

Agenda

Elgin Area Primary Water Supply System

Joint Board of Management

2nd Meeting of the Elgin Area Primary Water Supply System Joint Board of Management

March 4, 2021, 5:00 PM

Virtual Meeting - during the COVID-19 Emergency

City Hall is open to the public, with reduced capacity and physical distancing requirements.

	Pages
1. Call to Order	
1.1. Disclosures of Pecuniary Interest	
2. Adoption of Minutes	
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3. Consent Items	
3.1. Kelly Scherr, Chief Administrative Officer - Quarterly Compliance Report (4th Quarter 2020: October - December)	8
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5. Deferred Matters/Additional Business

6. Upcoming Meeting Dates

June 3, 2021

October 7, 2021

December 2, 2021

7. Adjournment

Elgin Area Primary Water Supply System Report

The 1st Meeting of the Elgin Area Primary Water Supply System Joint Board of Management
December 3, 2020

Attendance: Meeting held remotely on Thursday, October 8, 2020, commencing at 5:00 PM.

PRESENT: P. Barbour (Chair), G. Clarke, D. Crevits, S. Hillier, R. Monteith, S. Peters M. van Holst and S. Wookey and J. Bunn (Committee Clerk)

ALSO PRESENT: R. Aycock, T. Corneil, A. Drouillard, A. Henry and K. Scherr

1. Call to Order

1.1 Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

1.2 Election of Chair and Vice Chair for the term ending November 30, 2022

PETERS AND VAN HOLST

That P. Barbour BE ELECTED Chair, for the term ending November 30, 2022. CARRIED

Motion Passed

VAN HOLST AND HILLIER

That M. van Holst BE ELECTED Vice Chair, for the term ending November 30, 2022. CARRIED

Motion Passed

2. Adoption of Minutes

2.1 Minutes of the 4th Meeting held on Thursday, October 8, 2020

PETERS AND HILLIER

That the minutes of the 4th meeting of the Elgin Area Primary Water Supply System Joint Board of Management, from the meeting held on October 8, 2020, **BE NOTED AND FILED. CARRIED**

Motion Passed

3. Consent Items

3.1 Quarterly Compliance Report (3rd Quarter 2020: July - September)

HILLIER AND WOOKEY

That, on the recommendation of the Chief Administrative Officer, the report dated December 3, 2020, with respect to the general, regulatory and contractual obligations of the Elgin Area Primary Water Supply System, for July to September 2020, **BE RECEIVED. CARRIED**

Motion Passed

3.2 Environmental Management System and Quality Management System

HILLIER AND WOOKEY

That, on the recommendation of the Chief Administrative Officer, the report dated December 3, 2020, with respect to the Environmental Management System and Quality Management System for the Elgin Area Primary Water Supply System, **BE RECEIVED. CARRIED**

Motion Passed

3.3 Quarterly Operating Financial Status Report - 3rd Quarter 2020

HILLIER AND WOOKEY

That, on the recommendation of the Chief Administrative Officer, the report dated December 3, 2020, with respect to the Quarterly Operating Financial Status of the Elgin Area Water Supply System, **BE RECEIVED. CARRIED**

Motion Passed

3.4 Cyber Security

HILLIER AND WOOKEY

That, on the recommendation of the Chief Administrative Officer, the report dated December 3, 2020, with respect to the Cyber Security program for the Elgin Area Primary Water Supply System, **BE RECEIVED. CARRIED**

Motion Passed

3.5 Letter of Resignation

HILLIER AND WOOKEY

That the letter of resignation from the Elgin Area Primary Water Supply System Joint Board of Management, dated October 16, 2020, from S. Lewis, **BE RECEIVED. CARRIED**

Motion Passed

4. Items for Discussion

4.1 2020 Strategic Plan

HILLIER AND MONTEITH

That, on the recommendation of the Chief Administrative Officer, the report dated December 3, 2020, with respect to the 2020 Strategic Plan for the Elgin Area Water Supply System, **BE RECEIVED**; it being noted that Board Members are encouraged to provide comments on the proposed Areas of Focus and Draft Strategic Initiatives and participate in the upcoming virtual Stakeholder Engagement sessions. **CARRIED**

Motion Passed

4.2 Asset Management Maturity Assessment and Roadmap

PETERS AND HILLIER

That, on the recommendation of the Chief Administrative Officer, the report dated December 3, 2020, with respect to the Asset Management Maturity Assessment and Roadmap, **BE RECEIVED. CARRIED**

Motion Passed

4.3 Elgin-Middlesex Pump Station Ownership Reconciliation

MONTEITH AND WOOKEY

That, on the recommendation of the Chief Administrative Officer, the Board Chair and the Chief Administrative Officer **BE AUTHORIZED** by the Board of Management for the Elgin Area Primary Water Supply System to execute a Joint Occupancy and Use Agreement with the City of London, the St. Thomas Secondary Water System and the Aylmer Secondary Water System, substantially in the form appended to the report dated December 3, 2020, with respect to the ownership of the common pumping station building and related building services at the Elgin Terminal Reservoir site. **CARRIED**

Motion Passed

4.4 Proposed Adjustment to By-law 1.3

VAN HOLST AND WOOKEY

That staff **BE DIRECTED** to investigate options for amending By-law 1.3 to ensure that every benefiting municipality within the Elgin Area Primary Water Supply System has the opportunity to appoint Members or Alternate Members to the Board of Management for the Elgin Area Water Supply System and report back at a future meeting; it being noted that the communication, dated November 23, 2020, from H. Bouw, Clerk, Municipality of Dutton Dunwich, was received with respect to this matter. **CARRIED**

Motion Passed

5. **Deferred Matters/Additional Business**

None.

6. Next Meeting Date

March 4, 2021

7. Adjournment

The meeting adjourned at 5:55 PM.

To: Chair and Members, Board of Management
Elgin Area Primary Water Supply System

From: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Subject: Quarterly Compliance Report (4th Quarter 2020: October - December)

RECOMMENDATION

That the Quarterly Compliance report with respect to the general, regulatory and contractual obligations of the Elgin Area Primary Water Supply System **BE RECEIVED** for the information of the Board of Management; it being noted that there were no Adverse Water Quality Incidents reported in the 4th quarter of 2020.

EXECUTIVE SUMMARY

Since the previous report to the Board, there are no new regulatory changes that may significantly impact the Elgin Area Primary Water Supply System (EAPWSS).

The Water Quality Quarterly Report for the period of October 1 – December 31, 2020 was posted on the water system's website at https://huronelginwater.ca/wp-content/uploads/2021/01/2020-Q4-Elgin-Final_acc.pdf

There were no Adverse Water Quality Incidents (AWQI) reported by the operating authority or adverse laboratory results reported by the third-party accredited laboratory during this quarter.

BACKGROUND

Pursuant to Board of Management resolution, this Compliance Report is prepared on a quarterly basis to report on general, regulatory and contractual compliance issues relating to the regional water system. For clarity, the content of this report is presented in two basic areas, namely regulatory and contractual, and does not intend to portray an order of importance or sensitivity nor a complete list of all applicable regulatory and contractual obligations.

DISCUSSION

Regulatory Issues

Recent Regulatory Changes: At the time of drafting this report, there are no new regulatory changes for this reporting period which may significantly impact the EAPWSS.

New Environmental Registry of Ontario (ERO) Postings: At the time of drafting this report, there were no postings on the ERO that may have a significant impact on the EAPWSS.



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Quarterly Water Quality Reports: The Water Quality Quarterly Report for the period of October 1 – December 31, 2020 was completed by the operating authority, and is posted on the Water Systems' website at https://huronelginwater.ca/wp-content/uploads/2021/01/2020-Q4-Elgin-Final_acc.pdf

Note: In order to better comply with the *Accessibility for Ontarians with Disabilities Act, 2005*, the detailed tables of water quality test results which were previously appended to this Report have been removed. The full list and test results of drinking water quality parameters is posted on the water system's website and available in print at the Board's Administration Office in London upon request. In addition, the detailed water quality information is also published within the water system's Annual Report required by O.Reg. 170/03 under the *Safe Drinking Water Act*.

Adverse Water Quality Incidents (AWQI): There were no AWQI reported by the operating authority or adverse laboratory results reported by the third-party accredited laboratory during this quarter.

Compliance Inspections: As reported in the previous quarter, the Ministry of the Environment, Conservation and Parks (MECP) conducted a physical inspection of the EAPWSS on September 17, 2020. The final inspection report was issued by the MECP on December 14, 2020 and is the subject of a separate report to the Board.

Contractual Issues

ARTICLE 3, "Operation and Maintenance of the Facilities – General":

Board staff informally meets with OCWA on a monthly basis to discuss operations and maintenance related issues, and formally on a quarterly basis to review contractual performance. The 2020 fourth quarter Contract Report was received from OCWA on January 29, 2021 and was scheduled to be discussed at the quarterly administration meeting between Board staff and OCWA on February 11, 2021. Copies of the monthly Operations and Maintenance Reports, or quarterly Contract Reports are available at the Board's Administration Office in London upon request.

Prepared by: Erin McLeod, Quality Assurance & Compliance Manager

Submitted by: Andrew Henry, P. Eng.,
Director, Regional Water Supply

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer



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To: Chair and Members, Board of Management
Elgin Area Primary Water Supply System

From: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Subject: Environmental Management System and Quality Management System

RECOMMENDATION

That the following report with respect to the Environmental Management System and Quality Management System for the Elgin Area Primary Water Supply System **BE RECEIVED** for information.

BACKGROUND

Environmental Management System (EMS)

The Elgin Area Primary Water Supply System (EAPWSS) has an Environmental Management System (EMS) which has been registered to the ISO 14001 standard since 2003. The EAPWSS underwent a three-year registration audit in October 2020 and was recommended for registration to the ISO 14001:2015 standard for a three-year period (ending in 2023).

The continued utilization and registration of the EMS to the ISO 14001 standard is a requirement of the Service Agreement with Ontario Clean Water Agency (OCWA), the contracted Operating Authority for the EAPWSS.

Quality Management System (QMS)

In 2006, the Drinking Water Quality Management Standard (DWQMS) was integrated with the existing EMS and the combined EMS/QMS is maintained by the contracted Operating Authority. The *Safe Drinking Water Act* (SDWA) and the water system's Municipal Drinking Water License (MDWL) require that an accredited Operating Authority be in operational charge of the drinking water system. In order to become accredited, the Operating Authority must utilize and maintain an Operational Plan that meets the requirements of the DWQMS and must undergo an external accreditation audit.

OCWA received full scope DWQMS re-accreditation in October 2019 and is currently accredited for the three-year period ending in 2022.



DISCUSSION

Management Review

The documented EMS/QMS and its performance requires Management Review by Top Management a minimum of once every calendar year to ensure that the management team of the Board and the Operating Authority stay informed of environmental and quality related issues. Items discussed at the Management Review meetings include, but are not limited to, water quality test results, environmental and quality performance, legislative changes, identified non-conformances, corrective and preventive actions, staff suggestions, changing circumstances and business strategies, and resource requirements. Corrective and preventive actions include not only those to address non-conformance issues and opportunities for improvement identified as part of internal and external audits, but also non-compliance issues identified by the Ministry of the Environment, Conservation and Parks (MECP), suggestions from staff, and opportunities for improvement identified during the Management Review process.

In order to carry out more effective Management Review meetings, the Board's administration has opted to conduct shorter meetings at more frequent intervals. Although each required Management Review input may not be covered at every meeting, over the course of the year all required inputs are reviewed at least once. Management Review meetings are held in a combined format for both the EAPWSS and the Lake Huron Primary Water Supply System (LHPWSS).

A Management Review meeting was held on December 1, 2020. The meeting minutes are attached to this report as Appendix A for the information of the Board.

Internal Audits

Pursuant to the international ISO 14001 EMS standard and the provincial DWQMS standard, periodic "internal" audits are performed by the Board's administration to ensure continued compliance with legislated, contractual, and other requirements, as well as conformance with the ISO 14001 EMS standard and DWQMS standard. Internal audits also ensure that the ongoing operation of the EAPWSS conforms to the EMS and QMS as implemented. As required by the standards, internal audits are performed a minimum of once every calendar year.

Two (2) Environmental Compliance Audits were conducted during this reporting period. One audit was conducted November 23 & December 2, 2020 and a summary of this audit's findings is included in Appendix B of this report (full report is available on request). No non-compliances and three (3) opportunities for improvement were identified during the audit. Another audit was conducted December 9-14, 2020 and a summary of this audit's findings is included in Appendix C of this report (full report is available on request). Two (2) non-

compliances were identified during the audit. The audit findings will be discussed at the next Management Review meeting.

External Audits

Annual surveillance audits (third-party external audits) are conducted for both the EMS and QMS, with a recertification audit taking place every third year. The external registrar for both the EMS and QMS is currently SAI Global. External audits review all aspects of the EMS or QMS, including the internal audits, subsequent management reviews, and corrective action processes.

There were no external audits conducted during this reporting period.

Corrective and Preventive Actions

For the EMS/QMS to be effective on an on-going basis, an organization must have a systematic method for identifying actual and potential non-conformities, making corrections and taking corrective and preventive actions, preferably preventing problems before they occur. The Internal Audit process and Management Review are the two main drivers for identifying potential problems and opportunities for improvement for the EAPWSS and implementing corrective actions. Preventive actions may originate from identified opportunities for improvement as part of an audit, but also staff suggestions and discussions with management.

It is important to note that action items should not be construed as **compliance failures**, but rather an action to be undertaken which will improve the EAPWSS's overall performance.

Action items are the result of the "Plan-Do-Check-Act" continual improvement process. The identification of action items is a critical component of continual improvement and an essential element of management systems. The identification of action items should be seen as a positive element, as this drives continual improvement.

A key concept of Plan-Do-Check-Act is that it does not require nor expect 100% conformance but promotes an environment of continual improvement by identifying shortfalls, implementing corrective and preventive measures, and setting objectives and targets for improvement. Figure 1 outlines the general process.

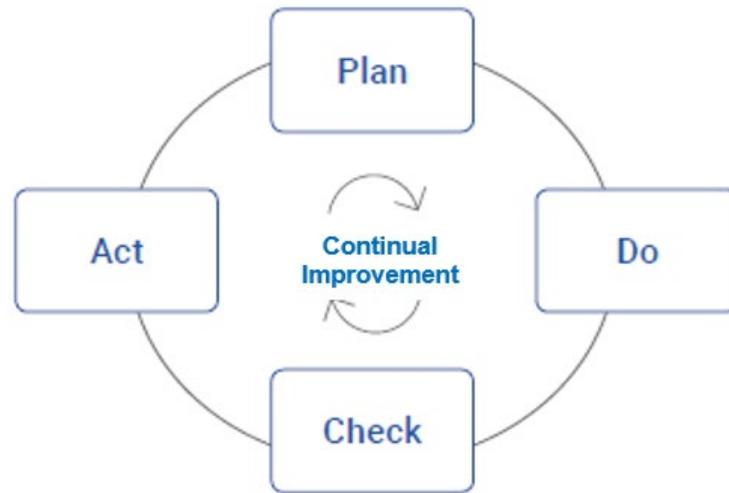


Figure 1: Plan-Do-Check-Act improvement process

Since the last report to the Board, the following summarizes new action items that have been added to the EMS/QMS action item tracking system:

- Three (3) new action items were added as a result of Contingency Plan Reviews performed by operating authority staff.
- Eight (8) new action items were added as a result of corrective and preventive action forms completed by operating authority staff.
- One (1) new action item was added as a result of the external QMS surveillance audit performed by SAI Global in September 2020.
- Ten (10) new action items were added as a result of the external EMS re-certification audit performed by SAI Global in October 2020.
- One (1) new action item was added as a result of the Management Review Meeting on December 1, 2020.

As of February 11, 2021, there are currently seventeen (17) open action items in the system. Action items are prioritized and addressed using a risk-based approach, and deadlines established given reasonable timeframes and resources that are available. Board staff are pleased with the performance of the corrective and preventive action process and have no concerns with the number of open action items.



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CONCLUSION

The Internal Audits and frequent Management Review meetings continue to effectively identify system deficiencies. The EMS/QMS for the EAPWSS continues to be suitable, adequate and effective. Activities by OCWA continue to address the need for change, and the management systems are being revised and refined as required.

Prepared by: Erin McLeod, Quality Assurance & Compliance Manager, with the assistance of Christine Jansen, Compliance Coordinator

Submitted by: Andrew Henry, P. Eng.,
Director, Regional Water Supply

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Attachments: **Appendix A** – Management Review Meeting Minutes (December 1, 2020)
Appendix B – Environmental Compliance Audit Summary Report (November 23 & December 2, 2020)
Appendix C – Environmental Compliance Audit Summary Report (December 9-14, 2020)

APPENDIX A: MANAGEMENT REVIEW MEETING MINUTES (DECEMBER 1, 2020)

**Lake Huron & Elgin Area Primary Water Supply Systems
EMS/QMS Management Review**

Date: December 1, 2020
Time: 9:00am
Location: Virtual – Microsoft Teams
Invitees: Andrew Henry (RWS), Erin McLeod (RWS), Christine Jansen (RWS), Blair Tully (OCWA), Denny Rodrigues (OCWA), Simon Flanagan (OCWA), Greg Henderson (OCWA)
Please Bring: All required handouts will be provided in a separate meeting package.

N.B.: Management Review meetings are held in a combined format for both the Lake Huron Primary Water Supply System (LHPWSS) and the Elgin Area Primary Water Supply System (EAPWSS).

-----Meeting Notes-----

1. Review and Approval of previous minutes (September 1, 2020)

Minutes from the previous meeting are posted to SharePoint. Minutes were reviewed and approved.

2. LHPWSS – Drinking Water Quality Management System (DWQMS) External Audit (September 21, 2020)

No nonconformances (NC) and one opportunity for improvement (OFI) was found during the external audit.

The OFI was related to document control in SharePoint.

The OFI was discussed and action items were finalized to address it.

3. EAPWSS – DWQMS External Audit (September 22, 2020)

No nonconformances (NC) and one opportunity for improvement (OFI) was found during the external audit.

The OFI was related to risk assessment.

The OFI was discussed and action items were finalized to address it. The discussion included looking at an opportunity for integrating risk assessments from different management systems in the future, as several of the same risks are considered multiple times.

4. LHPWSS – Environmental Management System (EMS) External Audit (October 14-16, 2020)



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No NCs and six (6) OFIs were found during the external audit.

The OFIs were related to environmental aspects, competence, documentation, operational planning and control, emergency preparedness and internal auditing. The OFIs were discussed and action items were finalized to address them.

Discussions included several items that will require further discussion including the implementation of new software in 2021 for training, determining the capabilities of Maximo (multiple tasks on workorders to ensure test results returned from lab, supporting operational round checks, etc.), detailing consideration of life-cycle perspective during projects, and determining how security personnel will interact with contractors while on site. These items will also impact the EAPWSS.

5. EAPWSS – EMS External Audit (October 21-23, 2020)

No NCs and seven (7) OFIs were found during the external audit.

The OFIs were related to risks & opportunities, environmental aspects, competence, documentation, operational planning and control, internal auditing and corrective action tracking.

The OFIs were discussed and action items were finalized to address them.

6. LHPWSS & EAPWSS Env. Compliance Internal Audit (October 6-9, 2020)

No NC or OFIs were found during the compliance audits.

Positive findings found during the audits related to the proactive submission of NPRI reporting before the regular deadline despite an extension due to the pandemic.

7. Environmental Performance

The following incidents required reporting to the Spills Action Centre (SAC) and the completion of a Corrective Action Forms (CAF).

Elgin Residuals Management Facility (RMF) – Total Chlorine Residual (TCR) exceedance (May 6, 2020)

- Action items associated with this report added to CAF tracking

Elgin Low Lift (LL) – TCR discharge from LL drain well (August 24, 2020)

- Action items associated with this report added to CAF tracking

Elgin RMF – TCR exceedance (August 26, 2020)

- Action items associated with this report added to CAF tracking

8. Staff Suggestions

LHPWSS – WaterTrax data entry log sheets

- Operations staff suggested that the log sheets used for their rounds be changed so that only the tests required during that time appear on the data entry form (ie.



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different tests are required at different times of the day but current log sheet contains all tests on one sheet).

- The issue was investigated, and the solution found was to create different log sheets for different times of the day.
- The new log sheets will help reduce errors with blanks in the sheets and results being put in the wrong spots.
- OCWA would like to proceed with the new log sheets at LHPWSS but would like to keep the current process at EAPWSS for now. This can be reviewed in future once the LHPWSS have been implemented and proven effective.

No EAPWSS staff suggestions have been brought forward for consideration.

9. Compliance Obligations Update

AWWA Standard - Disinfection of Water Treatment Plants (C653-20) Source:

American Water Works Association (AWWA)

Date Posted/Notice Received: Effective date September 1, 2020

Comments Due: N/A

Summary:

“Major changes made to the standard in this revision include the following:

1. The scope was updated to include the use of disinfection on all portions of a facility if no primary disinfection is provided (Sec. 1.A, Sec. 1.1, Sec. 4.2).
2. Definitions for potable water, reclaimed water, and wastewater were added (Sec. 3).
3. Sec. 4.3 Forms of Chlorine for Disinfection was updated to align with C652.” C652 is Disinfection of Water Storage Facilities.

Notes:

OCWA has updated the relevant Process Forms within the EMS/QMS documentation.

Cyanobacteria and their Toxins in Recreational Water: Guideline Technical Document for Public Consultation

Source: Health Canada

Date Posted/Notice Received: September 1, 2020 (email)

Comments Due: November 20, 2020

Summary:

“This guideline technical document evaluated the available information on cyanobacteria and their toxins with the intent of updating/recommending guideline value(s) for cyanobacteria toxins, total cyanobacteria cell counts, total cyanobacteria biovolume, and chlorophyll-a in recreational water. The purpose of this consultation is to solicit comments on the proposed guideline values, on the

approach used for their development, and on the potential economic costs of implementing the guidelines.”

The proposed guideline values are the following maximum acceptable concentrations; these values can be used alone or in combination: Total microcystins: 10 µg/L; Total cyanobacteria: 50 000 cells/mL; Total cyanobacterial biovolume: 4.5 mm³/L; Total

chlorophyll a: 33 µg/L.

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Proposed amendments to the Director's Technical Rules made under section 107 of the Clean Water Act, 2006

Source: Ministry of the Environment, Conservation and Parks (MECP)

Date Posted/Notice Received: August 11, 2020

Comments Due: November 9, 2020

Summary:

"The Ministry is proposing to update the Director's Technical Rules for assessing vulnerability and risks under the Clean Water Act. These rules are used by source protection authorities and municipalities to help develop and implement watershed-based assessment reports and source protection plans that protect local drinking water supplies. Among other things, the proposed changes will clarify the Tables of Drinking Water Threats contained in the rules, which set out the circumstances under which prescribed activities pose a drinking water threat, to support plan implementation and a better understanding of the risks to drinking water. An attached document - "2020 Proposed Amendments to Technical Rules: Assessment Report-Clean Water Act" - contains more details on the proposed updates to the Director's Technical Rules, including the Tables of Drinking Water Threats."

Hazardous Waste Digital Reporting Service Modernization **Source:** Ministry of the Environment, Conservation and Parks (MECP)

Date Posted/Notice

Received: September 18, 2020

Comments Due: November 2, 2020

Summary:

MECP recently consulted on the [Modernizing Hazardous Waste Reporting in Ontario discussion paper](#) to gather early feedback on proposed regulatory changes needed to modernize and transition hazardous waste digital reporting services to the Resource Productivity & Recovery Authority (the Authority). As the last step MECP is now seeking feedback on the proposed regulatory changes.

Proposed regulatory changes:

1. Amend O.Reg. 347 under the EPA to transition the delivery of hazardous waste digital reporting services to the Authority and change registration and reporting requirements to support electronic service delivery.
2. Create a new regulation under the Resource Recovery and Circular Economy Act (RRCEA) to carry over fee exemptions for certain activities related to hazardous waste. See also the separate proposal re: [Hazardous Waste Fee Exemption Framework](#).

Proposed guideline technical document for dicamba in drinking water

Source: Health Canada

Date Posted/Notice Received: October 26, 2020

Comments Due: December 21, 2020

Summary:

The existing guideline technical document on dicamba, developed in 1987, established a maximum acceptable concentration (MAC) of 0.12 mg/L (120 µg/L). This document proposes a MAC of 0.11 mg/L (110 µg/L) for dicamba in drinking water.

Notes: The current Ontario MAC is 0.12 mg/L. Test results for dicamba in treated water are non-detect for both the EAPWSS and LHPWSS.

Proposed guideline technical document for bromoxynil in drinking water Source:
Health Canada

Date Posted/Notice Received: November 30, 2020

Comments Due: January 29, 2021

Summary:

The existing guideline technical document on bromoxynil, developed in 1987, recommended a maximum acceptable concentration (MAC) of 0.005 mg/L (5 µg/L) for bromoxynil in drinking water. This document proposes a MAC of 0.03 mg/L (30 µg/L).

Notes: The current Ontario MAC is 0.005 mg/L. Test results for bromoxynil in treated water are non-detect for both the EAPWSS and LHPWSS.

Health Canada has finalized documents which were previously reported on during the consultation phase:

[Guidelines for Canadian Drinking Water Quality - Summary Table](#)

10. Results of Board Meetings (October 8, 2020)

The EMS/QMS Reports and Quarterly Compliance Reports were received for information. The next board meetings will take place on December 3, 2020.

11. Status of Action Items

There are nine open action items for each of the LHPWSS and EAPWSS. The action items were reviewed with updates provided.

12. Other Business

- Action Item (LHPWSS): A management of change form is to be completed for the implementation of the security at LHPWSS. Assigned to Denny Rodrigues and Erin McLeod. Deadline March 31, 2021. Items to be considered in the discussion include:
 - Document control in the security trailer needs to be discussed – determine whether guards can be given read-only access to certain SharePoint libraries to avoid hard-copy document control issues in the future.
 - Procedures need to be updated to include references to new security protocols (delivery procedures, etc.).
- Action item (EAPWSS): A management of change form is to be completed for the reconciliation of the ownership at the Elgin-Middlesex Pump Station. Assigned to Denny Rodrigues and Erin McLeod. Deadline: March 31, 2021.



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APPENDIX B: ENVIRONMENTAL COMPLIANCE AUDIT REPORT SUMMARY (NOVEMBER 23 & DECEMBER 2, 2020)

Summary

Audit Purpose:

The purpose of the audit was to verify compliance with select environmental legislation at the Elgin Area Primary Water Supply System (EAPWSS). Internal audits ensure the progress and activity of the Environmental Management System (EMS) is tracked.

Auditor Qualifications:

Christine Jansen has completed an ISO 14001:2015 Internal Auditor training course and is deemed competent to complete auditing of management systems.

Methodology:

The internal audit was conducted as outlined in procedure EA-ADMIN-1600 (Compliance) of the EMS Manual. The audit checklists were generated using the internal EF-ADMIN-1600 Compliance Audit Checklist and the Nimonik Environmental Criteria Software and are attached as Appendix B of this report. The audit was comprised of a facility tour and a compliance review of the EAPWSS. The audit was limited to the operation of the water supply system by the contracted Operating Authority, Ontario Clean Water Agency (OCWA), for the period of their operating tenure, starting July 1, 2012.

Operational documents and records maintained by the Operating Authority for the period February 23, 2018 through November 23, 2020 were reviewed in conjunction with this compliance evaluation.

Note:

The audit was conducted through a review of a sampling of documents, limited interviews, and observations by the auditor to demonstrate compliance obligations are being met as outlined in the EMS. The review and audit should not be construed as a complete and comprehensive review of all aspects and all documents.

Checklist criteria generated by Nimonik Environmental Criteria Software: Environmental Compliance – Provincial

- Air Emissions
- Spills and Notification
- Waste Generation (Excludes 3Rs)
- Water Discharge and Watercourse Alteration
- Water Taking and Transfer
- Ozone Depleting Substances



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Other Criteria – EF-ADMIN-1600 Compliance Audit Checklist

- Permit to Take Water

Interviews Conducted:

- Denny Rodrigues, Compliance Manager

Areas Visited:

- Elgin Water Treatment Plant, 43665 Dexter Line, Central Elgin

Findings

The following is a summary of the findings including: non-compliance issues, opportunities for improvement, recommendations and observations for the EAPWSS.

Definitions:

- A non-compliance (NC) is a non-fulfilment of a regulatory requirement.
- An opportunity for improvement (OFI) describes a regulatory requirement that can be more effectively addressed.
- An observation is a comment or remark provided to share the conditions found (i.e. on the day of the audit tour).

Regulatory Non-Compliance (NC):

- N/A

Regulatory Opportunities for Improvement (OFIs):

- There is an opportunity to compile an inventory of the equipment containing refrigerants in the EAPWSS. Inventory may include the type of equipment, location of equipment, maintenance/inspection information, etc.
- There is an opportunity to update the Environmental Aspects & Impacts Assessment to better clarify the control procedures for equipment containing refrigerants.
- There is an opportunity to improve the management of records relating to the maintenance/inspection of equipment containing refrigerants, so they are complete and more readily accessible.

Observations:

- Hazardous Waste binder is kept well organized and is easy to follow.



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APPENDIX C: ENVIRONMENTAL COMPLIANCE AUDIT REPORT SUMMARY (DECEMBER 9-14, 2020)

Summary

Audit Purpose:

The purpose of the audit was to verify compliance with select environmental legislation at the Elgin Area Primary Water Supply System (EAPWSS). Internal audits ensure the progress and activity of the Environmental Management System (EMS) is tracked.

Auditor Qualifications:

Christine Jansen has completed an ISO 14001:2015 Internal Auditor training course and is deemed competent to complete auditing of management systems.

Methodology:

The internal audit was conducted as outlined in procedure EA-ADMIN-1600 (Compliance) of the EMS Manual. The audit checklists were generated using the internal EF-ADMIN-1600 Compliance Audit Checklist and the Nimonik Environmental Criteria Software and are attached as Appendix B of this report. The audit was comprised of a facility tour and a compliance review of the EAPWSS. The audit was limited to the operation of the water supply system by the contracted Operating Authority, Ontario Clean Water Agency (OCWA), for the period of their operating tenure, starting July 1, 2012.

Operational documents and records maintained by the Operating Authority for the period February 9, 2018 through November 23, 2020 were reviewed in conjunction with this compliance evaluation.

Note:

The audit was conducted through a review of a sampling of documents, limited interviews, and observations by the auditor to demonstrate compliance obligations are being met as outlined in the EMS. The review and audit should not be construed as a complete and comprehensive review of all aspects and all documents.

Checklist criteria generated by Nimonik Environmental Criteria Software: Environmental Compliance – Provincial

- Petroleum Products – Fuel Oil
- Dangerous Goods Transportation
- Propane Storage & Handling
- OHS: Employers Duties
- OHS: Boilers & Pressure Vessels
- Fire Protection and Prevention
- WHMIS – Occ. Health/Safety Act



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Other Criteria – EF-ADMIN-1600 Compliance Audit Checklist

- Municipal Drinking Water License
- Drinking Water Works Permit

Interviews Conducted:

- Denny Rodrigues, Safety, Process & Compliance Manager (OCWA)
- Simon Flanagan, Senior Operations Manager (OCWA)
- John Walker, Operations Manager (RWS)
- Erin McLeod, Quality Assurance & Compliance Manager (RWS)

Areas Visited:

- Elgin Water Treatment Plant, 43665 Dexter Line, Central Elgin
- EMPS Terminal Reservoir & Valve house, 490 South Edgeware Line, St. Thomas

Findings

The following is a summary of the findings including non-compliance issues, opportunities for improvement, recommendations and observations for the EAPWSS.

Definitions:

- A non-compliance (NC) is a non-fulfilment of a regulatory requirement.
- An opportunity for improvement (OFI) describes a regulatory requirement that can be more effectively addressed.
- An observation is a comment or remark provided to share the conditions found (i.e. on the day of the audit tour).

Regulatory Non-Compliance (NC):

- OSHA/Reg. 860, S.17: Employer who received hazardous product from a supplier for use, storage, or handling at a workplace obtains a supplier SDS for the hazardous product. During the audit, no SDS could be provided for the hazardous product “Ammonia Solution” from J.T. Baker (found in base/reactive cabinet in the lab).
- O. Reg. 220/01 Boilers & Pressure Vessels, S.10(7): Owner and the operator who receive the inspection report and the insurer who issues it retains the inspection report for six years from the date of the inspection. During the audit, expired inspection reports dating back to 2014 could not be readily produced.

Regulatory Opportunities for Improvement (OFIs):

- N/A



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File No.:

To: Chair and Members, Board of Management
Elgin Area Primary Water Supply System

From: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Subject: Quarterly Operating Financial Status – 4th Quarter 2020

RECOMMENDATION

That this report regarding the Quarterly Operating Financial Status of the Elgin Area Water Supply System be RECEIVED by the Board of Management for information; it being noted that the financial information presented in this report is unaudited and subject to adjustments as a result of the preparation of the financial statements and completion of the annual audit.

BACKGROUND

At the request of the Board of Management, a Financial Status Report is provided on a quarterly basis for information. The financial status provides a high-level overview of incurred expenditures and revenues on a cash-flow basis and is compared to the approved operating budget of the water supply system. All expenditures and revenues provided in this Financial Status Report are unaudited and may include accrued and/or unaccrued expenses of a previous or future fiscal years.

A high-level summary of incurred expenses and revenues for the water supply system is attached to this report as Appendix A for the fourth quarter 2020 (October 1 to December 31) as well as a comparative accumulation from January 1 to December 31 (Year to date).

Note: The reported expenditures and revenues may be subject to adjustments as a result of the preparation of the 2020 financial statements and completion of the annual audit.



DISCUSSION

For the information and reference of the Board, the following highlights of the attached summary provides a brief explanation of notable deviations from the approved budget and/or clarifications of the financial summary:

- Contracted Operating Services in the summary report reflects the total direct operating costs of the contracted operation of the water treatment and transmission system, as well as other related contracted services. The total accumulated operating costs over the year (unaudited) is higher than the same period in 2019 and is reflective of contractual increases in service agreements with the operating authority and other contracted services.
- Contracted Administrative Services in the summary report reflects the fees paid to the City of London.
- Electricity expenditures include the purchase of energy and related energy management service charges for the water system. The water system is currently tracking approximately \$157,000 lower than the 2020 budget estimate, and \$12,000 lower than the previous year, largely due to increased volumes supplied to the region and energy efficiency measures.
- Salaries, wages and benefits expenditures include all direct labour costs for administrative staff including benefits. Variations over the same period in 2019 are attributed to annual salary adjustments, staff vacancies, and marginally lower total staffing costs as a result of the pandemic.
- Administration and Other Expenses relates to various overhead operating expenses, including subscriptions and memberships, office supplies and property taxes. While the reported expenditures will be adjusted as part of the year-end process, accounting for 2021 pre-payments and other cost accounting adjustments, the costs to date are higher than the approved budget and than the same period in 2019, largely due to historical property tax adjustments as a result of the Residuals Management Facility Construction.
- Vehicles and Equipment expenditures include costs associated with vehicles, computers and office equipment for administrative staff. Additional costs have been incurred related to travel and vehicles due to the pandemic.
- Purchased Services and Professional Fees largely relates to allowances for ad hoc professional consulting and legal services, office lease, telephone charges, network and SCADA maintenance, printing services, and pipeline locate costs.
- Debt Principle and Interest payments occur twice per year; in the first and third quarter.



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- Contributions to the Reserve Funds occur at the end of the fiscal year as part of the year-end audit preparation process, where the actual contributions are the total remaining revenue in excess of expenditures. Accordingly, the amount of the anticipated contribution is currently adjusted to reflect the additional revenue and expenses incurred, and may be subject to further adjustment as a result of the completion of the year-end financial statements and audit.

Prepared by: Ademola Bajomo
Budget and Finance Analyst

Submitted by: Andrew Henry, P. Eng.,
Director, Regional Water Supply

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Attachments: Operating Financial Status Summary – 4th Quarter 2020

Quarterly Financial Summary Report
Elgin Area Water Supply System
4th Quarter 2020 (October 1 2020 to December 31, 2020)
(\$,000's)

	Approved 2020 Budget	Q4-2020	2020 Year to Date	Year To Date Variance	2019 Year To Date
Total Revenue	13,457	4,481	13,831	-374	13,001
<u>Expenditures:</u>					
Contracted Operating Services	4,211	1,336	4,452	-241	4,332
Contracted Administrative Services	177	44	170	7	213
Electricity	1,250	161	1,093	157	1,105
Salaries, Wages, Benefits	708	213	691	17	664
Administration and Other Expenditures	237	636	798	-561	334
Vehicles and Equipment	42	27	45	-3	28
Purchased Services & Professional Fees	403	74	443	-40	282
Debt Principle Payments	2,239	15	2,239	0	2,193
Interest on Long-Term Debt	286	-13	292	-6	341
Contributions to Reserve Funds	3,903	3,609	3,609	294	3,508
Total Expenditures	13,457	6,102	13,831	-376	13,001

To: Chair and Members, Board of Management
Elgin Area Primary Water Supply System

From: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Subject: Capital Status Report

RECOMMENDATION

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with regard to Elgin Area Primary Water Supply System capital projects:

- a) That this report regarding the status capital projects **BE RECEIVED** for information;
- b) That project EA3019 UV Replacement Study **BE CLOSED**, with the surplus funds in the approximate amount of \$5,702 released to the Board's Capital Reserve Fund; and,
- c) That projects EA3015 Sodium Hydroxide Pump Replacement and EA4178 UVT Analyzer **BE CLOSED**, with additional funds in the approximate amount of \$5,521 be drawn from the Board's Reserve Funds.

DISCUSSION

The Capital Project Status Report, attached to this report as Appendix A for the Board's information, provides a brief overview of the status of current capital projects for the Elgin Area Primary Water Supply System. This report is provided for the general information of the Board.

The status report is divided into four categories of projects, namely:

1. **Ongoing Projects:** This section provides a summary list of all projects which are funded by the Board through the Capital Budget and which are currently in-progress. Board funded projects are typically for the replacement or upgrade of existing assets, the construction of new assets, or engineering studies and assessments, as approved by the Board.

Under the terms of the Service Agreement with the contracted operating authority, the Board is also required to pay for some maintenance/repair activities. The benchmark used in the operating contract is that if the value of the material and any contracted labour is over \$30,000 (indexed annually to inflation), the project is considered Capital Maintenance and the contracted operating authority would fund the first \$30,000 (indexed), with the balance funded by the Board. Accordingly, the Board maintains an annual "fund" within the Board's capital budget to pay for these projects as they arise.



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- 2. Completed Projects - Release Surplus to Reserve Funds:** This section provides a summary list of all projects which are presently completed and do not require additional funds from that budgeted. Should the Board approve the closure of the listed projects, it is the recommendation of staff to release the surplus funds, if any, to the appropriate Reserve Fund.

Completed Projects – Reduce Authorized Debt: In the case where the project is funded through the issuance of a debenture, should the Board approve the closure of the listed project it is the recommendation of staff to reduce the previously authorized but unissued debt for the project(s).

- 3. Completed Projects - Additional Funding Required:** This section provides a summary list of all projects which are presently completed but require additional funds from that originally approved by the Board. Should the Board approve the closure of the listed projects, it is the recommendation of staff to provide the required additional funding from the Board's Reserve Fund.

PROJECT STATUS NOTE

EA4023 Residuals Management Facility

This project was partially funded through the Building Canada Fund and the Huron-Elgin-London Project Clean Water initiative (HELP Clean Water), with the Board's portion of the funding provided through the use of debt. Upon substantial completion of the project in 2018, a debenture was issued as approved by the Board for the amount expended at that time. With the project completed with little additional funding required, the remaining portion of the Board's expenses will be funded through the Capital Reserve Fund. While this may put a short-term strain on the current balance of the Capital Reserve Fund, this strategy affords the water system much more long-term flexibility with the lower debt-to-revenue ratio and debt servicing costs.

Prepared by: Ademola Bajomo,
Budget and Finance Analyst

Submitted by: Andrew Henry, P. Eng.,
Director, Regional Water Supply

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Attachments: Capital Project Status Summary

APPENDIX A: CAPITAL PROJECT STATUS SUMMARY

A.1 Ongoing Capital Projects

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
EA2170	Computerized Maintenance Management System	\$120,000	\$105,503	Project ongoing
EA2172	Terminal Reservoir Isolation Valve Replacement	\$90,000	\$35,766	Project ongoing
EA2177	Asset Management Plan 2021	\$150,000	\$0	Project ongoing
EA3010	IT Asset Replacement Program	\$431,000	\$191,188	Project ongoing
EA3011	Plant Interior Door Replacement	\$40,000	\$19,409	Project ongoing
EA3012	Interior LED Lighting Upgrades	\$75,000	\$49,891	Project ongoing
EA3013	Plant Reservoir Drain Repairs	\$100,000	\$20,510	Project ongoing
EA3014	LLP 2&3 Replacement Study	\$50,000	\$2,641	Project ongoing
EA3016	Safety Showers Replacement	\$60,000	\$19,315	Project ongoing
EA3017	Exterior WTP Building Seals	\$40,000	\$15,572	Project ongoing
EA3018	Cyber Intrusion Detection System	\$10,000	\$0	Project ongoing
EA3020	Roof Replacement	\$175,000	\$97,920	Project ongoing
EA4020	Financial Plan Update 2021	\$50,000	\$0	Project to be initiated
EA4022	Security Upgrades	\$500,000	\$127,260	Project ongoing
EA4023	Residue Management Facility	\$30,200,000	\$27,825,042	Project completed. Awaiting final invoice
EA4039	Record Drawings & Documents	\$255,000	\$174,045	Ongoing annual project



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PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
EA4055	Pipeline Condition Assessment	\$950,000	\$76,320	Project ongoing
EA4073	Plant Instrumentation	\$561,608	\$543,847	Ongoing annual project
EA4085	IT Upgrades	\$754,000	\$724,157	Project ongoing
EA4095	WTP Interior Renovations	\$581,500	\$332,541	Ongoing multi-year project
EA4107	Concrete Crack Injection	\$120,000	\$57,822	Project ongoing
EA4114-20	Annual Maintenance (2020)	\$100,000	\$44,131	Annual program
EA4114-21	Annual Maintenance (2021)	\$100,000	\$0	Annual program
EA4129	Server Room Fire Suppression	\$30,000	\$0	Project on hold
EA4132	Alum Storage Tanks	\$615,000	\$273,694	Project ongoing
EA4135	Hydraulic/Transient Model Update & Monitoring Study	\$92,000	\$0	Project to be initiated
EA4136	Service Water Piping Replacement	\$50,000	\$56,877	Ongoing multi-year project
EA4137	Low Lift Service Water Connection	\$50,000	\$35,578	Ongoing multi-year project
EA4144	Fluoride System Renewal	\$30,000	\$20,891	Project ongoing
EA4147	Generator Multilin Relay	\$75,000	\$11,025	Project ongoing
EA4149	Low Lift HVAC	\$250,000	\$237,401	Project completed. Awaiting final invoice
EA4152	PLC Replacements	\$40,000	\$0	Project to be initiated
EA4153	Filter Backwash Upgrades	\$200,000	\$34,436	Project on hold
EA4156	High Lift Pump Replacement	\$4,851,000	\$2,713,532	Project ongoing
EA4160	Non-Revenue Meter Replacement Program	\$275,000	\$190,329	Project ongoing



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PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
EA4161	Evaluate Pre-Treatment Hydraulics	\$50,000	\$26,357	Project ongoing
EA4162	Crop Yield Monitoring – 2013 Pipeline Twinning	\$661,000	\$104,941	Ongoing multi-year project
EA4166	SCADA/PLC – Software Review and Upgrade	\$500,000	\$0	Project to be initiated
EA4169	Sluice Gate Repairs	\$50,000	\$49,551.48	Project completed. Awaiting final invoice
EA4171	Backwash Drain Valve Actuator Replacement	\$75,000	\$21,923	Project ongoing
EA4172	Dedicated Raw Water Sample Line	\$90,000	\$0	Project to be initiated
EA4175	Pilot – Unchlorinated Filtration	\$25,000	\$0	Project to be initiated
EA4176	Plant Drain Chlorine Sample Line	\$80,000	\$42,129	Project ongoing
EA4177	Railings and Guarding	\$200,000	\$117,639	Ongoing multi-year project
EA4179	Window/Glazing Replacement	\$180,000	\$118,450	Ongoing multi-year project
EA4180	Filter Capacity Evaluation	\$37,000	\$0	Project to be initiated

TOTAL \$44,019,108 \$34,517,633

A.2(a) Completed Projects – Release Surplus to Reserve Funds

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
EA3019	UV Replacement Study	\$50,000	\$44,298	Project completed

TOTAL \$50,000 \$44,298



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A.2(b) Completed Projects – Reduce Authorized Debt

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
TOTAL		\$ 0	\$ 0	

A.3 Completed Projects – Additional Funding Required

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
EA3015	Sodium Hydroxide Pump Replacement	\$25,000	\$27,149	Project completed. Awaiting final invoice
EA4178	UVT Analyzer	\$90,000	\$93,372	Project completed
TOTAL		\$115,000	\$120,521	

Notes:

* Expended as of December 31, 2020

To: Chair and Members, Board of Management
Elgin Area Primary Water Supply System

From: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Subject: Asset Management – Roadmap and Plan Update

RECOMMENDATION

That the following actions be taken with regards to the Asset Management Roadmap and the Asset Management Plan Update for the Elgin Area Primary Water Supply System:

- a) The Board of Management for the Elgin Area Primary Water Supply system **DELEGATE** authority to the Chief Administrative Officer to administratively-award a consulting services assignment, following a public procurement process which complies with the Procurement Bylaw, for the completion of the Asset Management Plan Update provided the proposal from the successful proponent meets the Request for Proposal terms and conditions and is within the budget previously approved by the Board;
- b) The Board of Management for the Elgin Area Primary Water Supply system **AUTHORIZE** the Chair and Chief Administrative Officer to execute a consulting services agreement with the successful consulting firm for the completion of the Asset Management Plan Update subject to the delegation of authority as outlined above; and,
- c) The Board of Management for the Elgin Area Primary Water Supply System **RECEIVE** this report regarding the Asset Management Roadmap and Plan Update for information.

PREVIOUS AND RELATED REPORTS

December 3, 2020 Asset Management Maturity Assessment and Roadmap

BACKGROUND

In December 2020, Board staff reported on the development of the Asset Management Maturity Assessment and Roadmap (AM Roadmap) that outlines the Elgin Area Primary Water Supply System's (EAPWSS) current level of maturity and capabilities related to Asset Management Planning, as well as illustrating a clear pathway for the improvement of asset management processes by prioritizing areas of focus.

The AM Roadmap was expected to be finalized by mid-December 2020 such that Request for Proposals (RFP) for the 2021 Asset Management Plan Update (AM Plan) could be issued in December 2020 and a preferred proposal recommended to the Board for acceptance at the March 2021 Board meeting.

DISCUSSION

AM Roadmap

Due to delays resulting from the ongoing pandemic, the final submission of the AM Roadmap was submitted by Totex Infrastructure Partners Inc. (Totex) in early February. The report concluded that, based on the assessments carried out by Totex, EAPWSS has achieved higher scores and level of maturity in the Global Institute of Asset Management (IAM) focus areas compared to several other comparable utilities across North America where the focus has often been on the operational elements of asset management.

For EAPWSS to achieve the desired level of ambition in asset management capability that is aligned with ISO 55000, the summary recommendations from the Totex report are as follows:

Recommendation 1: Develop the Strategic Asset Management (AM) Policy as per the update to the EAPWSS asset management improvement plan defined by the AM Roadmap.

Recommendation 2: Implement the improvement initiatives outlined in the AM Roadmap report, commencing in 2021, based on the agreed priorities and timing to deliver business benefits resulting from targeted capability development and alignment with the ISO 55000 international standard.

Recommendation 3: Define and formalize the AM governance roles and responsibilities and increase the necessary resources to manage the continued successful development and operation of EAPWSS AM capability both now and into the future.

The report noted that the desire to continue to deliver stakeholder Level of Service outcomes, through a more developed, refined and evidenced risk-based and whole-life management of the assets requires dedicated resources to implement and manage on an ongoing basis. These resources are focused in three areas:

- An externally-facing view towards stakeholder (customer and consumer) requirements and constraints;
- A more asset analytic view focusing on the current and future performance of individual asset classes; and,
- The effective definition, management, and analysis of asset-related information.

This increase in resource is required to both implement any changes and to undertake the work on an ongoing basis following implementation. The increase in resource to improve asset management capability will also give EAPWSS more of a critical mass of people. Board staff are reviewing the AM Roadmap recommendations and resources and expects to incorporate these aspects into the ongoing development of the Strategic Plan as applicable.

Refer to Appendix A for further details and recommendations of the AM Roadmap.



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AM Plan

The 2016 Asset Management Plan was endorsed by the Board in October 2016. It incorporated the customer levels of service framework, risk mitigation strategies, condition assessments and evaluation, and the 2015 Master Water Plan.

Following the AM Roadmap, the 2021 AM Plan will develop a Strategic AM Policy, incorporate the details of the recently-approved 2020 Master Water Plan, and further move towards the next tier of asset management by aligning with the ISO 55000 framework. This AM Plan will also provide a valuation of the assets and recommended asset investments for the 2021 Financial Plan Update (to be undertaken concurrently by another consultant) such that appropriate funding for asset reinvestments are in place, infrastructure life is maximized appropriately, and additional costs of premature replacement are avoided.

Board staff issued the RFP for the AM Plan in mid-February to four pre-qualified consulting firms. In mid-March, Proposals are to be received by Board staff to evaluate with the assistance of the City of London's Purchasing Division. In accordance with the City of London's Procurement of Goods and Services Policy (*used as a guide*), consulting assignments greater than \$100,000 require Board approval.

Due to the delays experienced as a result of the ongoing pandemic, and with the next Board meeting scheduled for June 2021, staff are requesting the Board to delegate the authority to award the consulting assignment to the Chief Administrative Officer, subject to the award not exceeding the budget previously approved by the Board. Staff also request that the Board authorize the Chair and Chief Administrative Officer the authority to execute a consulting services agreement with the successful consulting firm for the completion of the AM Plan provided their proposal meets the Request for Proposal terms and conditions.

The approved budget for this consulting services assignment is \$150,000.



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File No.: EA2177

CONCLUSION

The completion of the Asset Management Roadmap will enable EAPWSS to prioritize key improvement initiatives to be consistent with best practices for asset management planning and enable alignment with global asset management best practices and standards such as ISO 55000. A key initiative of the roadmap is an updated AM Plan following the principles of asset management planning outlined in the AM Report.

Proposals for consulting services to complete the 2021 AM Plan are expected to be submitted to Board staff in mid-March. Board staff are requesting the Board to delegate authority to the Chief Administrative Officer to award the consulting services assignment and authorize the Chair and Chief Administrative Officer to execute the necessary agreement to complete the update of the Asset Management Plan.

Prepared by: Billy Haklander, P.Eng., LL.M.
Environmental Services Engineer

Submitted by: Andrew Henry, P. Eng.,
Director, Regional Water Supply

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Attachments: Appendix A: Executive Summary – Asset Management Assessment & Roadmap



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Primary Water Supply System

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File No.: EA2177

APPENDIX A: ASSET MANAGEMENT ASSESSMENT & ROADMAP

EXECUTIVE SUMMARY

The purpose of the AM Maturity E-Diagnostics Assessment and Roadmap project was to enable LH&EAPWSS to prioritize key improvement initiatives to be consistent best practices for asset management planning and enable future accreditation to global asset management best practices standards such as ISO 55000. Notwithstanding, the Asset Management approach utilized by the Institute of Asset Management (IAM) is consistent with the approach implemented by the LH&EAPWSS in the 2016 Asset Management Plans, and any roadmap developed will complement this and feed into continual improvement and long-term implementation of an advanced Asset Management approach.

The AM Maturity E-Diagnostics Assessment and Roadmap utilizes the globally recognized approaches for the assessment of Asset Management maturity: the internationally recognized 42 Subjects' of Asset Management as defined by the Global Forum for Maintenance and Asset Management (GFMAM) and ISO 55000.

Objectives

The primary objectives of this assessment were to:

- Provide a 'top-down' strategic Asset Management assessment of LH&EAPWSS based on the Global Institute of Asset Management (IAM) 'IAM 6 box' of Asset Management as shown in the figure below:



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- Provide a view on the gaps in LH&EAPWSS' Asset Management approach to achieving alignment with and compliance to ISO 55000; as per ISO 55000 maturity framework as shown below:

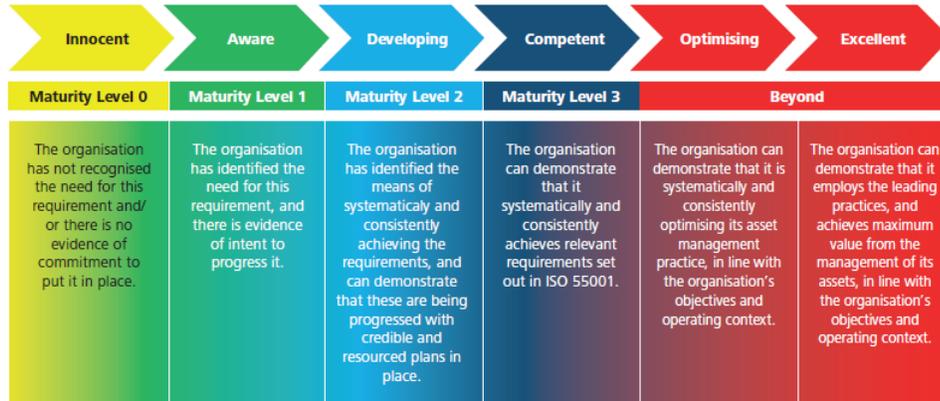


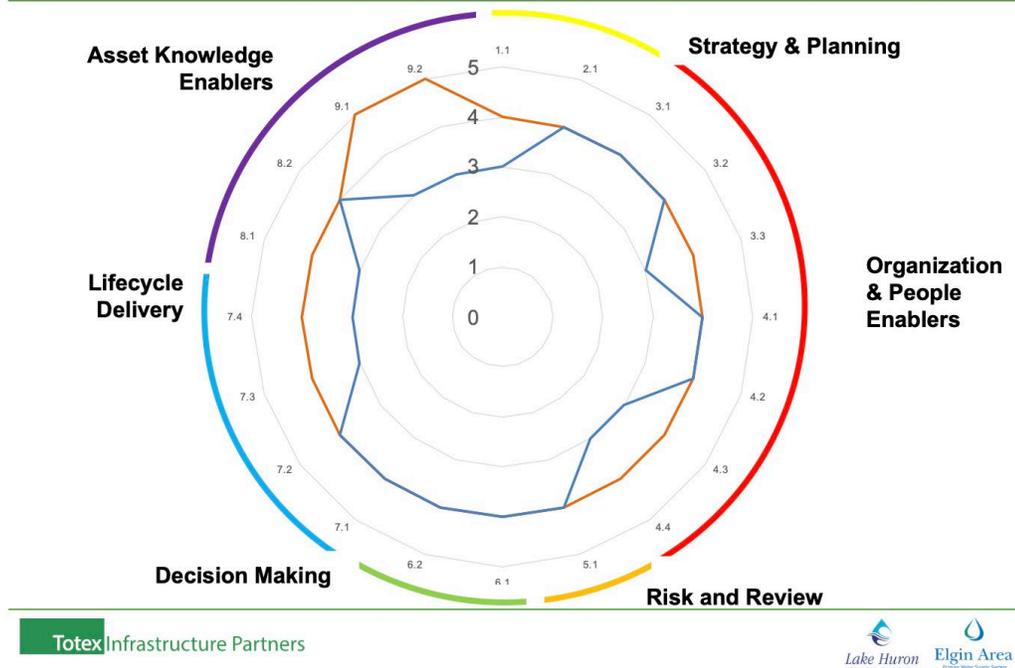
Figure 2 ISO 55001 Maturity Scale

- Identify key recommendations that enable development of an Improvement Roadmap to achieve short and medium-term goals for improving LH&EAPWSS' Asset Management capabilities to meet overall business goals and alignment with ISO 55000.

Current and Future State

The agreed current position and best practice knowledge provided by the Totex team then formed the basis to discuss and agree on the overall ambition and timescales for the implementation of improved AM capability. The diagram below shows the current assessment and the level of ambition across each of the assessment areas:

Summary Radar Results



The identified current assessment is noted as the blue line on the diagram (or LH&EAPWSS current state of maturity), the red line indicates the advancement areas that were identified as those being candidates for improvement.

Initiative identification and Roadmap Development

Opportunities for improvement to close the gaps are available whose tangible benefits include savings in capital programs and lifecycle costs, service level improvements, and productivity improvements through technology and process optimization.

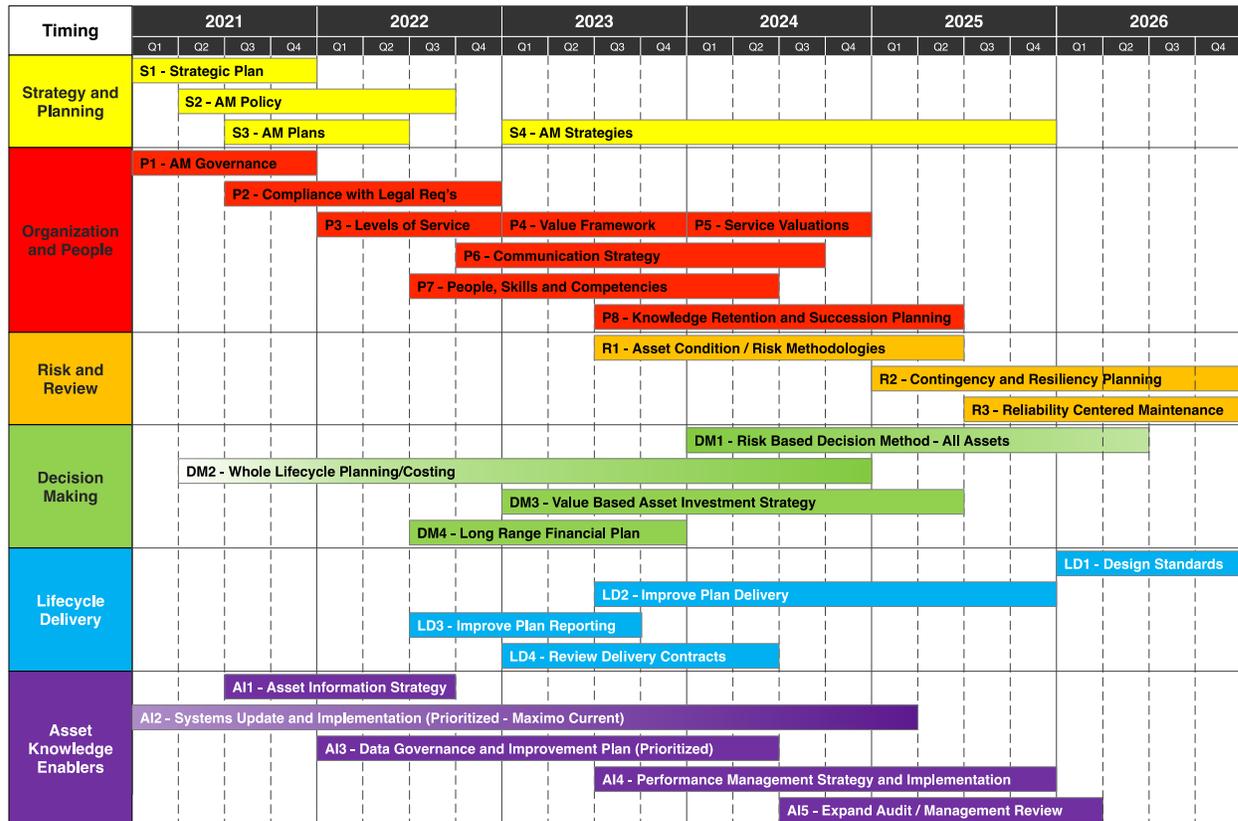
Based on the improvement opportunities a number of improvement initiatives were developed, incorporating the LH&EAPWSS' agreed priorities, to help move towards good, and where it is proven cost effective, best practice asset management capability. These initiatives provide the necessary guidance and direction to enable them to achieve the vision for AM practices. The content and timing of these initiatives are based on a combination of the LH&EAPWSS' AM priorities along with TIP's experience implementing asset management programs with other comparable organizations. A phased approach of implementation over the short-term, medium-term, and long-term is recommended.

A staged prioritization approach was applied to enable the identification and prioritization of improvement initiatives across the entire LH&EAPWSS organization, aimed at addressing the gap between current and future asset management competencies and capabilities, as follows:

- 1** Identify those improvement areas that most departments / asset classes want to improve.
- 2** – Align to the LH&EAPWSS' existing strategic priorities and current initiatives.
- 3** – Ensure a practical and realistic sequence of improvement initiatives. There are some initiatives that require others to proceed first. An example of this would be in the area of technology, where the Asset Information Strategy should be agreed prior to proceeding with the implementation systems and data improvements.
- 4** - Balance the initiatives planned to be carried out in parallel in the short and medium terms, with the available resources and investment.

The resulting Asset Management Roadmap as presented below that will underpin the Corporate Asset Management Program within Lake Huron & Elgin Area Water Supply to meet all asset management compliance requirements including ISO 55000, over the next six years as summarized in the diagram below.

When implemented, the initiatives are expected to contribute significantly in the delivery of value from AM practices.



FINAL V2.0 - December 2020

Conclusions and Recommendations

Based on the assessments carried out, LH&EAPWSS has achieved higher current scores in the Global Institute of Asset Management (IAM) 6 box focus areas compared to several other asset managers of a wide range of asset types across North America, where the focus, up until now, has often been on the operational elements of asset management.

As with other organizations with deteriorating asset bases, asset managers are asked to provide a more robust case for funding requests. There is a need to continually improve the understanding of the linkages between investment and stakeholder outcomes, with regard to maintaining and improving service. Further development of the Levels of Service (LoS) framework will enable a fully integrated approach that links detailed technical, functional and operational LoS to stakeholder and customer LoS. This in turn requires a more data centric and evidenced understanding of the current and future performance of the asset base and how this impacts the risk to the delivery of the required (LoS). These improvements enable more effective management and decision making about future investment in the asset bases throughout its whole lifecycle.

The improvement initiatives detailed within this report will, in our view, yield significant benefits to LH&EAPWSS. Evidence for this exists in other asset management organizations, which have leveraged similar recommendations and incorporated similar improvement initiatives into their organization.

Resourcing the Change

The desire to continue to deliver stakeholder LoS outcomes, through a more developed, refined and evidenced, risk based and whole life management of the assets, requires dedicated resources to implement and manage on an ongoing basis. These resources are focused in three areas:

- An externally facing view towards stakeholder requirements and constraints.
- A more asset analytic view focusing on the current and future performance of individual asset classes.
- The effective definition, management and analysis of information.

This increase in resource is required to both implement any changes and to undertake the work on an ongoing basis following the implementation of the change. The increase in resource to improve asset management capability may also give LH&EAPWSS more of a critical mass of people.

Recommendations

The recommendations from the project, for LH&EAPWSS to achieve the desired level of ambition in asset management capability that is aligned with ISO 55000, are as follows:

Recommendation 1: Develop the Strategic Asset Management Policy as per the update to the LH&EAPWSS asset management improvement plan defined by the AM Roadmap.

Recommendation 2: Implement the AM Roadmap improvement initiatives commencing in 2021 based on the agreed priorities and timing to deliver business benefits resulting from targeted capability development and alongside this achieve alignment with ISO 55000.

Recommendation 3: Define and formalize the AM governance roles and responsibilities and increase the resources in agreed areas in order to manage the continued successful development and operation of LH&EAPWSS AM capability both now and into the future.

Through this project it is estimated by TIP in order to implement the agreed initiatives within the timescales shown, the resources and external costs equivalents summarized from Section 3.6, are:



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- Resources: 2,600 person days over 6 years equates to 2 FTE
- External Costs*: \$2,650k over 6 years equates to \$441k per year

*All costs as shown are approximate to +/-20%

The costs are to show level of effort and provide reference for budgeted costs should it be deemed necessary to bring in external resources.

To: Chair and Members, Board of Management
Elgin Area Primary Water Supply System

From: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Subject: Ministry of the Environment, Conservation and Parks Inspection Report

RECOMMENDATION

That this report with respect to the Ministry of the Environment, Conservation and Parks (MECP) annual inspection **BE RECEIVED** for the information of the Board of Management.

BACKGROUND

The Ministry of the Environment, Conservation and Parks (MECP) conducts an inspection of the Elgin Area Primary Water Supply System (EAPWSS) annually. The objective of the inspection is to determine the compliance of the drinking water system with requirements under the *Safe Drinking Water Act* and associated regulations, as well as licences and permits issued by the MECP. An inspection report is issued by the MECP which outlines any non-compliances as well as recommended best management practices for the water system's consideration.

Violations identified within an inspection report, if any, have been evaluated by the MECP based on the potential and degree of risk to consumers. Any identified violations are monitored for compliance with the minimum standards for drinking water in Ontario as set forth under the *Safe Drinking Water Act* and associated regulations. Where risk is deemed to be high and/or compliance is an ongoing concern, violations are forwarded to the Ministry's Investigation and Enforcement Branch by the MECP Inspector.

DISCUSSION

Inspection Findings

The MECP conducted an unannounced "focused" inspection of the EAPWSS on September 17, 2020. The final inspection report was issued by the MECP on December 14, 2020. The inspection covered the period from November 1, 2019 through September 30, 2020.

A focused inspection involves fewer activities than what would be normally undertaken in a detailed inspection, and includes the critical elements required to assess key compliance issues. Drinking water systems may be selected for a focused inspection if the past performance has met MECP criteria. Future inspections may be either detailed or focused.



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The final inspection report issued by the MECP contained an inspection rating of 100.00% for the inspection period. There were no non-compliances or recommended best management practices identified by the Ministry Inspector. No action is required by either the operating authority or owner.

Due to the length of the Ministry's final inspection report, this Board report contains a summary only for the general information of the Board. Copies of the complete inspection report as issued by the MECP are available to the Board, the benefiting municipalities, and the public at large from Board staff at the Regional Water Supply office in London upon request.

It is noted for the Board's information and reference that these annual inspection reports were previously posted to the water systems' website for ease of public access. Unfortunately, the Inspection Report issued by the MECP does not comply with the *Accessibility for Ontarians with Disabilities Act*. As a result, previous inspection reports have been removed from the water systems' website. This and future annual inspection reports issued by the Ministry will only be made available upon request until such time as the Ministry makes the document compliant with the Act.

Risk Rating

The MECP applies a risk rating methodology to establish an annual inspection rating. Any non-compliance identified in the inspection report is evaluated based on the potential to compromise the delivery of safe drinking water to the public. For example, a "failure to document" may have a relatively low risk, whereas a "failure to disinfect" would have a relatively high risk. The primary goal of this type of assessment is to encourage ongoing improvement and to establish a way to measure improvement, which is weighted by the severity of the risk. A low inspection rating does not necessarily mean that drinking water is unsafe, but rather it is an indication of the degree to which there is room for improvement with respect to a drinking water system's operation.

This methodology of risk assessment and rating has been used consistently by the MECP since the 2008-2009 inspection period, and therefore can serve as a comparative measure both provincially and specifically to the EAPWSS since that time. The methodology utilized for annual inspections is reviewed by the MECP every three years. If changes occur in the application of the methodology and risk ratings, ratings from one three-year period may be slightly inconsistent with another.



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The following table outlines the inspection ratings for the EAPWSS since 2015:

Reporting Year	Final Inspection Rating	# of Non-compliances	Type of Inspection	Operating Authority
2015-2016	97.36%	1	Detailed	OCWA
2016-2017	100.00%	0	Focused	OCWA
2017-2018	97.17%	3	Focused	OCWA
2018-2019	100.00%	0	Focused	OCWA
2019-2020	97.11%	1	Detailed	OCWA
2020-2021	100.00%	0	Focused	OCWA

Correspondence and Communications

Prior to issuing the final inspection report, the MECP issued a draft copy to the owner and operating authority, providing the opportunity to comment or request clarification on the findings. As no non-compliances or recommended best practices were identified, neither OCWA nor Board staff submitted formal comments.

CONCLUSION

The MECP inspection report has indicated that all requirements of applicable drinking water legislation for the EAPWSS were met for this inspection period. Board staff will continue to review and discuss any inspection findings with the MECP Regional Office as required, to ensure that inspection findings are consistent, appropriate and relevant to the EAPWSS.

Prepared by: Erin McLeod, Quality Assurance & Compliance Manager

Submitted by: Andrew Henry, P. Eng.,
Director, Regional Water Supply

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

To: Chair and Members, Board of Management
Elgin Area Primary Water Supply System

From: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Subject: Operations and Maintenance Services Agreement – Negotiation of Term Extension

RECOMMENDATION

That, on the recommendation of the Chief Administrative Officer, the Board of Management for the Elgin Area Water Supply System **AUTHORIZE** the Director of Regional Water to negotiate the terms and conditions for a draft term extension agreement with the Ontario Clean Water Agency for a five-year period allowable under the current Operations and Maintenance Services Agreement.

PREVIOUS AND RELATED REPORTS

January 19, 2012	Water System Operation – Contract Aware (Concurrent Meeting)
March 3, 2016	Operations and Maintenance Services Agreement – Contract Term
December 1, 2016	Operations and Maintenance Services Agreement – Negotiation of Term Extension
June 8, 2017	Operations and Maintenance Services Agreement – Negotiation of Term Extension

BACKGROUND

On January 19, 2012 the Board of Management for the Elgin Area Primary Water Supply System (EAPWSS), concurrently and jointly with the Board of Management for the Lake Huron Primary Water Supply System (LHPWSS), awarded the contract for the management, operation and maintenance of both the Lake Huron and Elgin Area Water Supply Systems to the Ontario Clean Water Agency. The Ontario Clean Water Agency began operating the regional water system on July 1, 2012 for an initial five-year term, with an allowable five-year term extension at the option of the Board.

At the June 8, 2017 meeting of the Board of Management for the Elgin Area Primary Water Supply System, the Board authorized the execution of the Operation and Maintenance Services Amending Agreement No.1 with the Ontario Clean water Agency for a five-year period, ending December 31, 2022. Pursuant to Section 2.1 of the amended agreement, the Operations and Maintenance Services Agreement with the Ontario Clean Water Agency may be extended for an additional five-year period at the discretion of the Board.



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DISCUSSION

The Operations and Maintenance Services Agreement with the Ontario Clean Water Agency began on July 1, 2012 for an initial five-year term, and was previously extended (first extension) with the amending agreement approved by the Board at the June 8, 2017 meeting. The current agreement expires on December 31, 2022 if not extended for the additional five-year term afforded to the Board.

While the term of the Services Agreement may be extended pursuant to the existing agreement, the Service Fee charged by the Ontario Clean Water Agency is subject to negotiation. In addition, staff propose that a review of the agreement be undertaken in partnership with the Ontario Clean Water Agency for the purpose of identifying clauses which may require further clarification and/or amendment. Proposed amendments and clarifications of the Service Agreement would be non-material in nature, and subject to the approval of the Board.

In accordance with Clause 2.1 (Term) of the agreement, the Board must give notice of its wish to renew the agreement to the Ontario Clean Water Agency at least nine (9) months in advance of the end of the term of the agreement (on or before March 31, 2022). In practical terms, should the Board wish to undertake a public procurement process for the contract operation of the water supply system, the procurement process will take at least eighteen (18) months to complete, including the potential transition to another contracted operator if the Ontario Clean Water Agency is not successful.



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CONCLUSION

The Board currently enjoys a collaborative and mutually beneficial partnership with the current contract with the Ontario Clean Water Agency. At present, staff believe that the negotiation of a second allowable term extension may be beneficial to all parties.

If approved by the Board, staff would immediately begin negotiations with the Ontario Clean Water Agency for the terms and conditions of the term extension allowed within the current agreement, and bring forward a draft amending agreement at a future meeting of the Board for the Board's consideration and approval. Should negotiations not be successful, there should be sufficient time remaining in the existing contract term to undertake a public procurement process for the contracted operation of the system.

Submitted by: Andrew Henry, P. Eng.,
Director, Regional Water Supply

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Attachments: none

To: Chair and Members, Board of Management
Elgin Area Primary Water Supply System

From: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Subject: Member Appointment By-law No. 1.3 Amendment

RECOMMENDATION

That the attached By-Law regarding the appointment of Members to the Board of Management for the Elgin Area Water Supply System BE INTRODUCED and approved by the Joint Board of Management for the Elgin Area Primary Water Supply System.

PREVIOUS AND RELATED REPORTS

October 3, 2019 *Approval of a Member Appointment By-Law (By-Law No.1.3)*

BACKGROUND

At the October 3, 2019 meeting, the Board of Management for the Elgin Area Water Supply System approved By-Law No. 1.3; a by-law relating to the appointment of Members and Alternate Members to the Joint Board of Management for the Elgin Area Water Supply System. The by-law incorporated the Municipality of Dutton-Dunwich in the Board Member appointments upon the completion and execution of the four-part Water Supply Agreement between the Elgin Area Water Supply System, the St. Thomas Secondary Water System, the Township of Southwold and the Municipality of Dutton-Dunwich.

At the December 3, 2020 meeting of the Board of Management for the Elgin Area Water Supply System, the Board resolved that:

That staff be directed to investigate options for amending Bylaw 1.3 to ensure every benefiting municipality has the opportunity to appoint Members or Alternate Members to the Board of Management for the Elgin Area Water Supply System.

DISCUSSION

The approved By-Law No. 1.3 – Member Appointment Bylaw allows the benefiting municipalities to appoint Members to the Board, roughly in proportion to the volume supplied to the respective municipality. Accordingly, the municipalities of Central Elgin, Southwold and Dutton-Dunwich must act jointly to appoint one (1) Member to the Board. Similarly, the municipalities of Malahide and Bayham with the Town of Aylmer must act jointly to appoint one (1) Member to the Board. The City of St. Thomas may appoint two (2) Members and the City of London may appoint three (3) Members.



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For each Member appointed, By-Law allows one Alternate Member to be appointed to the Board who may participate in the Board meetings but may only vote in the absence of the Member.

When By-Law No. 1.3 was approved by the Board on October 3, 2019, the appointment of Members to the Board was as follows, noting that for each Member, an Alternate Member may also be appointed:

Appointing Municipality	Appointed Board Member(s)	Percent Membership	2018 Volume (m ³)	Percent 2018 Volume
Central Elgin + Southold + Dutton Dunwich	1	14.29%	434,706 558,731 170,286	7.47%
Aylmer + Malahide + Bayham	1	14.29%	1,396,039 118,606 84,423	10.26%
St. Thomas	2	28.57%	4,560,493	29.26%
London	3	42.86%	8,262,355	53.01%
TOTAL	7	100.00%	15,032,012	100.00%

At the December 3, 2020 meeting of the Board, the Municipality of Dutton-Dunwich requested consideration by the Board that By-Law No. 1.3 be amended such that each benefiting municipality is afforded the opportunity to appoint a Member or Alternate Member to the Board of Management. The request was premised that while it is recognized that Central Elgin, Southwold and Dutton-Dunwich must act jointly to appoint one Member, and one Alternate Member, one of the municipalities would not have the opportunity to appoint either a Member or Alternate Member.

At the direction of the Board following the December 3rd meeting, staff considered alternatives as discussed at the meeting and now propose the draft amendment as outlined and attached to this report. The draft amendment to By-Law No. 1.3 was circulated to the benefiting municipalities for their comment, with no dissent being received as of the time of writing this report.

The circumstance of joint appointment between three municipalities also applies to joint appointment of a Member and Alternate Member by Aylmer, Malahide and Bayham. Accordingly, the proposed amendment was drafted accordingly.

Please note that the joint appointment of a Member and two Alternate Members by Central Elgin, Southwold and Dutton-Dunwich, as well as Aylmer, Malahide and Bayham, will require



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that the Alternate Members must agree which of the two will be voting in the absence of the Member and convey this information to the Chair and staff in advance of the meeting.

CONCLUSION

Since inception, the appointed Members of the Board of Management for the Elgin Area Water Supply System have been appointed by the benefiting municipalities and the Members serve at the pleasure of the appointing municipalities.

The appointment of Members has been approximately in proportion to the volume of water supplies to the benefiting municipalities. While the total volume supplied to each municipality may vary from year to year, the approximate proportionality to appointed Members remains reasonably consistent.

With the addition of the Municipality of Dutton-Dunwich, the approximate proportionality of Member appointments to the volume supplied is maintained if the Municipality of Central Elgin, the Township of Southwold, and the Municipality of Dutton-Dunwich jointly appoint a Member and Alternate Member.

The ability for Central Elgin, Southwold and Dutton-Dunwich, as well as Aylmer, Malahide and Bayham, to jointly appoint a Member and two Alternate Members remains consistent with the premise of the original By-law, however it affords all benefiting municipalities the ability to appoint either a Member or Alternate Member should they choose.

Submitted by: Andrew Henry, P. Eng.,
Director, Regional Water Supply

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Attachments: Proposed By-Law No 1.3 (as amended)

PROPOSED BY-LAW NO. 1.3 (AMENDED)

A by-law relating to the appointment of Members and Alternate Members to the Joint Board of Management for the Elgin Area Primary Water Supply System.

WHEREAS the Joint Board of Management for the Elgin Area Primary Water Supply System was established pursuant to a Transfer Order issued under the Municipal Water and Sewage transfer Act, 1997;

AND WHEREAS the Transfer Order provided that the composition of the Board of Management could be altered as determined by the Board of Management;

AND WHEREAS it is deemed expedient to alter the composition of the Board of Management as herein provided;

NOW THEREFORE the Joint Board of Management for the Elgin Area Primary Water Supply System enacts as follows:

Definitions

1.0 In this By-law, unless the context otherwise requires:

“Board of Management” means the Joint Board of Management for the Elgin Area Primary Water Supply System;

“Board Member” means a person appointed by the Council(s) of a benefiting municipality of the Elgin Area Water Primary Supply in accordance with this Bylaw;

“Alternate Board Member” means a person appointed by the Council(s) of a benefiting municipality of the Elgin Area Primary Water Supply system in accordance with this Bylaw.

Composition of the Board of Management

2.1 APPOINTMENT OF BOARD MEMBERS

The Board of Management shall be comprised of up to seven (7) Members:

- (a) The Council of the Corporation of the City of London may appoint up to three (3) Board Members;
- (b) The Council of the Corporation of the City of St. Thomas may appoint up to two (2) Board Members;

- (c) Acting jointly, the Councils of the Corporation of the Municipality of Bayham, the Corporation of the Township of Malahide, and the Corporation of the Town of Aylmer together may appoint one (1) Board Member;
- (d) Acting jointly, the Councils of the Corporation of the Municipality of Central Elgin, the Corporation of the Township of Southwold, and the Corporation of the Municipality of Dutton Dunwich may appoint one (1) Board Member.

2.2 APPOINTMENT OF ALTERNATE MEMBERS

- (a) For each Board Member **appointed by London and St. Thomas**, the respective Council ~~or Councils~~ may appoint one (1) Alternate Board Member. An Alternate Board Member is entitled to attend and participate in all meetings of the Board, but may only vote in the absence of the Board Member(s) appointed by the respective Council ~~or Councils~~
- (b) **Acting jointly, the Councils of the Corporation of the Municipality of Bayham, the Corporation of the Township of Malahide, and the Corporation of the Town of Aylmer together may appoint two (2) Alternate Board Members. An Alternate Board Member is entitled to attend and participate in all meetings of the Board. In the absence of the Member jointly appointed by the Councils, one of the Alternate Members may vote at a meeting of the Board. Prior to the Call to Order of the meeting, where both Alternate Members are present at the meeting of the Board, both Alternate Members must agree and clearly indicate to the Board Secretary which will be voting in lieu of the absent Member.**
- (c) **Acting jointly, the Councils of the Corporation of the Municipality of Central Elgin, the Corporation of the Township of Southwold, and the Corporation of the Municipality of Dutton Dunwich together may appoint two (2) Alternate Board Members. An Alternate Board Member is entitled to attend and participate in all meetings of the Board. In the absence of the Member jointly appointed by the Councils, one of the Alternate Members may vote at a meeting of the Board. Prior to the Call to Order of the meeting, where both Alternate Members are present at the meeting of the Board, both Alternate Members must agree and clearly indicate to the Board Secretary which will be voting in lieu of the absent Member.**

2.3 TERM

Board Members and Alternate Members will serve at the pleasure of the appointing municipal Council(s).



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2.4 REMUNERATION

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Board Members and/or Alternate Members will not receive any remuneration, other than for direct expenses incurred by the Member or Alternate Member in the performance of their duties as a Member or Alternate Member that is not otherwise reimbursed by their appointing Council(s) or benefiting municipality.

Enacted in open session this ____ day of _____, 20____

Board Chair

Board Secretary