



Union Water Supply System Inc.

Board of Directors Meeting

Wednesday, September 18, 2024
9:00 am

SALON F, Ciociaro Club,
3745 N Talbot Road, Oldcastle, ON

AGENDA

A. Call to Order:

B. Land Acknowledgement

We acknowledge that we are on land and surrounded by water, which was originally inhabited by Indigenous Peoples who had travelled this area since time immemorial.

This territory is honoured by the Wampum Treaties of the Anishinaabe (Ah-nish-in-abay), Haudenosaunee (Ho-den-no-show-nee), Lenni Lenape (Len-nee-Len-ah-pay), and allied Nations, to peacefully share and care for the resources around the Great Lakes, and the waters that we drink. We would like to acknowledge the presence of the Three Fires Confederacy of the Ojibwe (Oh-jeeb-way), Odawa (Ow-da-wah), and Potawatomi (Pow-tuh-wa-tuh-mee) and the Huron/Wendat Peoples. We are dedicated to honouring Indigenous history and culture while remaining committed to moving forward respectfully with all First Nations, Inuit and Métis.

C. Welcoming Remarks

D. Disclosures of Pecuniary Interest:

E. Approval of Minutes:

- Minutes of the UWSS Inc. Board of Directors Meeting held on July 17th, 2024
Pages 3 - 10
- Minutes of the UWSS Inc. Annual General Shareholders Meeting held on
August 14, 2024
Pages 11 - 14
- Minutes of the UWSS Inc. Special Meeting of the Board of Directors held on
August 14, 2024
Pages 15 - 17

F. Business Arising Out of the Minutes**G. Items for Consideration:**

1. UWSS/26/24 dated September 13, 2024
RE: Status Update of UWSS Operations & Maintenance Activities and Capital Works from July 17th to September 13th, 2024
Pages 18 - 21
2. UWSS/27/24 dated July 11th, 2024
Re: Clarifier #4 DAF Retrofit (DAF #2) - Budget Revision
Pages 22 - 23

H. Consent Agenda

That item 1 and 2 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. Special Meeting held on August 14, 2024
Pages 24 - 26
2. Finance & Audit Committee Minutes of meeting held on July 17th, 2024, and August 14th, 2024
Pages 27 - 29

I. New Business:**J. Action Items:****K. Comments, Announcements, and Other Business:****L. Adjournment:****M. Date of Next Meeting:** October 16th, 2024 9:00 am Kingsville Arena

/kmj

**UWSS Inc.
Board of Directors
Meeting**

Wednesday, July 17, 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
 Lori Atkinson
 Tom Kissner
 Sebastian Schmoranz
 John Tofflemire
 Wayne Wharram
 Larry Verbeke

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

Guest William Willis, Willis Business Law - UWSS Legal Counsel

OCWA Staff Robin Trepanier, Dave Jubenville, Dan Comartin

Municipal Staff
Present Erica Allen - Town of Kingsville

Call to Order: 9:00 am

Welcoming Remarks:

The Chair welcomes everyone to the meeting.

Disclosure of Pecuniary Interest: none

Adoption of Board Minutes:**No. UWSS-42-24**

Moved by: Director Schmoranz

Seconded by: Director Verbeke

That the minutes of the Union Water Supply System Inc. Board of Directors meeting held June 19, 2024 are received.

Carried

Business Arising out of Minutes:

None.

Items for Consideration**Report UWSS/22/24 dated June 14th, 2024 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works from June 19th to July 11th**

The CEO welcomes everyone and notes he will highlight some of the more notable items from his report. He wanted to ensure that the directors were aware of the updates on the installations of the back up generators at the water towers. Leamington Water Tower's (LWT) generator installation will be completed next week, Essex Water Tower (EWT) already has a generator, Albuna Water Tower (AWT) requires a special one and will be completed in the Fall, Kingsville's Water Tower (KWT) generator will also be installed in the Fall.

The CEO notes that the KWT was taken out of service on June 9th to allow for the installation of cathodic protection. This water tower was out of service longer than anticipated due to contractor issues. Standard Operating Procedures for these shut-downs will be revised as operations does not like to have this tower out of service this long.

It is noted that there was an Adverse Water Quality Incident (AWQI) on July 3rd, 2024 from a sample station in Leamington. Compliance staff notified the appropriate staff and agencies including the Windsor Essex County Health Unit (WECHU). Operations staff returned to the site, flushed, and resampled. Those new samples came back clear.

The CEO explains that comments were received from the Ministry of Environment on the Environmental Assessment report for the UWSS treatment capacity expansion. The comments have been addressed through our consultant, Associated Engineering. The Notice of Completion was posted on June 27th and will run until July 27th. This has been shared to local newspapers, municipalities and posted online through Union Water's

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website and social media channels. Once the commenting period has passed, we will move forward with preliminary design for the WTP expansion.

The greenhouse demolition continues and most of it has been removed from the site. The CEO is hoping that the geotechnical investigation can determine the subsurface soil and groundwater conditions on site and he notes that Associated Engineering is working with Alberici to obtain and refine cost estimates for the new reservoir.

Flows are noted to still be about 1.5% above expected.

Director Rogers asks for clarification on the cathodic protection for the KWT. The CEO explains that this piece of equipment is designed to prevent internal corrosion of the tank and should last 25 years.

Director St. Amant asks for clarification on the AWQI and wants to know at what point should there be worry when this happens. The CEO explains that this AWQI occurred due to high total coliform, which is most likely caused by a sampling error, however, if the sample was e-coli, then there would be more concern and investigation. He notes that staff work with the WECHU and Spills Action Centre and work under their recommendations.

No. UWSS Inc-43-24

Moved by: Director Schmoranz

Seconded by: Director Atkinson

That report UWSS/22/24 dated July 12th, 2024 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works from June 19th to July 11th, 2024

Carried

Report UWSS/23/24 dated July 11th, 2024 re: Nomination for Source Water Protection Committee Representative from UWSS Inc.

The CEO explains that the UWSS Inc. has a participant on the Essex Region Source Committee, as part of the Clean Water Act 2006. He further explains that Mayor Rogers has been the UWSS representative for the last two (2) years, however, Mayor Rogers can no longer be the representative as he is now part of the Essex Region Conservation Authority Board.

Mayor Rogers notes that a lot of the work has already been completed and really there are only a few meetings a year, in the evening. The CEO asks for a simple show of hands for the those that might be interested. The CEO further explains that if no one volunteers he will assume the position if the members feel that is appropriate.

Director DeYong nominates the CEO to represent UWSS Inc. on the Essex Region Source Protection Committee.

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Director Tofflemire seconds the nomination of the CEO. The CEO accepts the nomination.

No. UWSS-44-24

Moved by: Director DeYong

Seconded by: Director Tofflemire

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

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

Carried

Carried

Report UWSS/24/24 dated July 11, 2024 re: Supply of Water by UWSS Inc. to Caldwell First Nation

The CEO explains that William Willis, legal counsel, might be best to explain this arrangement as he has been leading this initiative with Caldwell First Nation (CFN). Mr. Willis explains a bit of history of this agreement and that it was initiated back in early 2023. After lengthy negotiations back and forth there is now an agreement in place. He assumes everyone has had an opportunity to review said agreement.

Mr. Willis explains a few key items; namely that UWSS Inc.'s roll is limited to treatment, supply, and transmission of water, which is no different than any other end user. He reminds members that an agreement already exists with CFN for supply of water for the gas station on the reserve.

He notes that Leamington will continue to collect revenue from this agreement, and the same rates apply to the CFN as any other end user. This is also a 15 year agreement, with the option of a 10 year extension to the agreement. UWSS Inc. would have to provide five (5) years notice if we were to stop providing water through Leamington for this purpose. CFN has the option to terminate with 30 days notice if they so choose.

Mr. Willis further explains that UWSS Inc. is not responsible for anything on CFN land, including sampling. OCWA representative notes that OCWA will be assisting with the testing/sampling on the reserve, and OCWA has established a five (5) year contract for these services.

Director St. Amant asks why UWSS Inc. is part of the agreement, if the water is funneling through Leamington connections. Mr. Willis explains as part of the government business entity UWSS Inc. is required to have a direct connection to end users. He confirms no additional costs are incurred by UWSS Inc., other than to prepare the agreement.

Director Rogers feels that this is a good news story and Chair MacDonald notes that the CFN have contracts with other services as they are a nation unto themselves.

There is a basic discussion as to whether there is a capacity issues for all of the homes expected to be built on the reserve. The CEO does not feel the water use for the additional homes being built will affect flows.

Director Atkinson indicates that UWSS Inc. Board Meetings should have a land acknowledgement, which the CEO indicates it is something that has been overlooked but will be acknowledged going forward.

No. UWSS-45-24

Moved by: Director Rogers

Seconded by: Director Walstedt

It is recommended that:

- 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

Carried

Director Walstedt asks to be heard. He asks for reconsideration on the earlier motion regarding representation on the Essex Region Source Protection Committee.

No. UWSS-46-24

Moved by: Director DeYong

Seconded by: Director Tofflemire

That the previous motion No. UWSS-44-24 is reconsidered.

Carried

No. UWSS-47-24

Moved by: Director St. Amant

Seconded by: Director Rogers

That Director Walstedt is appointed to the position of UWSS Inc. representative on the Essex Region Source Water Protection committee.

Carried

The CEO then introduces Sabrina Nazzani, from Capital Assist Valuation, who is the UWSS Inc's CFO. He then asks for permission to allow Ms. Nazzani to remain during the closed session as the matter is financial in nature.

No. UWSS-48-24

Moved by: Director Verbeke

Seconded by: Director Atkinson

That Ms. Nazzani, the UWSS's Inc.'s, CFO is permitted to stay during the closed session, as the matter being discussed is financial in nature.

Carried

TIME: 9:36 am

Special Closed Meeting of the UWSS Joint Board of Management

No. C-UWSS Inc -07-24

Moved by: Director Wharram

Seconded by: Director Kissner

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.

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The CEO provides the members with a verbal update on the financing proposals from institutions to fund UWSS Inc. capital works program. He then allows legal counsel, William Willis, to take over.

Mr. Willis notes that this information has been reviewed and seen through multiple drafts and reviews the terms of the financing. He reviews the final letter received from the financial institution and there is a discussion on how to proceed. The directors conclude that this item should be reviewed by the Finance & Audit Committee prior to making any decisions.

Adjournment of Special Closed Meeting

No. C-UWSS Inc.-08-24

Moved by: Director DeYong

Seconded by: Director Verbeke

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.

The CEO receives directions from the Directors to set up a meeting with the Finance and Audit Committee to review the letter of commitment from the Financial Institution that is willing to provide capital funding for several capital improvement projects.

New Business:

Director DeYong asks for clarification on the potential new capacity and the ongoing moratorium on larger service applications. The CEO clarifies that the new capacity will allow for better management of the system, currently water demand is manageable, as the greenhouse growing seasons seems to have shifted. He also notes that the system works better as DAF #1 is running smoothly.

The CEO indicates that the Annual General Meeting still needs to take place prior to the beginning of September. He is proposing August 14th for the Shareholders meeting, with a quick Directors meeting to take place immediately after. He explains that it was supposed to take place this morning, but not all member municipalities had their representative ready to attend.

No. UWSS-49-24

Moved by: Director DeYong

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Seconded by: Director Schmoranz

That the Board of Directors schedule the Annual General Shareholder Meeting for August 14th, 2024 at 9 am.

Comments, Announcements, and Other Business

The CEO thanks Director Walstedt for taking over the position on Essex Region Source Protection Committee. He does note that UWSS Inc. is in the process of hiring more staff.

Adjournment:

No. UWSS-50-24

Moved by: Director Atkinson

Seconded by: Director Walstedt

Time adjourned: 10:11 am

Date of Next Meeting: August 14th, 2024, Kingsville Arena - 9:00 am.

/kmj

UWSS Inc.

Board of Directors

Shareholders Meeting

Wednesday, August 14, 2024

9:00 am

Kingsville Arena, 1741 Jasperson



MINUTES

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

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
 Sabrina Nazzani, Capital Assist (Valuation) Inc. - CFO
 Patrick Ouellette, Kaitlin D'Aversa - Baker Tilly Trillium LLP -
 Auditors

Municipal Staff
Present Ryan McLeod, Shaun Martinho - Town of Kingsville

Call to Order: 9:14 am

Welcoming Remarks:

Appointment of Auditor

Report of the Auditor and Approval of Annual Financial Statements

Report UWSS SH/01/24

The CEO welcomes everyone to the first Annual Shareholder Meeting of the Union Water Supply System Inc. (UWSS). He introduces the auditors from Baker Tilly, of the

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Date: August 14, 2024

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Leamington office, Patrick Ouellette and Kaitlin D'Aversa. He also notes that Director Walstedt is appearing via Teams as proxy for the Municipality of Leamington. Representing proxy for the Municipality of Leamington is Mayor MacDonald, representing proxy for the Town of Kingsville, is Finance Director Ryan McLeod, and representing the Town of Essex is Mayor Bondy.

The CEO asks for a motion to allow the firm of Baker Tilly LLP to act as auditors for UWSS Inc. for the next year.

No. UWSS-SH-01-24

Moved by: Proxy Bondy

Seconded by: Proxy Walstedt

That the firm of Baker Tilly Trillium LLP, Leamington office, are confirmed as auditors for the Union Water Supply System Inc. for the next year.

Carried

Mr. Ouellette then speaks to the Directors noting that the financial statements for UWSS Inc. for 2023 really did not have much activity. He notes that as this was the transition year the financial activity was still occurring under the Joint Board of Management. However, these financial statements need to be presented and approved for consistent record keeping.

No. UWSS-SH-02-24

Moved by: Proxy Bondy

Seconded by: Proxy McLeod

That the UWSS Inc. Shareholders approves the financial information for UWSS Inc. for 2023.

Carried

Items for Consideration**Dividend Policy UWSS F02**

The CEO explains that the Dividend Policy was provided in the package for the director's review and consideration. This item is required under the Ontario Business Corporation Act. He reminds members that no dividends are provided to the shareholders, rather any money is put back into the corporation.

No. UWSS-SH-03-24

Moved by: Proxy Bondy

Seconded by: Proxy Walstedt

That the UWSS Inc. Dividend Policy F02 dated September 14, 2024 is approved.

Carried.

Comments, Announcements, and Other Business

Proxy McLeod asks the Shareholders if his colleague, Shaun Martinho, might have a few minutes of time to address the members.

Mr. Martinho speaks to the members noting that several things have come up within the water distribution system as of late and he wanted to ensure members were aware. He explains that there have been several watermain breaks over the course of the summer within the Town of Kingsville and normally the repairs are completed in house by town staff, along with outside contractors. He notes that this has worked well in the past, however, he has heard that UWSS Inc. is considering bringing a distribution team in house. He feels that this does not make sense to hire and train new staff, as well as purchase new equipment, when the system has been working well.

Proxy McLeod then asks for some clarification on the water services agreement and explains that each municipality should be responsible for their own water losses. He feels that having one rate for water loss might not be fair to all four (4) municipalities. The CEO explains that this item is definitely on his radar and there is some work to do to determine the best course of action in determining water losses.

The Chair explains that she will entertain a motion to receive these verbal notifications, however, she feels that this information is better suited in open session of a regular meeting of the Board of Directors and not a shareholders meeting.

No. UWSS-SH-04-24

Moved by: Proxy Bondy

Seconded by: Proxy Walstedt.

That the verbal information provided by both Shaun Martinho and Ryan McLeod be received.

Carried

Adjournment:

No. UWSS-SH-05-24

Moved by: Proxy Bondy

Seconded by: Proxy McLeod

Time adjourned: 9:28 am

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

/kmj



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UWSS Inc.
Board of Directors
Special Meeting

Wednesday, August 14, 2024
9:00 am
Kingsville Arena, 1741 Jasperson

MINUTES

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

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

Call to Order: 9:35 am

Welcoming Remarks:

The Chair welcomes everyone to the meeting.

Disclosure of Pecuniary Interest: none

Items for Consideration**Report UWSS/25/24 dated August 9, 2024 re: Proposed WFCU Financing**

The CEO hopes that all members have now had a chance to thoroughly review and consider the WFCU Financing report. He reminds them that this has been before them previously.

Legal counsel, William Willis, takes over. He explains that the commitment letter from WFCU, as well as the agreement have been reviewed. He also explains that the UWSS Inc. Finance & Audit Committee have also reviewed this information and recommended approval of the WFCU Financing.

He further explains that the financing is a \$60 million line of credit, that will be converted to a loan once the projects associated with this funding are completed.

The CEO reads the entire resolution out loud to the Directors.

No. UWSS-51-24

Moved by: Director Rogers

Seconded by: Director St. Amant

BE IT RESOLVED THAT:

1. Union Water Supply System Inc. (the "Corporation") is hereby authorized to borrow from, and incur other obligations to Windsor Family Credit Union Limited (the "Lender") and to perform all its obligations pursuant to each of the documents referred to in this resolution.
2. The Corporation is authorized to accept the commitment letter issued by the Lender on or about July 17, 2024 (the "Commitment Letter") providing for the establishment of certain credit facilities (the "Credit Facilities") by the Lender for the Corporation in the maximum aggregate principal amount of \$60,030,000.00.
3. The Corporation is hereby authorized to execute and deliver a Common Terms Intercreditor Agreement (the "CTIA") between the Corporation and each lender and hedge provider with whom the Corporation has outstanding credit facilities from time to time, whether drawn upon or not.
4. The Corporation is hereby authorized to execute and deliver to the Lender the following:
 - (a) the Commitment Letter;
 - (b) the CTIA;
 - (c) the "Security to be Provided" as set out in the Commitment Letter;
 - (d) any other documentation, agreements or instruments requested by the Lender and/or its appointed legal counsel in connection with the Commitment Letter and/or the Credit Facilities.

5. Each of the documents referred to in this resolution shall be in a form approved by the Chief Executive Officer and/or any other officer of the Corporation and the execution by the Chief Executive Officer and/or any other officer of the Corporation of such document shall be conclusive evidence of such officer's approval of the form of such document.
6. Each of the officers of the Corporation is hereby authorized for and on behalf of the Corporation to execute alone and deliver to the Lender each of the documents referred to in this resolution and all such other agreements, instruments and documents as may be necessary or desirable to give effect to this resolution, or in connection with the performance by the Corporation of its obligations pursuant to any of the documents referred to in this resolution, or as may otherwise be required by the Lender from time to time.
7. Each of the officers of the Corporation is hereby authorized to do all such other acts and things as may be necessary or desirable to give effect to this resolution, or in connection with the performance by the Corporation of its obligations pursuant to any of the documents referred to in this resolution, or as may otherwise be required by the Lender from time to time.
8. The execution and delivery of any other agreements, instruments or documents ancillary or incidental to the documents referred to in this resolution which may have been executed or delivered prior to the enactment of this resolution, regardless of the officer or other employee of the Corporation who executed such agreement, instrument or document, and regardless of any informality in such execution or delivery, are hereby ratified, approved and confirmed in all respects.

Carried

Director Tofflemire asks the record to reflect that the UWSS Inc. Finance & Audit Committee has had an opportunity to review and approve this item. The CEO and William Willis confirm such. Chair of Finance & Audit Committee, Director Rogers, indicates that a lot of review, thought, questions went into this item at the committee level, and there was unanimous approval.

Adjournment:

No. UWSS-52-24

Moved by: Director Verbeke

Seconded by: Director DeYong

Time adjourned: 9:45 am

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

To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: September 13th, 2024
Re: Status Update of UWSS Operations & Maintenance
Activities and Capital Works from July 17th to September 13th, 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 July 17th, 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. Watech Services Inc. completed an inspection of Cottam Booster Reservoir Cell #1 and Cell #2 on June 28th. The inspection report was received on July 8th. The report identified a few leakage spots that require repair. Quotes were solicited for the repair. Watech was retained to undertake this work. Repairs were completed on July 30th, 2024.
2. On July 25th, 2024, two water main breaks occurred on the 12-inch "common" main on County Rd. 34 that supplies Cottam Booster Station and related service area. The breaks occurred at 236 County Rd. 34 & 279 County Rd. 34. In consultation with Windsor Essex County Health Unit, a precautionary Boil Water Advisory (BWA) was issued on Thursday July 25 for the area of 163 County Rd. 34 to 319 County Rd. 34. Repairs were completed by Town of Kingsville water distribution staff. The BWA was rescinded on Monday July 29 after receiving 2 sets of clean bacti samples.
3. On July 29th, Operations staff turned on the filter aid system to improve filter operations. This is typical for late summer to address raw water conditions such as warm water temperature, elevated pH, and presence of algae.
4. On July 29th, Operations staff locked out high lift pump #5 as a result of a faulty check valve. A replacement valve was ordered, installed and the pump returned to service during the week of August 19th.
5. On July 31st, during bi-weekly boundary meter flow readings, it was noted that Meter #29 had stopped working. This meter is one of 6 meters used to calculate treated water demand to the Leamington service area. Flowmetrix was on-site on August 6th to complete repairs to the meter.

Re: UWSS/26/24 - Status Update of UWSS Operations & Maintenance Activities and Capital Works from July 17th to September 13th, 2024.

6. On August 2nd, a water main break was noted in the vicinity of 396 County Rd. 34. Repairs were completed that day by Town of Kingsville staff. Another water main break occurred on this line on August 3rd; this time in the vicinity of County Rd. 34 and Division Road. Repairs were completed that day by Town of Kingsville staff.
7. Watech Services was retained to complete a regular inspection on Low Lift intake #1. The inspection occurred on August 21st. The inspection report noted that the intake bell had been damaged and separated from the pipe. It is unknown what caused the damage. Watech has been retained to complete the repairs, which will occur in late September-early October when water demand decreases and the intake can be shut down for repairs.
8. On August 26th, operations staff noted that Clarifier #4 blow off valve actuator had failed. A replacement actuator was available on-site and repairs were completed on the same day.
9. On September 4th, operations staff noted issues with low lift pump #2. Maintenance observed that the power supply for the pump had failed. Spare components were available on site and the repairs were completed within the day.
10. On September 12th, maintenance staff replaced the actuator for filter #7B. This actuator had been noted by operations staff to be malfunctioning the week prior.
11. Intertek - SAI Global conducted an audit of Union Water Supply System on September 6, 2024, to the Drinking Water Quality Management Standard. The 24 Month Surveillance Audit report was issued on September 11th, 2024. The report indicated that there were no non-conformances or opportunities for improvements identified in the audit.
12. Automation work for the Cottam Booster pumping station has been completed. Testing of the system was initiated during the week of August 19th and improvements were made during testing. The system is now fully operational.
13. During the last 6 weeks, testing of UWSS raw and treated water for microcystin has noted low levels of microcystin in raw water samples that are collected on a weekly basis for this purpose. No detections have been noted in treated water samples.
14. On August 19th, 2024, UWSS Inc. administration received comments from the Ontario Ministry of Citizenship and Multiculturalism (MCM) regarding the Municipal Class Environmental Assessment Study (EAS) for increased treatment plant capacity for the Union Water Supply System. These comments were received after the close of the final 30-day comment period which ended July 27th, 2024. However, UWSS Inc. administration and UWSS' consultant, Associated Engineering, thought it best to address these comments. The MCM comments were minor and have basically been addressed by the Consultant. The EA is now considered closed.

Re: UWSS/26/24 - Status Update of UWSS Operations & Maintenance Activities and Capital Works from July 17th to September 13th, 2024.

15. UWSS Inc. has retained Associated Engineering to design a dechlorination system to address the on-going non-compliance issue with low level chlorinated water discharging from the residuals lagoon to Lake Erie via UWSS stormwater management system. This non-compliance resulted from a recent regulation imposed Department of Fisheries and Oceans Canada (DFO) and enforced by Ontario Ministry of Environment Compliance and Parks (MECP) through the Municipal Drinking Water License program. The dechlorination system will be installed in an unused section of the former ammonia/chloramination building. The goal is to have the system in operation by February 2025.

16. Good progress is being made on the reservoir #3 project. UWSS Inc.'s engineering consultant (Associated Engineering) and Construction Management Advisor (Alberici Constructors) are working as team with UWSS Inc. administration and OCWA operations staff on the detailed design for the reservoir. Further, Alberici has been retained as Construction Manager at Risk to complete some preliminary work in preparation for the reservoir, including removal of the greenhouse infrastructure, demolition of the warehouse associated with the greenhouse, installation of security fencing around the property and completion of additional geotechnical investigation to inform the detailed design and assess soil and groundwater conditions for construction/excavation purposes. It is anticipated that excavation works will begin in late October and that detailed design will be completed in late November. It should be noted that the reservoir piping and lift station is being designed to accommodate the future filtration building (planned for expansion of treatment capacity) and future UV disinfection system.

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 September 12th, 2024.

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------|-----------|-----------|-----------|-----------|-----------|
| Flow to Date (ML) | 14,354.48 | 14,998.17 | 15,570.10 | 15,663.19 | 16,934.52 |
| 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) | 56.07 | 58.82 | 61.06 | 61.42 | 66.15 |
| No of Days | 256 | 255 | 255 | 255 | 256 |

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------|---------|---------|---------|---------|---------|
| Flow to Date (MG) | 3157.61 | 3300.54 | 3425.68 | 3445.47 | 3725.13 |
| 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) | 12.33 | 12.94 | 13.43 | 13.53 | 14.55 |
| No of Days | 256 | 255 | 255 | 255 | 256 |

Flows to date are up 1271.33 ML (279.66 MIG) or 8.1% from last year. The 2024 flows to date are up 11.8% over the previous 4-year average.

Re: UWSS/26/24 - Status Update of UWSS Operations & Maintenance Activities and
Capital Works from July 17th to September 13th, 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

To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: September 12, 2024
Re: Clarifier #4 DAF Retrofit (DAF#2) - Budget Revision



Recommendation:

That the Union Water Supply System Board of Directors (Board) receives this report for information;

And further, that the Board approves a total budget of \$7.5 million for the retrofit of Clarifier #4 with a dissolved air flotation system (DAF).

Background:

As part of the Union Water Supply System (UWSS) Water Quality Master Plan (WQMP) in 2017, the pre-treatment processes (including the clarification process) were identified as the primary limiting process at the Ruthven WTP. After performing a triple bottom line (TBL) and risk evaluation as part of the Water Quality Master Plan, DAF was identified as the preferred clarification alternative.

The first retrofit project, know as Dissolved Air Flotation (DAF) #1, involved retrofitting Clarifier #2 into a DAF system. This work completed in 2022. Since this was a unique design, a number of improvements were made during the contract warranty period that extended to December 2023. The DAF #1 has been in operation since October 2023 and, apart from some warranty repairs and improvements, there have been no significant issues identified with operating the system. The DAF #1 performance has been within design specifications and has significantly improved clarification process at the Ruthven Water Treatment Plant.

As per the 2017 UWSS Water Quality Master Plan, it is intended that two (2) or more existing clarifiers at the Ruthven Water Treatment Plant would be retrofitted with DAF units. The new building that was constructed to house DAF #1 dissolution skid, controls and electrical equipment was sized to allow for installation of needed equipment for a second DAF unit. The nearest clarifier to the DAF #1 and DAF equipment building is Clarifier #4.

In April 2024, UWSS Inc. retained AE to provide Design, Engineering and Project Management Services for the retrofit of Clarifier #4 with a Dissolved Air Flotation (DAF) system. AE was also the design engineer for DAF #1.

Further, through a competitive process, UWSS Inc. retained Alberici Constructors Inc. in April 2024 to provide Construction Management Advisor and Construction Manager at Risk (CMA/CMAR) services for various UWSS Inc. projects including the DAF #2 project. Through consultation with Associated Engineering and Alberici, it was identified that cost benefits would be achieved by using the same DAF supplier, Napier-Reid Ltd, to supply

Re: UWSS/27/24 - Clarifier #4 DAF Retrofit (DAF#2) - Budget Revision

the equipment for DAF #2 as was used for DAF #1. The DAF #2 system would be an improved version of the one supplied for DAF #1.

Discussion:

As part of the 2024 UWSS Budget approval, a budget of \$3.75 million was approved by the UWSS Board of Directors for the conversion of Clarifier #4 into DAF #2. The DAF #2 project is a multi-year project and the \$3.75 million budget for 2024 is part of a total budget of \$7.5 million that was established for this work.

Based on the design proposed DAF #2, which includes a number of improvements and additions over DAF #1, Napier-Reid's cost estimate for fabrication and supply of the DAF system is \$4,373,000. This cost estimate has been reviewed by Alberici as the CMA and also by Associated Engineering as the project engineer. This cost estimate exceeds the approved 2024 budget of \$3.75 million for DAF#2. It also noted that the cost estimate for DAF supply is not inclusive of the following activities:

- Removal of existing upflow clarification system components
- Modification of concrete clarifier tank to accommodate the DAF system
- Modification of clarifier dome to accommodate the DAF system

It is noted that the schedule for completing DAF #2 work is aggressive. Clarifier #4 will be taken out of service by the first week of October 2024 and construction activities will commence in mid-October. The goal is to have the retrofit completed by April 2025 so that the DAF#2 can be tested and put into operation in May 2025. For this to occur, the DAF system needs to be fabricated with final components shipped to site by early March 2025. Based on this timeline, Alberici and Napier-Reid have indicated that they will require approval to start fabrication of the DAF before the end of September 2024.

Financial Impact:

Since the cost estimate for the fabrication/supply of the DAF system alone exceeds the approved 2024 budget for this work, and that UWSS Inc. administration cannot issue a PO for this work without having the required Board approved budget, it is recommended that the Board approves the full budget of \$7.5 million that has been established for this work.

Sufficient funds are available in UWSS accounts/reserves to account for this budget increase.

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.

/kmj



**UWSS Inc.
Finance & Audit
Committee
Meeting**

Wednesday, July 17, 2024
10:25 am
Kingsville Arena, 1741 Jasperson

MINUTES

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

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

Guest William Willis, Willis Business Law - UWSS Legal Counsel
 Sabrina Nazzani, CPA, CA Capital Assist Valuation

Call to Order: 10:25 am

Welcoming Remarks:

Chair Rogers calls the meeting to order.

Previous Meeting Recap

Chair Rogers reviews the previous meeting discussions. It is noted that the recording secretary should take more official minutes and going forward these will be presented to this group and brought to the Board of Directors meeting.

Business to Discuss

Chair Rogers starts the discussion with the open format regarding lending and borrowing money for UWSS Inc. Ms. Nazzani indicates that there is a draft commitment letter from the lending financial institution but not a formal agreement. There is a brief discussion on the Facility #1 and #2 and how that will be rolled into the final Facility #3. She indicates that working reserves should remain as they are, and new capital should be outside of the current reserves. All of this will be monitored.

Director St. Amant asks for clarification regarding the Financial Covenants of the commitment letter. Ms. Nazzani provides an explanation and there should be a bit of cleaning up of the language prior to the agreement.

Director Atkinson asks for clarification as to why the financial institution requires a letter of credit for the pension service for the UWSS Inc. employees. The CEO explains that this was a requirement for the pension services with a minimum of \$1.5 million in credit.

There is then a discussion on the capital reserves, the debt service ratio and the rate structure. The CEO notes that PwC has already built the potential loans (for capital works) into the water rates going forward, so there is no rate shock to the community.

It is then noted that UWSS Inc. should take advantage of “prepayment” option, if possible, to pay down any capital loan as quickly as possible.

Chair Rogers then ask the members what financial items they consider important to discuss on this committee. Director St. Amant wants to know what type of interest rate UWSS Inc. is earning at the bank. The CEO notes that currently the rate is very low, however, the financial institution assures him that they are in the middle of review and the new rates should be on par with local rates and will be back dated. There will be an update on this shortly.

The CEO explains that he has shared the old investment policy with this group, but clearly this needs to be reviewed and updated and he hopes this committee will work on this item.

Chair Rogers suggests that eventually this committee will meet quarterly. The next meeting is scheduled for September 5th at 9 am at the Ruthven Water Treatment Plant. The CEO is to reach out to the municipalities to determine if any or all would like to send a representative to participate in this meeting.

Director Wharram would like to see financial statements and updated balance sheet presented. Director Kissner agrees and would like to see actual budget performance. The CEO notes that the municipalities do the billing on our behalf, and we do not have actuals until they report on water loss. We may eventually get to quarterly reporting on this. There is a discussion on when and how the flow numbers will be trued up for financial reporting. The CEO notes that this will most likely not be until February 2025.

Director Wharram then asks the CEO what he expects from this committee. The CEO explains that he is looking for guidance on items such as reaching out to Investment Ontario, Canada Infrastructure Bank, any opportunities that perhaps the CEO might not be aware of, and assistance with investment policies.

The CEO receives direction to amend the agenda to provide space for the CFO to provide a report, if necessary. There is also a discussion regarding timing of the yearly financial statements. The CEO notes that the 2023 UWSS Financial Statements are in draft form, but have not been signed off on, he expects this shortly.

No. **Fin & Audit-01-24**

Moved by: **Director Atkinson**

Seconded by: **Director Wharram**

The Finance & Audit Committee receives the commitment letter from the financial institution for financing for UWSS Inc.;

And that, the Finance & Audit Committee provides direction to administration to make changes to the commitment letter in anticipation of this becoming an agreement. The CEO will report back to committee members.

Carried

Adjournment:

Moved by: **Director St. Amant**

Seconded by: **Director Atkinson**

Time adjourned: **11:29 am**

Date of Next Meeting: August 14th, 2024, Kingsville Arena - 8:30 am.

/kmj



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**UWSS Inc.
Finance & Audit
Committee
Meeting**

Wednesday, August 14, 2024
8:30 am
Kingsville Arena, 1741 Jasperson

MINUTES

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

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

Guest William Willis, Willis Business Law - UWSS Legal Counsel
 Sabrina Nazzani, CPA, CA Capital Assist Valuation

Call to Order: 8:30 am

Welcoming Remarks:

Chair Rogers calls the meeting to order at 8:30 am 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 July 17th, 2024.

No. FAC-03-24

Moved by: Director Atkinson

Seconded by: Director St. Amant

The minutes of the UWSS Inc. Finance & Audit Committee, from the meeting of July 17th, 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

Chair Rogers asks the CEO to speak regarding the banking information that members are looking for clarification on. The CEO explains that since the last meeting he had spoken to and confirmed that UWSS Inc. will be receiving a 5.45% interest rate on the bank account. He also confirms that this rate is back dated to January 2024 when UWSS Inc. initially opened their accounts with WFCU.

The CEO notes that he will be working with the CFO, Sabrina Nazzani, to populate the reserves appropriately. Director Atkinson asks for clarification on the amount of money sitting in the general account. The CEO confirms the balance.

The Chair then asks the CEO to move on to the credit review item on the agenda. The CEO indicates that this is an item that should be familiar to all parties and should be consistent with what we have seen over the last several months. William Willis, legal counsel, indicates that he addressed the committee's previous concerns and worked with WFCU to ensure that all the details are consistent with what the Directors were looking for. He notes that WFCU had their legal counsel review this document as well. There are a few small items that still need to be addressed, but once the Terms and Conditions are signed then the final document can be processed.

Mr. Willis confirms that Board Chair MacDonald and CEO, Rodney Bouchard, are the principals on this item. Director DeYong is also identified as an officer as well.

The Directors ask for clarification on who is the signing officers of UWSS Inc. The CEO also confirms that it will require two (2) officers to sign for use of the credit, just the same as signing any cheques or approving payments, transfers etc.

Mr. Willis asks that there is a motion to recommend approval of commitment letter to be brought by the UWSS Inc. Board.

No. FAC-04-24

Moved by: Director St. Amant

Seconded by: Director Atkinson

The Finance & Audit Committee receives the commitment letter from the financial institution for financing for UWSS Inc.;

And that, the Finance & Audit Committee recommend approval of the commitment letter to be brought forward to the UWSS Inc. Board of Directors.

Carried

Director Wharram asks if there has been any movement on the UWSS Inc. review and amendment to the Investment Policy. The CEO is hopeful that this item can be worked on just after Labour Day and ready for review at the next Finance and Audit Committee meeting.

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

Date: August 14, 2024

Page 3

The CEO notes that once the Common Terms and Conditions have been signed he will provide the committee with a copy.

Director Wharram asks the CEO when he plans on starting on the 2025 UWSS Inc. Budget. The CEO expects that budgets will start in October and confirms that the Finance & Audit Committee will be involved in the process. Chair Rogers asks that the committee remain updated on budget timelines and any changes that may occur. The CEO confirms that he will keep the group involved.

Adjournment:

No. FAC-05-24

Moved by: Director Wharram

Seconded by: Director St. Amant

Time adjourned: 8:51 am

Date of Next Meeting: September 5, 2024, 9:00 am, Ruthven Water Treatment Plant, 1615 Union Ave

/kmj