

# Agenda

## Lake Huron Primary Water Supply System

### Joint Board of Management

4th Meeting of the Lake Huron Primary Water Supply System Joint Board of Management

October 3, 2024, 2:00 PM

Committee Room #5

The Lake Huron Water Supply System and its benefiting municipalities are situated on the traditional lands of the Anishinaabek(Uh-nish-in-ah-bek), Haudenosaunee(Ho-den-no-show-nee), Lūnaapéewak(Len-ah-pay-wuk) and Attawandaron (Add-a-won-da-run) peoples.

We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home.

This region is currently home to many First Nations, Inuit and Métis people today and we are grateful to have the opportunity to live and work in this territory.

Pages

#### 1. Call to Order

- 1.1 Disclosures of Pecuniary Interest

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**5. Deferred Matters/Additional Business**

**6. Upcoming Meeting Dates**

December 5, 2024

March 6, 2025

June 5, 2025

October 2, 2025

**7. Confidential**

**7.1 Litigation/Potential Litigation/Matters Before Administrative Tribunals**

A matter pertaining to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board with respect to a matters that may result in potential litigation by the Lake Huron Primary Water Supply System.

**7.2 Litigation/Potential Litigation/Matters Before Administrative Tribunals**

A matter pertaining to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board with respect to a matters that may result in potential litigation by the Lake Huron Primary Water Supply System.

**8. Adjournment**

# Lake Huron Primary Water Supply System Report

3rd Meeting of the Lake Huron Primary Water Supply System Joint Board of  
Management  
June 6, 2024

Attendance: Meeting held on Thursday, June 6, 2024, commencing at 2:31  
PM.

PRESENT: A. DeViet (Chair); C. Burghardt-Jesson, C.  
Grantham, S. Hillier, S. Lehman, P. Van Meerbergen, P. Walden  
and J. Wilcox and J. Bunn (Committee Clerk)

ALSO PRESENT: B. Haklander, 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.

## 2. Adoption of Minutes

### 2.1 Minutes of the 2nd Meeting held on Thursday, March 7, 2024

VAN MEERBERGEN AND GRANTHAM

That the minutes of the 2nd meeting of the Lake Huron Primary Water  
Supply System Joint Board of Management, from the meeting held on  
March 7, 2024, **BE NOTED AND FILED. CARRIED**

**Motion Passed**

## 3. Consent Items

### 3.1 Quarterly Compliance Report (1st Quarter 2024: January - March)

HILLIER AND LEHMAN

That, on the recommendation of the Chief Administrative Officer, the report  
dated June 6, 2024, with respect to the general, regulatory and contractual  
obligations of the Lake Huron Primary Water Supply System, for January  
to March 2024, **BE RECEIVED. CARRIED**

**Motion Passed**

3.2 Environmental Management System and Quality Management System

HILLIER AND LEHMAN

That, on the recommendation of the Chief Administrative Officer, the report dated June 6, 2024, with respect to the Environmental Management System and the Quality Management System, **BE RECEIVED. CARRIED**

**Motion Passed**

3.3 Quarterly Operating Financial Status - 1st Quarter 2024

HILLIER AND LEHMAN

That, on the recommendation of the Chief Administrative Officer, the report dated June 6, 2024, with respect to the Quarterly Operating Financial Status of the Lake Huron Primary Water Supply System for the 1st Quarter of 2024, **BE RECEIVED. CARRIED**

**Motion Passed**

3.4 Water System Operation - Contract Status update

HILLIER AND LEHMAN

That, on the recommendation of the Chief Administrative Officer, the report dated June 6, 2024, with respect to the Water System Operation Contract Status Update, **BE RECEIVED. CARRIED**

**Motion Passed**

3.5 2023 Audited Financial Statements and Auditors Report

HILLIER AND LEHMAN

That, on the recommendation of the Chief Administrative Officer, the 2023 Audited Financial Statements and Independent Auditor's Report for the Lake Huron Primary Water Supply System, as appended to the report dated June 6, 2024, **BE RECEIVED AND ACCEPTED. CARRIED**

**Motion Passed**

**4. Items for Discussion**

**4.1 2024 State of the Infrastructure and Levels of Service**

VAN MEERBERGEN AND GRANTHAM

That, on the recommendation of the Chief Administrative Officer, the report dated June 6, 2024, with respect to the 2024 State of the Infrastructure and Levels of Service, **BE RECEIVED. CARRIED**

**Motion Passed**

**4.2 Huron Water Treatment Plant - Administration Building Extension and Site Redevelopment**

LEHMAN AND WALDEN

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report, dated June 6, 2024, related to the Huron Water Treatment Plant Administration Building Extension and Site Redevelopment:

a) the Chief Administrative Officer **BE DELEGATED** authority to administratively award a professional services assignment for the detailed design, tendering and construction administration phases, following a public procurement process which complies with the Board's Procurement of Goods and Services and Disposal of Assets Policy, 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 Chair and Chief Administrative Officer **BE AUTHORIZED** to execute a professional services agreement with the successful firm for the completion of the detailed design, tendering and construction administration phases, subject to the delegation of authority as outlined above; and,

c) the above-noted report **BE RECEIVED. CARRIED**

**Motion Passed**

**4.3 LH1408 Oneida Nation of the Thames Water Transmission Pipeline - Connection to the Lake Huron Primary Water Supply System - Project Update**

WILCOX AND VAN MEERBERGEN

That, on the recommendation of the Chief Administrative Officer, the report dated June 6, 2024, with respect to the LH1408 Oneida Nation of the Thames Water Transmission Pipeline Connection to the Lake Huron Primary Water Supply System Project Update, **BE RECEIVED. CARRIED**

**Motion Passed**

4.4 Lake Huron Powdered Activated Carbon System Upgrades Detailed Design - Consultant Award

WILCOX AND GRANTHAM

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report, dated June 6, 2024, related to the Lake Huron Powdered Activated Carbon System Upgrades Detailed Design – Consultant Award:

- a) the proposal from R.V. Anderson Associates Ltd. (RVA) for the Powdered Activated Carbon System Upgrades Detailed Design, in the amount of \$109,826.75, including contingency (excluding HST), having submitted a proposal which meets the Request for Proposal requirements and was evaluated by Board staff under the Procurement of Goods and Services and Disposal of Assets policy, **BE ACCEPTED**;
- b) the Chair and Chief Administrative Officer **BE AUTHORIZED** to execute a consulting services agreement with RVA for the Powdered Activated Carbon System Upgrades Detailed Design; and,
- c) the above-noted report **BE RECEIVED. CARRIED**

**Motion Passed**

**5. Deferred Matters/Additional Business**

None.

**6. Next Meeting Date**

October 3, 2024

**7. Adjournment**

The meeting adjourned at 3:08 PM.

## Board of Management Report

**Subject:** Quarterly Compliance Report (2<sup>nd</sup> Quarter 2024: April - June)

**Overview:**

- There were no adverse water quality incidents (AWQI) reported during this quarter.
- There are no new or proposed regulatory changes which might have a significant impact on the system.

### Recommendation

That the Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report for information.

### 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 is it a complete list of all applicable regulatory and contractual obligations.

### Discussion

#### Regulatory Issues

**Recent Regulatory Changes:** At the time of drafting this report, there were no new regulatory changes for this reporting period which may significantly impact the Lake Huron Primary Water Supply System (LHPWSS).

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

**Quarterly Water Quality Reports:** The [Water Quality Quarterly Report](#) for the period of April 1 – June 30, 2024, was completed by the operating authority, and is posted on the Water Systems' website for public information.

**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 of 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, 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 (AWQIs):** There were no AWQI reported by the operating authority or the external laboratory during this quarter.

**Compliance Inspections:** There were no compliance inspections conducted during the reporting period.

**Energy Reporting:** Under the *Electricity Act*, O.Reg. 25/23 requires public agencies to report annually on their energy consumption and greenhouse gas emissions (GHG). Public agencies must also prepare Energy Conservation and Demand Management (CDM) Plans and update them every five (5) years. The most recent update was due on July 1, 2024. The [Energy CDM Plan](#) was prepared as required and is posted on the Water Systems' website for public information. The update of the Energy CDM Plan provided the opportunity to conduct a review of progress made over the past five (5) years and consider planned activities for the next 5-year period as it relates to energy conservation and demand management measures. Compared to the 2016 baseline year, the electricity intensity (electricity consumption per million litres of treated water), total natural gas consumption and total GHG emissions have all decreased at the Lake Huron Water Treatment Plant (WTP). Additional projects and optimization opportunities are currently in progress or planned, which should contribute additional energy conservation and demand reductions over the next five (5) years.

## **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 2024 second quarter Contract Report was received from OCWA on July 30, 2024, and was discussed at the quarterly administration meeting between Board staff and OCWA on August 8, 2024. Copies of the monthly Operations and Maintenance Reports, and quarterly Contract Reports are available at the Board's Administration Office in London upon request.



## Conclusion

Board staff will continue to review new and proposed legislation for potential impacts to the LHPWSS. Board staff will continue to meet with the operating authority on a regular basis to discuss regulatory and contractual compliance issues, and ensure any non-compliances are addressed in a timely manner.

Prepared by: Erin McLeod, CET  
Quality Assurance & Compliance Manager

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

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

## Board of Management Report

**Subject:** Environmental Management System and Quality Management System

### Overview:

- This report provides a summary of Environmental Management System (EMS) and Quality Management System (QMS) activities that took place during the second quarter of 2024 (Q2).
- A Management Review meeting was held on June 11, 2024. The meeting minutes are attached to this report as [Appendix A](#).
- An EMS internal audit was conducted on May 13-15, 2024, to verify conformance with the ISO 14001:2015 EMS. An EMS Internal Audit Summary Report is included as [Appendix B](#).
- A QMS internal audit was conducted on June 17-24, 2024, to verify conformance with the Ontario Drinking Water Quality Management Standard (DWQMS). A DWQMS Internal Audit Summary Report is included as [Appendix C](#).

### Recommendation

That the Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report for information.

### Background

#### Environmental Management System (EMS)

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

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 LHPWSS.

#### Quality Management System (QMS)

The existing EMS has been integrated with a QMS that meets the requirements of the province's Drinking Water Quality Management Standard, 2017 (DWQMS). The combined EMS/QMS is maintained by the contracted Operating Authority.

The *Safe Drinking Water Act, 2002* (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. To become accredited, the Operating Authority must implement and maintain a QMS, which includes an Operational Plan meeting the requirements of the DWQMS and must undergo yearly external audits.

OCWA successfully received full scope DWQMS re-accreditation in October 2022 and is currently accredited for the three-year period ending in 2025.

## 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 Board's management team 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.

To carry out more effective Management Review meetings, the Board of Management'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 LHPWSS and the Elgin Area Primary Water Supply System (EAPWSS).

A Management Review meeting was held on June 11, 2024. The meeting minutes are included as [Appendix A](#) for the information of the Board of Management.

### Internal Audits

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

An EMS internal audit to verify conformance with the ISO 14001:2015 EMS was conducted on May 13 to 15, 2024. There were three (3) non-conformances and fifteen (15) opportunities for improvement identified. An EMS Internal Audit Summary Report is included as [Appendix B](#) for the information of the Board of Management.

A QMS internal audit to verify conformance with the Ontario DWQMS was conducted June 17-24, 2024. There were no non-conformances and seven (7) opportunities for improvement identified. A DWQMS Internal Audit Summary Report is included as [Appendix C](#) for the information of the Board of Management.

### **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 Intertek. External audits review all aspects of the EMS or QMS, including the scope and results of internal audits, subsequent management reviews, and corrective action processes.

There were no external audits conducted in Q2, 2024.

### **Corrective and Preventive Actions**

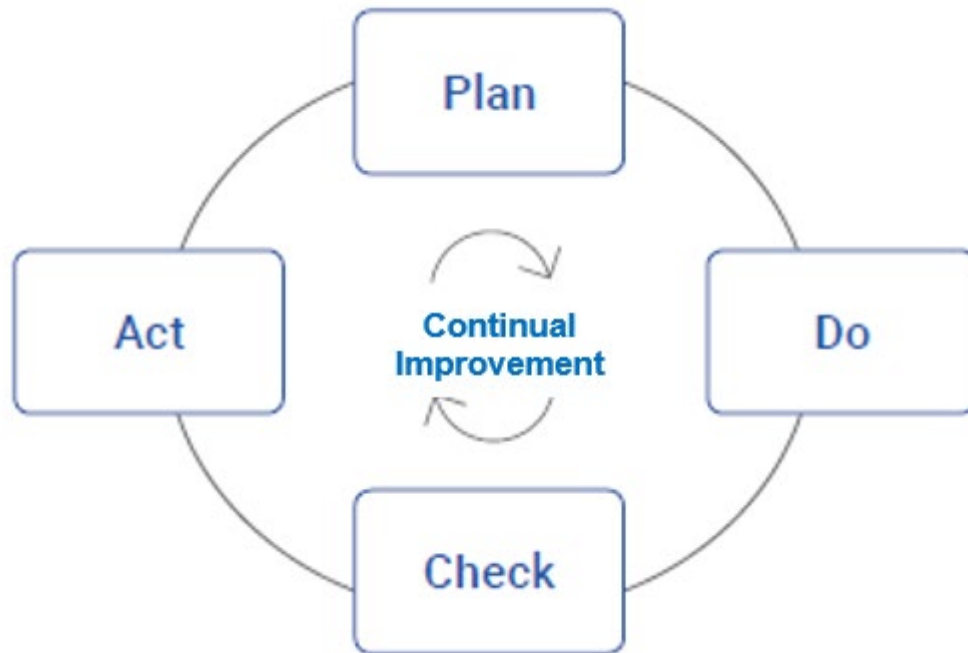
For the EMS/QMS to be effective on an on-going basis, an organization must have a systematic method for identifying actual and potential non-conformities, making corrections, and undertaking corrective and preventive actions, preferably identifying, and preventing problems before they occur. The Internal Audit process and Management Review are the two main drivers for proactively identifying potential problems, opportunities for improvement and for the implementation of corrective actions for the LHPWSS. 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 LHPWSS'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 the Plan-Do-Check-Act continual improvement process (Figure 1) 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: Plan-Do-Check-Act Continual Improvement Process



Eighteen (18) approved action items were added to the EMS/QMS action item tracking system during Q2, 2024. The new action items were added resulting from the EMS Internal Audit.

As of September 16, 2024, there are currently eleven (11) open action items in the LHPWSS tracking system. All action items are prioritized and addressed using a risk-based approach, and deadlines established given reasonable timeframes and resources that are available. Board of Management staff are pleased with the performance of the corrective and preventive action process and have no concerns with the number of open action items.

## Conclusion

The Internal Audits and frequent Management Review meetings continue to effectively identify and manage system deficiencies. The EMS/QMS for the LHPWSS 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: Jennifer Levitt  
Compliance Coordinator

Erin McLeod, CET  
Quality Assurance & Compliance Manager

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

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

Attachments: [Appendix A](#) – Management Review Meeting Minutes (June 11, 2024)  
[Appendix B](#) - EMS Internal Summary Report (May 13-15, 2024)  
[Appendix C](#) - DWQMS Internal Audit Summary Report (June 17-24, 2024)

## **Appendix A: Management Review Meeting Minutes (June 11, 2024)**

**Date:** June 11, 2024

**Time:** 1:00pm

**Location:** Virtual – Microsoft Teams

**Attendees:** Andrew Henry (RWS), Erin McLeod (RWS), Jennifer Levitt (RWS), Blair Tully (OCWA), Allison McCann (OCWA), Greg Henderson (OCWA), Denny Rodrigues (OCWA), Randy Lieber (OCWA), Jackie Muller (OCWA), Courtney Miller (OCWA)

**Regrets:** -

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 Meeting Minutes (March 05, 2024)**

The minutes from the previous meeting (March 05, 2024) are posted to SharePoint. Minutes circulated to comment. No concerns noted and documents are approved.

#### **2. Results of Board Meetings**

Huron Board Meeting (March 7, 2024)

- Quarterly Compliance Report: The report was received for information.
- EMS/QMS Report: The report was received for information. The Board noted the continuous improvement and good work being done within the organization, with congratulations to the team.
- MECP Inspection Report: The report was received for information. The non-compliance re: logbooks was discussed, including potential for reoccurrence. Board staff is satisfied that corrective and preventive action were completed and monitoring for effectiveness continues.

Elgin Board Meeting (March 7, 2024)

- Quarterly Compliance Report: The report was received for information.
- EMS/QMS Report: The report was received for information.

Huron Board Meeting (June 6, 2024)

- Quarterly Compliance Report: The report was received for information.
- EMS/QMS Report: The report was received for information. There was general discussion on water temperature and the impacts of climate change, and water demand and impacts of growth to the region.

Elgin Board Meeting (June 6, 2024)

- Quarterly Compliance Report: The report was received for information.
- EMS/QMS Report: The report was received for information. There was general discussion on supply chain issues in relation to capital projects, water temperature, harmful algal blooms (HABs), impacts of climate change, nitrate runoff into Lake Erie, water demand and impacts of growth to the region.
- MECP Inspection Report: The report was received for information.

**RWS comment:** Boards are happy with Management System approach and activities. Seeing impacts of improved operational performance.

### 3. Environmental & Quality Policy

Last year, a minor update was made to both LHPWSS and EAPWSS policies to add climate change, mitigation and adaptation, the policy was signed 01 June 2023.

No recommended updates at this time however a decision was made to have current OCWA Top Management (J.Muller) sign polices/update signature block.

**RWS comment:** fine to resign, shows it was reviewed and signifies ongoing commitment

**OCWA comment:** no issues, happy to review and resign

For future consideration: alignment with a health and safety management system, commitment to capacity and availability of supply, water as a human right.

See agenda package for copies of LHPWSS and EAPWSS policies.

### 4. Compliance Obligations Update

#### Addition of Climate Change Considerations to Management System Standards

**Source:** ISO

**Date Posted/Notice Received:** February 22, 2024

**Comments Due:** N/A

**Summary:** Two (2) new statements of text are being added to a number of existing management systems standards, including ISO 14001:2015, to address the need to consider the effect of climate change on the ability to achieve the intended results of



the management system. Under element 4.1 (Understanding the organization and its context) the organization shall determine whether climate change is a relevant issue. Under element 4.2 (Understanding the needs and expectations of interested parties) it is noted that relevant interested parties can have requirements related to climate change.

**Potential Impacts:** No major impacts anticipated. Changing environmental conditions and climate change, and the associated impacts, is already noted as a relevant external issue in the EMS documentation related to element 4.1 (Table of Internal and External Issues). The management system documentation will be reviewed and updated in advance of the next scheduled management review meeting.

**Health Canada: [Consultation: Guidelines for Canadian drinking water quality: Operational parameters](#)**

**Source:** Health Canada

**Date Posted/Notice Received:** March 8, 2024

**Comments Due:** May 31, 2024 (Closed)

**Summary:** "This guideline technical document outlines the evaluation of the available information on calcium, magnesium, hardness, chloride, sulphate, total dissolved solids (TDS) and hydrogen sulphide with the intent of updating the guideline value for these operational parameters in drinking water."

**Potential Impacts:** None anticipated. The aesthetic objectives (AO) identified are consistent with the current Ontario guidelines.

No concerns regarding the summary table provided in the meeting package. Refer to agenda package for Health Canada Operational Parameters (chart).

**RWS comment:** Received new Municipal Drinking Water License (MDWL) for Huron system. New obligations will be imposed. A meeting will be scheduled to discuss.

## **5. Incidents of Adverse Drinking Water Tests**

LHPWSS - No Adverse Water Quality Incidents (AWQI) since June 2023.

EAPWSS – One AWQI reported in January 2024. This was discussed in the March 2024 Management Review meeting, but this only noted a Corrective Action Form was completed. The non-conformance was related to a limitation in the CT calculator regarding filter effluent turbidity. The full corrective action form was complete and action items were identified.

Refer to agenda package for AWQI Elgin -2024 01 27 Elgin CT Calculator CAF Form.

## 6. Environmental Objectives, Targets & Programs

### EAPWSS Objective #1 – Electricity, Objective #2 – Chemicals

- Electricity – In 2023 the target was lowered. Seasonal trends observed, more efficient in summer, less efficient in fall/winter months due to the operation of the Residuals Management Facility (RMF). In the future, we would like to compare electricity efficiency to equipment run times.

**OCWA comment:** Summer of 2023 electricity may be a little higher as there were 3 filters online. It was slightly more challenging to ‘load shed’ during high peak electricity times. This may have impacted 2023 data. Summer of 2024 may also have the same situation as 3 filters are currently running.

- Chemicals – Seasonal trends observed. Once the Water Quality Facility Plan is received it may identify a few optimization opportunities to make a difference in the future. A Powdered Activated Carbon (PAC) study may be recommended in future.

EAPWSS Environmental Program - No significant changes. Note at remote stations we have started to look at electricity / natural gas data and have begun to trend information to look for opportunities. May present data in September 2024.

### LHPWSS Objective #1 – Electricity, Objective #2 – Chemicals, Objective #3 – Process Water

- Electricity – Spring 2023 seeing a significant reduction, likely attributed to the High Lift Pump project. High Lift pumps were fully commissioned in 2022 and the operational strategy was implemented in 2023.

**OCWA comment:** Innovations Process Optimization Team (IPOT) has helped with pumping strategy as well. The information collected has been helpful in shaping the pumping strategy which has resulted in positive benefits. OCWA was able to mitigate 3 out of 5 peak days last year, the goal is to mitigate all 5 days this year.

**RWS comment:** Should see significant changes for volumes for both systems in 2027 or 2028 as far as supplies to municipalities. These are related to large industrial and institutional developments (e.g., Maple Leaf Foods in London, Yarmouth Yards in St. Thomas, industrial site at the old Ford Plant, redevelopment of the former psychiatric hospital in St. Thomas).

- Chemicals – No clear seasonal trend. Once the Water Quality Facility Plan is received, new optimization opportunities/projects may contribute to efficiencies.

**OCWA comment:** Last year, overdosing PAC compared to previous years due to geosmin hits in fall may have been attributed to this. New coagulation system may optimize chemicals more. The chlorine control system was online in October 2023. May be starting to see effects of climate change over last two years. The water temperature stayed warmer in winter which brings higher turbidity due to lack of ice cover.

- Process Water – Before 2023 typically 3 to 4% for process water use, and as of 2023 we are down below 3% for process water use. This is a clear improvement, which is likely attributed to the filter backwash project. RWS is preparing an application for submission to the OWWA Water Efficiency Committee for an annual award. **Post meeting note:** A savings of \$87,000 per year is estimated as a result of the project.

LHPWSS Environmental Program - No significant updates.  
Refer to agenda package for charts related to the following:

- EAPWSS Objective #1 – Electricity, Objective #2 – Chemicals
- EAPWSS Environmental Program
- LHPWSS Objective #1 – Electricity, Objective #2 – Chemicals, Objective #3 – Process Water
- LHPWSS Environmental Program

## 7. Environmental Compliance Internal Audits

- SDWA and Regulations – LHPWSS (Jan. 15, 2024) – Three (3) non-compliances (NC) and no opportunities for improvement (OFI) were identified as part of the audit.
- SDWA and Regulations – EAPWSS (Mar. 14, 2024) – No NC's and one (1) OFI was identified as part of the audit.
- Boilers, Pressure Vessels, WHMIS, Fire Protection and Prevention – EAPWSS (Apr. 4, 2024) – No OFI's and one (1) NC was identified as part of the audit. The NC relates to a supplier label (or workplace label) not being affixed to a chemical bulk tank or the door leading into the dedicated storage area. Consideration should be given to assessing bulk tanks for labels that meets the Hazardous Products Regulations (Canada) labelling requirements for that hazardous product.

- **Discussion RWS and OCWA:** The regulation was difficult to interpret, may need Specialist input. There are inconsistencies with tanks, some have labels, some do not. OCWA corporate recommended contacting the supplier and having them provide supplier labels to place on the tanks. At a minimum, all bulk tanks on site should be reviewed and a consistent labelling approach should be applied to all. Agreed to revise the NC to an OFI. Audit report and CAF tracking system to be revised/updated. Same will apply to LHPWSS.

Refer to audit packing for further details.

#### **8. EMS Internal Audit – EAPWSS (April 22 & 24, 2024)**

No non-conformances (NC) and thirteen (13) opportunities for improvement (OFI) were reported as part of the EMS Internal Audit. Refer to agenda package for details.

#### **9. EMS Internal Audit – LHPWSS (May 13-15, 2024)**

Three (3) NC and fifteen (15) opportunities for improvement were reported as part of the EMS Internal Audit. Refer to agenda package for details.

#### **10. EMS – Monitoring and Measurement Results**

Refer to agenda package for data tables/trends charts related to the following:

- Elgin Area WTP - Summary of Energy Consumption and Greenhouse Gas (GHG) Emissions Reporting (2018-2023)
- Elgin Area WTP - Total Electricity Consumption (kWh)
- Elgin Area WTP - Electricity Intensity (kWh/ML)
- Elgin Area WTP - Total Natural Gas (m3)
- Elgin Area WTP - Greenhouse Gas Emissions (kg)
- Huron WTP - Summary of Energy Consumption and Greenhouse Gas (GHG) Emissions Reporting (2018-2023)
- Huron WTP - Total Electricity Consumption (kWh)
- Huron WTP - Electricity Intensity (kWh/ML)
- Huron WTP - Total Natural Gas (m3)
- Huron WTP - Greenhouse Gas Emissions (kg)

**OCWA comment:** The overall trends for natural gas consumption, electricity intensity and greenhouse gas emissions show great accomplishments by everyone. This involves capital investment and OCWA's operational team for taking on new systems and optimizing them over the years to get the best benefit.

**RWS comment:** Five-year Energy Conservation and Demand Management Plan will be presented to the Board in October 2024.

## **11. Effectiveness of the DWQMS Risk Assessment Process**

### **LHPWSS**

- June 8, 2023 – OCWA completed Annual Review. High water level added under possible hazard to shoreline erosion. Added new hazards: disinfection after repair performed after maintenance activities/repairs or construction, RMF polymer system, RMF trucking, plant drain, fire and explosion. Reviewed floc-walking beam scoring after rehabilitation project completion, with no change.
- August 30, 2023 – OCWA reviewed and updated from Internal Audit findings. Added in section regarding operating authority (OA) business IT system program and protections in place. Reviewed pipeline distribution section – added transmission main and auxiliary pipeline, added to review drawings for isolation points, follow Ontario water main disinfection procedure.
- QMS assessment deemed to be effective.

### **EAPWSS**

- September 5, 2023 – OCWA met with Regional Hub Manager (RHM) and Senior Operation Manager (SOM) and reviewed higher scoring activities or process steps during capital recommendations 2024 review meeting. Changes made: added score to shoreline erosion as the total was missing, decreased score on plant drain blockage or failure. Due to frequent maintenance activities sand build up in the plant drain is under control.
- September 11, 2023 – OCWA reviewed and updated from DWQMS Audit OFI's. Added Diesel Fuel Risk Management Plan as an existing control measure for the diesel fuel underground storage tank.
- April 23, 2024 – OCWA completed annual review of QMS Risk Assessment. Added in service water lines as identified in management of change form (low lift project)
- QMS assessment deemed to be effective.

**RWS comment** - Insurance provider asks for the rate of shoreline erosion on an annual basis. An Elgin shoreline survey has been completed by Stantec. Note, in one area (toe of slope) we lost 27 meters (over 3 years). We see significant changes

between the 'toe of the slope and the top of the bluff.' More erosion on the east side. Note a 3-year OCWA work order is in place to monitor erosion.

## **12. Results of Emergency Response Testing**

LHPWSS – In 2024 OCWA staff completed a tabletop review of HMC-1 (Report AWQI) and HMC-2 (Equipment Failure Catastrophic).

EAPWSS – OCWA plans to review the “Additional Demand for Water Fire Fighting” procedure at the next monthly staff meeting.

## **13. QMS Operational Plan Currency, Content and Updates**

Operational Plans updated for the following:

- LHPWSS – Added the Town of Zurich (distribution system). Updated 2023 Water Quality characteristics. Added J.Muller as Regional Manager.
- EAPWSS – Updated 2023 Water Quality characteristics. Added J.Muller as Regional Manager.

Discussion to re-sign Commitment and Endorsement – update operational plan for both facilities.

**RWS comment:** As Operational Plans have been updated, A.Henry and J.Muller will need to resign. **OCWA** – agreed.

## **14. Changes that Could Affect the QMS**

Harmful Algae Bloom (HAB) – [National Centers for Coastal Ocean Science \(NCOCS\) – Western Lake Erie HAB Early Season Projection](#) – Expect a moderate to larger-than-moderate summer HAB on Lake Erie. The final seasonal forecast will be out for the end of June 2024.

Per- and polyfluoroalkyl substances (PFAS) - could also have impacts in future. Both water systems are participating in a research study with the University of Waterloo but the results have not been published yet.

**RWS comment:** 3M facility via the City of London shared data on PFAS monitoring at their site in London. City of London tap water was tested. There was trace PFAS detected.

The Climate Change Resilience Study is being completed this year, and it will provide

more information on the subject matter.

## **15. Overall Decision on the Suitability, Adequacy and Effectiveness of the EMS/QMS**

General discussion on the management systems as a whole, reflecting back over the past year. Noted items:

- Driving continual improvement
- Unprecedented number of capital project recommendations for 2025
- Environmental objectives are being met (electricity consumption, chemical consumption, process water use)
- Audit programs are successfully identifying NCs and OFIs
- Support of OCWA and RWS leadership

**RWS comment:** Board as a whole and individual are pleased with performance of Management Systems. Starting to gain more international attention in the approach in how continual improvement is embraced and incorporated in the management systems, practices, and policies.

**OCWA comment:** Large number of staff suggestions showing significant engagement.

All in agreement that the EMS/QMS continue to be suitable, adequate and effective.

## **16. Action Items Identified Between Reviews**

EAPWSS & LHPWSS - Management of Change (hazardous waste management portal).

LHPWSS - Contingency Plan Review/Test (Fire Drill)

## **17. New Business**

**RWS comment:** Province of Ontario is proposing to eliminate the municipal Class Environmental Assessment process in favour of implementing a Municipal Project Assessment Process (MPAP) similar to the process previously implemented for transportation projects. There will be an accelerated environmental assessment program, and staff have some concern that identification of requirements for capital projects might get missed. Need to look at internal processes to make sure everything is still captured.

**OCWA comment:** Significant time has been invested into the transition and support of the new OCWA Regional Manager.

## **Appendix B: EMS Internal Audit Summary Report (dated May 13-15, 2024)**

### **Audit Purpose:**

The purpose of the audit was to verify conformance with the ISO 14001:2015 Environmental Management Systems standard for the Lake Huron Primary Water Supply System (LHPWSS). Internal audits ensure the EMS is being continually improved.

Non-conformances and opportunities for improvement are listed below.

### **Auditor Qualifications:**

- Jennifer Levitt (Lead Auditor) has completed ISO 14001:2015 Internal Auditor training.
- Erin McLeod has completed an ISO 14001:2015 Internal Auditor Training course. See Certificates in Appendix C.

### **Methodology:**

The Internal Audit was conducted as outlined in procedure LH-ADMIN-1200 Internal Audit. The internal audit was comprised of a conformance review of the facilities and limited to the operation of the water supply system by the contracted operating authority, Ontario Clean Water Agency (OCWA), since the last Internal Audit conducted May 15-19, 2023.

*Note:* The audit was conducted through a review of a sampling of documents, limited interviews and observations by the auditors to demonstrate conformance with the ISO 14001:2015 Environmental Management Systems standard. The review and audit should not be construed as a complete and comprehensive review of all aspects/risks and all documents.

### **Findings:**

The following is a summary of the audit findings, including non-conformances and opportunities for improvement. The detailed audit checklists are attached for further information.

- Appendix A: LF-ADMIN-1200 EMS Audit Checklist (J. Levitt)
- Appendix B: LF-ADMIN-1200 EMS Audit Checklist (E. McLeod)



### **Definitions:**

- A non-conformance (NC) is a non-fulfillment of a requirement.
- An opportunity for improvement (OFI) describes a requirement that can be more effectively addressed.

### **Sites Visited:**

- Lake Huron Water Treatment Plant, 71155 Bluewater Highway, South Huron
- McGillivray Pumping Station, 4064 McGillivray Drive, North Middlesex
- Exeter-Hensall Pumping Station (EHPS), 39590 Huron Street, South Huron
- Arva Terminal Reservoir, 13964 Medway Road, Middlesex Centre
- Komoka-Mt. Brydges Pumping Station (KMBPS), 13964 Medway Road, Middlesex Centre

### **Interviews Conducted:**

- A.McCann - Safety, Process and Compliance Manager, OCWA
- J.Muller - Top Management, OCWA
- M.Bilbrough - Operator, OCWA
- A.Henry - Top Management, RWS

## **SUMMARY OF FINDINGS**

### **Positive Findings**

Overall, the LHPWSS facilities are clean and organized.

Top management and staff interviewed provided clear evidence of their commitment to the EMS.

A St. Mary's Cement plant tour was initiated by OCWA in October 2023. This was an opportunity to learn how other systems operated their EMS, how others handle complaints, look for optimization opportunities etc.

Continual improvement was evident on the tour. Infrastructure improvement projects were recently completed or underway. Of note was the High lift pump upgrade project which received a 2023 Ontario Water Works Association (OWWA) Water and Energy Efficiency Award to AECOM. As per the award application, the high lift pump replacements at the Lake Huron and Elgin Area Water Treatment Plants have resulted in significant energy savings, estimated to be 2,750 MWh every year. (2000 MWh at Huron WTP, 750 MWh at Elgin WTP).

Previous Management Review Meeting Minutes demonstrates cohesive communication between all parties through discussions that emphasize continual improvement efforts and completion of OFI's identified in previous EMS Audits.

## **Non-Conformances (NC)**

### **8.1 Operational Planning and Control**

NC#1 - Project Checklists (LF-ADMIN-2301) for 2023 were not available from OCWA for audit verification purposes. Major/Minor project verification requirements were not completed for 2023 projects (e.g., confirm whether LF-ADMIN-700 Management of Change Checklists were required).

NC#2 - The Upper Thames River Conservation Authority (UTRCA) Permit Application #55/21 for the 'Huron Chamber 63 Access Culvert' (Project #LH1257) project states a condition that 'the UTRCA must be notified regarding project commencement and project completion dates'. There is no evidence that the UTRCA was notified of project commencement and completion as required by the Permit.

### **8.2 Emergency Preparedness and Response**

NC#3 – A contractor (Sutherland-Schultz) employee handling hazardous waste did not have a Transportation of Dangerous Goods (TDG) certificate at the time of completing waste manifests (#MN-000387392 - diesel fuel, #MN-000359575 - transformer oil). The employee has since obtained a TDG certificate dated April 03, 2024.

## **Opportunities for Improvement (OFIs)**

### **5.3 Organization Roles, Responsibilities and Authorities**

OFI #1 - There is an opportunity for the new OCWA Regional Manager to further refine knowledge of Operating Authority (OA) Top Management leadership requirements as it applies to ISO 14001:2015.

### **6.1.2 Environmental Aspects**

OFI #2 - There is an opportunity to review the status of documented oil/gas wells and water monitoring wells on/near the property and consider assessing this on the aspects & impacts assessment.

OFI#3 - Consider adding potential water / soil contamination (PAHs, VOCs, hydrocarbons, dioxins, metals) as an environmental impact of Fire/Explosion onsite.

### 7.5.3 Control of Documented Information

OFI #4 - The Environmental and Quality Policy observed in the blue binder at the Spare Operators desk was outdated and not located in the designated document and record location (Control Room) as per LH-ADMIN-200 Document & Records Control.

OFI #5 - The QMS Operational Plan v.14.0 observed in the blue binder at the Spare Operators desk was not located in the designated document and record location (Control Room) as per LH-ADMIN-200 Document & Records Control.

OFI #6 - Emergency Contingency Plans (HCP-1 v5.0, HCP-2 v3.0 and HCP-3, v35.0) observed at the Spare Operators Desk were not located in the designated document and record location (Control Room) as per LH-ADMIN-200 Document & Records Control. Two HCP's were outdated.

OFI #7 - Emergency Mandatory Contingency Plans (HMC-1 to HMC-7), were observed at the Spare Operators Desk. HMC-8 was missing, and some were outdated. These documents were also not located in the designated document and record location (Control Room) as per LH-ADMIN-200 Document & Records Control.

OFI #8 - Several LF-PROC documents in SharePoint are in draft format with major version numbers. There is an opportunity to "accept" LF-PROC document edits (i.e., tracked changes) before finalizing and approving them. For example - Process Form # LH-PROC-100-A.

OFI #9 - Reviewed LF-ADMIN-1700 'Subcontractor and Supplier sign-off' forms in the security trailer. Some were not signed by a LHPWSS or OCWA representative (e.g., Forms completed for London Fire Equipment - March 21, 2024 and Kone Elevator Inc. - April 24, 2024).

### 8.1 Operational Planning and Control

OFI #10 - LF-ADMIN-700 Management of Change Checklists were uploaded to SharePoint but the corresponding action items were not entered into the CAF Tracking System.

OFI #11 - Safety-Kleen picked up hazardous waste (oil/water solution) from a parts washer in WTP maintenance shop. OA Maintenance staff gave verbal authorization to Safety-Kleen to sign the waste manifest on their behalf which is not in accordance with Part A of the MECP Manifest form and the LH-PROC-200 Waste Manifest Completion document. An email notification from Resource Productivity & Recovery Authority (RPRA) was not received due to a RPRA IT issue related to this incident.

## 8.2 Emergency Preparedness and Response

OFI #12 - Spill Kit (ID #600974 – McGillivray PS) observed to be unsealed with contents ('ensorb' absorbent) used.

OFI #13 - Two (2) plastic totes containing 1,000 L and 400 L of 'flush inhibitor' and one (1) plastic tote containing ~400 L of 'used transformer oil' was observed at McGillivray PS. All three (3) totes were not provided with content labelling or WHIMIS Workplace Labels (where required).

### 9.1.2 Evaluation of Compliance

OFI #14 - Consider documenting the most recent Ministry of the Environment, Conservation and Parks (MECP) Inspection as an external compliance audit on the Legal Register.

OFI #15 - On the Audit Schedule, consider prioritizing the overdue items for upcoming compliance audits.

## **Appendix C: DWQMS Internal Audit Summary Report (June 17-24, 2023)**

### **Audit Purpose:**

The purpose of the audit was to verify conformance with the Ontario Drinking Water Quality Management Standard (DWQMS) Version 2.0 for the Lake Huron Primary Water Supply System (LHPWSS). Internal audits ensure the QMS is being continually improved.

Non-conformances and opportunities for improvement are listed below.

### **Auditor Qualifications:**

Jennifer Levitt completed the training course in DWQMS Internal Auditing. The Internal Auditor certificate is attached in Appendix B.

### **Methodology:**

The Internal Audit was conducted as outlined in QMS Procedure LH-ADMIN-1200 (Internal Audit) and was comprised of a conformance review of the facilities and limited to the operation of the water supply system by the contracted operating authority, Ontario Clean Water Agency (OCWA), since the last Internal Audit conducted June 22-23, 2023.

*Note:* The audit was conducted through a review of a sampling of documents, limited interviews and observations by the auditor to demonstrate conformance with the DWQMS. The review and audit should not be construed as a complete and comprehensive review of all aspects/risks and all documents.

### **Findings:**

The following is a summary of the audit findings, including non-conformances and opportunities for improvement. The detailed audit checklist is attached for further information.

- Appendix A: LF-ADMIN-1201 QMS Audit Checklist

### **Definitions:**

- A non-conformance (NC) is a non-fulfilment of a requirement.

- An opportunity for improvement (OFI) describes a requirement that can be more effectively addressed.

#### **Areas Visited:**

- Lake Huron Water Treatment Plant (WTP), 71155 Bluewater Highway, South Huron
- Exeter Hensall Pumping Station (EHPS), 39590 Huron Street, South Huron
- McGillivray Pumping Station, 4064 McGillivray Drive, North Middlesex
- Arva Terminal Reservoir, 13964 Medway Road, Middlesex Centre
- Komoka-Mt. Brydges Pumping Station (KMBPS), 13964 Medway Road, Middlesex Centre

#### **Interviews Conducted:**

- J.Muller - Regional Manager, OCWA
- D.Rodrigues – Overall Responsible Operator (ORO) and Senior Operations Manager, OCWA
- A.McCann - Safety, Process and Compliance (SPC) Manager, QMS Representative, OCWA
- C.Regier - Team Lead Maintenance & Distribution, OCWA
- M.Reinhart - Operator, OCWA

#### **Summary of Findings**

##### **Positive Findings**

- Staff interviewed were engaged, knowledgeable, and provided thorough explanations about the work they were doing.
- Effective communication occurs between operators and maintenance staff which allows for a transfer of knowledge.
- All calibration records / training records requested were readily available and / or scheduled as required.
- Continual improvement projects were underway (e.g., new coagulation system, performance testing plan, EHPS energy utilization monitoring and resulted cost savings). Arva Reservoir cell 3 and 4 – clean out and inspection.

##### **Non-Conformances (NCs)**

No con-conformances were noted during the internal audit.

## **Opportunities for Improvement (OFIs)**

### **Element 5 - Document and Records Control**

OFI#1: 'Schedule 22 – Summary Report for Municipalities' (Compliance Reports) were posted for 5 years (2019-2023) on the [huroneginwater.ca](http://huroneginwater.ca) website (visited June 12, 2024). The COMS Document Management Site had reports available from 2002 to 2021, however reports for 2022 and 2023 were not posted. Appendix A of LH-ADMIN-200 Document & Records Control notes the designated document control locations (electronic copies) are the [huroneginwater.ca](http://huroneginwater.ca) website and SharePoint (COMS Document Management Site) with a minimum retention time of 6 years.

OFI#2: If a drinking water system does not provide fluoridation, a water sample is to be taken at least once every 60 months and analyzed for fluoride. The required record retention time is 15 years (Appendix A of LH-ADMIN-200 Document & Records Control). Six years of laboratory reports (2019-2024) are available at the designated document control location (SharePoint - COMS), and ten years of laboratory reports (2014 to 2024) are available at the designated document control location (OA Server). It should be noted that OCWA has been the operating authority (OA) at LHPWSS since July 01, 2012. Verified WaterTrax has laboratory analysis records from January 14, 2009 to January 10, 2024 for fluoride analysis.

### **Element 7 - Risk Assessment**

OFI#3: On the QMS Risk Assessment, under the "Existing Control Measures" column, all Standard Operating Procedures (SOPs) are being referred to generically. There is an opportunity to provide a specific document number. (e.g., 'SOP - High Filter Effluent Turbidity' unable to confirm SOP document number).

### **Element 8 - Risk Assessment Outcomes**

OFI#4: Consider assessing reservoir leaks and generator failure to start as "Hazardous Events" on the risk assessment

### **Element 13 - Essential Supplies and Services**

OFI# 5: There is an opportunity to update HCP-3 (Emergency Contact & Essential Suppliers & Services List). Quantum Murray (QM Environmental) listed phone number is not in operation. The City of London, Division Manager – Water Operations has been filled and OCWA's Lead Operations and Compliance is currently vacant.

OFI# 6: LiftSafe was onsite June 10, 2024. LF-ADMIN-1700 Subcontractor and Supplier Sign Off was not completed for the two named representatives onsite. Note – issues

with contractor management will be addressed once visitor and contractor management software (in-progress) is in place.

### **Element 18 – Emergency Management**

OFl#7: A fire drill was conducted at the WTP in November 2023. Verification confirmed this was completed under a work order. In March 2024 another fire drill was conducted at the WTP (under a work order) and an LF-HCP-1 Contingency Plan Review/Test Summary Form was completed. Consideration should be given to completing LF-HCP-1 Contingency Plan Review/Test Summary Form for drills for consistency purposes and to ensure potential issues are documented/discussed. Consideration should also be given to updating the associated work order for test record completion.



## **Board of Management Report**

**Subject:** Quarterly Operating Financial Status – 2<sup>nd</sup> Quarter 2024

**Overview:**

- This report shows the current fiscal year's 2<sup>nd</sup> quarter in comparison to its Budgeted amount and the previous year's same time period.

### **Recommendation**

That the Board of Management for the Lake Huron Water Supply System receive this report regarding the Operating Financial Status Report for the period of April 1 to June 30, 2024, noting that this report is unaudited and subject to adjustments including the preparation of the financial statements and completion of the annual audit.

### **Previous and Related Reports**

June 6, 2024      Quarterly Operating Financial Status – 1<sup>st</sup> Quarter 2024

### **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 from a previous or future fiscal year.

A high-level summary of incurred expenses and revenues for the water supply system is attached to this report as Appendix A for the second quarter 2024 (April 1 to June 30) as well as a comparative accumulation of expensed for the year to date.

**Note:** The reported expenditures and revenues may be subject to adjustments, including but not limited to corrections and entries required for the preparation of 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.
- Contracted Administrative Services in the summary report reflects the fees paid to the City of London. Expenditures have increased from the same period in 2023 due to an increase in contracted costs.
- Electricity expenditures include the purchase of energy and related energy management service charges for the water system. The reported energy cost was marginally lower than the same period of the previous year due to decreased volumes and the efficiencies of the new high lift pumps installed.
- Salaries, wages, and benefits expenditures include all direct labour costs for administrative staff including benefits. Variations over the same period in 2023 are attributed to annual salary adjustments, vacancies, and additional staff added in the 2023 budget.
- Administration and Other Expenses relates to various overhead operating expenses, including subscriptions and memberships, bank charges and interest, and office supplies. The increase over 2023 is due to higher rental charges for increased office space.
- Vehicles and Equipment expenditures include costs associated with vehicles, computers, and office equipment for administrative staff. First quarter 2024 expenditures are currently higher than 2023 largely due to higher charges and additional travel requirements.
- Purchased Services and Professional Fees largely relate to allowances for ad hoc professional consulting and legal services, security services telephone charges, network, and SCADA (Supervisory Control and Data Acquisition) maintenance, printing services, and pipeline locate costs. The increased cost when compared to the same period in 2023 is largely attributed to higher insurance premiums.
- Debt Principal and Interest payments occur twice per year; in the first and third quarter.

- Contributions to the Reserve Funds occur at the end of the fiscal year (fourth quarter) as part of the year-end process and in preparation for the year-end audit, where the actual contributions are the total remaining revenue in excess of expenditures. Accordingly, the amount of the anticipated contribution will be 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:** Archana Gagnier  
Budget and Finance Analyst

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

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

**Attachments:** Operating Financial Status Summary – 2<sup>nd</sup> Quarter 2024

## Quarterly Financial Summary Report

Lake Huron Water Supply system  
2nd Quarter 2024 (April 1 to June 30)  
(\$,000's)

	Approved 2024 Budget	Q2 - 2024	2024 Year to Date	Year To Date Variance	2023 Year To Date
<b>Total Revenue</b>	<b>27,561</b>	6,766	12,667	14,894	11,942
<u>Expenditures:</u>					
Contracted Operating Services	8,083	1,973	3,896	4,187	3,817
Contracted Administrative Services	338	84	167	171	151
Electricity	3,100	778	1,259	1,841	1,458
Salaries, Wages, Benefits	1,251	305	498	753	430
Administration and Other Expenditures	535	52	233	302	227
Vehicles and Equipment	176	49	91	85	51
Purchased Services & Professional Fees	1,499	133	619	880	615
Debt Principle Payments	958	0	952	6	938
Interest on Long-Term Debt	29	0	22	7	56
Contributions to Reserve Funds	11,593	0	0	11,593	0
<b>Total Expenditures</b>	<b>27,563</b>	<b>3,374</b>	<b>7,737</b>	<b>19,826</b>	<b>7,743</b>

## Board of Management Report

**Subject:** Capital Status Report

### Overview:

- This report shows the current fiscal year's status of all capital projects.
- One capital project is recommended to be closed with surplus funding in the approximate amount of \$16,759 released to the Reserve Funds.

### Recommendation

That, on the recommendation of the Chief Administrative Officer, the Board of Management for the Lake Huron Primary Water Supply System take the following actions regarding capital projects:

- a) The Board **CLOSE** projects **LH1219** Filter Backwash Turbidity Meters with surplus funding in the approximate amount of **\$16,759** be released to the Reserve Funds; and
- b) The Board **RECEIVE** this report for information.

### Previous and Related Reports

March 7, 2024      Capital Status Report

### Background

The Capital Project Status Report, attached for the Board's information, provides a brief overview of the status of current capital projects for the Lake Huron 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 from the start of the contract), 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.

- 2. a) 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.

**b) 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.

## Discussion

For the information and reference of the Board, the following is the Capital Project Status Summary:

### 1. Ongoing Capital Projects

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH1016	Huron Safety Railing Replacement	\$600,000	\$484,094	Ongoing
LH1021	Huron Low Lift Pump 6 Refurbishment	\$415,000	\$209,590	Ongoing
LH1107	SCADA/PLC Software Review & Upgrade	\$500,000	\$416,246	Ongoing
LH1207	Concrete Crack Injection	\$270,000	\$216,647	Ongoing

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH1216	Closed Loop Chlorine Control	\$135,000	\$106,294	Warranty period
LH1229	Security Upgrades	\$1,153,000	\$855,481	Ongoing
LH1230	High Lift Pump Replacement	\$13,557,000	\$9,490,765	Warranty period
LH1232	Arva Victaulic Repair	\$175,000	\$143,060	Warranty period
LH1242	Hydraulic/Transient Model Update and Monitoring	\$580,000	\$456,495	Ongoing
LH1243	McGillivray Electrical Upgrades	\$11,887,175	\$10,659,475	Ongoing
LH1245	Walking Beam Flocculator Rehab	\$400,000	\$389,669	Warranty period
LH1251	PAC Feed/Transfer Pump System Replacement	\$1,300,000	\$54,104	Ongoing
LH1256	Crop Yield Monitoring – 2014 Pipeline Twinning	\$1,500,000	\$242,189	Ongoing
LH1260	Flash Mixer Upgrade	\$1,437,000	\$1,154,290	Ongoing
LH1261	PLC Replacements	\$40,000	\$15,392	Ongoing
LH1264	Vehicle Door Replacements	\$225,000	\$205,593	Ongoing
LH1267	Plant Interior Door Replacement	\$100,000	\$85,188	Warranty period
LH1272	Service Water Pipe Replacement (multi-year)	\$125,000	\$74,001	Ongoing
LH1273	(PS3) Exeter-Hensall Pump Control Upgrades	\$100,000	\$7,441	Warranty period
LH1274	SCADA Control Modifications	\$100,000	\$2,160	Ongoing
LH1277	IT Asset Replacement Program	\$566,000	\$348,303	Ongoing
LH1279	Cyber Intrusion Detection System	\$10,000	\$0	Ongoing

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH1284	Huron Flocc Gear Drive	\$300,000	\$402,148	Warranty period
LH1285	Pressure Reducing Valve	\$425,000	\$30,354	Ongoing
LH1316-22	Annual Maintenance (2022)	\$125,000	\$195,456	Ongoing
LH1316-23	Annual Maintenance (2023)	\$125,000	\$18,410	Ongoing
LH1316-24	Annual Maintenance (2024)	\$125,000	\$39,103	Ongoing
LH1317	Distressed Pipe Replacement	\$2,500,000	\$1,474,215	Ongoing
LH1352	Arva Reservoir Structural Repairs	\$2,050,000	\$41,686	Ongoing
LH1353	WTP Modifications	\$2,350,000	\$400,132	Ongoing
LH1380	Clarifier Upgrades	\$465,000	\$272,513	Ongoing
LH1388	Coagulation Optimization Study	\$50,000	\$0	On hold
LH1408	Oneida Transmission Pipeline	\$25,200,000	\$515,348	Ongoing
LH1426	WTP Storage Schedule B	\$4,000,000	\$475,224	Ongoing
LH1900	Record Drawings & Documents	\$491,000	\$406,953	Ongoing
LH1901	Water Quality Facility Plan	\$290,000	\$127,818	Ongoing
LH2036	Roof Drain Replacement	\$100,000	\$105,104	Ongoing
LH2038	Chamber Flood Prevention/Rehab	\$250,000	\$156,834	Ongoing
LH2042	Pipeline-A Double Isolation Valve	\$1,247,000	\$26,566	Ongoing



PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH2044	Sub-Basement Drain Study	\$25,000	\$16,230	Ongoing
LH2045	Monitoring Station Controls Upgrades	\$275,000	\$20,529	Ongoing
LH2046	Asset Condition Field Assessment	\$210,000	\$94,790	Ongoing
LH2048	De-Chlorination at Remote Stations	\$125,000	\$10,331	Ongoing
LH2049	Office Expansion	\$100,000	\$56,321	Warranty period
LH2050	Master Water Plan Update	\$235,000	\$8,477	Ongoing
LH2051	Service Water Study	\$120,000	\$0	Ongoing
LH2052	McGillivray Building Renovations	\$25,000	\$0	On hold
LH2053	Climate Change Resiliency Assessment	\$120,000	\$0	Ongoing
LH2054	Treatment Plant Surge System	\$175,000	\$0	Ongoing
LH2055	Beach Chamber Valve Replacement	\$400,000	\$0	Ongoing
LH2056	Clarifier Ramp Replacement	\$280,000	\$0	Project to be initiated
LH2057	High Lift Discharge Flow Meter	\$400,000	\$0	Ongoing
LH2058	Low Lift Check & Butterfly	\$370,000	\$0	Ongoing
LH2059	Raw Water Valve & Actuator	\$350,000	\$0	Ongoing
<b>TOTAL</b>		<b>\$78,478,175</b>	<b>\$30,511,019</b>	

**2.a) Completed Projects – Release Surplus to Reserve Funds** **\$16,759**

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH1219	Filter Backwash Turbidity Meters	\$250,000	\$233,241	Warranty period
<b>TOTAL</b>		<b>\$250,000</b>	<b>\$233,241</b>	

**2.b) Completed Projects – Reduce Authorized Debt/Other Sources**

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
<b>TOTAL</b>		<b>\$ 0</b>	<b>\$ 0</b>	

**3. Completed Projects – Additional Funding Required**

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
<b>TOTAL</b>		<b>\$ 0</b>	<b>\$ 0</b>	

\* *Expended as of August 31, 2024*

**Prepared by:** Archana Gagnier  
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**Recommended by:** Kelly Scherr, P.Eng., MBA, FEC  
Chief Administrative Officer

## Board of Management Report

**Subject:** 2025 Operating & Capital Budgets

### Overview:

- The proposed 2025 Operating and Capital budgets are consistent with the Financial Plan approved by the Board in March 2023.
- The proposed water rate for 2025 is 57.26 cents (\$0.5726) per cubic meter; a five-percent increase in the rate charged in 2024 to benefiting municipalities.
- Cost projections presented in the 2025 budget include the anticipated operating costs for the water utility within the current term with the contracted operating authority, the Ontario Clean Water Agency, which ends December 31, 2027.
- Projected financial requirements beyond 2025 may be subject to change once the Master Water Plan is updated and completed, currently anticipated to be completed mid-2025.

### Recommendation

That, on the recommendation of the Chief Administrative Officer, the following actions be taken by the Board of Management for the Lake Huron Water Supply System with regard to the 2025 Operating and Capital Budgets:

- a) The Board **APPROVE** the 2025 Operating Budget in the total amount of \$29,294,713 as attached to this report;
- b) The Board **APPROVE** the 2025 Capital Budget in the total amount of \$22,966,000 as attached to this report;
- c) The Board **APPROVE** the 2025 rate for water of \$0.5726 per cubic meter;
- d) The Board **RECEIVE** the 2026 to 2034 Capital Forecast for information; and,
- e) The Board **RECEIVE** the 2023 to 2029 Flow and Financial Analysis for information.

### Previous and Related Reports

None

## Discussion

### 2025 Water Rate

It is proposed in this budget that the water rate for the wholesale of water to the benefiting municipalities be set at \$0.5726 per cubic meter (57.26¢ per cubic meter). In responding to regulatory, operational, and inflationary pressures, this proposed 2025 rate represents a 5% increase from the current rate charged in 2024.

The rate proposed for the 2025 budget is consistent the projected rate increase previously reported to the Board in the Financial Plan approved in March 2023.

### 2025 Budget Volume

Projecting for the current rate of population and water demand growth within the benefiting municipalities, as well as anticipated impacts of development, industry and water conservation initiatives, the proposed 2025 treated water volume included in the budget of 49,434,270 cubic meters represents a 1.5% increase compared with the 2024 approved budgeted volume, and approximately 1.7% higher than the anticipated 2024 actual supplied volumes by year-end.

Approved 2024 budget volume	48,724,500 m <sup>3</sup>
Anticipated 2024 year-end volume	48,593,372 m <sup>3</sup>
Proposed 2025 budget volume	49,434,270 m <sup>3</sup>

The long-term volume projections for the regional water systems have been re-evaluated in preparation for the 2025 budget and revised to incorporate changes in consumption trends within the City of London. Supplied volumes to the other benefiting municipalities continue to remain stable, with low to moderate long-term annual growth in consumption rates.

Water demand projections and anticipated capital works are reviewed annually as part of the budget development process to ensure capital investments are appropriately coordinated and timed. The long-term volume projections are being reviewed as part of the ongoing update to the water system's Master Plan, which is expected to be completed by mid-2025. These projections will include the supply of water to the Oneida Nation of the Thames anticipated to begin by early 2026.

Further, the regional water system's business case process promotes a risk mitigation and level of service strategy which further encourages the appropriate timing of necessary projects and investments.

## **Operating Costs**

The two largest individual operating costs for the water supply system are the contract costs for the operation and maintenance of the water supply system, and the purchase of electricity for the system. The 2025 budgeted operating costs are approximately \$11.487 million, reflecting a net 2.7% projected increase compared to the 2024 budget, and consists of approximately \$3.1 million in energy costs versus \$8.39 million in contracted operating services. While ongoing energy saving initiatives implemented at the facilities are translating to decreased energy consumption, the corresponding total energy costs remain consistent as supplied water volumes increase.

The Service Fee currently paid to the Board's contracted operating authority, the Ontario Clean Water Agency (OCWA), consists of general operating costs such as labour, material, natural gas, chemicals, and other maintenance and repair services. As electricity can be highly variable on a year-over-year basis, the risk of market volatility has summarily been assumed by the Board and mitigated through the Board's energy procurement strategy, as well as conservation and efficiency programs implemented in partnership with the Board's contracted operating authority.

The Board has previously received and accepted an energy, conservation and pump optimization study report which reviewed possible cost saving and efficiency measures related to the procurement and usage of electrical energy and the associated pumping strategy for the system. The proposed 2025 Capital Budget and forecasted capital plan continues to incorporate energy efficiency projects and other opportunities, where feasible, with further energy efficiency projects to be considered in future and evaluated using the water system's business case process.

## **Administration and Other Expenses**

The Administration and Other Expenditures projected for the 2025 budget of approximately \$4.45 Million represents a \$651,000 net increase over the 2024 budget. This net increase is due to numerous changes to the water supply system, including:

- **Management & Administrative Personnel:** projections for personnel costs have been adjusted as a result of increases reflective of Collective Agreements and cost of living. The budget also includes the addition of seven new positions ( $\frac{1}{2}$  FTE's each shared with the Elgin Area Water System) to address the increased workload due to business needs and undertaking of duties previously purchased from the City of London and third-party vendors;

- Decreased fees charged by the City of London for numerous services and support due to the assumption of administrative support services from the City of London;
- Increases to the Board's property, cyber insurance, Directors & Officers insurance, and general liability insurance policies;
- The increased costs to Information Technology due to implemented cyber security measures, network technology, and replacement of IT/OT assets; and,
- Increased cost of leased office space.

## **Process Optimization**

Efforts continue related to process optimization to improve treatment and transmission system performance, efficiency, and effectiveness with the intention of lowering long-term costs of operation and optimize future capital investments. In addition, process optimization has the added potential to increase treatment capacity without the corresponding potentially significant cost of construction of new treatment processes (i.e., expanding the treatment plant).

The Water Quality Facility Plan, detailed in a separate report before the Board, outlines recommended process efficiency improvements and treatment challenges which may restrict process efficacy in future. Leveraging in-house resources and the use of partnerships with the Natural Sciences and Research Council of Canada (NSERC) Industrial Research Chairs at the universities of Waterloo and Toronto have allowed staff to reduce the associated operational costs without impacting the optimization program.

## **Administrative Staffing Plan**

Since the issuance of the Transfer Order by the province of Ontario which created the Board and transferred ownership from the province, the City of London has provided specified administrative support services to the regional water systems on a fee for service basis. The scope of the services provided largely relate to support related to financial services, procurement, information technology, risk & insurance management, and human resource management.

The terms of the services provided have never been clearly defined, and Board staff have been in discussions with the City of London to clearly define a corresponding Service Level Agreement. While services such as human resource management and the utilization of the city's financial information management system continue to be part of the core services provided by the city to the Board, the Service Level Agreement discussions have identified several areas in which improvements can be made through the Board's assumption of the responsibilities.

In that regard, as well as addressing the increasing workload related to the water system's capital program, the 2025 budget includes the addition of the following positions:

**Finance** – To ensure the timely management of payables and receivables, as well as the efficient and effective procurement of goods and services for the regional water system, a Manager of Finance and Procurement, a Procurement Specialist, and a Support Clerk are being added to the existing complement of staff. Along with the existing Budget and Finance Analyst, this group will be responsible for the management of financial services for the Board. Support services will continue to be provided by the City of London in relation to the use of the city's financial management system, debenture management, and reserve fund management.

**Capital Programs** – In order to effectively manage the long-term capital programs for the water system, a Senior Technologist is being added to the existing complement of staff. This position is in addition to the existing positions including two engineers, two technologists, one senior technologist, and engineer-in-training, and an asset management coordinator, as well as an engineering intern student that supports the process optimization program. This group is led by a Senior Manager of Capital Programs.

**Business Operations** – consolidating the management and administration of operational related activities, a Senior Manager of Business Operations is being added to the existing complement of staff. This position will be focused on the overall management of operational activities including quality assurance and compliance, the coordination of various contracted services, SCADA control systems, information technology and network operations, as well as security and emergency management. To support this business area, a Health and Safety Specialist and a SCADA Supervisor are also being added to the existing complement.

As cybersecurity and control systems become more complex, and require detailed oversight and coordination, the SCADA Supervisor is necessary to ensure that the control systems utilized by the water supply system remain robust and secure.

The proposed Health and Safety specialist is critical to address gaps in the existing health and safety program for the regional water system. While much of the core health and safety requirements related to the employment of Board staff are provided through the City of London, program specific requirements outside of the city's purview and related to contractor safety management and the coordination of the health and safety requirements of the regional water system with the various contracted services need to be robust and well coordinated.

For the Board's information and reference, it is important to note that all staff positions are shared with the Elgin Area Water Supply System, including the corresponding costs. Changes in staff complement are reflected as a ½ full-time-equivalent (FTE) position for each Board within the respective operating budget.

## **Proposed 2025 Capital Budget**

The proposed 2025 Capital Budget incorporates several projects to address capital improvements and critical reinvestment in the water supply system's assets, as well as regulatory requirements, ongoing and proposed Board initiatives. Project specific summaries are provided in [Appendix A](#) of this report for the Board's information.

In the development of the 2025 Capital Budget, a business case is created for each project which outlines the scope of the issue that needs to be addressed, options which can reasonably be considered, capital and operating cost estimates and implications, and the identification of project interdependencies. The business case process is linked with the water system's Customer Level of Service framework and Risk Mitigation strategy to better prioritize and direct funds in a more strategic fashion and in consideration of financial constraints which may be experienced.

Within this framework, a proposed capital project may be "lifecycle" in nature and required to maintain an existing level of service, and/or a "service improvement" investment which may address elements like:

- Enhancement to the level of service (including safety and security, energy efficiency improvements, system resiliency, and working conditions);
- Support of system growth, including the supply to new communities, or support projected increases in water demands to serviced communities;
- Address regulatory changes; and/or,
- Increase efficiency.

The level of capital investment will vary from year-to-year, most especially for projects related to system growth or supporting increasing water consumption. The Asset Replacement Reserve is used for lifecycle projects (maintain Level of Service), while the New Capital Reserve is used for system improvements (enhance Level of Service). A given project, in principle, may address multiple elements within the Level of Service framework (end-of-life replacement, improve energy efficiency, and/or address health & safety, regulatory, performance, etc.), and therefore may require the utilization of both the Asset Replacement Reserve (lifecycle) and the New Capital Reserve (service improvement and growth) as sources of funding.



### **Lifecycle Projects (Maintain Level of Service)**

Proposed projects in the 2025 Capital Budget which primarily address maintaining the system's level of service are:

- Huron Low Lift Pump Rebuild
- IT Asset Replacement Program
- Roof Drain Replacement
- Operations & Maintenance Procurement Advisory Services
- McGillivray Discharge Flow Meter Replacement
- Filter Effluent Valve Actuator Replacements
- Plant Seagull Control
- McGillivray Inlet Check Valve Replacement
- Intake Chlorine Line Replacement
- Arva Valve House Door Rehabilitation
- PLC Replacements
- Distressed Pipe Replacement
- McGillivray Building Renovations
- Pipeline Alignment Survey
- Chlorine Line Replacement Program
- Caustic Soda System Upgrades
- Plant Interior Lighting – Phase 2
- Roof Replacements – Phase 3
- Overhead Vehicle Door Replacement - Phase 2
- KB1 MCC Component Upgrades

In addition to the above-noted capital projects, the 2025 Capital Budget includes LH1316 Annual Maintenance which funds, in part, maintenance and repair projects undertaken by the contracted operating authority, the Ontario Clean Water Agency.

All maintenance and repairs of the system's assets are the obligation of the contracted operating authority to undertake in accordance with the Service Agreement. For activities of maintenance and repair where the value of the material and any contracted specialty services exceed \$30,000 (adjusted annually by the Consumer Price Index), the Board is responsible for the value of the work more than the \$30,000 (as adjusted).

To facilitate this work, the Capital Budget includes an Annual Maintenance project which is utilized to fund this contractual obligation of the Board.

### **Service Improvement Projects (Enhanced Level of Service, Regulatory Changes, Efficiency)**

Proposed projects in the 2025 Capital Budget for which the primary driver is service improvement are:

- Huron Safety Rail Replacement
- WTP – Administration Building Expansion and Site Redevelopment
- Climate Change Resiliency Assessment
- Emergency Exit Lights Replacement
- Division Vehicle
- Security Upgrades
- Chamber Flood Prevention and Rehabilitations
- Remote Site Generator Connections – Phase 2
- Plant Wi-Fi Upgrade Replacement
- Polymer System Upgrades

A summary of each of the projects is provided in [Appendix A](#) of this report.

### **Asset Management Plan**

The Asset Management Plan approved by the Board in 2022, in part, provides an assessment of anticipated capital projects based on asset condition assessments and asset performance, as well as operational assessments provided by our contracted operating authority.

It is important to note that the anticipated projects in the first five-year planning period outlined in the Asset Management Plan tend to be based on risk mitigation addressing condition and/or performance, while projects in the remaining 25+ years of the Plan tend to be systemic or age-related in nature. In addition, the financial information presented in the Asset Management Plan is considered an “unconstrained” financial projection; meaning, without consideration of such things as other operational needs and financial constraints (e.g., borrowing capacity) that may be experienced by the water supply system.

### **Financial Plan**

The Financial Plan is utilized to incorporate the needs identified in the Asset Management Plan, the Master Water Plan (growth management study), and other planning studies undertaken by the utility, as well as the evolving operational and administrative needs of the system. The Financial Plan is used to better leverage and predict the financial requirements and consequential implications to the system. During the development of the annual budget, the projections in the approved 2023 Financial Plan are measured and adjusted according to actual conditions, which will consequently affect the capital plan in each fiscal year.

The approved 2023 Financial Plan recommends an average target year-end balance for the Asset Replacement Reserve in the order of \$7.5 million. Although the actual investment and rate of commitment may vary year to year, the current capital plan maintains the long-term average investment rate as outlined in the approved Asset Management Plan and Financial Plan.

In contrast, the New Capital Reserve is intended to grow significantly over time to provide a sufficient base for funding of large growth-related projects in future. The balance of generational investment equity (i.e., utilization of reserve funds established by current users versus debt incurred and paid by future users) has yet to be fully quantified and may be addressed in future Master Water Plan and Financial Plan studies.

Within the forecast period, the Capital Plan currently anticipates the expansion of the Arva Terminal Reservoir (2031) and several age-related investments between 2029 and 2034. The Master Water Plan, currently being updated and anticipated to be completed by mid-2025, is anticipated to have an impact on the long-term financial requirements to address growth-related projects and confirm the timing of needed investments. This may potentially include significant treatment improvements to address long-term supply needs.

Staff continue to be satisfied that the issue of generational equity can be addressed within a reasonable timeframe.

## **Capital Plan & Forecast**

Several capital projects are projected beyond the 2025 Capital Budget year, which will have an impact on the financial forecast and future water rates for the water system. As previously noted, staff undertake a business case assessment for each project in support of budget approval to confirm the costs, timing, and priority of the project, consistent with our Customer Level of Service framework and Risk Mitigation strategy.

The projected capital plan (2026 to 2034) includes an allocation for anticipated systemic-related but unspecified asset investments starting in 2026 (identified as “*AMP Investments*”). This reflects the age-related projections previously included in the approved 2022 Asset Management Plan. As condition, performance, and risk assessments are completed, business cases are undertaken to identify and prioritize the expenditures and replace these “*AMP Investments*” allocations in the long-term plan. For the time being, and for planning purposed only, these “*AMP Investments*” placeholders are included in the capital projections beyond the proposed budget to accommodate likely future investments and impacts to the corresponding Reserve Funds.

The projected capital plan (2026 to 2034) also includes an allocation for anticipated systemic but unspecified asset investments starting in 2026 (identified as “*Future Projects*”). This includes projects related to improving process efficiency and projects to address treatment challenges which may restrict process efficacy in future as recommended in the 2024 Water Quality Facility Plan that is detailed in a separate report before the Board. Business cases for these specific projects will be completed for the purposes of Budget approval to identify and prioritize the expenditures and replace these “*Future Projects*” allocations in the long-term capital plan. For the time being, and for planning purposes only, these “*Future Projects*” placeholders are included in the capital projections beyond the proposed budget to accommodate likely future investments and impacts to the corresponding Reserve Funds.

## **Flow and Financial Analysis**

Included in the budget package is a projection of annual volumes and finances beyond 2025 and provides a summary analysis of one option for rate increases and the use of debt (if any) where a debenture is identified in the Reserve Fund Continuity Schedules. This projection has incorporated the principles and recommendations from the approved Financial Plan but has been adjusted to reflect the current anticipated volume projections and corresponding revenues.

The projected operating expenses beyond 2025 utilizes the contracted operating costs of the amended operating agreement with the Ontario Clean Water Agency. The projected operating expenses further assumes that the future cost of operating the system is consistent with the current operating agreement which ends on December 31, 2027. Significant changes in contracted operating costs that may occur after January 1, 2028, including the cost and availability of chemicals and consumables for the water treatment processes, may have a considerable impact on future operating costs.

In addition, energy expenditures projected beyond 2025 have assumed a reasonable escalation of costs, tied to the anticipated annual volumes projected and consequential savings from various efficiency-related investments. At this time, the water system is well positioned to mitigate energy related risks and take advantage of cost savings where available.

As identified in the approved 2023 Financial Plan, staff are projecting a 5.0% annual increase in the rate beyond the 2025 budget. This water rate projection, however, may be subject to change and revision as the update to the Master Water Plan is completed by mid-2025.

## **Reserve Funds**

Conceptually, the Asset Replacement Reserve is required to provide a stable source of funding for capital programs designed to replace, maintain, and extend the life of existing assets to their full potential. Accordingly, the contribution to the Asset Replacement Reserve fund year-over-year should be relatively consistent and match the projected lifecycle needs of the system. On average and over the long-term, the Asset Replacement Reserve balance should be in the order of \$7.5 million to ensure a consistent funding source.

Conversely, the New Capital Reserve Fund is intended for growth-related capital programs and various system and performance improvement initiatives. As these programs tend to be periodic in nature, the reserve fund balance in the New Capital Reserve may significantly increase or significantly decrease in any given year depending on the timing of the programs undertaken and scope of the investments.

The Emergency Reserve Fund is intended to fund unplanned and unanticipated emergency-related projects such as pipeline failures, tank ruptures, shoreline erosion and treatment process failures. In accordance with the Board's direction, the target balance of the Emergency Reserve Fund is established at \$5 million, wherein contributions will be discontinued when the Emergency Reserve Fund balance reaches the target value.

## **Debentures**

There are several debentures previously approved by the Board and issued by the City of London on the water system's behalf, many of which are nearing the end of their term within the current forecast period. These debentures are:

- Debt authorized in 2006 for the Backup Generator (LH1326) in the amount of \$1.5 million was issued in 2013 with payments beginning in 2014 (3.3% for a 10-year term) and ending in 2025
- Debt authorized in 2011 for the Residuals Management Facility (LH1902) in the amount of \$16 million was partially issued in 2015 (\$7 million) with payments beginning in 2016 (1.9% for a 10-year term) and ending in 2025
- Debt authorized in 2012 for the Huron Transmission Pipeline Twinning (LH1305) in the amount of \$4 million was partially issued in 2015 (\$1.665 million) with payments beginning in 2016 (1.9% for a 10-year term) and further debt issued in 2017 (\$0.4 million) with payments beginning in September 2017 (2.48% for a 10-year term)

### **Acknowledgement**

The preparation of the 2025 Operating and Capital budgets were undertaken by the Regional Water Division staff, with the assistance of the City of London Financial Services.

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Director, Regional Water

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

Attachments: Appendix A – 2025 Proposed Capital Project Summaries  
2025 Operating & Capital Budgets, & Nine-Year Capital Forecast

## **Appendix A – 2025 Proposed Capital Project Summaries**

### **Lifecycle Projects (Maintain Level of Service)**

LH1021 Huron Low Lift Pump Rebuild (multi-year program): Intended for long service lives, the low lift pumps require periodic rebuilding of the pump impellers, seals, bearings, and other high-wear components. This program continues to rebuild one low lift pump per year over a six-year period with 2026 anticipated to be the final year of the program.

LH1261 PLC Replacements (multi-year program): Programmable Logic Controllers (PLCs) control and monitor vital plant equipment. Many of the existing controllers and supporting hardware are no longer supported and require replacement. The bulk of the project is to replace the PLCs associated with electrical switchgear and generators that have reached the end of their useful life. The specialized nature of these controllers and control system makes it difficult to seek local support and source spare parts in case of a catastrophic failure. PLCs are critical to the operation of all power systems at the plant could possibly result in an unplanned plant shutdown for an extended period if not replaced in a timely fashion.

LH1277 IT Asset Replacement Program (multi-year program): This project addresses outdated IT security and operating platforms used by the water supply system. The 2025 phase of the project will continue to provide upgrades and migrations to the network platform but also increase security and further segregate the plant's networks to provide additional isolation to meet cybersecurity best practices. Reliability and redundancy will also be improved with the addition of high availability concepts and failover methods in the replacement design.

LH1317 Distressed Pipe Replacement Program: As a result of the condition assessment and the accumulation of subsequent data from the Acoustic Fibre Optic Monitoring System within the 1200mm high pressure transmission pipeline, as well as the updated results of the predictive model for the deterioration of the transmission pipeline, this program replaces high-risk pipe segments on a systemic and as-needed basis. Although no replacement of pipe segments is specifically forecast for 2025, budget for this program is projected such that two pipe segments may be replaced should the need arise.

LH2036 Roof Drain Replacement (multi-year program): The cast iron drains throughout the facility are original to plant construction and are starting to show signs of blockage and leakage due to the extent of corrosion and age-related deterioration. This project will replace drains throughout the facility over a five-year period with 2026 anticipated to be the final year of the program.

LH2052 McGillivray Building Renovations (multi-year project): The administrative and operational control areas of the McGillivray Booster Pumping Station are original to the facility, are in poor condition and in need of upgrades to current standards and regulations. This project is to undertake the building-related renovations and upgrades once the McGillivray Electrical and HVAC project is complete.

Operations & Maintenance Procurement Advisory Services: The existing agreement for the contracted operation and maintenance of the water supply system expires on December 31, 2027. Pursuant to the Board's direction, this project provides legal, financial, and technical advisory services for the procurement of the next Operations and Maintenance Services contract that would begin in 2028. For the size and scope of the contracted operations, a corresponding public procurement process would typically take a minimum of eighteen months to complete.

Pipeline Alignment Survey (multi-year project): Apart from the original as-constructed record drawings, the utility does not have a comprehensive pipeline survey for the horizontal and vertical alignment of the transmission pipelines and associated appurtenances. This information is used for detailed designs and pipeline locates for construction, crossing or emergency purposes. This pilot project is to retain the services of a qualified locate/survey firm to trial various horizontal and vertical pipeline locating and topographic survey technologies for a defined section of pipeline and make recommendations for the preferred approach for surveying the full length of pipelines at a future date.

McGillivray Discharge Flow Meter Replacement: This project is to replace the discharge flow meter at the McGillivray booster pumping station that has reached the end of its useful life and periodic faults occurring as confirmed during annual calibration. Due to the age of the components, parts are no longer available from the manufacturer to affect a repair.

Chlorine Line Replacement Program (multi-year project): Due to the age of the infrastructure, the PVC chlorine lines throughout the plant have become brittle over time and are reaching the end of their useful life as they are original to plant construction. Chlorine lines are integral to plant operation and necessary to ensure compliance with provincial regulation. If a chlorine line were to fail, it would result in an unplanned plant shutdown and, depending on the severity of the leak, would pose a health and safety threat to plant staff. This project will replace the chlorine lines throughout the facility over a three-year period starting in 2025.

Filter Effluent Valve Actuator Replacements (multi-year project): The actuators that operate the filter effluent valves are reaching the end of their useful life and if they were to fail there would be reduced plant capacity with a filter out of service. This project will replace the actuators over a two-year period starting in 2025.



**Caustic Soda System Upgrades:** Various components associated with the caustic soda system that control the pH of the treated drinking water are at the end of their useful life and corresponding parts are no longer available from the manufacturer. This project will replace the caustic soda system.

**Remote Site Generator Connections – Phase 2 (multi-year project):** Communication, instrument information and valve control are unavailable at the Komoka-Mount Brydges and Exeter-Hensall pumping stations during a power outage due to the lack of backup power at these locations. The project will install receptacle connections so the level of service of this equipment at these stations is maintained during power outages. This project will take place over a two-year period starting in 2025.

**Plant Interior Lighting – Phase 2 (multi-year project):** Much of the interior lighting in the water treatment plants continue to be energy intensive incandescent and metal halide fixtures. This produces dim work areas and consumes significantly more energy than modern fixtures. This project replaces the existing interior fixtures with LED equipped lighting and motion sensors (where warranted). This project will take place over a five-year period starting in 2025.

**Plant Seagull Control:** The seagull nesting and roosting activity on various roofs at the water treatment plant is causing blockages of roof drains and premature deterioration of the roof membrane from the acidic nature of their droppings. This project will install bird control systems on the maintenance shop, low lift, and generator buildings to deter seagull activity in those areas. The grid wire deterrent system that was installed on the main facility roof at the water treatment plant in 2021 is proving as an effective deterrent to bird nesting and protection of plant staff while accessing the roof areas of the main plant.

**Roof Replacements – Phase 3 (multi-year project):** This project is to replace various roofs on the water treatment plant as prioritized by a previously completed inspection report. Some sections of roofs are currently leaking which, if not addressed, will result in further damage to buildings and interior infrastructure.

**McGillivray Inlet Check Valve Replacement:** This project is required to replace the inlet check valve at the McGillivray booster pumping station that is leaking and at the end of its useful life, with no replacement parts available from the manufacturer. Without replacement, the eventual failure that would render the booster station inoperable.

**Overhead Vehicle Door Replacement - Phase 2:** This project is required to replace the vehicle doors on the Chlorine Building, Maintenance Shop and Low Lift building that are at the end of their useful life.

**Intake Chlorine Line Replacement (multi-year project):** The PVC chlorine line that provides mussel control has failed in two locations in 2015 and 2022 and is nearing the end of its useful life. The intake structure is located 2.5 kilometers offshore at a depth of approximately ten metres. This project will design the replacement of the chlorine line with installation in 2025.

**KB1 MCC Component Upgrades:** The motor control centres (MCC) are a central component located in the electrical room for where motors for the Komoka-Mount Brydges Pumping Station are controlled. Several components of the MCCs are discontinued products and the software associated with the components is no longer supported. If the components were to fail, the remote monitoring and control of the equipment would be lost, resulting in an unplanned shutdown for an extended period. This project is to undertake the planned replacement of these components and associated software with supported products.

**Arva Valve House Door Rehabilitation:** This project is to replace the door on the Arva valve house that is at the end of its useful life.

**Service Improvement Projects (Enhanced Level of Service, Regulatory Changes, Efficiency)**

**LH1016 Huron Safety Railing Replacement (multi-year program):** A previous inspection by the Ministry of Labour has identified several of the water treatment facility's railings and guards which do not comply with current safety standards. This project replaces the rails and guarding within the facility over a six-year period with the final year of the program completed in 2025.

**LH1229 Security Upgrades (multi-year program):** The Security Audit and Threat Risk Vulnerability Assessment completed in 2017, provided policy, resource, and site-specific recommendations to mitigate security and safety risks at all facilities. The Security Upgrades project is a multi-year program to undertake security-related modifications to all facilities, based on the criticality assessment and recommendations of the security specialist.

**LH1353 WTP – Administration Building Expansion and Site Redevelopment (multi-year program):** The 2025 portion of this project will be to construct the new administration building, site upgrades and renovations to the water treatment plant to address long-standing issues associated with the administration and operational areas for plant staff within the water treatment plant as well as overall site security and access issues.

LH2038 Chamber Flood Prevention/Rehab (multi-year program): Some of the chambers along the 1200mm transmission pipeline have been mandated by the Ministry of Environment, Conservation and Parks to be visited several times per year due to the criticality of the air/vacuum relief valves and the risk of groundwater entering the valve relief ports and contaminating the water supply. While the chamber does contain solar-powered sump pumps, installing flood proofing and piping between the valves and the chamber vents will prevent water from entering the air valves and further decrease the possibility of contamination. As a result, staff have developed a program to rehabilitate the chambers throughout the water system over a six-year period, starting in 2022, and undertaken on a risk/priority basis.

LH2053 Climate Change Resiliency Assessment: The Asset Management Plan previously endorsed by the Board included a recommendation to undertake a climate change resiliency assessment on a site-specific basis using relevant guidelines and standards. This multi-year project is to examine opportunities for climate change adaptation and mitigation approaches that are not yet realized in response to the threat of extreme weather events and other consequential impacts of climate change posed to the plant and remote sites and/or their operation.

These risks and hazards must be understood so that they can be mitigated and adapted through future planning and improvement initiatives in keeping within the Environmental and Quality Policy previously approved by the Board and the associated Climate Change Mitigation and Adaptation commitments therein, as well as provincially mandated climate change risk assessments.

Plant Wi-Fi Upgrade Replacement: The Wi-Fi network at the plant is failing and is at the end of its useful life. This project is to replace and upgrade the Wi-Fi network to support current and future needs to ensure that current gaps in communications around the plant, such as critical health and safety alerts and announcements, may be communicated successfully.

Emergency Exit Lights Replacement: This project is to upgrade the emergency exits lights throughout the facilities to meet current regulations.

Polymer System Upgrades: The current filter aid polymer used at the water treatment plant has been shown to reduce filter run times when in operation. This study will explore alternative polymers to aid in improvements to the sedimentation process and increase clarification capacity, as well as improve filter run times during higher flows and/or raw water quality changes and thereby increase operational robustness.

**Division Vehicle:** The Regional Water Division provides administrative services and management oversight on behalf of the Board. The division currently has three “pool” vehicles shared between nineteen staff. When a vehicle is not available, staff utilize their personal vehicles and are reimbursed for mileage in accordance with the City of London’s and Board policies. Given the number of initiatives and capital programs managed by staff, this has resulted in significant annual expenditures for mileage reimbursement. The acquisition of a fourth vehicle will result in an overall reduction in vehicle/mileage related expenses.



*Lake Huron*

Primary Water Supply System

**2025 Operating and Capital Budgets  
and Nine Year Capital Forecast**

**October 3, 2024**

# Lake Huron Primary Water Supply System 2025 Budget

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**2025 Budget  
Revenue and Expenditure Summary  
(\$000's)**

	<b>2024 Approved Budget</b>	<b>2025 Proposed Budget</b>	<b>Incr (Decr)</b>	<b>% Budget Incr (Decr)</b>	<b>2024 Year End Projection</b>
<b>Revenue</b>					
Volume Revenues <sup>(1)</sup>	26,574	28,308	1,734	6.5%	26,501
Other Revenues <sup>(4)</sup>	987	987	0	0.0%	84
<b>Total Revenue</b>	<b>27,561</b>	<b>29,295</b>	<b>1,734</b>	<b>6.3%</b>	<b>26,585</b>
<b>Expenditures</b>					
Operating Costs <sup>(2)</sup>	11,183	11,487	304	2.7%	11,007
Administration & Other Expenditures	3,799	4,450	651	17.1%	3,598
Debt Principal Repayments <sup>(3)</sup>	952	966	14	1.5%	952
Interest on Long Term Debt <sup>(3)</sup>	34	10	(24)	-70.6%	34
Contribution to Reserve Funds	11,593	12,382	789	6.8%	10,994
<b>Total Expenditures</b>	<b>27,561</b>	<b>29,295</b>	<b>1,734</b>	<b>6.3%</b>	<b>26,585</b>

\* subject to rounding

**Notes:**

(1) A budget volume increase is anticipated in 2025. Rates per m3 are proposed to increase by 1.5%.

(2) Part of the operating costs are direct to the Lake Huron system (i.e. electricity, AFO Monitoring, etc.), while all other costs are fixed to the annual operating costs included in the Service Fee paid to the Ontario Clean Water Agency.

(3) Refer to page 9 for more information on debt.

(4) A one-time buy-in charge is invoiced to Oneida Nation of the Thames per the Water Supply Agreement and the Board's New Connection Policy was on the 2024 Budget but has been deferred to 2025

**Lake Huron Primary Water Supply System**  
**2025 Budget**  
**Administration & Other Expenditures**  
(\$000's)

	<b>2024 Approved Budget</b>	<b>2025 Proposed Budget</b>	<b>Incr (Decr)</b>	<b>% Budget Incr (Decr)</b>	<b>2024 Year End Projection</b>
Management & Administrative Personnel	1,251	1,872	621	49.6%	1,039
Support and Overhead Costs <sup>(1)</sup>	338	207	(131)	-38.8%	338
Payment in Lieu of Taxes	330	330	0	0.0%	330
Insurance (Property, Director & Officers, General Liab)	775	891	116	15.0%	825
Financial/Office Expenses <sup>(2)</sup>	333	372	39	11.7%	297
Process Optimization	75	75	0	0.0%	75
Information Technology Maintenance <sup>(3)</sup>	272	280	8	2.9%	288
Purchased Services (Legal, Consulting, Locates etc.)	425	423	(2)	-0.5%	399
<b>Total Administration &amp; Other Expenditures</b>	<b>3,799</b>	<b>4,450</b>	<b>651</b>	<b>17.1%</b>	<b>3,591</b>

\* subject to rounding

**Notes:**

(1) Support and Overhead Costs reflect the costs charged by the Administering Municipality for various administrative functions (e.g. Finance, Purchasing, Human Resources, Risk Management, etc.).

(2) Financial/Office Expenses include other administrative expenses such as leased space, training/seminars/conventions, computer leasing, and sampling and process optimization initiatives.

(3) Costs and charges related to computers, software, network communications, and SCADA system maintenance including plant instrumentation



**Lake Huron Primary Water Supply System**  
**2025 Budget**  
**2025 Capital Plan with Forecast for 2026 to 2034**  
**(\$000's)**

#	Description	Project Total	Prior Years Budget	2024 Approved Budget	2025 Proposed Budget	Forecast				
						2026	2027	2028	2029	2030 to 2034
LH1016	Huron Safety Rail Replacement	700	500	100	100					
LH1021	Huron Low Lift Pump Rebuild (1)	540	290	125	125					
LH1107	SCADA/PLC - Software Review/Upgrade	500	500							
LH1207	Concrete Crack Injection	270	220	50						
LH1216	Close Loop Chlorine Control	135	135							
LH1219	Filter Backwash Turbidimeters	250	250							
LH1229	Security Upgrades	1,353	1,053	100	100	100				
LH1242	Hydraulic/Transient Model Update & Transient Monitoring	580	540	40						
LH1243	McGillivray Electrical Upgrades	11,887	11,887							
LH1245	Walking Beam Flocculator Rehabilitation	400	400							
LH1250	McGillivray Pumps & Valves Refurbishment	3,842								3,842
LH1251	PAC Feed/Transfer Pump System Replacement	1,300	260	1,040						
LH1256	Crop Yield Monitoring - 2014 Pipeline Twinning	1,500	1,500							
LH1260	Coagulant System Upgrade	1,437	1,437							
LH1261	PLC Replacements	3,315	40		2,750	275	250			
LH1264	Overhead Truck Door Replacement	225	225							
LH1267	Plant Interior Person Door Replacement	100	80	20						
LH1268	Obsolete Equipment Removal	150	150							
LH1272	Service Water Pipe Replacement	125	100	25						
LH1273	(PS3) Exeter-Hensall Pump Control Upgrades	100	100							
LH1274	SCADA Control Modifications	100	100							
LH1277	IT Asset Replacement Program	1,771	425	141	150	120	100	120	50	665
LH1279	Cyber Intrusion Detection System	10	10							
LH1280	Arva Reservoir Expansion	85,000								85,000
LH1284	Huron FLOCC Gear Drive Repair	300	300							
LH1285	Pressure Reducing Valve Replacements	425	425							
LH1316 xx	Annual Maintenance <sup>(1)</sup>	2,210	835	125	125	125	125	125	125	625
LH1317	Distressed Pipe Replacement	6,100	2,150	350	350	350	350	400	350	1,800
LH1352	Arva Reservoir Structural Repairs	2,050	50	2,000						
LH1353	WTP - Admin Bldg Ext and Site Redevelopment	18,250	850	1,500	15,900					
LH1380	Clarifier Upgrades	465	350	115						
LH1408	Oneida Transmission Pipeline	25,200	25,200							
LH1426	WTP Storage and UV	3,500	500	3,000						
LH1900	Record Drawings and Documents	491	491							
LH1901	Water Quality Facility Plan	540	290							250
LH2036	Roof Drain Replacement	150	65 75	25	25	25				
LH2038	Chamber Flood Prevention/Rehab	550	175	75	100	100	100			

**Lake Huron Primary Water Supply System**  
**2025 Budget**  
**2025 Capital Plan with Forecast for 2026 to 2034**  
(\$000's)

#	Description	Project Total	Prior Years Budget	2024 Approved Budget	2025 Proposed Budget	Forecast				
						2026	2027	2028	2029	2030 to 2034
LH2042	Pipeline-A Double Isolation Valve	1,247	1,247							
LH2043	Construction Site Trailer Pad & Electrical Pedestal	75	75							
LH2044	Sub-Basement Drain Study	25	25							
LH2045	Monitoring Station Controls Upgrades	275	275							
LH2046	Asset Condition Field Assessment	210	110	100						
LH2047	Electric Vehicle Charging Stations	10	10							
LH2048	De-chlorination at Remote Stations	125	125							
LH2049	Office Expansion	100	100							
LH2050	Master Water Plan Update	385		235					150	
LH2051	Service Water Study	120		120						
LH2052	McGillivray Building Renovations	150		25	25	100				
LH2053	Climate Change Resiliency Assessment	340		120	120	50	50			
LH2054	Treatment Plant Surge System Rehabilitation	175		175						
LH2055	Beach Chamber Valve Replacement	400		400						
LH2056	Clarifier Ramp Replacement	280		280						
LH2057	High Lift Discharge Flow Meter Replacements	400		400						
LH2058	Low Lift Check & Butterfly Valve Replacements	370		370						
LH2059	Raw Water Valve & Actuator Replacement	350		350						
LH2060	Operations & Maintenance Procurement Services	250			250					
LH2061	Asset Management Plan Update	300				150				150
Proposed	Plant Wi-Fi Upgrade & Replacement	620			620					
Proposed	Pipeline Alignment Survey	60			60					
Proposed	McGillivray Discharge Flow Meter Replacement	245			245					
Proposed	Chlorine Line Replacement Program	375			125	125	125			
Proposed	Filter Effluent Valve Actuator Replacements	670			335	335				
Proposed	Caustic Soda System Upgrades	155			155					
Proposed	Remote Site Generator Connections - Phase 2	130			65	65				
Proposed	Plant Interior Lighting Program - Phase 2	175			35	35	35	35	35	
Proposed	Roof Replacements - Phase 3	995			335	330	330			
Proposed	McGillivray Inlet Check Valve Replacement	340			340					
Proposed	Plant Seagull Control	50			50					
Proposed	Emergency Exit Lights Replacement	155			35	30	30	30	30	
Proposed	Overhead Vehicle Door Replacement - Phase 2	125			65	60				
Proposed	Intake Chlorine Line Replacement	950			100	850				
Proposed	KB1 MCC Component Upgrades	100			100					
Proposed	Arva Valve House Door Rehabilitation	15	66		15					

**Lake Huron Primary Water Supply System**  
**2025 Budget**  
**2025 Capital Plan with Forecast for 2026 to 2034**  
**(\$000's)**

#	Description	Project Total	Prior Years Budget	2024 Approved Budget	2025 Proposed Budget	Forecast				
						2026	2027	2028	2029	2030 to 2034
<i>Proposed</i>	Polymer System Upgrades	1,395			145	1,250				
<i>Proposed</i>	Division Vehicle	21			21					
	Future Projects <i>(allowance for planning purposes)</i>	32,478				435	214	80	5,349	26,400
	AMP Investments <i>(allowance for planning purposes)</i>	17,533				372	561	2,030	2,652	11,918
		-								
<b>Huron Capital &amp; Forecast</b>		<b>\$ 237,995</b>	<b>\$ 53,860</b>	<b>\$ 11,406</b>	<b>\$ 22,966</b>	<b>\$ 5,282</b>	<b>\$ 2,270</b>	<b>\$ 2,820</b>	<b>\$ 8,741</b>	<b>\$ 130,650</b>

\* subject to rounding

**Notes:**

(1) Capital account for Board contributions to maintenance projects undertaken by the operating authority.

**Lake Huron Primary Water Supply System**  
**2025 Budget**  
**Capital Plan Sources of Financing**  
**(\$000's)**

<b>Funding Source</b>	<b>2024 Approved Budget</b>	<b>2025 Proposed Budget</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Asset Replacement Reserve Fund	6,193	5,461	4,508	2,066	2,747	8,542
Capital Reserve Fund	5,213	17,505	775	204	73	199
Emergency Reserve Fund	-	-	-	-	-	-
Debenture	-	-	-	-	-	-
Other Funding Sources	-	-	-	-	-	-
<b>Total Capital Funding</b>	<b>\$ 11,406</b>	<b>\$ 22,966</b>	<b>\$ 5,282</b>	<b>\$ 2,270</b>	<b>\$ 2,820</b>	<b>\$ 8,741</b>

\* subject to rounding

**Lake Huron Primary Water Supply System**  
**2025 Budget**  
**Asset Replacement Reserve Fund Analysis and Continuity Schedule**  
**(\$000's)**

Asset Replacement Reserve Fund (1)	Actual	Approved Budget	Projected				
	2023	2024	2025	2026	2027	2028	2029
Reserve Fund Opening Balance	20,386	13,997	6,245	7,582	7,520	7,520	7,519
<b>Sources:</b>							
Current Year Operating Contributions	150	6,000	5,612	4,152	1,708	2,409	8,056
Other Contributions <sup>(4)</sup>		962	962				
Transfer from Capital Reserve Fund							
Net Interest Earnings <sup>(2)</sup>	458	342	224	294	357	413	500
<b>Total Sources</b>	<b>\$ 20,994</b>	<b>\$ 21,301</b>	<b>\$ 13,043</b>	<b>\$ 12,028</b>	<b>\$ 9,585</b>	<b>\$ 10,342</b>	<b>\$ 16,075</b>
<b>Uses:</b>							
Total Lifecycle Capital Projects - Current	1,754	6,193	5,461	4,508	2,066	2,747	8,542
Less: Other Funding Sources	-	-	-	-	-	-	-
Less: Debenture Requirement							
Net Current Year Fund Draws <sup>(3)</sup>	1,754	6,193	5,461	4,508	2,066	2,747	8,542
Prior Years Capital Expenditures - Unspent	5,243	8,863					
<b>Total Uses</b>	<b>\$ 6,997</b>	<b>\$ 15,056</b>	<b>\$ 5,461</b>	<b>\$ 4,508</b>	<b>\$ 2,066</b>	<b>\$ 2,747</b>	<b>\$ 8,542</b>
<b>Reserve Fund Ending Balance</b>	<b>\$ 13,997</b>	<b>\$ 6,245</b>	<b>\$ 7,582</b>	<b>\$ 7,520</b>	<b>\$ 7,519</b>	<b>\$ 7,596</b>	<b>\$ 7,533</b>

\* subject to rounding

**Notes:**

(1) The Asset Replacement Reserve Fund was established in 2008 to fund projects of a lifecycle nature to maintain existing levels of service and has an average annual target ending balance of \$7.5M.

(2) Projected net interest earnings based on an average rate of anticipated sources and uses of funds.

(3) Drawdowns are based on full/committed capital needs and not intended to project the actual cash flow of funds being utilized in a particular year.

(4) A buy-in charge is to be invoiced to Oneida Nation of the Thames per the Water Supply Agreement and the Board's New Connection Policy in 2025, not 2024 as originally anticipated

**Lake Huron Primary Water Supply System**  
**2025 Budget**  
**New Capital Reserve Fund Analysis and Continuity Schedule**  
**(\$000's)**

Capital Reserve Fund (1)	Actual	Approved Budget	Projected				
	2023	2024	2025	2026	2027	2028	2029
Reserve Fund Opening Balance	24,033	30,235	23,929	13,853	22,814	22,814	36,342
<b>Sources:</b>							
Current Year Operating Contributions	8,747	4,972	6,770	9,236	12,811	12,811	13,816
North Middlesex Loan	93	185	185	185	185	185	186
Net Interest Earnings <sup>(2)</sup>	570	932	474	314	736	605	337
<b>Total Sources</b>	<b>\$ 33,443</b>	<b>\$ 36,324</b>	<b>\$ 31,358</b>	<b>\$ 23,588</b>	<b>\$ 36,546</b>	<b>\$ 36,415</b>	<b>\$ 50,681</b>
<b>Uses:</b>							
Total System Improvement & Growth Projects	1,324	5,213	17,505	775	204	73	199
Less: Other Funding Sources	-	-	-	-	-	-	-
Less: Debenture Requirement	-	-	-	-	-	-	-
Net Current Year Fund Draws <sup>(3)</sup>	1,324	5,213	17,505	775	204	73	199
Prior Years Capital Expenditures <sup>(3)</sup>	1,884	7,182	-	-	-	-	-
<b>Total Uses</b>	<b>\$ 3,208</b>	<b>\$ 12,395</b>	<b>\$ 17,505</b>	<b>\$ 775</b>	<b>\$ 204</b>	<b>\$ 73</b>	<b>\$ 199</b>
<b>Reserve Fund Ending Balance</b>	<b>\$ 30,235</b>	<b>\$ 23,929</b>	<b>\$ 13,853</b>	<b>\$ 22,814</b>	<b>\$ 36,342</b>	<b>\$ 36,342</b>	<b>\$ 50,482</b>

\* subject to rounding

**Notes:**

- (1) The Capital Reserve Fund was established to fund projects of a growth nature, enhancing levels of service, or address issues which are regulatory or safety in nature.
- (2) Projected net interest earnings based on an average rate of anticipated sources and uses of funds.
- (3) Drawdowns are based on full capital needs and not intended to project the actual cash flow of funds in a particular year.

**Lake Huron Primary Water Supply System  
2025 Budget  
Emergency Reserve Fund Analysis and Continuity Schedule  
(\$000's)**

Emergency Reserve Fund (1)	Actual	Approved Budget	Projected			
	2023	2024	2025	2026	2027	2028
Reserve Fund Opening Balance	4,952	5,230	5,413	5,602	5,798	6,001
<b>Sources:</b>						
Current Year Operating Contributions	150	-	-	-	-	-
Net Interest Earnings <sup>(2)</sup>	128	183	189	196	203	210
<b>Total Sources</b>	<b>\$ 5,230</b>	<b>\$ 5,413</b>	<b>\$ 5,602</b>	<b>\$ 5,798</b>	<b>\$ 6,001</b>	<b>\$ 6,211</b>
<b>Uses:</b>						
Current Year Capital Expenditures <sup>(3)</sup>						
Prior Years Capital Expenditures <sup>(3)</sup>						
<b>Total Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reserve Fund Ending Balance</b>	<b>\$ 5,230</b>	<b>\$ 5,413</b>	<b>\$ 5,602</b>	<b>\$ 5,798</b>	<b>\$ 6,001</b>	<b>\$ 6,211</b>

\* subject to rounding

**Notes:**

(1) The Emergency Reserve Fund was established in 2011 to fund projects that arise on an emergency basis. This funding is to be in place outside of the Capital and Asset Replacement Reserve Funds and their defining guidelines. Contributions will be capped when the reserve fund balance reaches \$5.0 million.

(2) Projected net interest earnings based on an average rate of anticipated sources and uses of funds.

(3) Drawdowns are based on full capital needs and not intended to project the actual cash flow of funds in a particular year.

**Lake Huron Primary Water Supply System  
Flow and Financial Analysis Summary  
(\$000's)**

Factors	Actual	Approved Budget		Proposed Budget	Projected			
	2023	2024	2024 (Projected)	2025	2026	2027	2028	2029
Rate Increase <sup>(1)</sup>	1.5%	5.0%		5.0%	5.0%	5.0%	5.0%	5.0%
Total Flow m <sup>3</sup>	46,719,687	48,724,500	48,593,372	49,434,270	49,894,851	50,680,913	51,141,924	51,602,359
Total Water Rate \$/m <sup>3</sup>	0.5194	0.5454	0.5454	0.5726	0.6013	0.6313	0.6630	0.6962
Flow Volume Revenues	24,266	26,573	26,501	28,308	30,000	31,997	33,907	35,926
Other Revenue	150	987	84	987	25	25	25	25
<b>Total Revenue</b>	<b>\$ 24,416</b>	<b>\$ 27,560</b>	<b>\$ 26,585</b>	<b>\$ 29,295</b>	<b>\$ 30,025</b>	<b>\$ 32,022</b>	<b>\$ 33,932</b>	<b>\$ 35,951</b>
Operating Expenses <sup>(2)</sup>	10,689	11,183	11,007	11,487	11,897	12,622	12,697	12,799
Administrative Expenses	3,513	3,799	3,598	4,450	4,696	4,835	4,964	5,101
Debt Servicing Costs <sup>(3)</sup>	1,166	986	986	976	45	45	45	45
<b>Total Operating &amp; Administrative Expenses</b>	<b>\$ 15,368</b>	<b>\$ 15,968</b>	<b>\$ 15,591</b>	<b>\$ 16,913</b>	<b>\$ 16,638</b>	<b>\$ 17,502</b>	<b>\$ 17,706</b>	<b>\$ 17,945</b>
Asset Replacement Reserve Fund Contributions	150	6,621	6,962	5,612	4,152	1,708	2,409	8,056
Capital Reserve Fund Contributions	8,747	4,972	4,032	6,770	9,236	12,811	13,816	9,950
Emergency Reserve Fund Contributions	150	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 24,416</b>	<b>\$ 27,560</b>	<b>\$ 26,585</b>	<b>\$ 29,295</b>	<b>\$ 30,025</b>	<b>\$ 32,022</b>	<b>\$ 33,932</b>	<b>\$ 35,951</b>

\* subject to rounding

**Notes:**

(1) Percent rate increases recommended are below the approved Financial Plan but continues to provide for prudent financial planning to accommodate inflation, new capital requirements and adequate reserve fund balances.

(2) Operating expense projections reflect annual inflationary increases and anticipated adjustments, in accordance with the service agreement with the contracted operating authority.

(3) Debentures:

- Debt authorized (2006) for the Backup Generator (LH1326) in the amount of \$1.5M was issued in 2013 with payments beginning in 2014 (all-in interest rate of 3.3% for a 10 year term).
- Debt authorized (2011) for the Residue Management Plant (LH1902) in the amount of \$16M was partially issued in 2015 (\$7M) with payments beginning in 2016 (all-in interest rate of 1.9% for a 10 year term).
- Debt authorized (2012) for the Huron Transmission Main Twinning (LH1305) in the amount of \$4M was partially issued in 2015 (\$1.665M) with payments beginning in 2016 (all-in rate of 1.9% for a 10 year term). Further debt issuance in 2017 in the amount of \$0.4M and payments beginning in Sept/17 (all-in rate of 2.48% for a 10 year term).



## Board of Management Report

**Subject: Rules of Order and Procedure Bylaw**

### Overview:

- The Board of Management for the Lake Huron Water Supply System adopted By-law N<sup>o</sup>. 1 on March 9, 1999; a by-law relating generally to the conduct of the affairs of the Board of Management and the procedure governing the calling, place and proceedings of its meetings.
- By-Law N<sup>o</sup>. 1 was amended on December 12, 2002, to alternate the election of the Board Chair and Board Vice-Chair between the Members appointed by London and the Members appointed by non-London municipalities and for a one-year term.
- By-Law N<sup>o</sup>. 1, as amended, was further amended on December 8, 2005, to establish a two-year term for the position of Board Chair and Vice-Chair.
- The proposed By-law N<sup>o</sup>. 13-2024 for the *Rules of Order and Procedure* of the Board of Management for the Lake Huron Water Supply System will replace By-Law N<sup>o</sup>. 1, consolidating the nature of the previous amendments, and providing specific clarity to the proceedings of the Board of Management, consistent with *Bourinot's Rules of Order* and the requirements of the *Municipal Act, 2001*, as amended.

### Recommendation

That the Board of Management for the Lake Huron Water Supply System take the following actions with regard to the Rules of Order and Procedure by-law for the Lake Huron Water Supply System:

1. The Board of Management for the Lake Huron Primary Water Supply System **APPROVE** the Rules of Order and Procedure by-law, as attached to this report; and,
2. The Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report for information.

### Previous and Related Reports

None

## Background

Section 238(2) of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, requires that “every municipality and local board shall pass a procedure by-law for governing the calling, place and proceedings of meetings”. Section 238 of the *Municipal Act, 2001*, generally outlines the minimum requirements of the by-law.

On March 9, 1999, the Board of Management for the Lake Huron Water Supply System adopted By-Law N<sup>o</sup>. 1, “A by-law law relating generally to the conduct of the affairs of the Board of Management and the procedure governing the calling, place and proceedings of its meetings” (1999 Procedure By-Law). By-law N<sup>o</sup>. 1 was amended on December 12, 2002, alternating the election of the Board Chair and Board Vice-Chair between a Member appointed to the Board by the City of London, and a Member appointed to the Board by a non-London municipality. On December 8, 2005, By-law N<sup>o</sup>. 1 was further amended to establish a two-year term of the Board Chair and Board Vice-Chair.

## Discussion

Section 238 of the *Municipal Act, 2001*, S.O. 2001, c.25, specifies that a local board shall pass a procedure by-law for governing the calling, place and proceedings of meetings. For the purposes of meeting the obligations of the Board of Management for the Lake Huron Water Supply System (Huron Board), and consistent with the advice received from the Board’s solicitor, the Huron Board is considered to be a local board pursuant to the *Municipal Act, 2001*.

Section 238 of the *Municipal Act, 2001*, further requires that the procedure by-law shall provide specific information, including:

- if a member can participate electronically in a meeting, and the effect of electronic participation is used in determining quorum as well as participation in both open and closed meetings;
- provision of public notice; and,
- the locations of meetings.

The proposed by-law, appended to this report for the consideration of the Board, replaces the 1999 Procedure By-Law in its entirety. Corresponding by-laws of several of the benefiting municipalities of the Lake Huron Water Supply System, including the City of London, were used as a guide in drafting the proposed by-law, as well as *Bourinot’s Rules of Order*.

## Changes from the Existing By-law

The proposed by-law establishes clear guidelines and procedures for the rules of order and conduct of business by the Board. In addition, general changes from existing practices include:

- Clear direction and procedures relating to the participation of Members and Alternate Members by electronic means.
- Consolidating and clarifying the election of the Chair and the Vice-Chair, and the positions being held for a two-year term.
- Clarification of establishing a meeting schedule and the location of the meetings of the Board.
- Clarification of the Board agenda and proceedings of Board meetings.
- Establishing deadlines for agenda materials and added agenda items.
- Establishing the commencement, proceeding and rules of debate and conduct at Board meetings.
- Establishing rules relating to the request for, and appearance by, delegations.
- Establishing rules related to communications and petitions.
- Establishing rules of conduct for the public at Board meetings.
- Clarifying the conduct and proceedings of by-laws, including the ability to use confirming by-laws.

## Majority Vote

The current membership and voting structure of the Board includes the use of weighted votes, in that Members appointed by the City of London, the Municipality of North Middlesex and the Municipality of Strathroy-Caradoc have more than one vote. Weighted voting is used to balance the number of Members appointed by the Board with the proportionality of votes to annual supply to respective municipalities.

The current appointment and voting structure of the Board consists of sixteen appointed Members and a total of twenty-seven votes as follows:

Appointing Municipality	Membership & Weighted Vote
City of London	4 Members having 4 votes each
Middlesex Centre	1 Member having 1 vote
North Middlesex	1 Member having 3 votes
Lambton Shores	1 Member having 1 vote
Bluewater	1 Member having 1 vote
South Huron	1 Member having 1 vote
Lucan-Biddulph	1 Member having 1 vote
Strathroy-Caradoc	1 Member having 3 votes

Throughout the document, the proposed by-law differentiates between “majority vote” versus a majority of Members to ensure consistency with current practices. Notwithstanding, to date almost all decisions and directions of the Board have been through the consensus of Board Members.

### **Committees of the Board**

In addition to the above noted general changes from the existing by-law, the proposed by-law also establishes the ability of the Board to create advisory committees and appoint Board Members, Alternate Members and members of the public to the committee. The advisory committee(s), if established by the Board, would serve a term not longer than the term of the Board and limit the activities of the advisory committee to the scope established by a Term of Reference approved by the Board.

The proposed by-law allows the formation of a Standing Committee(s) only through the amendment of the by-law. There are no Standing Committees established by the proposed by-law.

### **Quorum**

The existing procedure by-law specifies that quorum shall be seven (7) Members, or four (4) Members for a subsequent meeting where a scheduled meeting did not meet quorum. The existing makeup of the Board consists of eleven (11) Members appointed by the benefiting municipalities. In order to better manage future circumstances where more communities join the regional water system and appointments to the Board are expanded, it is the recommendation of staff that quorum be changed to a majority of Members that constitutes the Board.

## **Conclusion**

The proposed by-law “to provide for the Rules of Order and Procedure for the Joint Board of Management of the Lake Huron Primary Water Supply System”, as appended to this report, meets the obligations and requirements of the *Municipal Act, 2001*. On the recommendation of the Chief Administrative Officer, the proposed by-law is recommended to be adopted by the Board.

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

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

Attachments: By-Law 13-2024 Rules of Order and Procedure

## By-Law No. 13 - 2024

A by-law to provide for the **RULES OF ORDER AND PROCEDURE** for the Joint Board of Management of the Lake Huron Primary Water Supply System.

The Joint Board of Management for the Lake Huron Primary Water Supply System enacts as follows:

### Part I – General Provisions

#### 1 DEFINITIONS

In this by-law and all other by-laws and resolutions of the Board, unless the context otherwise requires:

**“Acting-Member”** shall mean an Alternate Member who is acting in the absence, refusal or inability of a Member appointed by the same municipality in accordance with the Appointment of Members and Alternate Members by-law, and may vote in the absence, refusal or inability of the Member.

**“Administering Municipality”** shall mean The Corporation of the City of London, and as defined in Transfer Order #W1/1998 Lake Huron Area Primary Water Supply System issued by the Minister of the Environment and dated effective September 15, 2000.

**“Advisory Committee”** shall mean a committee appointed by the Board to provide recommendations, advice and information to the Board but has no delegated powers and authority.

**“Alternate Member”** shall mean an appointed alternate member of the Joint Board of Management who may act in the absence, refusal or inability of a Member appointed by the same municipality in accordance with the Appointment of Members and Alternate Members by-law, but otherwise cannot vote if the appointed Member is present. For the purpose of this by-law, an Alternate Member acting in the absence, refusal or inability of an appointed Member shall be referred to specifically as the **“Acting-Member”**.

**“Board”** shall mean the Joint Board of Management for the Regional Water System.

**“Board Chair”** (and **“Chair”**) shall mean the person elected among the Members of the Board to be the head of the Board and to preside over the meetings of the Board, in accordance with this by-law.

**“Board Secretary”** shall mean the person, appointed by the Chief Administrative Officer, responsible for the efficient and compliant operation of Board meetings in accordance with this by-law.

**“Chief Administrative Officer”** and **“CAO”** shall mean the person appointed in accordance with the *Appointment of Chief Administrative Officer By-Law*, or their designate.

**“Closed Session”** shall mean a meeting of the Board, or portion thereof, which is not open to the public, held in accordance with section 239 of the *Municipal Act, 2001*.

**“Confirmatory By-law”** shall mean a by-law passed at the conclusion of the Board meeting, confirming the actions of the Board taken at that meeting and any previous meetings which did not have a confirmatory by-law, in respect of each resolution and other actions taken, so that every decision of the Board at that meeting shall have the same force and effect as if each and every one of them had been the subject-matter of a separately enacted by-law.

**“Deferred Matter”** shall mean any matter of which the Board has directed future debate or consideration by the Board.

**“Director”** shall mean the person holding the title of Director - Regional Water, or similar title, hired and appointed by the Administering Municipality and seconded to head the administration of the Regional Water System on behalf of and under the direction of the Chief Administrative Officer and the Board.

**“Electronic Meeting Participation”** shall mean the participation of a Board Member and/or an Alternate Member remotely, via electronic means, who shall have the same rights, privileges and responsibilities as if the Member or Alternate Member was in physical attendance.

**“Emergency”** shall mean a natural or human caused event or circumstance causing, or imminently threatening to cause, loss of life, injury to person or property, human suffering or financial loss, or is beyond the reasonable capabilities of the services, personnel, equipment, and facilities of the Regional Water System.

**“Emergent Motion”** shall mean a motion which must be made on an emergent basis at a Board meeting, as any delay in bringing the motion before the Board would result in irreparable harm or loss to the Regional Water System.

**“Head of the Board”** shall mean the Chair (Board Chair), or their designate, of the Regional Water System.

**“Majority”** shall mean, for the purpose of voting, more than half of the votes cast by those Members and Acting-Members present at the meeting.

**“Meeting”** shall mean any regular meeting, special meeting or other meetings of the Board, where:

1. A quorum of Members is present; and,
2. Members discuss or otherwise deal with any matter in a way that materially advances the business or decision-making of the Board.

**“Member”** shall mean a Member of the Joint Board of Management appointed by a municipality in accordance with the Appointment of Members and Alternate Members By-law and having voting rights on the Board.

**“Motion”** shall mean a proposal by a Member for the consideration of the Board that is moved by a Member or Acting-Member and seconded by another Member or Acting-Member.

**“Notice of Motion”** shall mean a notice of motion provided to the Board Secretary, in writing, by a Member or Acting-Member, requesting the inclusion of a Motion on a future agenda of a meeting of the Board in accordance with [section 11](#) of this by-law.

**“Pecuniary Interest”** shall mean a direct or indirect financial interest within the meaning of the *Municipal Conflict of Interest Act, R.S.O. 1990, Chapter M.50*, as amended.

**“Point of Order”** shall mean a question by a Member or Acting-Member with respect to any rules or practices of the Board or conduct of the meeting.

**“Point of Privilege”** shall mean a question affecting the rights or privileges of the Board collectively or the position and conduct of Members and/or Alternate Members where the Chair is asked to immediately consider and take action to remedy a situation negatively affecting the rights or privileges of the Members and Alternate Members as a whole, despite other pending business currently before the Board.

**“Public Notice”** shall mean, unless indicated otherwise within this by-law or a Public Notice by-law duly enacted by the Board, a notice to the public posted on the website of the Regional Water Supply System for at least a one-week period.

**“Published”** shall mean the provision of documents in print and/or electronic formats.

**“Regional Water System”** shall mean the Lake Huron Water Supply system as defined in Transfer Order #W1/1998 Lake Huron Area Primary Water Supply System issued by the Minister of the Environment and dated effective September 15, 2000.

**“Vice-Chair”** shall mean the person elected among the Members of the Board to be the head of the Board in the absence of the Chair, and to preside over the meetings of the Board in the absence, inability or refusal of the Chair, in accordance with this by-law.

## **2 GENERAL**

### **2.1 Rules And Regulations – observed at all times**

The rules and regulations contained in this by-law shall be observed in all proceedings of the Board.

#### **2.1.1 Rules And Regulations – suspended**

Any rules or regulations contained in this by-law may be suspended for a Board meeting, except for those rules or regulations that are set out by legislation, with the

consent of at least two-thirds of the Members and Acting-Members present at the meeting where [section 5.3](#) (Quorum) of this by-law has been met.

## 2.2 Parliamentary Procedure

Those proceedings of the Board not specifically governed by the provisions of this by-law shall be regulated in accordance with generally accepted parliamentary procedure contained in *Bourinot's Rules of Order*. In a circumstance where *Bourinot's Rules of Order* is silent, the Council Procedure By-law of the Corporation of the City of London may be used as a guide.

## 2.3 Election of the Chair and Vice-Chair

The Chair and the Vice-Chair of the Board shall be elected by the Board from the appointed Members and shall serve a two-year term ending on December 1<sup>st</sup> of the second year.

### 2.3.1 Election of the Chair – procedure

At the first meeting of the Board at the beginning of each two-year term, as the first order of business following the confirmation of Quorum in accordance with [section 5.3](#) of this By-law and the Call to Order by the Board Secretary, the Board Secretary shall receive nominations for the position of Board Chair (Chair) from the Members and Acting-Members present at the meeting. Nominees must be a Member of the Board and nominations for the position of Board Chair are not amendable or debatable. The appointment shall be by majority vote of the Members and Acting-Members present at the meeting and the appointed Chair must accept the position before taking the Chair.

### 2.3.2 Election of the Vice-Chair - procedure

The election of the Vice-Chair will be presided by the Chair. As the second order of business following the election and acceptance of the Chair, the Chair shall receive nominations for the position of Vice-Chair from the Members and Acting-Members present at the meeting. Nominees must be a Member of the Board and nominations for the position of Vice-Chair are not amendable or debatable.

### 2.3.3 Election of the Vice-Chair – deferral

The election of the Vice-Chair may be deferred to the next regular meeting of the Board if the nominee is not present at the meeting, or if there are no nominations received by the Chair.

### 2.3.4 Election of the Chair and Vice-Chair – alternating terms

Beginning at the Inaugural Meeting of the Board following the regular municipal election, the Chair shall be elected from the Members appointed by the municipalities excluding the City of London, and the Vice-Chair shall be elected from the Members appointed by the City of London and shall serve a term of two years. At the last meeting of the Board in the second year of the term of the Board, the Chair shall be elected from the Members appointed by the City of London, and the Vice-Chair shall be elected from the Members appointed by the municipalities excluding the City of London, and shall serve



a term of two years until the Inaugural Meeting of the Board following the next regular municipal election.

## 2.4 Absence of the Chair

In the absence of the Chair, or if they refuse to act or if the office is vacant, the Vice-Chair shall carry out the duties and/or act in place of the Chair, and while so acting, the Vice-Chair shall have all the rights, powers and authority of the Chair.

## 2.5 Absence of the Vice-Chair

In the event that the Vice-Chair is unable, for any reason, to act in the place and stead of the Chair, the Board shall at a public meeting appoint an Acting Vice-Chair to act in the place and stead of the Chair and while so acting, shall have rights, powers and authority of the Chair.

### 2.5.1 Absence of the Chair and Vice-Chair – emergency

In the event of an Emergency and at such a time that the Chair and Vice-Chair are unable, for any reason, to act as head of the Board, the Chief Administrative Officer shall act as head of the Board until such time as an emergency meeting of the Board can be held in accordance with [sections 4.5](#) and [4.6](#) of this by-law whereat the appointment of the Chair and Vice-Chair may be addressed by the Board in accordance with [sections 2.3](#), [2.4](#) and [2.5](#), as applicable.

## 2.6 Meeting Location

All meetings of the Board shall be held at a location as determined by the Chief Administrative Officer in consultation with the Chair, at a location that is accessible to the public, and subject to the provision of Public Notice of the meeting location.

# 3 SCHEDULE OF MEETINGS

## 3.1 Annual Schedule of Meetings

By January 31<sup>st</sup> of each calendar year, the Chief Administrative Officer shall submit a proposed schedule of the upcoming meetings for the consideration and approval of the Board.

### 3.1.1 Annual Schedule of Meetings – multiple years

Notwithstanding the generality of [section 3.1](#), the Board may, in its sole discretion, consider and approve a schedule of upcoming meetings over more than one calendar year provided that the proposed schedule does not exceed the first Thursday of December of a calendar year in which a municipal election is held.

### 3.2 Annual Schedule of Meetings – guidelines

When recommending the annual schedule of meetings:

1. Following a regular municipal election, the inaugural Meeting of the Board shall be held at a date and time chosen by the Chief Administrative Officer, but no earlier than the second Thursday of January immediately following the regular municipal election.
2. As a general guideline, and subject to Board approval as outlined in [section 3.1](#), regular meetings of the Board shall be held on the first Thursday of March, June, October and December of each calendar year.
3. Unless otherwise decided by the Board, regular meetings of the Board shall be held:
  - a. In accordance with the approved annual schedule noted in [section 3.1](#) above; and,
  - b. Commencing at 2:00 PM.
4. Provisions and consideration shall be given for meetings to deliberate and adopt the annual operating and capital budgets on the first Thursday of October of each calendar year.

### 3.3 Special Meeting – called by Chair

The Chair may, at any time, call a special or emergency meeting of the Board.

### 3.4 Special Meeting – called by the Chief Administrative Officer

Upon receipt of a petition signed by a majority of the Members and Acting-Members of the whole of the Board, the Chief Administration Officer shall call a special meeting for the purpose mentioned in the petition.

## 4 NOTICE OF MEETING

### 4.1 Agenda – deemed notice

The issuance of the agenda shall be considered as having provided adequate notice of regular meetings, except for meetings held on a day or at a time other than as provided for by this by-law. Notwithstanding the foregoing, the date, time and location of all meetings shall be posted on the Regional Water System's website at least seven days before the hour appointed for the regular meeting, or at least 24 hours before the hour appointed for an emergency meeting or special meeting.

## 4.2 Agenda – delivered in advance

The agenda for regular meetings shall be delivered by courier or sent by mail to the residence or place of business of each Member and Alternate Member, or sent electronically to each Member and Alternate Member, so as to receive the agenda no later than seven days before the hour appointed for the meeting.

### 4.2.1 Added Agenda

An added report, correspondence or Notice of Motion may be added to the agenda provided that the revised agenda is circulated at least 48 hours before the hour appointed for the meeting.

## 4.3 Agenda - special meeting

Notice of special meetings called in accordance with [sections 3.3](#) and [3.4](#) of this by-law shall be delivered by courier or sent by mail to the residence or place of business of each Member and Alternate Member, or sent electronically to each Member and Alternate Member, so as to be received no later than 24 hours before the hour appointed for the special meeting.

## 4.4 Special Meeting – specified business

No business except the business dealing directly with the purpose mentioned in the notice shall be transacted at any special meeting.

## 4.5 Emergency – notice not required

Notwithstanding any other provision of this by-law, an emergency meeting may be held, without written notice, to deal with circumstances related to an Emergency, provided that a reasonable attempt has been made by the Chief Administrative Officer, or the Board Secretary, or their designate, to notify the Members and Alternate Members about the meeting as soon as reasonably possible and in the most expedient manner available.

## 4.6 Emergency – specified business

No business except business dealing directly with the Emergency shall be transacted at the emergency meeting.

## 4.7 Agenda – notice not received

Lack of receipt of a notice or receipt of the agenda by a Member or by an Alternate Member or by the public shall not affect the validity of the meeting or any action taken thereat.

#### 4.8 Postponement of Meeting – emergency

The Chair may, when an Emergency arises, postpone a regular meeting of the Board for not more than 30 days and to such a date and time determined by the Chair and the Chief Administrative Officer. The Chief Administrative Officer, or the Board Secretary, or their designate, shall give notice of a special meeting to deal with the postponed matters in accordance with [section 4.2](#) and [4.3](#) of this by-law.

#### 4.9 Postponement of Meeting – notice

Upon the postponement of a meeting by the Chair in accordance with [section 4.8](#) of this by-law, the Chief Administrative Officer, or the Board Secretary or their designate, shall make reasonable attempt to notify the Members and Alternate Members of the postponement as soon as reasonably possible and in the most expedient manner available. A notice of postponement shall be posted on the Regional Water System's website as soon as reasonably practical.

### 5 MEETINGS

#### 5.1 Meetings – open to public

Except as otherwise provided by section 239 of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, all meetings shall be open to the public.

#### 5.2 Meetings – not closed during vote

Except as provided in section 239 of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, a Board meeting shall not be closed to the public during the taking of a vote.

##### 5.2.1 Meetings – vote in closed session

A meeting may be closed to the public during the taking of a vote if (a) section 239 of the *Municipal Act, 2001*, S.O. 2001, permit or require the meeting to be closed to the public, and (b) the vote is for a procedural matter or for giving direction or instruction to officers, employees or agents of the Regional Water System, or persons retained by or under a contract with the Regional Water System or Board.

#### 5.3 Quorum

A quorum shall be a majority of the Members constituting the Board, including any Acting-Members.

##### 5.3.1 Quorum – electronic participation

Members and Acting-Members participating by electronic means shall be included in establishing quorum.

#### 5.4 Call to Order – quorum present

As soon after the hour fixed for a Board meeting as a quorum is present, the meeting shall be called to order by the Chair.

#### 5.5 Adjournment – quorum not present

If there is no quorum present within thirty (30) minutes after the time appointed for the meeting, the Board shall stand adjourned until the date and time of the next regular or special meeting, and the Board Secretary shall record the names of the Members and Alternate Members present upon such adjournment.

#### 5.6 Meetings – electronic participation

A Board meeting may include electronic participation of Members and/or Alternate Members, subject to the following:

1. Each Member and Alternate Member participating in such a meeting is able to hear all other participating Members and Alternate Members.
2. A Member or Alternate Member requesting to participate electronically shall be required to provide the Board Secretary with a minimum of 24 hours' notice.
3. The administration of electronic participation shall be at the discretion of the Chief Administrative Officer, recognizing that technology and requirements may vary from time-to-time.
4. Individual rules of debate and conduct at meetings, as included in [section 9](#) of this by-law, may be suspended or amended, as required, to facilitate electronic participation in meetings.

##### 5.6.1 Meetings – confirmation of electronic participation

The Chair, or the Vice-Chair in the absence of the Chair, shall confirm that each Member and Alternate Member participating by electronic means is able to hear all other participating Members and Alternate Members at STAGE 1 (Call to Order), as identified in [section 6.1](#) of this by-law.

## PART 2 – Board

### 6 BOARD AGENDA

#### 6.1 Composition

The Board Secretary shall prepare the Board agenda for all regular meetings consisting of the following:

- I. Call to Order
- II. Indigenous Territorial Acknowledgement
- III. Disclosure of Pecuniary Interest
- IV. Recognitions and Comments from the Chair
- V. Adoption of Minutes of the Previous Meeting(s)
- VI. Communications and Petitions
- VII. Motions of Which Notice is Given
- VIII. Reports and Added Reports
  - a. Recommended Items for Consent
  - b. Recommended Items for Discussion
- IX. Deferred Matters
- X. Additional Business and Enquiries
- XI. Emergent Motions
- XII. By-Laws
- XIII. Closed Session
- XIV. Upcoming Meeting Dates
- XV. Adjournment

#### 6.2 Deadline – material inclusion

The deadline for receipt of material by the Board Secretary to be included in the regular Board agenda shall be 9:00AM on the first business day of the week prior to the Board meeting.

#### 6.3 Deadline – added material

The deadline for receipt of added materials by the Board Secretary for addition to the regular Board agenda shall be 9:00AM two business days prior to the Board meeting.

## 6.4 Order of Business - exception

The business of each Board meeting shall be taken up in the order in which it stands on the Board agenda, unless otherwise decided by a two-thirds majority vote of the Members and Acting-Members present. A Motion changing the order of business shall not be amendable or debatable.

## 7 COMMENCEMENT OF BOARD MEETINGS

### 7.1 Chair – preside all meetings

The Board Chair (Chair), if present, shall preside at all Board meetings.

### 7.2 Chair – absence

In the absence of the Chair, and on condition that [section 5.3](#) (Quorum) has been met, the Vice-Chair shall call the meeting to order fifteen (15) minutes after the hour appointed for the meeting and the Vice-Chair shall preside during the meeting until the arrival of the Chair.

### 7.3 Chair and Vice-Chair – absence

In the absence of the Chair and the Vice-Chair, and on condition that [section 5.3](#) (Quorum) has been met, the Board Secretary shall call the meeting to order fifteen (15) minutes after the hour appointed for the meeting and the Members and Acting-Members present shall appoint a Member to preside at the meeting or until the arrival of the Chair or Vice-Chair.

### 7.4 Members and Alternate Members – vote

Both the Member(s) and the Alternate Member(s) appointed to the Board by a municipality may attend and participate in a Board meeting, including meetings that are closed to the public, but only the Member(s) and Acting-Member(s), if present and not having declared a pecuniary interest, may vote on any matter.

#### 7.4.1 Acting-Members – vote

An Alternate Member who was appointed by the same municipality may vote in the absence, refusal, recusal or inability to vote of a Member in the capacity as the Acting-Member.

## 8 DISCLOSURES OF PECUNIARY INTEREST

### 8.1 Pecuniary Interest – disclosure

If a Member or Alternate Member has any pecuniary interest, direct or indirect, in any matter in which the Board is concerned and if they are present at a meeting in which the said matter is the subject of consideration, then the Member or Alternate Member shall

disclose their interest at STAGE 3 (Disclosure of Pecuniary Interest), as identified in [section 6.1](#) of this by-law, and they shall recuse themselves and not take part in the consideration or discussion of the said matter nor shall they vote on any Motion in regard to the said matter.

#### 8.1.1 Pecuniary Interest – Acting-Member

If an Alternate Member who was appointed by the same municipality as the recused member is present, the Alternate Member may vote as the Acting-Member and in place of the recused Member provided that the Alternate Member (Acting-Member) does not have a pecuniary interest in the said matter.

### 8.2 Non-compliance

The failure of one or more Members, Acting-Members or Alternate Members to comply with [section 8.1](#) of this by-law shall not affect the validity of the Board meeting in regard to the said matter.

### 8.3 Disclosure – quorum

Notwithstanding the provisions of [section 8.1](#) of this by-law, when a majority of the Members and Acting-Members present at a meeting have disclosed an interest in accordance with [section 8.1](#) of this by-law and *the Municipal Conflict of Interest Act, R.S.O. 1990, c. M.50*, as may be amended from time to time, the remaining number of Members and Acting-Members shall be deemed to constitute a quorum, provided such number is not less than two.

## 9 RULES OF DEBATE AND CONDUCT AT BOARD MEETINGS

### 9.1 Order – decorum

The Chair shall preside over the conduct of the meeting, including the preservation of good order and decorum, ruling on points of order and deciding all questions relating to the orderly procedure of the meeting, subject to an appeal to the Board.

### 9.2 Chair – speaking on a motion

The Chair may answer questions and make comments in a general way without leaving the Chair, but if they wish to make a Motion or speak on a Motion taking a definite position and endeavouring to persuade the Board to support that position, then they shall first leave the Chair.

### 9.3 Chair - leaving the Chair and member designated

If the Chair desires to leave the Chair for the purpose of taking part in the debate or for any other reason, they shall designate another Member or Alternate Member to fill their place until they resume the Chair.



#### 9.4 Speaking – recognition by Chair

Before a Member or Alternate Member may speak to any matter, they shall first be recognized by the Chair.

#### 9.5 Speaking – order

When two or more Members or Alternate Members indicate simultaneously that they wish to speak, the Chair shall name the Member or Alternate Member who is to speak first and any subsequent order thereafter.

#### 9.6 Speaking – question and clarification

Prior to making and consideration of a Motion, the Chair shall afford the Members and Alternate Members present at the meeting the opportunity to ask questions or request clarifications related to information presented within a report or matters included in the Board agenda.

##### 9.6.1 Speaking – question and clarification limitation

When a Member or Alternate Member is asking questions or requesting clarifications related to information presented within a report, they shall confine their remarks to the content of the report and any related matter and when speaking shall be limited to a maximum of five (5) minutes, unless otherwise decided by a majority vote of the Members and Acting-Members present. A Member or Alternate Member's speaking time shall not include any time required for a response to a question posed by a Member or Alternate Member.

#### 9.7 Speaking – limitation

When a Member or Alternate Member is speaking to a Motion, they shall confine their remarks to the Motion and when speaking shall be limited to a maximum of five (5) minutes, unless otherwise decided by a majority vote of the Members and Acting-Members present. A Member or Alternate Member's speaking time shall not include any time required for a response to a question posed by a Member or Alternate Member.

#### 9.8 Motion – questions before vote

When a Motion is under debate, a Member or Alternate Member may ask a concisely worded question of another Member or Alternate Member, or of the appropriate staff through the Chair, prior to the Motion being put to a vote by the Chair in accordance with [section 12.3](#) of this by-law.

#### 9.9 Motion – read at any time

Any Member or Alternate Member may require the Motion under debate to be read by the Board Secretary at any time during the debate on the Motion but shall not interrupt a Member or Alternate Member who is speaking.

### 9.10 Disruption – prohibited

A Member or Alternate Member shall not disrupt the Board or the meeting by any disorderly deportment, including conduct contrary to the Code of Conduct established by the Board.

### 9.11 Offensive Language

A Member or Alternate Member shall not use profane or offensive words or insulting expressions.

### 9.12 Interruption – exception

A Member or Alternate Member shall not interrupt a Member or Alternate Member who is speaking, except to raise a Point of Order or a Point of Privilege.

## 10 POINTS OF PRIVILEGE / POINTS OF ORDER

### 10.1 Rights and Privileges – integrity questioned

If a Member or Alternate Member believes that their rights, privileges or integrity or those of the Members and Alternate-Members collectively have been prejudicially affected, they shall ask leave of the Chair to raise a Point of Privilege which shall take precedence over all other matters, but they shall not be permitted to enter into any argument or introduce any Motion related to the Point of Privilege.

### 10.2 Administration – integrity questioned

When a Member or Alternate Member considers that the integrity of a member of the Regional Water System's administration has been impugned or questioned, the Chair shall permit the Chief Administrative Officer, or their designate, if they choose to do so, to make a statement to the Board.

### 10.3 Rule of Procedure – violation

When a Member or Alternate Member desires to call attention to a violation of the rules or practices of procedure, they shall ask leave of the Chair to raise a Point of Order and after leave is granted, they shall state the Point of Order to the Chair succinctly and the Chair shall then decide upon the Point of Order and advise the Members and Alternate Members of their decision.

#### 10.4 Rule of Procedure – appeal

Unless a Member or Alternate Member immediately appeals the Chair's decision to the Board, the decision of the Chair shall be final.

If the decision of the Chair is appealed to the Board by the Member or Alternate Member, then the question “Shall the ruling of the Chair be sustained?” shall be put immediately without debate and its result shall be final.

#### 10.5 Rule of Procedure - Call to Order

When the Chair calls a Member or Alternate Member to order, that Member or Alternate Member shall not speak again to the matter under discussion without the permission of the Chair until the Point of Order is dealt with, unless to appeal the ruling of the Chair.

### 11 MOTIONS

#### 11.1 Notice of Motion – filed with the Board Secretary

Notices of Motions filed with the Board Secretary shall be directed by the Board Secretary to the next regular meeting of the Board.

#### 11.2 Notice of Motion – urgent

Notwithstanding the provisions of [section 11.1](#) of this by-law, when a Member or Alternate Member submitting a Notice of Motion to the Board Secretary within the deadline prescribed in [section 6.2](#) or [6.3](#) of this by-law indicates in writing to the Board Secretary that the Notice of Motion is a question of urgency, the Board Secretary shall include the Notice of Motion in the agenda at STAGE VII (Motions of Which Notice is Given) as identified in [section 6.1](#) of this by-law.

#### 11.3 Notice of Motion – consideration conditions

Notices of Motion included in the agenda at STAGE VII (Motions of Which Notice is Given), as identified in [section 6.1](#) of this by-law, shall only be considered by the Board when a majority of the Members and Alternate Members present have given leave for the introduction of such a Motion.

#### 11.4 Motion for Giving Leave

Motions for giving leave shall be put to a vote immediately without amendment or debate.

#### 11.5 Motion – seconded before debate

Motions shall be seconded before being debated or put to a vote.

### 11.6 Motion – withdrawal

Every Motion shall be deemed to be in the possession of the Board for debate after it is accepted by the Chair, but may, with the permission of the Board, be withdrawn at the joint request of the mover and seconder at any time before the Motion is disposed of.

### 11.7 Motion Under Debate – other motions

When a Motion is under debate, no other Motion shall be in order except a Motion:

1. to adjourn;
2. to table;
3. to put the question (to close the debate)
4. to postpone;
5. to refer; or,
6. to amend.

### 11.8 Motion to Adjourn

A Motion to adjourn shall:

1. not be amended;
2. not be debated;
3. not include qualifications or additional statements; and,
4. always be in order, except when a Member or Alternate member is speaking or the Members and Acting-Members are voting or when made in a closed session.

### 11.9 Motion to Adjourn – rejected

When a Motion to adjourn has been decided in the negative, no further Motion to adjourn shall be made until after some subsequent proceeding has taken place.

### 11.10 Adjournment – maximum permissible

The Board shall always adjourn at 8:00PM if in session at that hour, unless otherwise decided before that hour by a two-thirds vote of the Members and Acting-Members present at the meeting.

### 11.11 Motion to Proceed Beyond 8:00PM – qualifications

A Motion to proceed beyond the hour of 8:00PM shall:

1. not be amended;
2. not be debated; and,
3. always be in order, except when a Member or Alternate Member is speaking or the Members and Acting-Members are voting.

### 11.12 Motion to Table – qualifications

A Motion to table shall:

1. not be amended;
2. not be debated;
3. apply to the main Motion and any amendments thereto under debate at the time when the Motion to table was made; and,
4. not include qualifications or additional statements.

### 11.13 Motion to Table – procedure

Notwithstanding the provisions of [sections 11.1](#) and [11.2](#) of this by-law, if a Motion to table is decided in the affirmative by a majority vote of the Members and Acting-Members present at the meeting, then the main Motion and any amendments thereto shall be removed from the Board's consideration until such time as a Notice of Motion to lift the matter from the table is filed with the Board Secretary within the deadline prescribed in [section 6.2](#) of this by-law and is included in the agenda at STAGE IX (Deferred Matters), as identified in [section 6.1](#) of this by-law.

### 11.14 Motion to Put The Question – qualifications

A Motion to put the question (to close the debate) shall:

1. not be amended;
2. not be debated;
3. apply to the Motion or amendment under debate at the time when the Motion to put the question is made;
4. be moved using the words "that the question now be put" and the mover and the seconder shall not be permitted to speak to the Motion to put the question; and,
5. not be permitted either when a Motion or an amendment on the floor involves the approval of an expenditure by the Board that is \$1,000,000 or greater.

### 11.15 Motion to Put The Question – procedure

If a Motion to put the question is decided in the affirmative by a two-thirds vote of the Members and Acting-Members present at the meeting, then the preceding Motion or amendment shall be voted on immediately without further debate or comment.

#### 11.16 Motion to Postpone – qualifications

A Motion to postpone a matter to a certain time shall:

1. be open to debate;
2. be amendable; and,
3. preclude amendment and debate of the preceding Motion, unless the Motion to postpone to a certain time is resolved in the negative, in which case the preceding Motion shall be open to debate and amendment.

#### 11.17 Motion to Refer – qualifications

A Motion to refer a matter under consideration to the Regional Water System's administration, or elsewhere, shall:

1. be open to debate
2. be amendable; and,
3. preclude amendment or debate of the preceding Motion, unless the Motion to refer is resolved in the negative, in which case the preceding Motion shall be open to debate and amendment.

#### 11.18 Motion to Amend – qualifications

A Motion to amend shall:

1. be open to debate;
2. not propose a direct negative to the main Motion; and,
3. be relevant to the main Motion.

#### 11.19 Motion to Amend – main motion - one at a time

Only one Motion to amend the main Motion shall be allowed at one time.

#### 11.20 Motion to amend – amendment – one at a time

Only one Motion to amend a Motion to amend the main Motion shall be allowed at one time.

## 12 VOTING

### 12.1 Voting Order

Voting on the main Motion and amending Motions shall be conducted in the following order:

1. A Motion to amend a Motion to amend the main Motion;
2. A Motion (as amended or not) to amend the main Motion; and,
3. The main Motion (as amended or not).

### 12.2 Propositions – divided – voted on separately

When the Motion under consideration contains distinct propositions, upon the request of any Member or Acting-Member and provided a recorded vote has not been called for, the vote on each proposition shall be taken separately.

### 12.3 Motion to vote – immediately – after all have spoken

A Motion shall be put to a vote by the Chair immediately after all Members and Alternate Members desiring to speak on the Motion have spoken in accordance with [section 9.8](#) of this by-law.

### 12.4 Speaking – after motion – before vote announced

After a Motion is put to a vote by the Chair, no Member or Alternate Member shall speak on that Motion, nor shall any other Motion be made until after the result of the vote is announced by the Chair.

### 12.5 Mandatory Vote – all members

Every Member and Acting-Member present shall vote on every Motion unless the Member or Acting-Member indicates a conflict of interest, in which case the Member or Acting Member shall recuse themselves from the vote.

#### 12.5.1 Mandatory Vote – Acting-Member

Where a Member has recused themselves in relation to a matter or Motion, an Alternate Member appointed by the same municipality may vote on the Motion, in their capacity as Acting-Member, and in place of the Member.

### 12.6 No Vote – deemed negative

Notwithstanding the provisions of [sections 12.5](#) and [12.5.1](#) of this by-law, every Member or Acting-Member who is not recused from voting by reason of a declared conflict of interest, shall be deemed to be voting against the Motion if they decline or abstain from voting.

## 12.7 Secret Voting On Motion – prohibited

The manner of determining the decision of the Board on a Motion shall not be by secret ballot or by any other method of secret voting.

## 12.8 Putting the Question to Vote – qualifications

When putting the question to vote, the Chair shall first ask for those in favour of its adoption to raise their hands and then ask for those opposed to its adoption to raise their hands.

### 12.8.1 Putting the Question to Vote – electronic meeting

Where a meeting of the Board includes the participation of a Member or Acting-Member by electronic means, the Member or Acting-Member must clearly indicate their raised hand, as required by [section 12.8](#) of this by-law, in full view of the camera and visible to all those attending the meeting.

## 12.9 Results Announced

The Chair shall announce the result of every vote.

## 12.10 Result Disagreement – objection immediate – retaken

If a Member or Alternate Member disagrees with the number of votes for and/or against a Motion as announced by the Chair, they may object immediately to the Chair's declaration and, with the consent of the Board, the vote shall be retaken.

## 12.11 Tie Vote – deemed negative

When there is a tie vote on any Motion, it shall be deemed to have been decided in the negative.

## 12.12 Recorded Vote – required

A recorded vote shall be taken on a Motion when called for by any Member or Acting-Member, or when required by applicable law.

## 12.13 Recorded Vote – called before or after vote

A Member or Acting-Member may call for a recorded vote immediately prior to the taking of the vote.

## 12.14 Recorded Vote – names entered into the minutes

When a recorded vote is taken, the names of those who voted for and those who voted against the Motion shall be entered into the minutes.



### 12.15 Voting – number of Members

In any vote required by applicable law of the whole Board, the number of Members constituting the Board shall be determined by excluding:

- (a) The number of Members or Acting-Members who are present at the meeting but who are excluded from voting by reason of the *Municipal Conflict of Interest Act, R.S. A. 1990, c.M.50*, and,
- (b) the number of seats that are vacant on the Board due to the lack of appointment in accordance with the Appointment of Board Members and Alternate Members By-law.

### 12.16 Voting – simultaneous

In those instances where a recorded vote is not being taken, all Members and Acting-Members shall vote simultaneously when the Chair calls for those voting for a Motion and/or calls for those voting against a Motion.

## 13 RECONSIDERATION BY BOARD

### 13.1 Reconsideration – legally binding commitments

No Motion to reconsider a decided matter of the Board shall be in order when the original Motion has been implemented resulting in a legally binding commitment that is in place on the date that a Motion to reconsider is to be debated.

### 13.2 Reconsideration – decided matter of Board – same meeting

A Motion to reconsider a decided matter of the Board at the same meeting at which the original Motion was decided shall be introduced at STAGE XI (Emergent Motions) of the Board agenda, as outlined in [section 6.1](#) of this by-law, unless the Chair determines there was a clear misunderstanding of the question that was put, in which case a Motion for reconsideration shall be introduced immediately after the original vote was taken.

### 13.3 Reconsideration – decided matter of Board – subsequent meeting

A Motion to reconsider a decided matter of the Board at a meeting subsequent to the meeting at which the original Motion was decided shall require a Notice of Motion submitted in accordance with [section 11](#) of this by-law, and shall be introduced at STAGE VII (Motions of Which Notice is Given) of the Board agenda, unless the Motion to reconsider comes forward to the Board through a report submitted by the Chief Administrative Officer or Director.

#### 13.4 Reconsideration – decided matter of Board – introduction

A Motion to reconsider a decided matter of the Board must be made by a Member or Acting-Member who voted with the majority on the original Motion.

#### 13.5 Reconsideration – decided matter of Board – only once

No Motion to reconsider a decided matter of the Board shall be made more than once in the twelve-month period from the date the matter was decided, unless a regular election has occurred following the decision.

#### 13.6 Reconsideration – decided matter of Board – 2/3 vote

A Motion to reconsider a decided matter of the Board shall require the approval of at least two-thirds of the whole Board.

#### 13.7 Affirmative Vote – original matter

If a Motion to reconsider is decided in the affirmative at a meeting, then consideration of the original matter shall become the next order of business.

#### 13.8 Debate Prohibited – statement of reason permitted

No debate on a Motion to reconsider a decided matter shall be permitted; however, the mover of a Motion to reconsider may provide a brief and concise statement outlining the reasons for proposing such reconsideration.

### 14 DELEGATIONS

#### 14.1 Appearance – where required

No person shall be permitted to appear before the Board except where required by applicable law, where there is a special recognition which has been approved by the Chair, or when a request for appearance has been submitted to the Chief Administrative Officer, or their designate, and approved by the Chair. A request to appear submitted to the Chief Administrative Officer, or their designate, must include the reason for the request, the name of the delegate wishing to appear, and scope of the delegation being given to the Board.

#### 14.2 Chief Administrative Officer and Director or their designates

Notwithstanding the provisions of [section 14.1](#) of this by-law, the Chief Administrative Officer and the Director, or their designates, shall be permitted to address the Board in accordance with [section 9.8](#) of this by-law.

### 14.3 Chief Administrative Officer – authority

Notwithstanding the provisions of [sections 14.1](#) and [14.2](#) of this by-law, the Chief Administrative Officer shall be permitted to address the Board in accordance with the by-law which establishes the position of the Chief Administrative Officer.

## 15 CLOSED SESSION

### 15.1 Chair

Whenever a majority of the Members and Acting-Members vote that the Board should convene in closed session, the Chair shall continue to preside and maintain order during the closed session portion of the Board meeting.

### 15.2 Board in Closed Session – matters

The Board shall consider, in closed session, all matters contained in the closed session reports included in the proceedings of the Board meeting, unless otherwise decided by a majority vote of the Members and Acting-Members present.

### 15.3 Meeting in Closed Session – decided by majority vote

Any part of a Board meeting may be held in closed session if the Board decides by a majority vote of the Members and Acting-Members present to consider matters in accordance with [section 5.1](#) and [section 5.2](#) of this by-law.

### 15.4 Motion to rise and report – non-debatable

A Motion shall be made during the closed session of the Board to rise and report in public session of the Board and shall be decided without debate.

### 15.5 Report of Proceedings

The proceedings of the closed session portion of a Board meeting shall be reported by a Member or Acting-Member other than the Chair, and a Member or Acting-Member of the Board shall be selected by the Chair to present the report of the closed session of the Board in public session of the Board.

### 15.6 Report of Recommendations Adopted

The report and recommendations of the Board referred to in [section 15.5](#) of this by-law may be adopted and confirmed by the Board in a single Motion.

### 15.7 Request to Vote Separately – requirements

A Member or Acting-Member may request, prior to the adoption of the report and recommendations of the Board referred to in [section 15.5](#) of this by-law, that a

recommendation be voted on separately, and such a request shall not require the introduction of a Motion.

### 15.8 Meeting in Closed Session – electronic participation

Any part of a meeting held in closed session shall allow for electronic meeting participation by Members and Alternate Members, including during a declared Emergency.

## 16 COMMUNICATIONS AND PETITIONS

### 16.1 Presentation of Information – legibly written and signed

Every communication or petition intended for presentation to the Board shall be legibly written or printed and shall be signed by at least one person giving their printed name and address.

### 16.2 Listed in Agenda – with similar matters

The Board Secretary shall list in the agenda only those communications and petitions which pertain to matters contained in the reports and other communications listed in the agenda.

### 16.3 Matters not Pertinent

Every communication or petition which does not pertain to a matter in the agenda shall be introduced under STAGE VI (Communications and Petitions) as outlined in [Section 6.1](#) of this by-law.

### 16.4 Referral

A communication or petition introduced under STAGE VI (Communications and Petitions) may be referred to the Chief Administrative Officer or Director, or another party, as directed by the Board.

### 16.5 Language – obscene, defamatory

Notwithstanding the provisions of [sections 16.2](#) and [16.3](#) of this by-law, communications or petitions containing obscene or defamatory language shall not be listed in the agenda.

### 16.6 Distribution of Materials

No person, other than the Board Secretary, the Chief Administrative Officer, or the Director shall place on the desks of the Members and Alternate Members, or otherwise distribute to Members and Alternate Members, any material whatsoever before or during a meeting of the Board.

## 17 PUBLIC AT BOARD MEETINGS

### 17.1 Public – conduct

Members of the public in attendance at Board meetings shall conduct themselves with proper decorum at all times in order to ensure a safe and respectful meeting environment.

### 17.2 Public – electronic devices

Members of the public in attendance at Board meetings shall ensure that all electronic devices are set to silent mode and no device shall be used to disrupt the Board meeting.

### 17.3 Public – disorderly conduct

Any person who is not conducting themselves in a manner as set out in [section 17.1](#) or [17.2](#) of this by-law shall be asked by the Chair to do so. If that person continues to conduct themselves in a manner contrary to [section 17.1](#) or [section 17.2](#) of this by-law, then that person shall be removed from the meeting.

### 17.4 Public – removal

Notwithstanding [section 17.3](#) of this by-law, in the event a member of the public is conducting themselves in a manner which poses a threat to the personal safety of themselves or others in attendance at the meeting, they shall be removed from the meeting, without warning.

### 17.5 Suspension of Meeting – order restored

The Chair may, at their discretion, unilaterally suspend the meeting of the Board until order is restored.

### 17.6 Public – declared emergency

The room and location where the Board meeting is held may be restricted from public attendance for a meeting during a declared Emergency, when it has been deemed in the public interest to do so. Meetings will continue to be provided to the public using electronic means, where it is reasonably possible to do so.

## 18 ENQUIRIES

### 18.1 Regional Water System – business

Enquiries during a Board meeting relating to any matter connected with the business of the Regional Water System may be made by Members or Alternate Members to the Chair or, through the Chair, to another Member, Alternate Member, the Chief

Administrative Officer or to the Director at STAGE X (Additional Business and Enquiries), as identified in [section 6.1](#) of this by-law.

## 18.2 Argument – opinions and debate

When an enquiry is made in accordance with [section 18.1](#) of this by-law, no argument, opinion or facts shall be stated by the Member, except so far as may be necessary to explain the enquiry, and no debate shall be permitted with respect to the enquiry.

## 18.3 Answer – response and debate

When a Member or Alternate Member provides a response to an enquiry, they shall not debate the matter to which the enquiry refers.

## 18.4 Enquiry – direction

A Member or Acting-Member who wishes to make a Motion as a result of an enquiry must first seek leave in accordance with [section 11.4](#) of this by-law.

# 19 EMERGENT BUSINESS

## 19.1 Emergent – congratulatory or condolatory matters

Business that is not part of the agenda shall not be considered by the Board unless it is of an emergent, congratulatory or condolatory nature.

## 19.2 Introduction – 2/3 vote

Members or Alternate Members shall introduce matters described in [section 19.1](#) of this by-law at STAGE XI (Emergent Motions), as identified in [section 6.1](#) of this by-law, but in order for such matters to be introduced two-thirds of the Members and Acting-Members present shall give leave for the introduction of such matters in accordance with [section 11.4](#) of this by-law.

## 19.3 Motion to Introduce – not amenable or debatable

Motions to give leave for the introduction of such matters shall not be amendable or debatable.

# 20 UNFINISHED BUSINESS

## 20.1 Unfinished Business – repeated until disposed of

Items on the agenda which have not been disposed of by the Board shall be repeated in each subsequent agenda until disposed of by the Board.

## 21 ENACTMENT OF BY-LAWS

### 21.1 Published With Agenda

By-laws shall be published with the agenda for the meeting at which they are to be read.

### 21.2 Distributed with Added Communications – majority vote

Notwithstanding the provisions of [section 21.1](#) of this by-law, a Motion to introduce those by-laws arising from Added Reports or Added Communications shall be decided by a majority vote of the Members and Acting-Members present prior to such by-laws being read.

### 21.3 Three Readings - enactment

Every by-law shall receive three (3) separate readings before being enacted by the Board.

### 21.4 Three Readings – at the same meeting

Unless otherwise provided by applicable law, every by-law may receive all three (3) readings at the same meeting of the Board.

### 21.5 First and Third Reading – no amendment or debate

Motions for the first and third readings of by-laws shall not be amendable or debatable.

### 21.6 Second Reading – amenable and debatable

Amendments and debate on the content of by-laws shall be in order after a Motion for the second reading of the by-laws has been duly made and seconded.

### 21.7 Confirming By-law – proceedings

The proceedings at every regular meeting or special meeting of the Board may be confirmed by one or more by-laws so that every decision of the Board at that meeting and every resolution passed thereat shall have the same force and effect as if each and every decision and resolution had been the subject matter of a separate by-law duly enacted.

### 21.8 Confirming By-law – no amendment or debate

Notwithstanding the provisions of [section 21.6](#) of this by-law, confirming by-laws shall not be amendable or debatable.

## 21.9 By-laws Signed

Every by-law enacted by the Board shall be signed by the Chair or Acting Chair and the Board Secretary and shall show the dates of the three readings by the Board.

## PART 3 – Committees

### 22 STANDING COMMITTEES

#### 22.1 Standing Committee – establishing

A Standing Committee may only be established by the Board by amending this by-law.

### 23 ADVISORY COMMITTEES

#### 23.1 Advisory Committee – establishing

The Board may establish an advisory committee by separate by-law for the purpose of providing recommendations, advice and information to the Board related to a specific topic or issue to be considered by the Board.

#### 23.2 Advisory Committee – mandate

The by-law establishing an advisory committee must include a mandate which clearly and succinctly outlines the scope and issues to be addressed by the advisory committee. The advisory committee may not consider or address any issue beyond the matters outlined in the advisory committee's mandate.

#### 23.3 Advisory Committee – term

The by-law establishing the advisory committee must include a term which shall not exceed the term of the Board.

#### 23.4 Advisory Committee – Chair

The Board shall appoint a Member or Alternate Member to act as the Chair of the advisory committee.

#### 23.5 Advisory Committee – Vice-Chair

At the discretion of the Board, the Board may appoint a Member or Alternate Member to act as the Vice-Chair of the advisory committee.



### 23.6 Advisory Committee – appointments

The Board may appoint Members, Alternate Members, and members of the public to the advisory committee.

### 23.7 Advisory Committee – ex officio member

The Board Chair shall be an ex officio member of the advisory committee and may participate as any other member of the advisory committee.

### 23.8 Advisory Committee – meeting schedule

The Chair of the advisory committee or, in the absence of the Chair of the advisory committee, the Vice-Chair of the advisory committee shall establish a meeting schedule for the advisory committee.

### 23.9 Advisory Committee – meeting location

The Chair of the advisory committee or, in the absence of the Chair of the advisory committee, the Vice-Chair of the advisory committee shall establish a location for each meeting of the advisory committee which may include a meeting by electronic means.

### 23.10 Advisory Committee – public participation

All meetings of the advisory committee shall be open to the public, unless the mandate of the meeting or the mandate of the advisory committee is related to a matter of which the advisory committee may hold a closed meeting under section 239 of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended.

### 23.11 Advisory Committee – report to Board

Minutes of the proceedings of the advisory committee meetings shall not be kept, but the summary proceedings shall be recorded in the form of a report by the advisory committee and shall be presented to the Board by the advisory committee Chair in STAGE VIII (Reports and Added Reports) as identified in [section 6.1](#) of this by-law. The report of the advisory committee shall include the names of the advisory committee members, and the date(s) and location(s) upon which the advisory committee met.

### 23.12 Advisory Committee – recommendations, advice and information by consensus

Recommendations, advice and information provided in accordance with [section 23.11](#) by the advisory committee shall be by consensus of the advisory committee members as determined by the advisory committee Chair.

### 23.13 Advisory Committee – remuneration

Appointed members of the advisory committee shall not receive remuneration.

### 23.14 Advisory Committee – dissolved

When an advisory committee has completed its work in accordance with its mandate and has made its report to the Board, or the term of the advisory committee has been reached, or the term of the Board has been reached, the advisory committee shall be deemed to be dissolved.

## PART 4 – Repeal and Enactment

### 24 Severability, Repeal and Enactment

#### 24.1 Severability

Should any section, sub-section, clause or paragraph or provision of this by-law be declared by a Court to be invalid, the same shall not affect the validity of this by-law as a whole or any part thereof, other than the provisions so declared to be invalid.

#### 24.2 Previous By-laws

By-law No. 1, as enacted on February 4, 1999, and all of its amendments are hereby repealed.

#### 24.3 Effective Date

This by-law shall come into force and take effect on October 4, 2024.

Passed in Open Session of the Board on October 3, 2024.

A. DeViet, Chair

J. Bunn, Board Secretary

First Reading – October 3, 2024

Second Reading – October 3, 2024

Third Reading – October 3, 2024

## Board of Management Report

**Subject:** Public Notice Policy

**Overview:**

- The proposed policy regarding the provision of notices to the public and interested parties meets the requirements of the Municipal Act, 2001, as amended.
- At a minimum, public notices related to statutory obligations, including the Municipal Act, will be posted on the water system's website for a minimum of two weeks prior to the date of the Board meeting at which the matter will be discussed.

### Recommendation

That the Board of Management for the Lake Huron Water Supply System take the following actions with regard to the Public Notice policy for the Lake Huron Water Supply System:

1. The Board of Management for the Lake Huron Primary Water Supply System **ENDORSE** the Public Notice policy, as attached to this report; and,
2. The Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report for information.

### Previous and Related Reports

None

### Background

Section 270 of the *Municipal Act, 2001, S.O. 2001, c.25*, specifies the adoption and maintenance of policies with respect to, among other things, "the circumstances in which the municipality shall provide notice to the public and, if notice is to be provided, the form, manner and times notice shall be given.

### Discussion

Section 270 of the *Municipal Act, 2001, S.O. 2001, c.25*, outlines the minimum requirements for municipalities and local boards to adopt policies, including a policy for notifications to the public. For the purposes of meeting the obligations of the Board of Management for the Lake Huron Water Supply System (Huron Board), and consistent with the advice received from the Board's solicitor, the Huron Board is considered to be a local board pursuant to the *Municipal Act, 2001*.

Using similar policies adopted by the benefiting municipalities of the Lake Huron Water Supply System as a guide, the proposed policy provides a general framework for the provision of notice in relation to applicable statutory requirements, as well as with specific regard to the following sections of the *Municipal Act, 2001*:

- Section 217: (Passing or amending a by-law to change the composition of the Board)
- Section 238(2): (Enacting a Procedure By-law)
- Section 291: Adopting all or part of a budget
- Section 391: Passing or amending a by-law establishing a fee or charge

The framework of the policy may also be used as an administrative guide for other non-statutory public notices, if and as appropriate. At a minimum, the framework of the policy requires that notices are posted on the water system's website for a minimum of two weeks prior to the date and time of the meeting when the matter will be discussed by the Board. The framework also provides, where appropriate, that notices are circulated to interested parties which may include the benefiting municipalities.

The proposed policy related to the provision of notice, as appended to this report, meets the obligations and requirements of the *Municipal Act, 2001*.

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

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

Attachments: Public Notice Policy



## Public Notice Policy

**Approved:** October 3, 2024

**Last Revised:**

**Legislative History:**

**Last Reviewed Date:**

**Policy Lead:** Director, Regional Water

### 1 Purpose

The purpose of this policy is to meet the requirements under Section 270(1)(4) of the Municipal Act, 2021, S.O. 2021, c.25 (the "Municipal Act") which requires the adoption of a policy with respect to circumstances in which notice to the public is provided and if notice is to be provided, the form, manner and times notice shall be given.

### 2 Applicability

It is the policy of Huron that the Board of Management shall apply to instances where the Board is required to give notice to the public under the Municipal Act or any other legislation or by-law unless the Board directs other forms of notice that the Board considers adequate for specific matters.

Statutory notice to the public under the Municipal Act, other legislation or by-law will be completed in accordance with this policy as well as any prescribed notice content, signage or mailing requirements.

Nothing in this policy prevents the Chief Administrative Officer, the Director, or their designate from using additional methods of notice that, in the opinion of the Chief Administrative Officer, the Director, or their designate, are more effective or providing a longer notice period. Further, nothing in this policy prevents the Chief Administrative Officer, the Director, or their designate, from using the public notification methods contained in this policy for matters not otherwise required under this policy.

This policy does not apply to public relations materials including advertising, posters, brochures or event program advertisements.

### 3 Definitions

**Benefiting Members** – shall mean the municipalities, communities, and/or settlements which receives treated potable drinking water from Huron pursuant to Transfer Order Lake Huron Area #W1/1998 dated effective September 15, 2000, and any Water Supply Agreement with Huron. **Benefiting Member** shall mean the singular of Benefiting Members.

**Board of Management (and Board)** – shall mean the Board of Management for the Lake Huron Primary Water Supply System as established under the *Municipal Water and Sewage Systems Transfer Act, 1997* and pursuant to Transfer Order Lake Huron Area #W1/1998 dated effective September 15, 2000.

**Chief Administrative Officer** – shall mean the Chief Administrative Officer for the Lake Huron Water Supply System as appointed

**Director** – shall mean the Director of Regional Water for the Lake Huron Primary Water Supply System, or their designate.

**Huron** – shall mean the Lake Huron Primary Water Supply System as established under the *Municipal Water and Sewage Systems Transfer Act, 1997* and pursuant to Transfer Order Lake Huron #W1/1998 dated effective November 29, 2000.

**Procedure By-law** – shall mean the Rules of Order and Procedure By-law that the Board follows to adopt by-laws, pass resolutions, and conducts business.

**Website** – shall mean the official website of Huron at <https://HuronElginWater.ca>

## **4 The Policy**

### **4.1 Policy Statement**

The purpose of this policy is to set out public notice provisions for matters affecting the public that are prescribed by legislation or deemed to warrant public notice.

### **4.2 Responsibilities**

#### **4.2.1 The Project Lead shall:**

- a) Prepare a Public Notice Document providing all necessary details regarding the matter.
- b) Provide the Public Notice Document to the Director, or their designate, for approval to post on the Huron website.
- c) Provide hard copies of Director approved Public Notice Document to Huron's Manager of Operations for distribution and posting at Huron facilities, if applicable.
- d) Provide the Director approved Public Notice Document to other interested community partners, including but not limited to Benefiting Members, as may be appropriate.

#### **4.2.2 The Director, or their designate, shall:**

- a) Confirm the applicability and completeness of the Public Notice Document.
- b) Approve Huron's Administrative Assistant, or their designate, to post the Public Notice Document in the Public Notice section on Huron's website.
- c) If applicable, approve Huron's Administrative Assistant, or their designate, to post the Public Notice Document on Huron's social media page(s).

#### 4.3 Statutory Notice

- 4.3.1 Where Huron is required to give notice to the public under a provision of any legislation or regulation, the notice shall be given in accordance with the legislation or regulation.
- 4.3.2 Where a legislated notice requirement under an Act or Regulation must be provided but there are no suitable printed newspapers that meet the definition of a Newspaper under the Legislation Act or other applicable legislation (being a document in printed form, published at regular intervals of a week or less, is circulated to the general public and consists primarily of news of current events of general interest), notice shall be given in the form and manner set out in Section 4.5 of this policy as well as any prescribed notice content set out in the relevant legislation.
- 4.3.3 Where a legislated notice requirement under an Act or Regulation must be provided but the legislation is ambiguous with regard to the method of notice, notice shall be given in the form and manner set out in Section 4.5 of this policy as well as any prescribed notice content set out in the relevant legislation.
- 4.3.4 In the event of a conflict between the notice provisions of this policy and any other by-law or policy, the by-law or policy that, in the opinion of the Director, prescribes more effective notice provisions shall prevail.
- 4.3.5 Notice of schedule of meetings of the Board, either regular or special, shall be in accordance with the Rules of Order and Procedure By-Law.

#### 4.4 Other Notice to the Public

Huron will give notice to the public as set out in Section 4.5 of this policy for the following matters:

<b>Municipal Act Section</b>	<b>Action</b>
217	Passing or amending a by-law to change the composition of the Board
238(2)	Enacting a Procedure By-Law
291	Adopting all or part of a budget
391	Passing or amending a by-law establishing a fee or charge

#### **4.5 Process for Providing Notice**

Where notice to the public is to be given in accordance with this policy:

- 4.5.1 Notice to the public shall be posted on the “Public Notices” page of Huron’s website for at least the two-week period immediately preceding the meeting of the Board at which the matter will be considered, and an opportunity is provided for interested parties to speak to or submit correspondence regarding the matter.
- 4.5.2 Notice to the public given under this section is sufficient even if there are times during the two-week period that Huron’s website is not accessible.
- 4.5.3 Notice to the public will also be sent to other interested parties, which may include a Benefiting Member, as determined by the Project Lead.
- 4.5.4 Unless otherwise prescribed, notice to the public given under this section shall contain the following information:
  - a) A general description of the matter;
  - b) The relevant section of the Municipal Act and/or other act or regulations, if applicable;
  - c) The date, time and place of the meeting at which the matter will be considered;
  - d) Where the matter relates to specific lands, sufficient information regarding the location such as the municipal address, legal description or map;
  - e) Contact information and deadlines for submitting written comments or registering as a delegation;
  - f) Contact information for obtaining more information or clarification on the matter; and,
  - g) Contact information for obtaining the notice in an accessible manner.
- 4.5.5 A Public Notice Document must provide exactly the same information as a “Public Notices” page posting, and vice-versa; however, the form or appearance may differ.
- 4.5.6 If a matter for which notice was given under this policy is deferred, continued, or otherwise delayed to a future meeting, no further notice is required provided a public statement is made at the meeting advising the matter will be considered at a future meeting, specified in the statement.
- 4.5.7 Where notice is required to advise the public of the Board’s intent to pass or of the passage of a by-law, such notice shall be posted on the “Public Notices” page of Huron’s website for the time period as required by legislation.

#### **5 Monitoring and Evaluation**

This policy is reviewed by the Director or designate at least every three years to ensure its effectiveness and compliance with legislation and current business processes, or as required based on legislative changes.

The Director is authorized to make minor or housekeeping amendments to this policy, as required.



## Board of Management Report

**Subject:** Water Quality Facility Plan Update

**Overview:**

- This report provides a summary of the results of the Water Quality Facility Plan Update.

### Recommendation

That, on the recommendation of the Chief Administrative Officer, the Board of Management for the Lake Huron Water Supply System take the following actions with regard to the Water Quality Facility Plan Update:

- a) The Board **ENDORSE** the Water Quality Facility Plan Update; and
- b) The Board **RECEIVE** this report for information.

### Previous and Related Reports

March 5, 2015	Water Quality Facility Plan
June 2, 2022	Water Quality Facility Plan- Consulting Award

### Background

In 2015, Board Staff undertook the initial Water Quality Facility Plan (the “Plan”) study to better understand the Lake Huron Water Treatment Plant’s capacity and to identify process areas that would benefit from optimization, changes to existing operating procedures and capital investment.

From the 2015 Plan, recommendations were made based on desktop, bench scale, and full-scale studies. One key recommendation from the Plan was to undertake periodic studies to reassess Lake Huron plant’s performance.

### Discussion

The update to the Water Quality Facility Plan was undertaken by Stantec Consulting Ltd (Stantec) with input from Board Staff and representatives from the contracted operating authority through a series of studies, workshops, meetings, site visits and review. The Plan was undertaken as a recommendation from the previous 2015 Plan to assess the treatment capacity and performance of the unit treatment processes, evaluate the efficiency and effectiveness of the process with regards to current regulations and best practices, and recommend optimization and/or capital works projects to best meet future

water quality and production capacity objectives. The Plan develops a roadmap for improvements to risks identified in the treatment process at the plant by conducting detailed analysis of each unit process through desktop, bench scale and full-scale studies.

The approach taken by Stantec to identify risks was to review recommendations that were developed through four (4) technical memorandums, as follows:

1. Treatment Requirements
2. Review of Existing Performance of Lake Huron Water Treatment Plant
3. Investigative Studies
4. Risk Review

Each risk identified was evaluated by scoring its risk associated with likelihood of occurring, consequence to water quality and plant production capacity, environmental impacts, and social impacts and public perception.

From each risk, opportunities to mitigate the risks were identified. In some cases, one opportunity may mitigate more than one risk, or a risk may be mitigated by more than one opportunity. Once the opportunities were developed, the opportunity was prioritized based on risk the opportunity addressed by assigning it the associated risk score. This method was used for all opportunities which generated the project implementation plan for the next five (5) plus years and in the longer term.

In the short-term, opportunities to review the current disinfection process and an optimization study on the filter backwashing process were recommended to be undertaken within the next year. These projects have small budget requirements but would benefit the plant by offsetting large capital investments by continuing to be able to use existing processes and assets.

The project implementation plan may be found in the Executive Summary of the Plan and is attached to this report in [Appendix A](#). The conclusion from the full-scale capacity study was that the plant successfully ran for the full trial at the projected maximum day demand flow rate noted in the 2018 Master Water Plan. This flow was chosen to perform the capacity testing as it would provide information based on projected flow rates. This finding concluded that no large capital investments would be required in the immediate future to accommodate growth in the Lake Huron Primary Water Supply service area. Some projects recommended within the next one to five years with larger estimated budgets include provisions to maintain existing capacity with improvements to the existing treatment system or the construction of new treatment systems. The study portion of these projects will determine the preferred alternatives.

Larger capital investments are recommended by the Plan in the longer term to go beyond the existing rated capacity that may be required to meet the growth in the

region. The timing of these investments will be determined by the ongoing Master Water Plan Updates currently anticipated to be completed mid-2025 and ultimately a business case assessment for each project in support of budget approval to confirm the costs, timing, and priority of the project, consistent with our Customer Level of Service framework and Risk Mitigation strategy.

Table E1 of the attached Executive Summary of the Plan in [Appendix A](#), provides details on the project implementation plan. Each of the projects noted over the next five (5) years will include an investigative study to determine if a capital upgrade is required, or if a process optimization strategy would address the risk identified. Also included in the project implementation plan is the recommendation to undertake another update to the Plan in 2030 to reassess the plant's treatment capacity and performance of the unit treatment processes following the completion of the next Master Water Plan Update and Asset Management Plan Update.

## Project Financial Status

Summary of Expenditures Incurred to Date as of: September 3, 2024

EXPENDITURE	FORECAST	INCURRED
Preliminary Design	\$143,223.42	\$127,817.98
<b>Total</b>	<b>\$143,223.42</b>	<b>\$127,817.98</b>
<b>Approved Budget</b>	<b>\$290,000.00</b>	
Budget Surplus / Deficit	\$146,776.58	

Presently, this project is projected to be delivered within budget.

## Conclusion

The Water Quality Facility Plan establishes a clear project implementation plan to address risks identified through multiple studies and engagement with Board staff and the contracted operating authority. By using the project implementation plan as a roadmap, Board staff can address the identified risks while remaining cognizant of available capital and staff resources.

Prepared by: Brittany Bryans, P. Eng.,  
Environmental Services Engineer

Submitted by: Billy Haklander, P.Eng., LL.M  
Senior Manager, Capital Programs

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

Attachments: Appendix A – Lake Huron Water Quality Facility Plan Update –  
Executive Summary

## Appendix A – Executive Summary

### E.1. Introduction

Stantec is pleased to present this Final Report for the Lake Huron Water Treatment Plant (WTP) Water Quality Facility Plan (WQFP) Update to the Regional Water Supply (RWS). The objective of this report is to provide recommendations for opportunities for improvement of the WTP performance in terms of capacity, compliance, and best practices.

Opportunity projects were identified through the previous tasks summarized in the following Technical Memorandums (TMs):

- TM#1B: Treatment Requirements – Lake Huron
- TM#2: Review of Existing Performance of Lake Huron and Elgin Area Water Treatment Plants
- TM#3: Investigative Studies
- TM#4: Risk Review

#### E.1.1. Process Overview

The Lake Huron WTP is a conventional WTP with a rated capacity of 320 million liters per day (MLD) that is supplied by Lake Huron and operates pre-chlorination, screening, coagulation, flocculation, sedimentation with lamella plates, seasonal powdered activated carbon (PAC), filtration by dual-media sand and anthracite filtration, and chlorination.

### E.2. Key Findings

The key issues of focus for this WQFP update for the Lake Huron WTP were as follows:

- Coagulation optimization. The pre-treatment processes require continuous addition of a coagulant and adjustments to coagulant dosing in response to raw water quality events. The approach to coagulant dosing (i.e., “coagulant dosing map”) should be optimized with respect to raw water organics and online monitoring for organic water quality parameters (such as UV transmittance, which is a surrogate measure for organics in water samples), as well as particle charge characteristics.
- A. Sedimentation and Polymer. The existing sedimentation process may be undersized and the capacity and performance of this pre-treatment process upstream of filtration could be enhanced with the addition of a flocculation-aid or sedimentation-aid polymer, and/or an expansion to the clarification process. Investigative studies

including bench-scale jar-testing results suggest that the addition of a polymer to the flocculation process could substantially enhance the performance of the clarification process at the WTP.

- Powdered activated carbon. The WTP operates powdered activated carbon (PAC) as a barrier to T&O events, though PAC dosing is not optimized.
  - Filtration. Operations report that seasonally the plant experiences periods with lower filter run times in early summer and early fall. During these periods, increased filter head loss results in restrictions on plant production when too many filters require backwashing simultaneously.
- B. Filtration Technology. The filtration underdrain system is an aging technology limiting optimization of filter backwashing and operational resiliency. The wash arms are obsolete and incompatible with the new service water pressure. The system lacks air scour which can contribute to poor backwash performance and mudball accumulation on the surface of the filtration media from polymer carryover, contributing to head loss accumulation. Further, the depth of gravel limits the available depth for freeboard and anthracite. Upgrades to the existing filtration process should be explored.
- Filter-to-waste. Filter-to-waste is not an existing process at the WTP, and an opportunity exists to optimize the backwash sequence with an extended terminal sub-fluidization wash (ETSW) step in the absence of filter-to-waste, and/or install filter-to-waste piping in the future.
  - Aluminum. Staff have observed aluminum residuals to be elevated seasonally. A desktop review and modeling of aluminum residuals suggests that while aluminum residuals are expected to vary seasonally, the trends are not expected to cause an exceedance with respect to the Health Canada guidance values.
  - Disinfection. There is a suspected potential for a shortfall in disinfection capacity when the plant is run at the rated capacity flow under worst-case operating conditions (low temperatures, high pH, low chlorine residual) however this may be associated with impractically high or low alarm set points and the shortfall may not be experienced based on the realistic range of operating conditions. A desktop review of disinfection shortfalls and alarm set-points recommended.

One (1) full-scale capacity test was performed. Routine particle charge monitoring was performed during the full-scale testing and higher alum dosing was applied than the typical dosing strategy. Longer filter run times were achieved than expected and filter unit filter run volume (UFRV) value of >400 m<sup>3</sup>/m<sup>2</sup> suggested these operational modifications resulted in a well-optimized process. Based on the findings, the estimated capacity at optimized conditions of the pre-treatment processes at Lake Huron WTP

was found to be approximately 240 MLD under moderate temperature conditions (and possibly lower during cold water conditions) which is lower than the current plant rated capacity of 340 MLD. Opportunities may exist to increase the operational capacity at optimized conditions and those projects are included below such as polymer upgrades, optimized coagulant dosing strategy, and filter and backwash upgrades.

### **E.3. Opportunity Projects**

#### **E.3.1 Methodology**

Opportunity projects were prioritized based on the risk rankings for the issues associated with the list of opportunities. The Opportunities were developed by identifying practical options in terms of studies, the development of Standard Operating Procedures (SOPs) (e.g., operational changes), and capital upgrades that could mitigate risks based on best practices, guidance documents, and Stantec experience at similar facilities.

In many cases, the following was true:

- A particular risk may be mitigated by more than one alternative / opportunity.
- A particular alternative / opportunity may be expected to mitigate more than one risk.

The issues and risks identified over the course of the previous four WQFP Update Project TMs were consolidated to generate a list of opportunities for improvement for the Lake Huron WTP. Opportunities identified were divided into short-term and long-term opportunities, as discussed herein.

#### **E.3.1. Short-Term Opportunities**

The following short-term opportunities are expected to require minor effort and low-cost. These opportunities are recommended to be implemented as soon as possible (e.g., in late 2024 or early 2025) with assistance from operations and Supervisory Control and Data Acquisition (SCADA) programming where applicable. Further details are provided in Section 3.1.1 and Appendix D of the Water Quality Facility Plan.

- A. Disinfection Review: Brief desktop review to understand risk of CT shortfalls at higher capacity and assumptions used in existing CT calculator.
- B. Optimize Backwash Sequence: Ensure the existing backwash sequence is optimized with extended terminal sub-fluidization wash (ETSW) step, in the absence of full-scale filter-to-waste piping.

### E.3.2. Long-Term Opportunities

A total of twelve (12) long-term opportunity projects were identified for RWS to continuously work towards optimization at the Lake Huron WTP.

#### Workplans

Work plans for each opportunity were developed to include the following details:

- Problem statement
- Objective of the opportunity
- Priority
- Process unit addressed by the opportunity
- Expected benefits as a result of implementation of the opportunity
- Associated risk issues that the opportunity addresses
- Scope of work for the opportunity
- Estimated duration of the opportunity project
- Level “D” (-30% / +50%) cost estimates

#### Implementation Plan

The implementation plan was developed by allocating two to three projects per year with considerations for project duration, prioritization, staging of studies ahead of capital works, and minimizing overlap of major capital work in similar process areas.

A summary of the project implementation plan is provided in Table E1.

Table E1. Summary of Opportunity Projects, Estimates, and Implementation Schedule

ID	Project Name	Cost Estimate (2024)	Unit Process	Project Type	Year (start)	Duration (months)
OH-1	Polymer Upgrades	\$800,000	Clarification	Study / SOP / Capital	2026	16
OH-2	Optimize Coagulant Dosing Strategy	\$278,000	Intake; Clarification ; Filtration	SOP	2026	8
OH-3	Optimize PAC Dosing Strategy	\$87,000	Clarification	Study	2027	6
OH-4	Cold Water Stress Test	\$47,000	Pre-Treatment	Study	2027	3



ID	Project Name	Cost Estimate (2024)	Unit Process	Project Type	Year (start)	Duration (months)
OH-5	Develop Key Performance Indicator (KPI) Dashboard and Reporting	\$293,000	All	Capital	2028	16
OH-6	Disinfection Feasibility Study	\$128,000	Disinfection	Study	2029	6
OH-7	Feasibility Study for Clarifier and Filtration Capacity Upgrades	\$143,000	Clarification ; Filtration	Study	2029	8
OH-8	Filter and Backwash Upgrades	\$46,300,000	Filtration	Capital /Study	2030	60
OH-9	Filter to Waste	\$26,300,000	Filtration	Capital	2030	24
OH-10	Water Quality Facility Plan Updates (WQFP)	\$210,000	All	Study	2030	24
OH-11	Clarifier Capacity Expansion	TBD (\$65,000,000)	Clarification	Capital	2033	36
OH-12	Disinfection Upgrades	TBD (\$65,600,000)	Disinfection	Capital	2035	36

The prioritized individual work plans are presented in Appendix D of the Water Quality Facility Plan.

## Annual Budgets

The estimated budget for proposed optimization projects is presented in Figure E1.

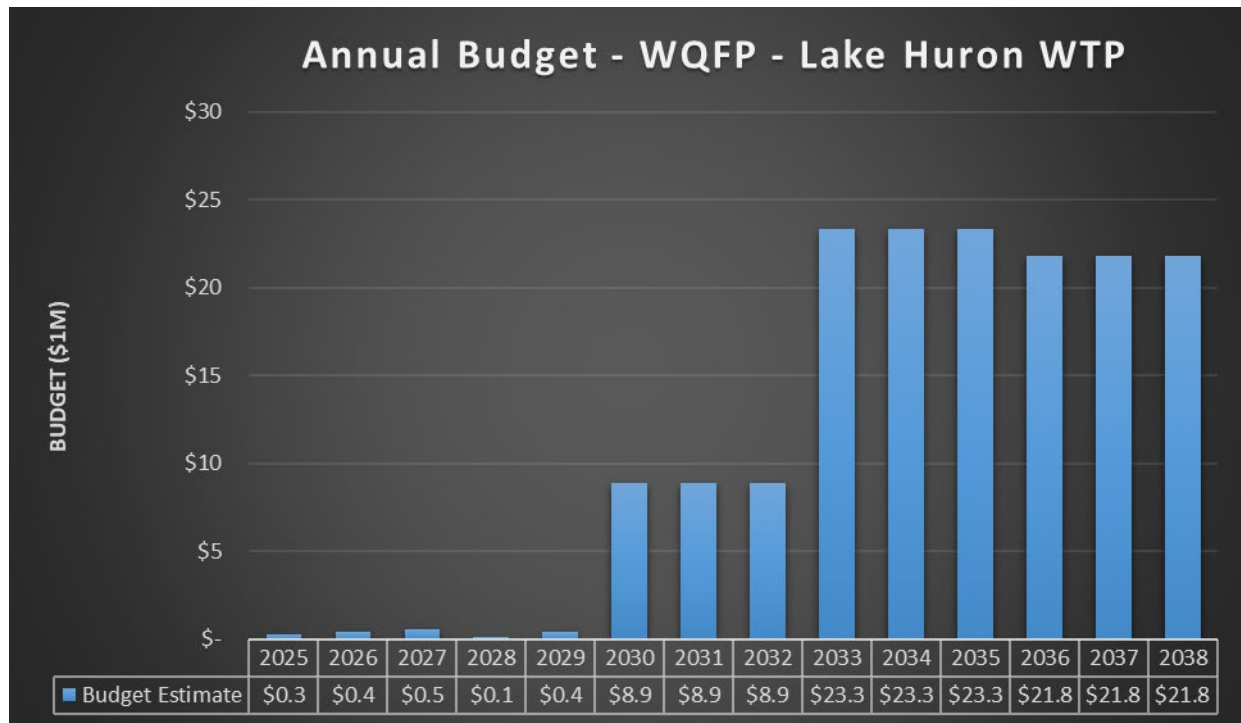


Figure E1. Estimated Budget for Optimization Projects for the Lake Huron WTP

## E.4. Summary

In summary, the Lake Huron WTP will benefit from lower-cost projects in the 1-to-5-year horizon to work towards optimization opportunities that are expected to provide good cost-benefit improvements such:

1. Polymer Upgrades
2. Optimization of coagulant dosing strategy
3. Optimize PAC Dosing Strategy
4. Cold Water Stress Test
5. Develop Key Performance Indicator (KPI) Dashboard and Reporting
6. Disinfection Feasibility Study
7. Feasibility Study for Clarifier and Filtration Capacity Upgrades

Beginning in 2029, it is recommended to initiate a feasibility study for Clarifier and Filtration Capacity Upgrades. It is recommended to advance this timeline should the Master Water Plan demands indicate a potential capacity bottleneck for the Lake Huron WTP sooner than currently anticipated. It is recommended to review the Clarifier and Filtration capacity expansion upgrade options together because it is important that the selected technologies will be compatible. Following this study, the following higher-cost projects are recommended to be implemented into 2035:

8. Filter and Backwash Upgrades
9. Filter-to-waste Upgrades
10. Update – Water Quality Facility Plan (WQFP)
11. Clarifier Capacity Expansion
12. Disinfection Upgrades.

Disinfection upgrades have been deprioritized based on the risk framework applied and based on the assumptions that the desktop reviews of disinfection capacity, the ongoing microbial risk assessment studies, and the regulatory criteria will not suggest a need for disinfection upgrades in the 5-to-10-year horizon. Should the preliminary desktop reviews of disinfection shortfalls, or quantitative microbial risk assessment studies, or changes to the regulatory criteria suggest disinfection upgrades are required sooner than 2035, it is recommended to move this final project up in the implementation schedule and annual budget. It is recommended to review this opportunity on an annual basis.