

Agenda

Elgin Area Primary Water Supply System

Joint Board of Management

1st Meeting of the Elgin Area Primary Water Supply System

December 4, 2025, 5:00 PM

Committee Room #5

Pages

1. Call to Order

2. Indigenous Territorial Acknowledgement

The Elgin Area 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.

3. Disclosures of Pecuniary Interest

4. Recognitions and Comments from the Chair

5. Adoption of Minutes of the Previous Meeting(s)

5.1 Minutes of the 4th Meeting held on October 2, 2025

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6. Communications and Petitions

6.1 P. Barbour, Board Chair - Yarmouth Yards Industrial Development
(PowerCo et. al.), St. Thomas, ON

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7. Motion of Which Notice is Given

8. Reports and Added Reports

8.1 Recommended Items for Consent

a. Quarterly Compliance Report (3rd Quarter 2025: July -
September)

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b.	Environmental Management System and Quality Management System	16
c.	Quarterly Operating Financial Status - 3rd Quarter 2025	35
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8.2 Recommended Items for Discussion

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b.	EA4218 Water Treatment Plant Motor Control Centre Component Upgrades - Sole Source Procurement	45
c.	Water Treatment Plant Expansion, Schedule C Environmental Assessment	48

9. Deferred Matters

10. Additional Business and Enquiries

11. Emergent Motions

12. By-Laws

13. Closed Session

13.1 Position, Plan, Procedure, Criteria or Instruction for Negotiation Purposes

A matter pertaining to a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

14. Upcoming Meeting Dates

March 5, 2026

June 4, 2026

October 1, 2026

January 21, 2027

15. Adjournment

Elgin Area Primary Water Supply System Report

4th Meeting of the Elgin Area Primary Water Supply System Joint Board of Management
October 2, 2025

Attendance: PRESENT: P. Barbour (Chair); J. Herbert, S. Hillier, K.
Loveland, E. Peloza, S. Peters, S. Stevenson, N. Watson and J.
Bunn (Committee Clerk)

ALSO PRESENT: B. Haklander, A. Henry and M. McKillop

1. Call to Order

That it BE NOTED that the meeting was called to order at 5:01 PM.

2. Indigenous Territorial Acknowledgement

That it BE NOTED that the meeting was opened with an Indigenous Territorial Acknowledgement.

3. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

4. Recognitions and Comments from the Chair

None.

5. Adoption of Minutes of the Previous Meeting(s)

5.1 Minutes of the 3rd Meeting held on June 5, 2025

HERBERT AND PETERS

That the minutes of the 3rd meeting of the Elgin Area Primary Water Supply System Joint Board of Management, from the meeting held on June 5, 2025 **BE NOTED AND FILED. CARRIED**

Motion Passed

6. Communications and Petitions

None.

7. Motion of Which Notice is Given

None.

8. Reports and Added Reports

8.1 Recommended Items for Consent

- a. Quarterly Compliance Report (2nd Quarter 2025: April - June)

PELOZA AND HILLIER

That, on the recommendation of the Chief Administrative Officer, the report dated October 2, 2025, with respect to the general, regulatory and contractual obligations of the Elgin Area Primary Water Supply System, for April to June 2025, **BE RECEIVED. CARRIED**

Motion Passed

- b. Environmental Management System and Quality Management System

PELOZA AND HILLIER

That, on the recommendation of the Chief Administrative Officer, the report dated October 2, 2025, with respect to the Environmental Management System and Quality Management System, **BE RECEIVED. CARRIED**

Motion Passed

- c. Quarterly Operating Financial Status - 2nd Quarter 2025

PELOZA AND HILLIER

That, on the recommendation of the Chief Administrative Officer, the report dated October 2, 2025, with respect to the Quarterly Operating Financial Status of the Elgin Area Primary Water Supply System for the 2nd Quarter of 2025, **BE RECEIVED. CARRIED**

Motion Passed

- d. Capital Status Report

PELOZA AND HILLIER

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report dated October 2, 2025 related to capital projects:

- a) the closure of projects EA3025 EMPS HVAC Replacement, EA4135 Hydraulic-Transient Model, EA4137 Low Lift Service Water, EA4184 Water Quality Facility Plan, EA4195 Electric Vehicle Charging Station, EA4198 Elgin Filter Emergency Repairs, EA4203 EMPS- Asset Management Plan Update, and EA4221 Division Vehicle, **BE AUTHORIZED**, with surplus funding in the approximate amount of \$1,412,445 being released to the Reserve Funds; and,
- b) the above-noted report **BE RECEIVED. CARRIED**

Motion Passed

8.2 Recommended Items for Discussion

a. 2026 Operating and Capital Budgets

That, on the recommendation of the Chief Administrative Officer, the following actions be taken by the Board of Management for the Elgin Area Water Supply System with respect to the report dated October 2, 2025 related to the 2026 Operating and Capital Budgets:

- a) the 2026 Operating Budget, in the total amount of \$17,490,000, **BE APPROVED**, as appended to the above-noted report;
- b) the 2026 Capital Budget, in the total amount of \$3,160,000, **BE APPROVED**, as appended to the above-noted report;
- c) the 2026 rate for water of \$1.0699 per cubic meter **BE APPROVED**;
- d) the 2027 to 2035 Capital Forecast **BE RECEIVED**;
- e) the 2024 to 2030 Flow and Financial Analysis **BE RECEIVED**; and,
- f) staff **BE DIRECTED** to bring a report to the December 2025 meeting related to undertaking a Schedule C Municipal Class EA and Conceptual Plan for a proposed plant expansion;

it being noted that a verbal delegation from K. De Leebeeck, with respect to this matter, was received. **CARRIED**

Motion Passed

Additional Votes:

HILLIER AND PELOZA

That parts a) through e) of the motion BE APPROVED.

Motion Passed

HILLIER AND HERBERT

That part f) of the motion BE APPROVED.

Motion Passed

b. Reserve and Reserve Fund Policy

PELOZA AND HILLIER

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report dated October 2, 2025 related to the Reserve and Reserve Fund Policy:

- a) the proposed policy, being a Reserve and Reserve Fund Policy for the Elgin Area Primary Water Supply System, as appended to the above-noted report, **BE ACCEPTED** and a by-law **BE INTRODUCED** at the October 2, 2025, meeting of the Board of Management to approve the Policy; and,
- b) the above-noted report **BE RECEIVED. CARRIED**

Motion Passed

c. Sale and Disposition of Land Policy

PETERS AND HERBERT

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report dated October 2, 2025 related to the Sale and Disposition of Land Policy:

- a) the proposed policy, being a Sale and Disposition of Land Policy for the Elgin Area Primary Water Supply System, as appended to the above-noted report, **BE ACCEPTED** and a by-law

BE INTRODUCED at the October 2, 2025, meeting of the Board of Management to approve the Policy; and,

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

Motion Passed

d. Elgin Area Primary Water Supply System Master Plan

HILLIER AND WATSON

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report dated October 2, 2025 related to the Elgin Area Primary Water Supply System Master Plan:

a) the above-noted Elgin Area Primary Water Supply System Master Plan **BE ENDORSED**; and,

b) staff **BE DIRECTED** to place the Master Plan report on the water system's website and make the report available for public review for a 30-day review period;

it being noted that a verbal delegation from K. De Leebeeck, with respect to this matter, was received. **CARRIED**

Motion Passed

e. Security Services - Contract Award

HILLIER AND HERBERT

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report dated October 2, 2025 related to the Security Contract:

a) the above-noted report **BE RECEIVED**; and,

b) the proposal from Paladin Security Group Limited **BE ACCEPTED** and the Chair and the Chief Administrative Officer **BE AUTHORIZED** to execute an agreement for contracted security services at a cost of \$306,398.40 for the first year; it being noted that an increase of 1% for each of the following two years of the three-year period is included in the recommended proposal. **CARRIED**

Motion Passed

- f. Procurement of Operations and Maintenance Services

WATSON AND HERBERT

That, on the recommendation of the Chief Administrative Officer, the report dated October 2, 2025, with respect to the Procurement of Operations and Maintenance Services, **BE RECEIVED. CARRIED**

Motion Passed

9. Deferred Matters

None.

10. Additional Business and Enquiries

None.

11. Emergent Motions

None.

12. By-Laws

12.1 By-Law No. 2-2025

HILLIER AND WATSON

That Introduction and First Reading of By-law No. 2 - 2025 **BE APPROVED. CARRIED**

Motion Passed

HILLIER AND WATSON

That Second Reading of By-law No. 2 - 2025 **BE APPROVED. CARRIED**

Motion Passed

HILLIER AND WATSON

That Third Reading and Enactment of By-law No. 2 - 2025 **BE APPROVED. CARRIED**

Motion Passed

13. Closed Session

None.

14. Next Meeting Date

December 4, 2025

15. Adjournment

HILLIER AND PETERS

That the meeting **BE ADJOURNED. CARRIED**

Motion Passed

The meeting adjourned at 6:42 PM.



October 17, 2025

Via Email: vic.fedeli@pc.ola.org
todd.mccarthy@pc.ola.org
rob.flack@pc.ola.org

Hon. Victor Fedeli

Minister of Economic Development, Job Creation and Trade
18th Floor 777 Bay Street
Toronto, ON M7A 1S5

Hon. Todd J. McCarthy

Minister of the Environment, Conservation and Parks
5th Floor 777 Bay Street
Toronto, Ontario M7A 2J3

RE: Yarmouth Yards Industrial Development (PowerCo et. al.), St. Thomas ONT

Dear Ministers;

The Elgin Area Water Supply System treats and supplies drinking water to eight municipalities across a significant portion of Elgin County in southwest Ontario, including the City of London and the City of St. Thomas. Our water treatment plant is located near the community of Port Stanley in Central Elgin.

On March 13, 2023, we were pleased to learn of a significant economic investment in the region in the form of an electric vehicle battery manufacturing plant (PowerCo) in an area of St. Thomas that would become known as Yarmouth Yards.

While we had no concerns with the information related to the projected water needs for PowerCo that were provided to the Elgin Area Water System in 2023, water requirements provided by the Ministry of Economic Development, Job Creation and Trades and the City of St. Thomas in early 2025 are significantly higher than previously provided and have profound implications for the regional water system.

An initial assessment of the implications of these higher water demands suggests that the water treatment plant will need to be significantly expanded on a highly accelerated timeline, with construction starting no later than 2031. This is at least twenty years sooner than previously estimated.

A recently completed Master Plan for the regional water system estimates that the full cost of the plant expansion to meet the needs of all the communities served by the system, including Yarmouth Yards, is in the order of \$400 million.

The water demand information provided earlier this year fundamentally changes the water system's financial plans and any plant expansion of this magnitude would have to be undertaken using debentures.

Any debt incurred by the Elgin Area Water Supply System must be proportionately held by each benefiting municipality of the regional water system, meaning that the debt capacity of each of the benefiting municipalities would be significantly and proportionately impacted by the debt incurred to expand the plant. Some municipalities may not have the debt capacity available to incur their proportionate share of the debenture at all, while others may be subsequently prevented from using their debt capacity to undertake planned infrastructure investments within their communities to address aging infrastructure and support growth.

The regional water system has no sources of funding except the unit rate charged to each member municipality. This is effectively a "wholesale" rate and increases to it result in corresponding increases to the rates charged by each municipality to their end consumer. It is reasonable to assume that a significant increase in the wholesale rate for water will have implications for residents, businesses and industries within those municipalities.

The unit rate for water supply charged to each municipality is currently \$1.06 per cubic meter. In order to support the anticipated debt required for the plant expansion, a high-level assessment has estimated the required rate to increase to at least \$1.79 per cubic meter of water in the short term.

We are committed to balancing the affordability of water in the region as an essential service while finding ways to support economic growth. Yarmouth Yards is an exciting development for the region, but its scale and timelines are well outside of what the Elgin Area Water Supply System's long-term asset management and financial plans contemplated or can accommodate in such a short timeframe. The Elgin Area Water Supply System is hopeful that we can discuss this matter with the Province of Ontario

and seek opportunities to minimize this financial burden on the region's municipalities while continuing to support this exciting new chapter in the growth of the region.

Respectfully,

A handwritten signature in black ink, appearing to read 'Pete Barbour', with a long horizontal line extending to the right.

Pete Barbour, Board Chair
Elgin Area Water Supply System Board of Management .

c.c. Hon. Rob Flack, MPP Elgin-Middlesex-London
K. Scherr, Chief Administrative Officer

Board of Management Report

Subject: Quarterly Compliance Report (3rd Quarter 2025: July - September)

Overview:

- There were no adverse water quality incidents (AWQI) reported during this quarter.
- A seasonal water quality advisory was issued on October 2, 2025, related to naturally occurring tastes and odours which may be detectable in the drinking water.

Recommendation

That the Board of Management for the Elgin Area 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 are no new regulatory changes for this reporting period which may significantly impact the Elgin Area Primary Water Supply System (EAPWSS).

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

Quarterly Water Quality Reports: The [Water Quality Quarterly Report](#) for the period of July 1 – September 30, 2025 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 and test results of drinking water quality parameters is posted on the water system's website and available in print at the Board's Administration Office in London upon request. In addition, the detailed water quality information is also published within the water system's Annual Report required by O.Reg. 170/03 under the *Safe Drinking Water Act*.

A [Lake Erie Seasonal Water Quality Advisory](#) was posted on the Water Systems' website on October 1, 2025 for public information. This taste and odour advisory was issued in response to increasing levels of geosmin and 2-methylisoborneol (MIB) being detected in the raw lake water. These are harmless, naturally occurring organic compounds which typically increases in the lake water in late summer and early fall. Geosmin and MIB are produced by bacteria, including cyanobacteria or algae in surface water and the presence is often intensified by warmer water temperature. Geosmin and MIB do not impact water quality from a health perspective, however some consumers notice a change in taste or odour of their drinking water as a result. The event persisted throughout the fall and the Advisory remained in effect through October. Taste and odour are treated through the use of powder activated carbon (PAC) at the water treatment facility.

Adverse Water Quality Incidents (AWQI): 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.

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 2025 third quarter Contract Report was received from OCWA on October 30, 2025, and was scheduled to be discussed at the quarterly administration meeting between Board staff and OCWA on November 18, 2025. 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 EAPWSS. 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 third quarter of 2025 (Q3).
- An internal Environmental Compliance Audit (Clean Water Act, 2006) was conducted between August 11-15, 2025. The Internal Audit Summary Report is included as [Appendix A](#).
- An internal Environmental Compliance Audit (Joint Occupancy and Use Agreement Elgin-Middlesex Pumping Station) was conducted between August 26 and September 03, 2025. The Internal Audit Summary Report is included as [Appendix B](#).
- An external Drinking Water Quality Management Standard (DWQMS) audit was conducted by Intertek – SAI Global Limited on September 08, 2025. The Audit Summary Report is included as [Appendix C](#).
- A Management Review meeting was held on September 26, 2025. The meeting minutes are attached to this report as [Appendix D](#).

Recommendation

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

Background

Environmental Management System (EMS)

The Elgin Area Primary Water Supply System (EAPWSS) has an Environmental Management System (EMS) which has been registered to the ISO 14001 standard since 2003. The EAPWSS underwent a three-year registration audit in September 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 EAPWSS.

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 January 2023 and is currently accredited for the three-year period ending in 2026.

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 year all required inputs are reviewed at least once. Management Review meetings are held in a combined format for both the EAPWSS and the Lake Huron Primary Water Supply System (LHPWSS).

A Management Review meeting was held on September 26, 2025. The meeting minutes are included as [Appendix D](#) 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 internal Environmental Compliance Audit (Clean Water Act, 2006) was conducted between August 11-15, 2025. There were no non-compliances and one (1) opportunity for improvement identified. An Internal Audit Summary Report is included as [Appendix A](#) for the information of the Board of Management.

An internal Environmental Compliance Audit (Joint Occupancy and Use Agreement Elgin-Middlesex Pumping Station) was conducted between August 26 and September 03, 2025. There was one (1) non-compliance and one (1) opportunity for improvement identified. An Internal Audit Summary Report is included as [Appendix B](#) 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 - SAI Global. 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.

An external DWQMS Audit was conducted on September 08, 2025. There was one (1) opportunity for improvement identified. An External Audit Summary Report is included as [Appendix C](#) for the information of the Board of Management.

Corrective and Preventive Actions

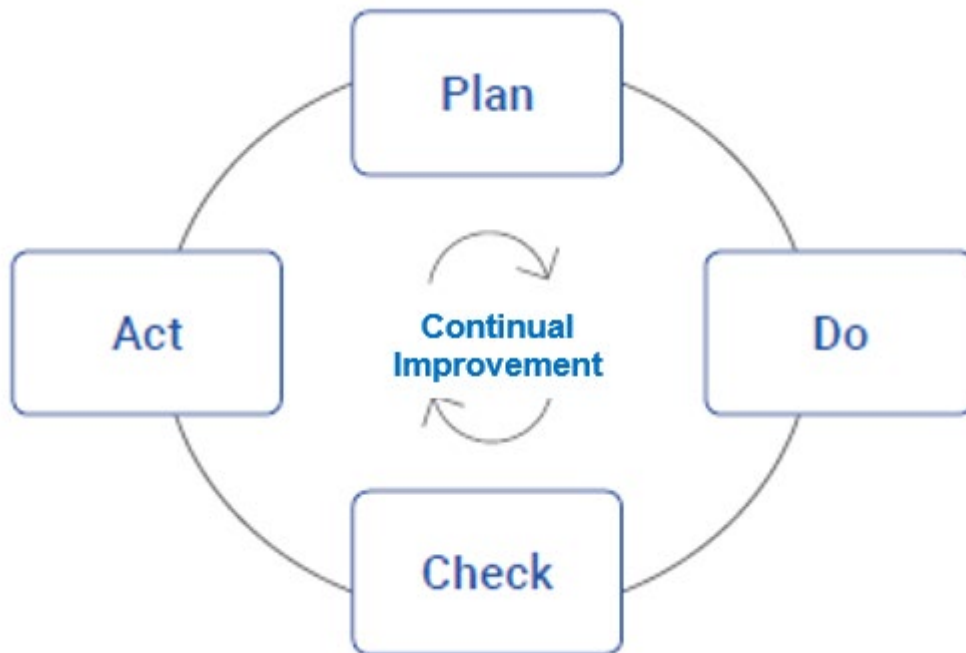
For the EMS/QMS to be effective on an on-going basis, an organization must have a systematic method for identifying actual and potential non-conformities, making corrections, and undertaking corrective and preventive actions, preferably identifying, and preventing problems before they occur. The Internal 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 EAPWSS. 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 the action items should not be construed as compliance failures, but rather an action to be undertaken which will improve the EAPWSS 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 drive’s 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



The following summarizes the twenty-three (23) new approved action items that have been added to the EMS/QMS action-item tracking system during Q3 2025:

- One (1) new action item was added as part of the Environmental Compliance Audit (Clean Water Act, 2006) conducted between August 11-15, 2025.
- Two (2) new action items were added as part of the Environmental Compliance Audit (Joint Occupancy and Use Agreement Elgin-Middlesex Pumping Station) conducted between August 26 and September 03, 2025.

- One (1) new action item was added as part of the External DWQMS Audit conducted on September 08, 2025.
- Seven (7) new action items were added as part of the Management of Change process related to the trial de-chlorination chemical for the residual management facility (RMF).
- Six (6) new action items were added as part of the Management of Change process related to the Installation of bench top zeta potential instrument in the laboratory.
- Two (2) new action items were added as part of the Management of Change process related to project #EA4186 – Elgin Sodium Hydroxide Assessment Study.
- Three (3) new action items were added as part of the Management of Change process related to project #EA4129 - Elgin Server Room Fire Suppression.
- One (1) new action item was added as part of the Management of Change process related to the relocation of a chemical analyzer sampling point.

As of October 27, 2025, there are currently twenty-eight (28) open action items in the EAPWSS 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. The 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 EAPWSS continues to be suitable, adequate and effective. Activities by OCWA continue to address the need for change, and the management systems are being revised and refined as required.

Prepared by: 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](#) - Internal Environmental Compliance Audit - Clean Water Act, 2006 (August 11-15, 2025)
[Appendix B](#) - Internal Environmental Compliance Audit - Joint Occupancy and Use Agreement Elgin-Middlesex Pumping Station (August 26 - September 03, 2025)
[Appendix C](#) - External DWQMS Audit Summary Report (September 08, 2025)
[Appendix D](#) - Management Review Minutes (September 26, 2025)

Appendix A: Internal Environmental Compliance Audit - Clean Water Act, 2006 (August 11-15, 2025)

Audit Purpose

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

Auditor Qualifications

Jennifer Levitt has completed an ISO 14001:2015 Internal Auditor training course and an Environmental Compliance 101 course and is deemed competent to complete environmental compliance auditing (see Certificate in Appendix A).

Methodology

The internal audit was conducted as outlined in Procedure EA-ADMIN-1600 (Compliance) as detailed in the EMS Manual. The audit was primarily associated with a desktop review and therefore an opening/closing meeting was not required (refer to Section 3.4.2 of EA-ADMIN-1600). An audit plan was issued August 08, 2025. The audit checklist was generated using the Environmental Compliance Internal Audit checklist (EF-ADMIN-1600) which is attached as Appendix B of this report.

The audit was comprised of a desktop environmental compliance review of the EAPWSS. The audit was limited to a three-year period, since August 11, 2022.

Operational documents and records maintained by the Operating Authority for the period August 11, 2022 through August 15, 2025 were reviewed in conjunction with this compliance evaluation.

Note:

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

Checklist Criteria

The following items had criteria in the Environmental Compliance Internal Audit checklist (EF-ADMIN-1600):

- Clean Water Act, 2006, S.O. 2006, c. 22 [sections 38, 45, 58(1), 58(5), 58(6), 58(18), 61, 87]

Interviews Conducted

- E.McLeod, Quality Assurance and Compliance Manager, RWS

FINDINGS

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

Definitions

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

No NC's were identified as part of the internal compliance audit.

Opportunities for Improvement

OFI#1 - There is an opportunity to review/finalize the Risk Management Plan (RMP) related to the storage and handling of diesel fuel on the Elgin Water Treatment Plant (WTP) property, and follow up with the Municipality of Central Elgin regarding Risk Management Official (RMO) approval.

Appendix B: Internal Environmental Compliance Audit - Joint Occupancy and Use Agreement Elgin-Middlesex Pumping Station (August 26 to September 03, 2025)

Audit Purpose

The purpose of the audit was to verify compliance with relevant environmental legislation and other compliance obligations at the Elgin-Middlesex Pumping Station (EMPS) which is part of the Elgin Area Primary Water Supply System (EAPWSS). Internal audits ensure the progress and activity of the Environmental Management System (EMS) is tracked.

Auditor Qualifications

Jennifer Levitt has completed an ISO 14001:2015 Internal Auditor training course and an Environmental Compliance 101 course and is deemed competent to complete environmental compliance auditing (see Certificate in Appendix A).

Methodology

The internal audit was conducted as outlined in Procedure EA-ADMIN-1600 (Compliance) as detailed in the EMS Manual. The audit was primarily associated with a desktop review and therefore an opening/closing meeting was not required (refer to Section 3.4.2 of EA-ADMIN-1600). An audit plan was issued August 25, 2025. The audit checklist was generated using the Environmental Compliance Internal Audit checklist (EF-ADMIN-1600)] which is attached as Appendix B of this report.

The audit was comprised of a desktop environmental compliance review of the EMPS. The audit was limited to a three-year period since August 26, 2022.

Operational documents and records maintained by the Operating Authority for the period August 26, 2022 through September 03, 2025 were reviewed in conjunction with this compliance evaluation.

Note:

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

Checklist Criteria

The following items had criteria in the Environmental Compliance Internal Audit checklist (EF-ADMIN-1600)]:

- Joint Occupancy and Use Agreement Elgin-Middlesex Pumping Station

Interviews Conducted

- Process & Compliance Technician, OCWA
- Safety Process & Compliance Manager, OCWA
- Operations Manager, RWS
- Quality Assurance & Compliance Manager, RWS

Areas Visited

- Elgin-Middlesex Pumping Station (EMPS), 490 South Edgeware Road, Central Elgin

FINDINGS

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

Definitions

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

Non-Compliances

NC#1 - Updated designated substance inventories have not been provided to London, Aylmer Secondary System and St. Thomas Secondary System. Annual updates are to be provided as per the Joint Occupancy and Use Agreement Elgin-Middlesex Pumping Station.

Opportunities for Improvement

OFI#1 - The Joint Occupancy and Use Agreement Elgin-Middlesex Pumping Station requires perimeter fencing to be maintained. There were observations of missing barbed wire on the west section, and extensive vine coverage on the north side which may weaken or damage the fence structure.

Appendix C: External DWQMS Audit Summary Report (September 08, 2025)

Audit Purpose

The purpose of the systems audit was to determine whether the drinking water Quality Management System (QMS) of the EAPWSS conforms to the requirements of the Ontario Ministry of the Environment, Conservation & Parks (MECP) Drinking Water Quality Management Standard (DWQMS V2). The audit was also intended to gather the information necessary for Intertek - SAI Global to assess whether accreditation can continue or be offered to the Operating Authority.

Management System Documentation

The management systems operational plan(s) were reviewed and found to be in conformance with the requirements of the standard.

Management Review

Records of the most recent management review meetings were verified and found to meet the requirements of the standard. All inputs were reflected in the records and appear suitably managed as reflected by resulting actions and decisions.

Internal Audits

Internal audits are being conducted at planned intervals to ensure conformance to planned arrangements, the requirements of the standard and the established management system.

Corrective, Preventive Action & Continual Improvement Processes

EAPWSS is implementing an effective process for the continual improvement of the management system through the use of the quality policy, quality objectives, audit results, data analysis, the appropriate management of corrective and preventive actions and management review.

Non-Conformances

No non-conformances were identified as part of the audit.

Opportunities for Improvement

The following opportunity for improvement was identified:

Element 5 - Document and Records Control - There is an opportunity to ensure document control within the EMS-QMS Elgin Document Site, e.g.:

- OCWA QMS Policy previous version (6-Apr-2016) is available on SharePoint. Should it be identified as 'Obsolete'?
- LH_EA Management Review Agenda & Meeting Package 250606.pdf only contains the Agenda.

Recommendation

Based on the results of the audit it was been determined that the management system is effectively implemented and maintained and meets the requirements of the standard relative to the scope of certification identified in this report; therefore, a recommendation for (continued) certification was submitted to Intertek - SAI Global review team.

Appendix D: Management Review Meeting Minutes (September 26, 2025)

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

Date: September 26, 2025

Time: 9:00am

Location: Virtual – Microsoft Teams

Attendees: Andrew Henry (RWS), Erin McLeod (RWS), Jennifer Levitt (RWS), Jackie Muller (OCWA), Greg Henderson (OCWA), Denny Rodrigues (OCWA), Cindy Sigurdson (OCWA), Courtney Miller (OCWA), Randy Lieber (OCWA), Nick Wilson (OCWA)

Regrets: Mark MacKenzie (OCWA)

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 (June 06, 2025)

The minutes from the previous meeting (June 06, 2025) are posted to SharePoint. Minutes circulated to comment. No concerns noted and documents are approved.

2. Elgin DWQMS Internal Audit (June 9 & 11, 2025)

No Non-conformances (NC's) and eighteen (18) Opportunities for Improvement (OFI's) were identified as part of the audit. Action items were discussed and approved.

Refer to agenda package for detailed information.

3. Huron DWQMS Internal Audit (June 23 & 25, 2025)

No Non-conformances (NC's) and fourteen (14) Opportunities for Improvement (OFI's) were identified as part of the audit. Action items were discussed and approved.

Refer to agenda package for detailed information.

4. Huron Env. Compliance Audit – Clean Water Act (Aug. 5-8, 2025)

No Non-conformances (NC's) and no Opportunities for Improvement (OFI's) were identified as part of the audit.

Refer to agenda package for detailed information.

5. Elgin Env. Compliance Audit – Clean Water Act (Aug. 11-15, 2025)

No Non-conformances (NC's) and one (1) Opportunity for Improvement (OFI) was identified as part of the audit. Action items were discussed and approved.

Refer to agenda package for detailed information.

6. Elgin Env. Compliance Audit – Elgin Middlesex Pump Station (EMPS) Joint Occupancy & Use Agreement (Sep. 4, 2025)

One (1) non-conformance (NC) and one (1) Opportunity for Improvement (OFI) were identified as part of the audit. Action items were discussed and approved.

Refer to agenda package for detailed information.

7. Changes in:

a) External and internal issues that are relevant to the EMS

EAPWSS – Updates to the following External and Internal Issues:

- Organizational - Employee engagement (both OCWA and RWS employees)
- Organizational - Staff turnover and employee retention (OCWA & RWS)
- Political; Economic - Sustainability and cost controls
- Economic; Operational; Performance - Aging infrastructure
- Legal - Water Board Policies & Bylaws
- Political - Change in government
- Economic; Operational; Performance - Project Coordination
- Economic - Resource inputs marketplace (includes chemicals, electricity, natural gas)
- Economic - Free Trade, Tariffs
- Economic - Senior government incentives and funding
- Social - Public engagement (Complaints)
- Legal - Changing legislation at federal/ provincial/ municipal levels

- Environment - Changing environmental conditions / Climate Change
- Political - Supply Chain Interruptions / Delays

LHPWSS – Updates to the following External and Internal Issues:

- Organizational - Employee engagement (both OCWA and RWS employees)
- Organizational - Staff turnover and employee retention (OCWA & RWS)
- Political; Economic - Sustainability and cost controls
- Economic; Operational; Performance - Aging infrastructure
- Legal - Water Board Policies & Bylaws
- Economic; Operational; Performance - Water Demand
- Political - Change in government
- Economic; Operational; Performance - Project Coordination
- Economic - Resource inputs marketplace (includes chemicals, electricity, natural gas)
- Economic - Free Trade, Tariffs
- Economic - Senior government incentives and funding
- Social - Public engagement (Complaints)
- Legal - Changing legislation at federal/ provincial/ municipal levels
- Environment - Changing environmental conditions / Climate Change
- Political - Supply Chain Interruptions / Delays

Refer to agenda package for detailed information.

RWS comment - US counterparts for Incident Management System (IMS) have indicated more cuts are pending in the next budget cycle starting in 2026; these could affect state and federal supporting projects. Will continue to monitor.

RWS comment - Invest Ontario is the provincial agency trying to attract industry to Ontario. New industry will strain the water system, and implications for the Elgin WTP are expected. The industrial development within St. Thomas is a major concern to the Regional Water System.

- b) The needs and expectations of interested parties, including compliance obligations

EAPWSS – Updates to the following Interested Parties re: compliance obligations, communications, or linkages to EMS:

- City of London (Administering Municipality)
- Customers - Member Municipalities
- Community Groups, Non-Governmental Organizations, Schools

- Potential Future Customers: Municipalities, Counties, First Nations

LHPWSS – Updates to the following Interested Parties re: compliance obligations, communications, or linkages to EMS:

- City of London (Administering Municipality)
- Customers - Member Municipalities & Member First Nations
- Community Groups, Non-Governmental Organizations, Schools
- Potential Future Customers: Municipalities, Counties, First Nations

Refer to agenda package for detailed information.

c) Significant environmental impacts

The EMS Aspects Assessments were reviewed July 2025 – no changes to the risk level. One minor change involved updating control procedures to control impacts.

d) Risks and opportunities.

Capital Projects Opportunities (EAPWSS & LHPWSS) - Major capital projects recently completed or currently underway include:

- (EAPWSS & LHPWSS) - The Master Water Plans (5-year update) are completed. The Plans assess the regional system's needs over the short and long term and provides recommendations.
- (EAPWSS) – Elgin Terminal Reservoir Expansion will help defer WTP expansion.
- (LHPWSS) - Oneida Pipeline project provides improved water quality benefits for the region.
- (EAPWSS) - UV & Backwash Pump Replacement project will replace aging equipment. New UV units will be more reliable as the existing units are end of life.
- (LHPWSS) – New WTP Administration Building will address staff needs and gender equity issues.
- Many other mechanical, civil, and electrical upgrades are planned or underway.

General Risks / Opportunities (EAPWSS & LHPWSS)

- Phase 2 of the OnLocation software implementation will have benefits for emergency management through the “Important Notices” and “OnEvac” features.
- With the addition of a new RWS Health & Safety Advisor a Contractor Management Program is being developed. This will help clarify expectations for health and safety, and standardize the project management approach.

- Succession planning is required to address upcoming retirements. Change comes with risk but RWS now has more staff and program momentum.
- The current Service Agreement with the operating authority expires at the end of 2027. The procurement process may strain resources or impact activities. If there is a change in operating authority the transition would be a significant challenge. There is an opportunity to develop an updated Agreement that works to our benefit.

8. Compliance Obligations Update

Health Canada Notices

[Guidelines for Canadian Drinking Water Quality: Operational Parameters](#)

Source: Health Canada

Date Posted/Notice Received: June 18, 2025

Comments Due: N/A

Summary:

This guideline technical document consolidates and updates all relevant information for seven parameters: calcium, magnesium, hardness, chloride, sulphate, total dissolved solids (TDS) and hydrogen sulphide.

Aesthetic objectives (AOs) are maintained for the following parameters:

- chloride ≤ 250 mg/L
- sulphate ≤ 500 mg/L
- total dissolved solids (TDS) ≤ 500 mg/L
- sulphide (as hydrogen sulphide) ≤ 0.05 mg/L in drinking water

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

Note: This consultation was previously discussed at the June 11, 2024 Management Review meeting.

Ontario Notices

[Discussion Paper for Proposed Regulations under the Construction Act](#)

Source: Ministry of the Attorney General

Date Posted/Notice Received: Aug. 25, 2025

Comments Due: Sep. 24, 2025

Summary: Proposed changes to the Construction Act regulations have been posted for public consultation. The key changes in the draft regulations include: subject matters eligible for adjudication; private adjudicators; public access to adjudication determinations; joining lien claims and trust claims; form of notice of annual release of holdback; sub-contractor bond claims; eligible construction trade newspapers.

Potential Impacts: None anticipated.

9. Best management practices (including Ministry of the Environment, Conservation and Parks (MECP) website review)

No updates to date. There are currently no specific best management practices posted on the MECP website. Continue to monitor.

10. Status of Action Items from Previous Management Reviews

EAPWSS - eight (8) open action items

LHPWSS - ten (10) open action items

Refer to agenda package for detailed information.

11. Action items identified between reviews:

a) Huron Contingency Plan Test (May 21, 2025) – Review of Procedure HMC-1 (Adverse Water Quality Incident (AWQI))

b) Management of Change - Huron Zeta Potential Instrument (Aug. 13, 2025)

c) Management of Change - Elgin Zeta Potential Instrument (Aug. 12, 2025)

d) Management of Change – Elgin Fire Suppression System (Sep. 22, 2025)

e) Management of Change – Elgin Chemical Sampling Point Relocation (Sep. 22, 2025)

f) Management of Change – Elgin Residuals Management Facility (RMF) Chemical Trial (Sep. 22, 2025)

g) Management of Change – Elgin Sodium Hydroxide Upgrade Project (Sep. 26, 2025)

Action items are approved. Refer to agenda package for detailed information.

12. Elgin DWQMS Systems Audit (Sep. 8, 2025)

No Non-conformances (NC's) and one (1) Opportunity for Improvement (OFI) was identified as part of the audit. Action items were discussed and approved.

Refer to agenda package for detailed information.

New Business:

RWS comment - RWS has a new staff member starting Oct 01, 2025 - Senior Manager, Business Administration. This role will not be part of Top Management but invited to quarterly EMS/QMS Management Review meetings. The Senior Manager, Capital Programs, will also be invited to quarterly EMS/QMS Management Review meetings moving forward.

Next Meeting – December 05, 2025 – 9:00am

Board of Management Report

Subject: Quarterly Operating Financial Status – 3rd Quarter 2025

Overview:

- This report shows the current fiscal year's 3rd quarter in comparison to its Budgeted amount and the previous year's same time period.

Recommendation

That the Board of Management for the Elgin Area Water Supply System **RECEIVE** this report regarding the Operating Financial Status Report for the period of July 1 to September 30, 2025; 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 5, 2025 Quarterly Operating Financial Status – 1st Quarter 2025

October 2, 2025 Quarterly Operating Financial Status – 2nd Quarter 2025

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 third quarter 2025 (July 1 to September 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. The total accumulated operating costs over the year (unaudited) is higher than the same period in 2024 and is reflective of contractual increases in service agreements with the operating authority and other contracted services.
- Contracted Administrative Services in the summary report reflects the fees paid to the City of London and is higher than expected as discussions with the City of London regarding our Service Level Agreement have not been concluded.
- Electricity expenditures include the purchase of energy and related energy management service charges for the water system. The water system is currently tracking approximately \$30,000 higher than the previous year.
- Salaries, wages, and benefits expenditures include all direct labour costs for administrative staff including benefits. Variations over the same period in 2024 are attributed to annual salary adjustments, and new staff hired.
- Administration and Other Expenses relate to various overhead operating expenses, including subscriptions and memberships, office supplies and property taxes. The expenses are higher than the same period in 2024 mainly due to an increase in property taxes.
- Vehicles and Equipment expenditures include costs associated with vehicles, computers, and office equipment for administrative staff.
- Purchased Services and Professional Fees largely relate to allowances for ad hoc professional consulting and legal services, office lease, telephone charges, network and SCADA maintenance, printing services, and pipeline locate costs. The increased cost when compared to the same period in 2024 is attributed to a research agreement with UofT and designing and maintaining our website.
- 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 as part of the year-end audit preparation process, where the actual contributions are the total remaining revenue in excess of expenditures. Accordingly, the amount of the anticipated contribution is currently adjusted to reflect the additional revenue and expenses incurred and may be subject to further adjustment as a result of the completion of the year-end financial statements and audit.

Prepared by: Archana Gagnier
Manager, Finance & Procurement

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 – 3rd Quarter 2025

Quarterly Financial Summary Report

Elgin Area Water Supply system

3rd Quarter 2025 (July 1 to September 30)

(\$,000's)

	Approved 2025 Budget	Q3 - 2025	2025 Year to Date	Year To Date Variance	2024 Year To Date
Total Revenue	16,730	4,709	13,176	3,554	11,800
<u>Expenditures:</u>					
Contracted Operating Services	5,577	1,433	4,269	1,308	3,921
Contracted Administrative Services	116	47	145	(29)	142
Electricity	1,000	293	791	209	761
Salaries, Wages, Benefits	1,695	351	943	752	798
Administration and Other Expenditures	630	249	545	85	537
Vehicles and Equipment	240	49	110	130	174
Purchased Services & Professional Fees	1,021	390	837	184	789
Debt Principle Payments	1,235	0	1,228	7	1,201
Interest on Long-Term Debt	214	24	64	150	94
Contributions to Reserve Funds	5,001	0	231	4,770	231
Total Expenditures	16,729	2,836	9,163	7,566	8,648

Board of Management Report

Subject: Delegated Authority Approvals and Expenditures

Overview:

- Pursuant to the Procurement of Goods and Services and Disposal of Assets Policy, the Board of Management has delegated certain powers and duties to the Director of Regional Water and/or the Chief Administrative Officer for specific procurements and related activities.
- Pursuant to the Delegation of Powers and Duties By-law, the Board of Management has delegated certain powers and duties to the Director of Regional Water and/or the Chief Administrative Officer for specific actions related to the execution of agreements and approval authorities.
- Pursuant to the Procurement of Goods and Services and Disposal of Assets Policy and the Delegation of Powers and Duties By-law, the Board of Management is to receive an annual summary report where delegated authority has been used by the water system's administration.

Recommendation

That, on the recommendation of the Chief Administrative Officer, the Board of Management for the Elgin Area Water Supply System **RECEIVE** this report for information.

Previous and Related Reports

December 7, 2023 Delegated Authority Approvals and Expenditures

December 5, 2024 Delegated Authority Approvals and Expenditures

Background

Pursuant to the Procurement of Goods and Services and Disposal of Assets Policy, this report is provided on an annual basis to provide the Board with a summary of events where delegated authority has been used by administration. The summary information covers instances related to the administrative awards of contracts and approval of expenditures in accordance with delegations of authority under the Procurement of Goods and Services and Disposal of Assets Policy as well as the Delegation of Duties and Powers By-law.

Discussion

The following are a summary of events between November 18, 2024, and November 19, 2025, where delegated authority has been used pursuant to the Purchase of Goods and Services and Disposal of Assets By-law or the Delegation of Powers and Duties By-law:

Date	Value	Description/Authority
20 Nov. 2024	\$9,602.89	Increase the approved scope of work and value of the consulting services related to the Water Quality Facility Plan development (EA4184) [Procurement of Goods and Services and Disposal of Assets Policy, clause 4.18.3(d)(ii)]
27 Feb. 2025	\$28,480.62	Administrative award of consulting services contract and increase of approved budget from \$65,000 to \$93,480.62 for the PAC Dosing Strategy (EA4216) [Procurement of Goods and Services and Disposal of Assets Policy, clause 4.14.2 and clause 4.7.10(b)(i)]
16 April 2025	\$21,132.51	Single source procurement from Paladin Technologies Inc. for the acquisition and installation of security-related equipment. [Procurement of Goods and Services and Disposal of Assets Policy, clause 4.7.5]
9 May 2025	\$9,494,286.00	Administrative award for construction of the Backwash Pumps and Ultraviolet Disinfection Upgrades (EA4153 and EA4183) to Stone Town Construction Ltd. [Board delegation of authority by resolution of December 5, 2024 (Delegation of Powers and Duties Bylaw)]
9 May 2025	\$902,870.00	Amendment of engineering services contract to AECOM Canada Ltd. for construction administration and site inspection services for the Elgin UV & Backwash Pump Replacements (EA4183) [Board delegation of authority by resolution of December 5, 2024 (Delegation of Powers and Duties Bylaw)]

15 May 2025	\$20,000.00	Administrative award to Tradition Construction and increase the approved budget from \$50,000 to \$70,000 for the replacement and repairs to the front entrance steps to the water treatment plant (EA4210) [Procurement of Goods and Services and Disposal of Assets Policy, clause 4.7.10]
26 May 2025	\$41,515.23	Administrative approval to expand the approved scope of work for the archeological assessment to include a Stage 3 assessment for the Elgin Terminal Reservoir expansion (EA4222). [Procurement of Goods and Services and Disposal of Assets Policy, Clause 4.18.3(d)(ii)]
4 June 2025	\$150,000	Administrative award of the preliminary engineering assignment to AECOM for the Elgin Terminal Reservoir Expansion (EA4222) and increase the approved budget by \$50,000 to a total of \$150,000. [Procurement of Goods and Services and Disposal of Assets Policy, Clause 4.7.10]
5 Sept. 2025	\$32,928.00	Administrative award to CIMA+ Canada Inc. Residual Management Facility Tank Mixing Study (EA4214). [Procurement of Goods and Services and Disposal of Assets Policy, Clause 4.14.2]
26 Sept. 2025	\$49,680.00	Administrative award to CIMA+ Canada Inc. for the Service Water Study (EA4200). [Procurement of Goods and Services and Disposal of Assets Policy, Clause 4.14.2]

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: EA4202 Low Lift Sluice Gate Replacement Project

Overview:

- The inability to isolate and control the flow of water from Lake Erie into the surge well at the low lift pump station requires the replacement of the sluice gate be completed with diving operations.
- The unanticipated change in gate removal and installation methodology requires a \$200,000 increase in project budget.

Recommendation

That the Board of Management for the Elgin Area Water Supply System takes the following actions with regard to the Low Lift Sluice Gate Replacement project:

1. The Board of Management for the Elgin Area Water Supply System **INCREASE** the project budget by \$200,000 for a total approved budget of \$550,000; it being noted that the funds will be provided from the Asset Replacement Reserve Fund; and,
2. The Board of Management for the Elgin Area Water Supply System **RECEIVE** this report for information.

Previous and Related Reports

October 6, 2022 2023 Operating and Capital Budgets

Background

The Low Lift Sluice Gate is original to plant construction and is located at the Low Lift Pump Station along the shoreline of Lake Erie. The sluice gate to be replaced is the isolation point between the 1500 mm (60 inch) raw water pipeline from Lake Erie and the surge well of the raw water pump station. Currently, the sluice gate does not hold closed, so isolation from Lake Erie is not possible which prevents the contracted Operating Authority from being able to safely inspect, maintain and repair the surge well and associated infrastructure. Multiple efforts have been made to repair the sluice gate to a usable state but were unsuccessful. Consequently, a capital project to replace the sluice gate with a modern equivalent was approved as part of the 2023 Capital Budget.

This project was planned to be completed in two phases; Phase 1 being the removal and inspection of the current sluice gate and gate thimble. This inspection will confirm the requirements to install the new sluice gate to the existing gate thimble. Phase 2 will

involve installation of the new sluice gate, gate operating stem, valve stem pedestal, valve actuator and all associated parts.

Discussion

At the time of budget approval, it was expected that the sluice gate could be replaced by using pumps to remove the incoming water leaking past the existing gate. Unfortunately, during the initial investigation stage of the project the pumps were unable to keep up with the rate of water leakage. Due to the high-water level in the surge well, a standard mechanical contractor will be unable to safely remove and install the replacement gate in dry conditions.

Consequently, the only option to complete this project is to use diving operations. As the gate will be fully submerged, divers will be used to complete the removal, inspection and installation portion of the project. as the use of divers was not anticipated when the project was initially budgeted in 2022, and an increase of \$200,000 in project budget is requested.

Anticipated Operating and Service Impacts

There are no direct implications for the current or future operating budgets as a result of this project.

Disposal of Assets

The contractor is responsible for the removal and disposal of the current sluice gate and all associated components. Decommissioning the sluice gate will be completed as part of the removal, and an water system's asset registry will be updated once the replacement sluice gate is installed.

Project Financial Status

EXPENDITURE	FORECAST	INCURRED
Design and Installation	\$468,000.00	\$0
Contingency	\$82,000.00	\$0
Other Fees and Charges	\$0	\$0
Total	\$550,000.00	\$0
Approved Budget	\$350,000	
Requested Budget	\$550,000	
Budget Surplus / Deficit		

Conclusion

Due to lack of operational isolation and effective control of the flow of water into the low lift surge well, Board Staff are requesting a budget increase to \$200,000 to complete the replacement of the sluice gate through diving operations.

Prepared by: Justin Garcia, C.Tech
Technologist II

Ghassan AL-Dulaimi, P.Eng., PMP
Environmental Service Engineer

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

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

Board of Management Report

**Subject: EA4218 - Water Treatment Plant Motor Control Centre
Component Upgrades – Sole Source Procurement**

Overview:

- The Elgin Area Water Treatment Plant maintains several Motor Control Centres; electrical apparatus designed to control motor-driven equipment from a single central location. Replacement of various components within the existing Motor Control Centres are required to ensure the related motors continue to operate.
- Eaton is the industry leader in the manufacture and supply of Motor Control Centre components, and the Elgin Area Water Treatment Plant has standardized Eaton's equipment across various areas of the plant.
- The Elgin Area Primary Water Supply System Procurement of Goods and Services and Disposal of Assets Policy allow for sole source procurement, of equipment and services with the approval of the Board, where equipment is standardized for operational performance and efficiency. Eaton is the only manufacturer of the equipment needed to be replaced within the Motor Control Centres.

Recommendation

That the Board of Management for the Elgin Area Primary Water Supply System take the following actions with regards to the Water Treatment Plan Motor Control Centre Component Upgrades (EA4218):

- a) the Board of Management for the Elgin Area Primary Water Supply system **AUTHORIZE** the purchase of components for the existing Motor Control Centre, as a sole source procurement in accordance with Sections 4.13.3 (c) of the Procurement of Goods and Services and Disposal of Assets Policy; noting that the required components are manufactured by EATON, supplied by WESCO and installed by Eaton Site Services;
- b) the Board of Management for the Elgin Area Primary Water Supply system **AUTHORIZE** a budget increase of \$200,000 to a total approved project budget of \$600,000;
- c) the Board of Management for the Elgin Area Primary Water Supply system **AUTHORIZE** the Chair and Chief Administrative Officer to execute contract or purchasing documents associated with the purchase of Motor Control Centre components, provided they are within scope and within the project budget; and,
- d) the Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report for information.

Previous and Related Reports

October 3, 2024 2025 Operating and Capital Budgets

Background

The replacement of various components within the existing Motor Control Centres at the water treatment plant is required, including the “buckets” (physical cabinets containing the motor’s disconnect switch) which have become obsolete and unreliable. It is no longer possible to obtain replacement parts for the existing buckets and related components.

The replacement components will additionally allow for real-time communication through ethernet technology to the water treatment plant’s control systems.

Discussion

The proposed Eaton MCC components system offers the best overall value based on aligning plant infrastructure across a common, consistent platform and ensuring timely and effective communication of selected critical infrastructure through ethernet technology.

Selection of Eaton as a Sole Source Supplier

During the initial planning stages of the project, Board staff with the assistance of the project consultant are confident that the cost of the procurement of the MCC components will be greater than \$100,000 based on current market value. The sole source procurement in excess of \$100,000 requires the approval of the Board.

The Board’s Procurement Policy includes a provision to allow a project to be sole sourced to a specific supplier under a predefined set of criteria. Eaton has been recommended as a sole source supplier for the reasons noted in sections 4.13.3 (c) of the Elgin Area Primary Water Supply System (EAPWSS) Procurement of Goods and Services and Disposal of Assets Policy:

4.13.3 (c): The complete item, service, or system is unique to one supplier and no alternative or substitute exists;

Eaton is an international company that specializes in electrical technology solutions and products and provides their equipment through various distributors. WESCO is the local distributor that the Purchase Order will be issued to for the Eaton equipment.

As it relates to clause 4.13.3 (c), maintaining a common provider of Motor Control Centre components and products ensure consistent, ongoing product support and service, and consistency of staff training requirements. Maintaining Eaton as the

supplier of Motor Control Centre components will help maintain this consistency and efficiency.

The only other alternative to replacing components of the existing Motor Control Centre is the replacement of the entire Motor Control Centre and associated electrical switchgear at significantly higher cost.

Project Financial Status

EXPENDITURE	FORECAST	INCURRED
Detailed Design / Construction Admin.	\$49,600	\$0
Construction	\$543,484	\$0
Other Fees and Charges	\$0	\$0
Total	\$593,084	\$0
Approved Budget	\$ 400,000	
Budget Surplus / Deficit	(\$193,084)	

Conclusion

Approving the sole source purchase and installation of this equipment will allow the project to proceed in a straightforward manner without extensive replacement of the entire Motor Control Centres. It will also enable plant staff to seamlessly integrate the new equipment into their existing maintenance and operations practices and procedures.

Prepared by: John Walker, CD, B.Sc.
Manager, Regional Water Supply Operations

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

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

Board of Management Report

Subject: Water Treatment Plant Expansion, Schedule C Environmental Assessment

Overview:

- As requested by the Board, this report provides the Board with information related to undertaking a Schedule C Municipal Class Environmental Assessment (Class EA) and Conceptual Plan for a proposed plant expansion.
- This report further provides an overview of risks, financial impacts, and reasons to start the Class EA project now and in advance of the timing recommended in the Master Water Plan.

Recommendation

That the Board of Management for the Elgin Area Water Supply System take the following actions with regard to undertaking a Schedule C Municipal Class Environmental Assessment and Conceptual Plan for a water treatment plant expansion:

1. The Board **APPROVE** the addition of a capital project in the 2026 Capital Budget to undertake a Schedule C Municipal Class Environmental Assessment and Conceptual Plan with a budget of \$2,000,000 to be funded from the New Capital Reserve Fund; and
2. The Board **RECEIVE** this report for information.

Previous and Related Reports

October 2, 2025 2026 Operating and Capital Budgets

October 2, 2025 Elgin Area Primary Water Supply System Master Plan

Background

At its October 2, 2025, meeting, the Board endorsed the Master Plan that included a recommendation to expand the water treatment plant, including pumping and treatment processes, to be completed no later than 2041. It is generally assumed that a complete plant expansion, including Environmental Assessment and detailed engineering design assignments, would take in the order of seven to ten years to complete.

With Board endorsement of the Master Plan, the plant expansion project and associated activities is now included in the capital plan and forecast with a Schedule C Municipal Class Environmental Assessment currently earmarked to begin in 2029. The detailed design and construction activities would commence in 2031 and 2033 respectively to

ensure the plant with expanded capacity is operational by 2041. The Master Plan's Class E estimate for the plant full expansion is \$400M.

The existing raw water intake is currently rated at a capacity of 182 million litres per day (MLD); however, the low lift pump station, water treatment plant and associated infrastructure have a rated capacity of 91 MLD.

In response to significant anticipated development in the region and unprecedented flow projections associated with the Yarmouth Yards development in the City of St. Thomas, the Board directed staff to bring back a report to the December 2025 meeting related to undertaking a Schedule C Municipal Class Environmental Assessment and Conceptual Plan for an anticipated plant expansion.

Discussion

A water treatment plant expansion requires that a Schedule C Municipal Class Environmental Assessment (Class EA) be completed in accordance with the Municipal Engineers Association Municipal Class EA document (October 2000, as amended in 2007, 2011, 2015 and 2024) which is an approved process under Ontario's *Environmental Assessment Act*. An Environmental Study Report is the planning document that is completed as part of the Class EA process to define the problem and opportunity, consider existing conditions, identifies options, and documents the decision-making process for developing the preferred design and potential phasing based on consultation with interested parties including government agencies, Indigenous communities, and the public.

The Class EA process and conceptual plan is estimated to take approximately 2 years to complete at an estimated cost of \$2.0M. Upon the completion of the Class EA, the proponent has 10 years to start the recommended activities identified in the Environmental Study Report. With the Class EA scheduled to begin in 2029 in accordance with the Master Plan recommendation, the risk to the utility to advance this undertaking by three (3) years to 2026 is low from an execution standpoint as the window to start the construction phase is still within the 10-year timeframe, assuming that the projected water demands currently anticipated for Yarmouth Yards and the region are realized within the planning timeframe.

If water demands are less than anticipated and the start of constructing the plant expansion is not required within this anticipated window, the funds invested to undertake the Class EA and conceptual design would not be wasted. To preserve the validity period of the Class EA, an EA Addendum could be completed to address the lapse in time and deviations from anticipated conditions. In addition, the concept and solution developed would be valuable in that they would inform capital planning projects and initiatives to ensure they dovetail with a future plant expansion.

Conversely, if the expansion of the plant is completed well in advance of the projected need, the excess capacity of the plant poses operational issues of ensuring consistent water quality to existing consumers. In addition, the cost of undertaking the capital project and the subsequent debt payments would cause a significant financial burden on the regional water system and the benefiting municipalities as the current water supply volumes are insufficient to support the principal and interest payments of the debt incurred without significantly increasing the unit rate charged to municipalities.

As debts reported on the financial statements of the Elgin Area Water Supply System are proportionately consolidated to each of the benefiting municipalities, a substantive debenture incurred by the regional water system would affect the available debt capacity of all of the benefiting municipalities.

Accordingly, the timing of the Class EA and subsequent plant expansion in relation to the increasing water demands is critical to minimizing the financial implications of the project on current and future consumers.

Anticipated Operating and Financial Impacts

The Class EA would be funded by the New Capital Reserve Fund and the financial impact on the Reserve Fund and water rates associated with advancing this initiative by three (3) years are minimal. Notwithstanding, the Class EA and subsequent plant expansion activities, given the scale, scope and complexity associated with the proposed plant expansion initiative, additional staff complement in the form of an environmental services engineer and senior technologist, at a minimum is needed, with a full cross-functional team required for the implementation phases. The additional staff will need to be incorporated into future Operating Budgets.

Conclusion

Given the low risk to project implementation, benefits of informing ongoing capital planning projects and initiatives, and minimal financial impacts to the rates and New Capital Reserve, staff recommend the creation of a new capital project to complete a Schedule C Municipal Class Environmental Assessment and conceptual design that is required to expand the water treatment plant including pumping and treatment processes.

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