting: July 17th, 2024, Kingsville Arena - 9:00 am.

/kmj

UWSS/22/24

To: UWSS Inc. Board of Directors

From: Rodney Bouchard, UWSS Inc. CEO

Date: July 12th, 2024

Re: Status Update of UWSS Operations & Maintenance
Activities and Capital Works from June 19th to July 11th, 2024

**Purpose:**

To inform the UWSS Inc. Board of Directors about operational and maintenance activities and capital works projects for the Union Water Supply System since the last Board meeting on June 19th, 2024.

Discussion:

UWSS management conducts regular meetings with OCWA Operations staff regarding 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. A backup generator has been installed at the Leamington Water Tower (LWT) to ensure that telecommunications equipment, cameras and water quality instrumentation have power during a power outage. The generator will be operational once the propane tank is installed and filled, which is expected to occur on July 18th, 2024. Backup generators will also be installed at the Kingsville Water Tower (KWT) and Albuna Water Tower (AWT).
2. The Low Lift pumping plant spill containment area for the back-up generator was recoated on June 19th. This will ensure that any fuel spillage will not seep through any deficiencies in the concrete containment area.
3. The Kingsville Water Tower was taken out of service on June 9th so that it could be drained to allow the installation of a new cathodic protection system. Corpro Canada was retained to supply and install the new system. The work was completed on June 12th. OCWA operations/maintenance staff began the refilling/disinfection process on June 13th. The tower was returned to service on June 25th.
4. Watech Services Inc. completed an inspection of Cottam Booster Reservoir #1 on June 28th. The inspection report was received on July 8th. The report identified a few minor potential leakage spots that require repair. Quotes have been solicited for the repair.
5. On July 3rd, 2024 UWSS OCWA operations staff received a notice by the laboratory of an adverse water quality result of Total Coliform count of 20 at sample station L-03 in Leamington. Operations staff notified the Windsor Essex

Re: UWSS/13/24 - Status Update of UWSS Operations & Maintenance Activities and Capital Works from June 19th to July 11th, 2024.

- Health Unit and the provinces Spills Action Center (SAC) of the Adverse Water Quality Incident (AWQI). OCWA staff flushed the watermain in the area and resampled. Confirmation was received from the lab on July 6th that samples taken after flushing were “clean”.
6. DiMenna Excavating was retained to complete the clean-out of the south residuals lagoon at the UWSS treatment plant. This work was started on June 5th and completed on July 10th. The pond was returned to service on July 11th. The north pond has been taken out of service since it is close to capacity. The pond will be drained and allowed to dry for a few months so that it can be cleaned out.
 7. On May 31st, UWSS Inc. administration received comments from the Ontario Ministry of Environment, Conservation and Parks (MECP) regarding the Municipal Class Environmental Assessment Study (EAS) for increased treatment plant capacity for the Union Water Supply System. UWSS’ consultant, Associated Engineering, provided a response to the MECP on June 25th, 2024. The revised EAS report was made available for the final 30-day Public Comment period on June 27th, 2024. A notice of the public comment period was posted on the UWSS website and posted in local newspapers. The notice was also shared with the 4 municipal shareholders. The comment period will close on July 27th.

The first chart shows comparative flows for 2020 through 2024 in Mega Litres (ML) and the second chart shows Millions of Imperial Gallons (MIG) for the period January 1st to July 11th, 2024.

	2020	2021	2022	2023	2024
Flow to Date (ML)	9,817.35	10,524.86	10,794.67	11,330.27	12,178.05
Max Day (ML)	97.33	93.83	99.17	108.68	95.08
Min Day (ML)	25.44	26.74	27.58	32.48	33.68
Average Day (ML)	50.87	54.82	56.22	59.01	63.10
No of Days	193	192	192	192	193

	2020	2021	2022	2023	2024
Flow to Date (MG)	2159.56	2315.19	2375.21	2492.35	2678.84
Max Day (MGD)	21.41	20.64	21.81	23.91	20.91
Min Day (MGD)	5.60	5.88	6.07	7.14	7.41
Average Day (MGD)	11.19	12.06	12.37	12.98	13.88
No of Days	193	192	192	192	193

Flows to date are up 847.78 ML (186.49 MIG) or 7.48% from last year. The 2024 flows to date are up 14.7% over the previous 4-year average.

Re: UWSS/13/24 - Status Update of UWSS Operations & Maintenance Activities and
Capital Works from June 19th to July 11th, 2024.

Recommendation:

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

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.

/kmj

UWSS/23/24

To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: July 11, 2024
Re: Nomination for Source Water Protection Committee Representative from UWSS Inc.



Recommendation:

That the UWSS Inc. Board receives this report for information purposes, and

That the UWSS Inc. Board nominates a representative for participation on the Essex Region Source Protection Committee, subject to the representative's approval by the Essex Region Source Protection Authority.

Background:

An Essex Region Source Protection Committee (Essex Region SPC) has been established under the Clean Water Act 2006. The Essex Region SPC is responsible for preparing and maintain a Source Protection Plan for all of the municipal drinking water systems in Essex County, including the UWSS.

The Essex Region SPC consists of (15) members plus a Chair and must include five (5) members representing the municipal sector, five (5) members representing the economic sector (business and agriculture) and five (5) members representing the general community. The municipal representation has been structured to represent as broadly as possible the municipal interests of the entire area. One member is nominated by the UWSS Board to represent the UWSS and its participating municipalities.

The municipal sector representation on the Essex Region SPC has been structured as follows:

City of Windsor	2 members
Lakeshore	1 member
Amherstburg	1 member
Union Water Supply System	1 member

This division is intended to ensure that the municipal owners of the water treatment plants in the Essex Region are represented. In addition, it is intended to ensure representation of the municipalities that could be affected by the Source Protection Plans for each water intake. Accordingly, the UWSS nominee is intended to represent the Town of Essex as well as the UWSS. Essex owns a water treatment plant in Colchester South but does not have direct representation on the Essex Region SPC.

July 11, 2024 - UWSS/23/24

Re: Nomination of UWSS Representative to sit on the Essex Region Source Water Protection Committee

Discussion:

The UWSS has been informed that the current UWSS representative on the Essex Region SPC, Mayor Dennis Rogers, is no longer eligible to be a member of the Essex Region SPC due to his recent appointment to the Essex Region Conservation Authority Board. As such, a new UWSS Inc. representative to the Essex Region SPC is needed.

The following provides details on the role, obligations and recommended qualifications of an SPC member:

Summary of Member Obligations

- Up to a five-year commitment;
- Attendance to 4 annual SPC meetings, as well as possibly additional public meetings or working group sessions during day or evening hours
- Representatives must reside, own property, rent property, be employed or operate a business in the Essex Region Source Protection Area
- Act as a liaison by bringing forward common concerns from their knowledge and experience in their sector to the committee and assist in communicating the committee's work
- Make decisions at the committee table
- Respect confidential information and abide by the process in place to safeguard confidential information

Member Qualifications

- Demonstrated ability to understand source protection science, concepts and technical reports
- Proven ability to act as liaison for the sector(s) being represented
- Problem solving, analytical, communication and organizational skills
- An openness to working together and with representatives from other sectors
- Knowledge of local watershed, community and issues
- Demonstrated ability to work with group dynamics and team environments; conciliatory decision-making skills
- Willingness and ability to travel around the Essex Region
- Has, or is capable of having direct contact with residents and landowners

The procedure for nomination of a UWSS representative to the Essex Region SPC is as follows:

1. The UWSS Board will nominate a representative for recommendation to Essex Region Source Protection Authority (Essex Region SPA) for appointment to the Essex Region SPC.
2. The UWSS Inc. CEO will forward this name to Essex Region SPA with a request to appoint the nominee to the Essex Region SPC.

July 11, 2024 - UWSS/23/24

Re: Nomination of UWSS Representative to sit on the Essex Region Source Water Protection Committee

3. Essex Region SPA will appoint the nominee to the Essex Region SPC.

It should be noted that the UWSS Board can nominate either a UWSS Board Director or staff member to represent UWSS on the Essex Region SPC. Historically, the UWSS representative has been a UWSS Board member.

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.

rb/kmj

UWSS/24/24

To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: July 11, 2024
Re: Supply of Water by UWSS Inc. to Caldwell First Nation



Recommendation

It is recommended as follows:

- a) that Union Water Supply System Inc. (“**UWSS**”) be authorized to enter into a Water, Wastewater and Stormwater Service Agreement (the “**Agreement**”) between Caldwell First Nation (“**CFN**”), the Municipality of Leamington (the “**Municipality**”), and UWSS, which provides for, among other things, the supply, treatment, and transmission of potable water by UWSS with respect to CFN’s infrastructure on the lands at Bevel Line and Seacliff Drive East (the “**Reserve**”) in support of residential development and ancillary administrative, commercial, recreational, and cultural uses (the “**Development**”); and
- b) that the Chief Executive Officer and Chair of the Board be authorized to execute the Agreement.

Background

As the Board is aware, UWSS has an ongoing relationship with CFN and is currently party to a Gas Station Water Service Agreement with CFN’s on-Reserve gas station and convenience store operated by Northwind Business Development GP Inc.

The gas station receives potable water which is supplied, treated, and transmitted by UWSS through the Municipality’s distribution system.

Chief Duckworth of CFN has indicated that the priorities for the Reserve now include: building environmentally sustainable housing for members, and promoting economic development on Reserve land and throughout the region.

As such, UWSS was advised that a service agreement for the procurement of water would be required in order to facilitate the Development of the Reserve.

UWSS is proud to be a supportive partner and collaborator with the Municipality and CFN.

Agreements such as the one being proposed are important steps to help CFN establish their community by developing partnerships that secure the quality of life of Caldwell citizens.

The Agreement

Legal counsel for UWSS, CFN, and the Municipality have worked together over the past year to negotiate the details included in the Agreement.

The Agreement sets out the particulars of the services to be provided by the Municipality and UWSS as well as the terms and conditions related to the provision of the relevant services and the corresponding fees. The draft Agreement is attached to this report as Appendix A.

As mentioned earlier, CFN is constructing the Development and has also been constructing systems for, among other services, the distribution of water (the “**Systems**”). As it applies to UWSS, the Agreement relates to the supply, treatment, and transmission of potable water by UWSS to the Development through the Municipality’s distribution system. As CFN intends to continue the Development on its Reserve land for residential houses and ancillary uses such as administrative, commercial, recreational, and cultural, the Agreement will also apply to and serve future phases of the Development.

The Municipality will act as agent for UWSS for the purposes of collecting UWSS fees for supply, treatment, and transmission of water. The fees charged in connection with the services provided by UWSS are equivalent to the rates and fees established by UWSS for other end users pursuant to the Water Services Agreement entered into between UWSS, the Municipality, and other UWSS municipal shareholders. The rates are to be adjusted annually and as of the date of this Agreement, are as follows:

Metered water (per cubic metre) \$0.7339

The term of the Agreement is fifteen (15) years, which may be extended by CFN for an additional ten (10) years provided that CFN may cancel any service and/or the Agreement as a whole upon thirty (30) days’ notice to the Municipality and UWSS.

UWSS is required to provide notice to CFN of any maintenance, repairs, or changes to the UWSS Water Treatment and Transmission System, that may significantly affect the quantity, quality, or level of service associated with the Agreement.

UWSS will not be required to provide preventative, regular, or emergency maintenance and repairs to the CFN Systems. Such services will be provided to CFN by a third party. Similarly, UWSS will not be required to provide water sampling services. These services will be provided to CFN by a third party and subject to a separate agreement.

Risk Mitigation Strategies

UWSS counsel negotiated the following provisions as risk mitigation strategies on behalf of UWSS:

- UWSS has the right to terminate its involvement in the Agreement on five (5) years notice to the other parties in the event that UWSS undertakes a reorganization that results in UWSS:
 - ceasing to carry on business;
 - selling, transferring, or conveying all or substantially all of its assets; or

- ceasing to supply, treat, and transmit Water to the Municipality.
- UWSS is not obliged to provide the services in respect of the Reserve at a greater level or degree than the level or degree to which the same service is provided elsewhere within the Municipality.
- UWSS makes no special representations nor warranties to CFN that the level or degree of the services provided under this Agreement will be maintained or continued to any particular standard.
- CFN acknowledges and agrees that there may be, on occasion, temporary interruptions or reductions in the level of service, and that UWSS does not warrant or guarantee the continuance or quality of any of the service and shall not be liable for any losses arising from or connected with a temporary interruption or reduction in the level of a service or occurring in connection with the quality or quantity of the services for any reason which is beyond the reasonable control, including without limitation acts of God, forces of nature, soil erosion, landslides, lightning, washouts, floods, storms, serious accidental damage, strikes or lockouts, vandalism, equipment or system malfunction, negligence in the design and supervision or construction of the development systems, or in the manufacture of any materials used therein, and other similar circumstances.
- UWSS counsel included a limitation of liability provision equal to the amount of insurance coverage available to UWSS.
- UWSS will not be liable for any incidental, consequential, special aggravated, exemplary, or punitive damages of another party to the agreement.

Conclusion

We are proud to be a supportive partner of CFN's community development as we continue to facilitate and establish a positive working relationship through Agreements such as this one.

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.

Appendix "A"
Draft Water, Wastewater and Stormwater Agreement

Provided Under Separate Cover