

Agenda

Lake Huron Primary Water Supply System Joint Board of Management

2nd Meeting of the Lake Huron Primary Water Supply System
March 5, 2026, 2:00 PM
Committee Room #5

Pages

1. Call to Order

2. Indigenous Territorial Acknowledgement

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.

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 1st Meeting held on December 4, 2025

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6. Communications and Petitions

7. Motions of Which Notice is Given

8. Reports and Added Reports

8.1 Recommended Items for Consent

a. Quarterly Compliance Report (4th Quarter 2025: October - December)

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b. Environmental Management System and Quality Management System

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c.	Quarterly Operating Financial Status - 4th Quarter 2025	30
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8.2 Recommended Items for Discussion

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c.	Procurement of Goods and Services and Disposal of Assets Policy	116
d.	LH1408 Oneida Nation of the Thames Water Transmission Pipeline - Tender Award and Extension of Construction Services	165
e.	Ministry of the Environment, Conservation and Parks Inspection Report	171

9. Deferred Matters

10. Additional Business and Enquiries

11. Emergent Motions

12. By-Laws

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A By-law to establish policies related to the Procurement of Goods and Services, the Delegation of Powers and Duties, Travel and Business Expenses, and Electronic Monitoring for the Lake Huron Primary Water Supply System.

13. Closed Session

14. Upcoming Meeting Dates

June 4, 2026

October 1, 2026

January 21, 2027

15. Adjournment

Lake Huron Primary Water Supply System Report

1st Meeting of the Lake Huron Primary Water Supply System
December 4, 2025

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

ALSO PRESENT: B. Haklander, A. Henry and K. Scherr

1. Call to Order

That it BE NOTED that the meeting was called to order at 2:00 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 4th Meeting held on October 2, 2025

WALDEN AND VAN MEERBERGEN

That the minutes of the 4th meeting of the Lake Huron Primary Water Supply System Joint Board of Management, from the meeting held on October 2, 2025, **BE NOTED AND FILED. CARRIED**

Motion Passed

6. Communications and Petitions

None.

7. Motions of Which Notice is Given

None.

8. Reports and Added Reports

8.1 Recommended Items for Consent

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

FRANKE AND BURGHARDT-JESSON

That, on the recommendation of the Chief Administrative Officer, the report dated December 4, 2025, with respect to the general, regulatory and contractual obligations of the Lake Huron Primary Water Supply System, for July to September 2025, **BE RECEIVED. CARRIED**

Motion Passed

- b. Environmental Management System and Quality Management System

FRANKE AND BURGHARDT-JESSON

That, on the recommendation of the Chief Administrative Officer, the report dated December 4, 2025, with respect to the Environmental Management System and the Quality Management System, **BE RECEIVED. CARRIED**

Motion Passed

- c. Quarterly Operating Financial Status - 3rd Quarter 2025

FRANKE AND BURGHARDT-JESSON

That, on the recommendation of the Chief Administrative Officer, the report dated December 4, 2025, with respect to the Quarterly Operating Financial Status of the Lake Huron Primary Water Supply System for the 3rd Quarter of 2025, **BE RECEIVED. CARRIED**

Motion Passed

- d. Delegated Authority Approvals and Expenditures

FRANKE AND BURGHARDT-JESSON

That, on the recommendation of the Chief Administrative Officer, the report dated December 4, 2025, with respect to Delegated

Authority Approvals and Expenditures for the Lake Huron Water Supply System, **BE RECEIVED. CARRIED**

Motion Passed

9. Deferred Matters

None.

10. Additional Business and Enquiries

None.

11. Emergent Motions

None.

12. By-Laws

None.

13. Closed Session

DEVIET AND KEOGH

That the Lake Huron Primary Water Supply System Joint Board of Management convene In Closed Session for the purpose of considering the following:

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.

13.2 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.

Motion Passed

The Lake Huron Primary Water Supply System Joint Board of Management convened In Closed Session from 2:03 PM to 2:30 PM.

14. Next Meeting Date

March 5, 2026

15. Adjournment

LEHMAN AND FRANKE

That the meeting BE ADJOURNED.

Motion Passed

The meeting adjourned at 2:31 PM.

Board of Management Report

Subject: Quarterly Compliance Report (4th Quarter 2025: October - December)

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 will have a significant impact on the LHPWSS.

Quarterly Water Quality Reports: The [Water Quality Quarterly Report](#) for the period of October 1 – December 31, 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 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: The annual inspection by the Ministry of the Environment, Conservation and Parks (MECP) took place on October 24, 2025. The final inspection report was received on January 29, 2026, and is the subject of a separate report to the Board.

Contractual Issues

ARTICLE 3, "Operation and Maintenance of the Facilities – General": Board staff informally meets with OCWA on a monthly basis to discuss operations and maintenance related issues, and formally on a quarterly basis to review contractual performance. The 2025 fourth quarter Contract Report was received from OCWA on January 29, 2026, and was scheduled to be discussed at the quarterly administration meeting between Board staff and OCWA on February 25, 2026. 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 fourth quarter of 2025 (Q4).
- An internal Environmental Compliance Audit was conducted on November 20, 2025. The Internal Audit Summary Report is included as [Appendix A](#).
- An external Drinking Water Quality Management Standard (DWQMS) Audit was conducted by Intertek on October 28, 2025. An External Audit Summary Report is included as [Appendix B](#).
- An external EMS Audit was conducted by Intertek on October 29, 2025. An External Audit Summary Report is included as [Appendix C](#).
- A Management Review meeting was held on December 05, 2025. The meeting minutes are attached to this report as [Appendix D](#).

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 2025 and is currently accredited for the three-year period ending in 2028.

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 LHPWSS and the Elgin Area Primary Water Supply System (EAPWSS).

A Management Review meeting was held on December 05, 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 was conducted on November 20, 2025 [Transportation of Dangerous Goods Act, Transportation of Dangerous Goods Regulations (SOR/2001-286), Dangerous Goods Transportation Act, R.S.O. 1990, c. D.1, Technical Standards and Safety Act (TSSA), Fuel Oil (O.Reg. 213/01)]. There were no non-compliances identified. There was one (1) opportunity for improvement identified. An Internal Audit Summary Report is included as [Appendix A](#) 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.

An external DWQMS Audit was conducted on October 28, 2025. There were five (5) opportunities for improvement identified. An External Audit Summary Report is included as [Appendix B](#) for the information of the Board of Management.

An external EMS Audit was conducted on October 29, 2025. There were three (3) opportunities for improvement identified. An External Audit Summary Report is included as [Appendix C](#) for the information of the Board of Management.

The regional water systems utilize Intertek for external auditor services. Intertek is the registrar for both the ISO 14001 EMS and DWQMS. Intertek is an international testing, inspection, certification and audit company that operates in over 100 countries around the globe.

In the most recent ISO 14001 EMS audit, the Intertek auditor updated the system's "maturity rating" which assesses the EMS implementation in six categories: Management, Internal Audits, Corrective Action, Continuous Improvement, Operational Control and Resources. Assessments of maturity are undertaken and rated in a range of "1 – Not Evident", "2 – Beginning", "3 – Meets Intent", "4 – Mature", and "5 – Benchmark".

In the 2025 EMS surveillance audit for the LHPWSS, the maturity rating of "5 – Benchmark" was given in three of the six categories: Management, Continuous Improvement, and Resources. The remaining categories achieved a "4 – Mature" rating. The Intertek auditor noted that they undertake various audits across North America in various sectors and industries and confirmed that they have only assigned the highest level "benchmark" (i.e. outstanding) rating to the regional water systems.

A benchmark maturity rating is reflective of a management system implementation that is a leading example of a successful implementation. The auditor noted that the integration of the systems within business practices and highly successful outcomes are reflective of this success. A key strength highlighted was the high level of engagement, recognizing the system as a model for other organizations.

Corrective and Preventive Actions

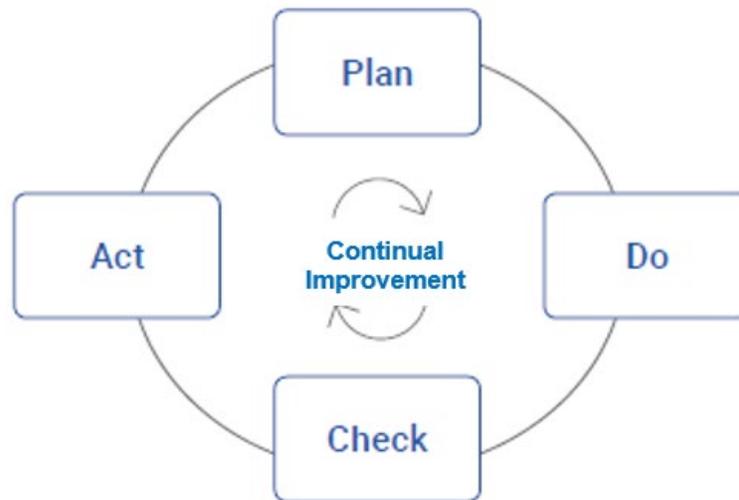
For the EMS/QMS to be effective on an on-going basis, an organization must have a systematic method for identifying actual and potential non-conformities, making corrections, and undertaking corrective and preventive actions, preferably identifying, and preventing problems before they occur. The Internal 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 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 nine (9) new approved action items that have been added to the EMS/QMS action-item tracking system during Q4 2025:

- Five (5) new action items were added as part of the External DWQMS Audit conducted on October 28, 2025.
- Three (3) new action item was added as part of the External EMS Audit conducted on October 29, 2025.
- One (1) new action item was added as part of the internal Environmental Compliance Audit was conducted on November 20, 2025.

As of February 06, 2026, there are currently nineteen (19) 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](#) - Internal Environmental Compliance Audit – (November 20, 2025)
[Appendix B](#) - External DWQMS Audit (October 28, 2025)
[Appendix C](#) - External EMS Audit (October 29, 2025)
[Appendix D](#) - Management Review Minutes (December 05, 2025)

Appendix A: Internal Environmental Compliance Audit (November 20, 2025)

Audit Purpose

The purpose of the audit was to verify compliance with relevant environmental legislation and other compliance obligations at the Lake Huron Primary Water Supply System (LHPWSS). 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 LH-ADMIN-1600 (Compliance) as detailed in the EMS Manual. An audit plan was issued October 16, 2025. The audit checklist was generated using Nimonik Regulatory Compliance software which is attached as Appendix B of this report.

The audit was comprised of a facility tour and an environmental compliance review of the LHPWSS. The audit was 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 August 16, 2023.

Operational documents and records maintained by the Operating Authority for the period August 17, 2023 through December 02, 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 within the Nimonik Regulatory Compliance software:

- Transportation of Dangerous Goods Act (TDGA)
- Transportation of Dangerous Goods Regulations (SOR/2001-286)
- Dangerous Goods Transportation Act, R.S.O. 1990, c. D.1
- Technical Standards and Safety Act (TSSA)
- Fuel Oil (O.Reg. 213/01)

Interviews Conducted

- Safety Process & Compliance Manager, OCWA
- Process & Compliance Technician, OCWA

Areas Visited

- Lake Huron Water Treatment Plant, 71155 Bluewater Highway, South Huron
- McGillivray Pumping Station, 4064 McGillivray Drive, North Middlesex

FINDINGS

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

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-Compliance (NC)

No non-compliances were identified as part of the internal audit.

Opportunities for Improvement (OFI)

One OFI was identified as part of the internal compliance audit.

OFI #1 - Air Receiver (Asset ID 0000302114) - FM Global 'Unfired Pressure Vessel Report of Inspection' dated May 09, 2019 (expired May 09, 2022) was attached to unit. There is an opportunity to remove/replace this report.

Appendix B: External DWQMS Audit (October 28, 2025)

Audit Purpose

The objective of the audit was to determine whether the drinking water Quality Management System (QMS) of the subject system 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

LHPWSS 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 opportunity for improvement below was identified as part of the audit.

- Element 12 Communications – There is an opportunity to document [link to] closure / follow up within LF-ADMIN-500 External Communications Form.
- Element 13 Essential Supplies and Services – There is an opportunity to add SGS Lakefield to HCP-3.

- Element 15 Infrastructure Maintenance, Rehabilitation & Renewal – There is an opportunity to:
 - i) add triennial fuel polishing to, and reflect quarterly chlorine handheld analyser calibration (e.g., Exeter/Hensall S/N12060E200865 Maximo Asset 400428) in, Maximo.
 - ii) review reservoir program frequency (e.g., Arva 5-year, McGillivray 5-year reschedule and Exeter 3-year) and document the associated record location within LH-ADMIN-200 (e.g., EH1 previous to 8-Feb-2024)
- Element 18 Emergency Management – There is an opportunity to:
 - i) define “full scale exercise” (actual emergency?) within the Emergency Testing Matrix.
 - ii) review if emergency testing follow up is required (e.g., 2023 H-SOP-2-01 Reservoir Overflow revisions).
- Element 20 Management Review – There is an opportunity to identify a deferred Staff Suggestion review frequency (e.g., ahead of budget submission).

Recommendation

Based on the results of the audit it has 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 C: External EMS Audit (October 29, 2025)

Scope of Audit and Scope of Certification

ISO 14001:2015: Operation and maintenance of the facilities associated with the taking of raw water, subsequent treatment of this water and ultimately in the transmission and storage of potable drinking water.

Management Review

Management reviews are completed as scheduled and attended regularly by all required personnel. Records are complete and demonstrate positive trends in improvement and lessons learned. Senior management is fully engaged in supporting all aspects of the System.

Internal Audits

Internal audits are being performed at planned intervals and are based on the status and importance of the Management System. Data is being collected analyzed and reviewed by senior management on a regular basis. There exists a link between the internal audit results and the overall health of the Management System. Audit teams are trained, impartial and objective in their approach. Audit reports are clear, concise and supported with applicable correction actions. Management is involved in the corrective action process ensuring timely implementation and overall effectiveness of resolution.

Corrective, Preventive Action & Continual Improvement Processes

The corrective action process has demonstrated to be effective in practice. Data from sources such as customer and/or interested party complaints, internal audits, warranty analysis, defects, internal metrics and supplier performance show stability over time as the system matures. The process includes a thorough review of the effectiveness of the actions taken. There is evidence of problem-solving tools being used to support the process.

All streams of data are being used as sources to drive continual improvement over time. These include management system policy, objectives, audit results, analysis of data, CAPA and management reviews. Advanced tools such as Lean, Kaizen, 5S, etc. are implemented and understood at all levels in the organization. There is a clear linkage between actions taken and the financial contribution of the various projects. There is strong evidence of a reduction in variation and known failure modes over time.

Non-Conformances

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

Opportunities for Improvement

The following opportunities for improvement were identified:

- **Element 7.4.3 External Communication** – There is an opportunity to document [link to] closure / follow up within LFADMIN-500 External Communications Form.
- **Element 8.1 Operational planning and control** – There is an opportunity to:
 - i) add triennial fuel polishing to Maximo.
 - ii) review completion of annual air scrubber scheduled for Aug-2025.
- **Element 8.2 Emergency preparedness and response** – There is an opportunity to:
 - i) define “full scale exercise” (actual emergency?) within the Emergency Testing Matrix.
 - ii) review if emergency testing follow up is required (e.g., 2023 H-SOP-2-01 Reservoir Overflow revisions and HMC-6 Additional Demand for Water Fire Fighting 18-Dec-2024 test with edits pending).

Overall Result

The management system is in conformity with the audit criteria and can be considered effective in assuring that objectives will be met. Continued certification is therefore recommended.

Appendix D: Management Review Meeting Minutes (December 05, 2025)

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

Date: December 05, 2025

Time: 9:00am

Location: Virtual – Microsoft Teams

Attendees: Andrew Henry (RWS), Erin McLeod (RWS), Jess Bechard (RWS), Jennifer Levitt (RWS), Jackie Muller (OCWA), Denny Rodrigues (OCWA), Cindy Sigurdson (OCWA), Randy Lieber (OCWA), Nick Wilson (OCWA), Mark MacKenzie (OCWA)

Regrets: Billy Haklander (RWS), Courtney Miller (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 (September 26, 2025)

The minutes from the previous meeting (September 26, 2025) are posted to SharePoint. Minutes circulated to comment. No concerns noted and documents are approved.

2. Results of Board Meetings (Oct. 2, 2025 & Dec. 4, 2025)

Huron Board Meeting (October 2, 2025)

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

Elgin Board Meeting (October 2, 2025)

- Quarterly Compliance Report: The report was received for information.
- EMS/QMS Report: The report was received for information.
- The EAPWSS seasonal taste and odour advisory that was issued on October 1, 2025 was briefly discussed, noting that it was not part of the agenda and would be included in a future report to the Board.

Huron Board Meeting (December 4, 2025)

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

Elgin Board Meeting (December 4, 2025)

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

RWS comment – Elgin Board of Management expressed gratitude and appreciation to RWS and OCWA for operating an outstanding system.

Refer to agenda package for detailed information.

3. Elgin Adverse Water Quality Incident (AWQI) – October 27, 2025

On October 27, 2025, two brief fluoride spikes occurred at the EAPWSS, leading to an AWQI (Ref#170559) from a grab sample taken during the response. Immediate corrective actions were implemented, including flushing the system. Subsequent adjustments were made to pump shutoff programming logic. Compliance requirements were met, though the grab sample exceeded the threshold. The operating authority completed a corrective action form (CAF) including root cause analysis. One action item related to a review of dosing practices remains outstanding, with consideration for a future capital project to improve overall control.

4. Elgin DWQMS External Audit (October 6-7, 2025) – Reaccreditation Audit

No Non-conformances (NC's) and five (5) Opportunities for Improvement (OFI) were identified as part of the audit. Action items were discussed and approved.

Note - Top Management approved deadline extension of action item #EA66 from December 31, 2025 to June 30, 2026.

Refer to agenda package for detailed information.

5. Elgin EMS External Audit (October 7-8, 2025) – Surveillance 2 Audit

No NC's and four (4) OFI's were identified as part of the audit. Action items were discussed and approved.

Refer to agenda package for detailed information.

6. Huron DWQMS External Audit (Sep. 26, 2025) – Systems Audit

No NC's and one (1) OFI was identified as part of the audit. Action item was discussed and approved.

Refer to agenda package for detailed information.

7. Huron DWQMS External Audit (October 28-29, 2025) – Reaccreditation Audit

No NC's and five (5) OFI's were identified as part of the audit. Action items were discussed and approved.

Note - Top Management approved deadline extension of action item #LH113 from December 31, 2025 to June 30, 2026.

Refer to agenda package for detailed information.

8. Huron EMS External Audit (October 29-30, 2025) – Surveillance 2 Audit

No NC's and four (4) OFI's were identified as part of the audit. Action items were discussed and approved.

Refer to agenda package for detailed information.

9. Management Systems – Maturity Model

For Management Review, RWS compiled a three-year 'Maturity Level' summary (2023–2025) of the Intertek external audits.

EAPWSS 'Report Card' - EAPWSS was rated 'outstanding' in two of six categories (Management and Resources). The remaining four categories: Internal Audits; Corrective Action; Continuous Improvement; and Operational Control were assessed as 'mature'. A key strength highlighted was the high level of engagement, recognizing the system as a model for other organizations.

LHPWSS 'Report Card' - LHPWSS was rated 'outstanding' ratings in three of six categories (Management, Continuous Improvement, and Resources). The other three categories: Internal Audits; Corrective Action; Operational Control; and Engagement were assessed as 'mature'. A key strength highlighted was the high level of engagement, recognizing the system as a model for other organizations.

RWS comment - The auditor mentioned they never give an outstanding rating and achieving this places the water systems as a benchmark organization. This will be highlighted further in the March 2026 Board Reports.

Refer to agenda package for detailed information.

10. Elgin Env. Compliance Audit (Nov. 12-18, 2025) - (Transportation of Dangerous Goods Act & Regulations, Technical Standards and Safety Act & regulations)

No NC's or OFI's were identified as part of the audit.

11. Huron Env. Compliance Audit (Nov. 20, 2025) - (Transportation of Dangerous Goods Act & Regulations, Technical Standards and Safety Act & Regulations)

No NC's and one (1) OFI was identified as part of the audit. The action item was discussed and approved.

Refer to agenda package for detailed information.

12. Compliance Obligations Update

American Water Works Association (AWWA)

AWWA has released an updated version of C655-25 Field Dechlorination.

Health Canada Drinking Water Program Updates

Canadian Water & Wastewater Association (CWWA) 2025 Window on Ottawa Webinar - [Drinking Water Program Updates \(October 2, 2025\)](#)

Current guidance/guideline priorities have been outlined. Specific updates on the following guidance publications include:

- Arsenic - final document will be published in Fall 2026
- Asbestos - consultation document expected late-2025
- Fluoride - consultation document expected in Spring 2026
- Per- and polyfluoroalkyl substances (PFAS) - consultation document on guideline anticipated in 2026/2027
- Trihalomethanes (THMS) - final document will be published in 2026
- Haloacetic Acids (HAAs) - consultation document expected in Nov. 2025

Federal Notices

Advance notification: Regulatory Review of the Environmental Emergency Regulations, 2019 (E2 Regulations)

Source: Environment and Climate Change Canada (ECCC)

Summary: On Nov. 27, 2025 ECCC provided advance notification that they recently completed a regulatory review of the E2 Regulations. The purpose of the review is to ensure the E2 Regulations continue to be appropriate, effective, and achieve intended policy objectives. A 60-day public comment period is expected to start in December 2025. Further notification will be provided when the public comment period opens.

Ontario Notices – Environmental Registry of Ontario (ERO)

Proposed changes to the Clean Water Act (CWA) and regulations

[ERO No. 025-1060](#): Accelerating and improving protections for Ontario’s drinking water sources

Type: Act Decision

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

Date Posted: October 20, 2025

Comments Due: October 31, 2025 - Closed

[ERO No. 025-1104](#): Regulatory changes for accelerating and improving protections for Ontario’s drinking water sources

Type: Regulation Proposal

Source: MECP

Date Posted: October 20, 2025

Comments Due: December 4, 2025 - Closed

Summary:

MECP is consulting on proposed changes to the CWA and associated regulations, with the intent to facilitate more timely amendment of source protection plans and change how prescribed instrument (provincial approvals, permits and licenses) policies are used to manage drinking water threats.

The proposed changes include a greater role for Source Protection Authorities in approving certain routine updates to source protection plans.

The proposed changes include amendments to the CWA, and associated proposed regulatory changes including O.Reg. 287/07 (General Regulation), development of a new Minister’s regulation under the CWA, and amendments to O. Reg. 205/18

(Municipal Residential Drinking Water Systems in Source Protection Areas) under the Safe Drinking Water Act. Proposed changes include:

- Streamlining consultation on amendments to plans by having a single combined pre-consultation and public consultation period.
- Setting clear timelines for approval of amended source protection plans by the Minister (120 days).
- Allowing Source Protection Authorities to be the approval authority for routine amendments of source protection plans under s.34 of the Clean Water Act, while the Director would retain responsibility for approving amendments to assessment reports.
- Allowing minor types of plan amendments to proceed without consultation or approval (e.g., minor amendments resulting from replacement of a well or intake where no new threats are identified). Related amendments would allow the Director, in some circumstances, to grant an amendment to a municipal drinking water license without a condition requiring prior amendment of the source protection plan. It is proposed that the Source Protection Authority be enabled to recommend to the Director when prior amendment of a source protection plan is not needed.

Potential Impacts: None anticipated. The majority of the changes relate to the Source Protection Authorities and Ministry responsibility/authority and processes.

[ERO No. 025-1257](#): Proposed boundaries for the regional consolidation of Ontario's conservation authorities

Type: Policy Proposal

Source: MECP

Date Posted: November 7, 2025

Comments Due: December 22, 2025

Summary:

“MECP announced the Government’s intention to introduce legislation which, if passed, would amend the Conservation Authorities Act to create the **Ontario Provincial Conservation Agency** – a provincial board-governed agency – to provide centralized leadership, efficient governance, strategic direction, and oversight of Ontario’s conservation authorities.” The intent is to provide province-wide coordination, shared digital and technical resources, and consistent practices that strengthen — not replace — the work of regional conservation authorities.

A key action also announced is the plan to consolidate the province’s 36 conservation authorities into 7 regional conservation authorities (CAs) that continue to align with watershed boundaries. There are no changes proposed to the overall extent of CA jurisdiction. The regional CAs will continue to fulfill mandatory programs including drinking water source protection under the Clean Water Act.

Potential Impacts: The Kettle Creek CA would become part of the larger Lake Erie Regional CA. The Ausable Bayfield CA would become part of the larger Huron-Superior Regional CA.

RWS comment – The Source Protection consequences related to this change have not yet been fully determined.

[ERO No. 025-0779](#): Updates to the Director's Directions: Minimum Requirements for Operational Plans

Type: Policy Proposal

Source: MECP

Date Posted: October 22, 2025

Comments Due: December 6, 2025

Summary:

MECP is proposing updates to the Director's Directions: Minimum Requirements for Operational Plans. This update is intended to provide flexibility to organizations operating multiple connected municipal drinking water systems.

Where systems have different owners but the same operating authority, and these systems are physically connected and operated as one, organizations will have the option to prepare a single operational plan. These systems will still have to meet all content requirements for operational plans and will continue to be subject to all other water safety and quality requirements for municipal drinking water systems. Other minor administrative updates are proposed.

Potential Impacts: None anticipated. The Operational Plans for each LHPWSS and EAPWSS will remain unchanged as independent documents.

13. MECP Best Management Practices

On October 3, 2025 the MECP published [drinking water management system best management practices](#).

The best management practices (BMPs) aim to assist in the delivery of safe, high quality drinking water. They outline processes to optimize efficiencies within a drinking water or quality management system and provide information to aid in future planning. The BMPs are required to be considered under Element 21 (Continual Improvement) of the Drinking Water Quality Management Standard (DWQMS).

The BMPs fall under the following categories:

- Treatment system best management practices
- Water storage
- Distribution system best management practices
- Contingency and security
- Planning and management

- Logbooks and record keeping

RWS comment – RWS will increase the frequency of reviews. A gap analysis will be conducted against the MECP’s Drinking Water Management System Best Management Practices (October 3, 2025).

14. Consumer Feedback – Seasonal Taste & Odour Advisories

A Lake Huron Seasonal Water Quality Advisory was issued July 21, 2025 and rescinded October 30, 2025. The advisory was issued proactively following several consecutive detects of geosmin in both raw and treated water. The geosmin event peaked in mid-August (9 ng/L in raw water).

A Lake Erie Seasonal Water Quality Advisory was issued October 1, 2025 and rescinded December 1, 2025. The advisory was issued proactively following several consecutive detects of geosmin & 2-methylisoborneol (MIB) in raw water, with MIB also in treated water. This coincided with a notification of taste complaints from the City of St. Thomas. The MIB event peaked on Oct. 2nd (15 ng/L in raw water). The geosmin event peaked late Oct./early Nov. (12 ng/L in raw water).

RWS comment – This year marks the first time public advisories have been proactively issued. Advisories have also been rescinded in response to public feedback when they remained active. This represents good practice. If an advisory is intended to influence behavior, it should be withdrawn once circumstances change.

OCWA comment – Proactive notices have proven effective, offering municipalities valuable information to address any inquiries they may receive.

Next Meeting – March 31, 2025 – 9:00am

Board of Management Report

Subject: Quarterly Operating Financial Status – 4th Quarter 2025

Overview:

- This report shows the current fiscal year’s 4th quarter in comparison to its Budgeted amount and the previous year’s same period.

Recommendation

That the Board of Management for the Lake Huron Water Supply System receives this report regarding the Operating Financial Status Report for the period of October 1 to December 31, 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 – 1 st Quarter 2025
October 2, 2025	Quarterly Operating Financial Status – 2 nd Quarter 2025
December 4, 2025	Quarterly Operating Financial Status – 3 rd 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 fourth quarter 2025 (October 1 to December 31) 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. The costs have increased over previous years, noting that the fees are being renegotiated as Board staff have assumed some of the services previously provided by the City of London.
- Electricity expenditures include the purchase of energy and related energy management service charges for the water system. The water system is currently tracking approximately \$824,000 higher than the previous year. The commodity costs and charges for the energy were higher in 2025 and there was also an increase in the amount of energy consumed corresponding with an increased amount of water sold.
- 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.
- Vehicles and Equipment expenditures include costs associated with vehicles, computers, instrumentation costs, and office equipment for administrative staff.
- Purchased Services and Professional Fees largely relate to allowances for ad hoc professional consulting and legal services, security 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 an increase in insurance costs and the compensation payments to landowners.

- 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 more than 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 because 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 – 4th Quarter 2025

Quarterly Financial Summary Report

Lake Huron Water Supply system

4th Quarter 2025 (October 1 to December 31)

(\$,000's)

	Approved 2025 Budget	Q4 - 2025	2025 Year to Date	Year To Date Variance	2024 Year To Date
Total Revenue	29,295	8,498	30,286	(991)	27,778
<u>Expenditures:</u>					
Contracted Operating Services	8,387	1,577	8,896	(509)	8,412
Contracted Administrative Services	207	51	306	(99)	334
Electricity	3,100	939	3,958	(858)	3,134
Salaries, Wages, Benefits	1,872	599	1,542	330	1,215
Administration and Other Expenditures	568	31	492	76	495
Vehicles and Equipment	300	125	252	48	258
Purchased Services & Professional Fees	1,503	256	1,482	21	1,349
Debt Principle Payments	969	3	969	0	958
Interest on Long-Term Debt	7	-6	7	0	29
Contributions to Reserve Funds	12,382	12,382	12,382	0	11,593
Total Expenditures	29,295	15,957	30,286	-991	27,778

Board of Management Report

Subject: Capital Status Report

Overview:

- This report shows the current fiscal year's status of all capital projects.
- Five capital projects are recommended to be closed with a net surplus funding in the approximate amount of **\$653,076** recommended to be 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, takes the following actions regarding capital projects:

- a) The Board **CLOSE** projects **LH1021** Huron Low Life Pump Rebuild, **LH1264** Vehicle Door Replacement, **LH1285** Pressure Reducing Valve Replacement, **LH131624** 2024 Annual Maintenance and **LH1380** Clarifier Upgrades with surplus funding in the approximate amount of **\$653,076** be released to the Reserve Funds.
- b) The Board **RECEIVE** this report for information.

Previous and Related Reports

October 2, 2025 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
LH1107	SCADA/PLC - Software Review & Upgrade	\$500,000	\$451,590	Warranty Period
LH1229	Security Upgrades	\$1,253,000	\$1,203,047	Ongoing
LH1243	McGillivray Electrical Upgrades	\$11,887,175	\$11,924,924	Warranty Period
LH1251	PAC Feed -Transfer Pump System Replacement	\$1,300,000	\$197,965	Ongoing

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH1260	Huron Flash Mixer Update	\$1,437,000	\$1,303,677	Warranty Period
LH1261	Huron PLC Replacements	\$2,790,000	\$67,018	Ongoing
LH1274	Huron SCADA Control Modifications	\$100,000	\$2,160	Ongoing
LH1277	IT Asset Replacement Program	\$716,000	\$604,031	Ongoing
LH1279	Cyber Intrusion Detection System	\$10,000	\$0	On Hold
LH131623	2023 Annual Maintenance	\$125,000	\$93,771	Ongoing
LH131625	2025 Annual Maintenance	\$125,000	\$77,260	Ongoing
LH1317	Distressed Pipe Replacement	\$2,850,000	\$2,310,945	Ongoing
LH1352	Arva Reservoir Structural Repairs	\$2,050,000	\$41,686	On Hold
LH1353	WTP- Administrative Building Extension & Site Redevelopment	\$18,250,000	\$1,006,925	Ongoing
LH1388	Huron Coagulation Optimization Study	\$50,000	\$0	On Hold
LH1408	Oneida Transmission Pipeline	\$35,500,000	\$1,233,245	Ongoing
LH1900	Record Drawings and Documents	\$491,000	\$406,953	Ongoing
LH2036	Roof Drain Replacement	\$125,000	\$130,016	Ongoing
LH2038	Chamber Flood Prevention/Rehab	\$350,000	\$327,535	Ongoing
LH2045	Monitoring Station Controls Upgrades	\$275,000	\$167,694	Ongoing
LH2046	Asset Condition Field Assessment	\$210,000	\$94,790	On Hold
LH2048	De-Chlorination At Remote Stations	\$125,000	\$42,224	Ongoing
LH2049	RW Office Expansion	\$100,000	\$88,631	Ongoing

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH2050	Huron Master Water Plan Update	\$235,000	\$183,092	Ongoing
LH2051	Service Water Study	\$120,000	\$0	Ongoing
LH2052	McGillivray Building Renovations	\$50,000	\$0	On Hold
LH2053	Climate Change Resiliency Assessment	\$240,000	\$19,409	On Hold
LH2054	Treatment Plant Surge System Rehabilitation	\$175,000	\$23,049	Ongoing
LH2055	Beach Chamber Valve Replacement	\$400,000	\$40,237	Ongoing
LH2057	High Lift Discharge Flow Meter Replacements	\$400,000	\$167,261	Warranty Period
LH2058	Low Lift Check & Butterfly Valve Replacements	\$370,000	\$326,976	Warranty Period
LH2059	Raw Water Valve & Actuator Replacement	\$350,000	\$39,884	Ongoing
LH2060	Operations & Maintenance Procurement Advisory Services	\$250,000	\$0	Ongoing
LH2062	Plant Wi-Fi Upgrade & Replacement	\$620,000	\$0	Ongoing
LH2063	Pipeline Alignment Survey	\$60,000	\$0	Ongoing
LH2064	McGillivray Discharge Flow Meter Replacement	\$245,000	\$82,865	Warranty Period
LH2065	Chlorine Line Replacement Program	\$125,000	\$106,108	On Hold
LH2066	Filter Effluent Valve Actuator Replacements	\$335,000	\$0	Ongoing
LH2067	Caustic Soda System Upgrades	\$155,000	\$12,450	Ongoing
LH2068	Remote Site Generator Connections – Phase 2	\$65,000	\$19,098	Warranty Period
LH2069	Plant Interior Lighting – Phase 2	\$35,000	\$32,903	On Hold

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH2070	Roof Replacements - Phase 3	\$335,000	\$0	Ongoing
LH2071	McGillivray Inlet Check Valve Replacement	\$340,000	\$0	Ongoing
LH2072	Plant Seagull Control	\$50,000	\$38,905	Warranty Period
LH2073	Emergency Exit Lights Replacement	\$35,000	\$29,044	Ongoing
LH2074	Overhead Vehicle Door Replacement - Phase 2	\$65,000	\$44,687	Warranty Period
LH2075	Intake Chlorine Line Replacement	\$100,000	\$0	Ongoing
LH2076	KB1 MCC Component Upgrades	\$100,000	\$0	Ongoing
LH2077	Arva Valve House Door Rehabilitation	\$15,000	\$0	Warranty Period
LH2078	Polymer System Upgrades	\$145,000	\$0	Ongoing
Total		\$86,034,175	\$22,942,055	

2.a) Completed Projects – Release Surplus to Reserve Funds \$653,076

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH1021	Low Lift Pump Rebuild	\$540,000	\$286,384	Completed
LH1264	Vehicle Door Replacement	\$225,000	\$205,593	Completed
LH1285	Pressure Reducing Valve Replacement	\$425,000	\$152,705	Completed
LH131624	2024 Annual Maintenance	\$125,000	\$118,749	Completed
LH1380	Clarifier Upgrades	\$465,000	\$363,493	Completed
TOTAL		\$1,780,000	\$1,126,924	

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

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

3. Completed Projects – Additional Funding Required

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

* *Expended as of January 31, 2026*

Market Conditions

With the ongoing tariffs and trade tensions between Canada and the United States, the markets are seeing significant upheaval and risk-based pricing has become more apparent in recent procurements. Equipment and materials procured from suppliers from the United States may be affected by countervailing tariffs imposed by Canada, as well as consequential input cost increases on raw materials exported from Canada to the USA which are used in the manufacture of equipment, materials and consumables.

These market conditions are causing significant pressures on procurement processes, particularly for longer-term construction projects, and are likely to impact total costs of the capital program. The budgets for many of these projects were established largely based on market conditions and projections prior to the more recent economic conditions. As such, it is important for the Board to be aware of the potential need for special meetings of the Board of Management to ensure the timely award of contracts and, potentially, increases to the approved capital budgets. While staff are taking all reasonable steps possible to contain costs and minimize the impacts of risk-based pricing, given the number of projects that the regional water system is undertaking it is likely that conditions will prevail whereby Board approval is explicitly required pursuant to the Procurement of Goods and Services and Disposal of Assets By-law.

Prepared by: Yale Li
Budget and Finance Analyst

Submitted by: Archana Gagnier
Manager, Finance & Procurement

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: Update to the Asbestos Management Plan/Program

Overview:

- The Asbestos Management Plan has not been updated since its inception in 2008. There have been personnel changes in the meantime, a change to the Operating Authority, and regulatory updates.

Recommendation

That the Board of Management for the Lake Huron Primary Water Supply System **ENDORSE** the Asbestos Management Program Version 1 as attached to this report.

Contractual and Regulatory Reference

Occupational Health & Safety Act – Section 30(1) requires that before the beginning of a project, the owner shall determine whether any designated substances are present at the project site and shall prepare a list of all designated substances that are present at the site.

Ontario Regulation 278/05 (Designated Substance – Asbestos on Construction Projects and in Buildings and Repair Operations) establishes the duties of the owner and employer with regard to the identification, inspection, repair, removal, training, and working near asbestos within a workplace or a project.

Ontario Regulation 490/09 (Designated Substances) outlines employer responsibilities in respect to Asbestos.

Previous Related Reports

October 9, 2008 Asbestos Management Plan

Background

Asbestos was a common building material during the last century until 1986 when it was banned. Asbestos is only a health risk to occupants when disturbed through construction or renovation activities, when the small fibres are released into the air. There are no significant health risks if the asbestos containing materials are in good condition, sealed behind walls and floorboards, or left undisturbed.

This program outlines procedures for monitoring the current condition of building materials and establishing when further action is required ahead of renovation and construction activities.

Discussion

Version 1 of the Asbestos Management Program is attached to this report for the Board's consideration and endorsement.

The need for a formalized communication for hazardous substances for non-tendered activities was identified. There was formal communication outlined in the Asbestos Management Plan; however, project managers were unaware of this requirement. An update to the Asbestos Management Plan was initiated and the following significant changes were made:

1. The name was changed from the Asbestos Management Plan to the Asbestos Management Program.
2. The role of the Occupational Health and Safety Advisor was included and responsibilities that were originally under the Regional Water Director were re-distributed to the Regional Water Occupational Health and Safety Advisor.
3. The language in the program was updated to reflect current titles for the Ministry of Labour, Immigration, Training and Skills Development; the Ministry of Environment, Conservation and Parks; and the job titles for the Operating Authority.
4. Section 10, Constructor/Contractor Requirements was updated to align with the information currently outlined in the Special Provisions Document that is included with Tender Documentation.
5. Appendix A, Asbestos – General Background, had information that was not referenced and unable to be sourced. The whole appendix was then replaced with information from the Canadian Centre for Occupational Health and Safety and properly referenced.
6. Appendix E, Sample Notification to Tenants/Occupants Regarding the Asbestos Annual Review, was added to the program to formalize the annual review communication process.

Additional non-material changes were made to the Asbestos Management Plan for grammar, formatting, etc.

Prepared by: Rachel Hillman
Advisor, Occupational Health and Safety

Submitted by: Jess Bechard, MBA
Senior Manager, Business Administration

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

Attachment: Appendix A – Asbestos Management Program



Asbestos Management Program

1. PURPOSE

To ensure Asbestos Containing Material in Lake Huron Primary Water Supply System (LHPWSS) buildings is managed to protect the health of employees, contractors, building occupants and visitors (the public) in accordance with the LHPWSS Occupational Health and Safety Policy.

To ensure compliance with the DESIGNATED SUBSTANCE — ASBESTOS ON CONSTRUCTION PROJECTS AND IN BUILDINGS AND REPAIR OPERATIONS - Ontario Regulation 278/05 and the DESIGNATED SUBSTANCES – Ontario Regulation 490/09 made under the *Occupational Health and Safety Act* of Ontario.

2. SCOPE

This program applies to all LHPWSS owned buildings and infrastructure, to all LHPWSS employees (assigned and seconded staff from the Corporation of the City of London in its capacity as Administering Municipality) and employed contractors, to occupants of LHPWSS buildings and to external organizations who may come into contact with or disturb Asbestos Containing Material or Suspected Asbestos Containing Material in LHPWSS owned buildings.

3. BACKGROUND

Ontario Regulation: DESIGNATED SUBSTANCE — ASBESTOS ON CONSTRUCTION PROJECTS AND IN BUILDINGS AND REPAIR OPERATIONS - O. Reg. 278/05 made under the *Occupational Health and Safety Act* requires that the LHPWSS maintain a management program with respect to Asbestos Containing Material (ACM) in LHPWSS owned buildings. DESIGNATED SUBSTANCES O. Reg. 490/09, s. 5 also outlines employer responsibilities in respect to Asbestos. This program is intended to meet or exceed the requirements of these Regulations.

Appendix A provides general background on Asbestos including the health hazard, its uses and work classifications.

4. LEGISLATIVE REFERENCE

4.1 Occupational Health and Safety Act:

DESIGNATED SUBSTANCE — ASBESTOS ON CONSTRUCTION PROJECTS AND IN BUILDINGS AND REPAIR OPERATIONS - O. Reg. 278/05, under the jurisdiction of the Ontario Ministry of Labour, Immigration, Training and Skills Development.



Asbestos Management Program

4.2 Environmental Protection Act:

GENERAL — WASTE MANAGEMENT - R.R.O. 1990, Reg. 347, under the jurisdiction of the Ontario Ministry of Environment, Conservation and Parks.

5. DEFINITIONS AND ACRONYMS

5.1 Definitions:

“Asbestos Containing Material” – means a material that contains 0.5 percent or more asbestos by dry weight;

“Building” - means any structure, vault, chamber or tunnel including, without limitation, the electrical, plumbing, heating and air handling equipment (including rigid duct work) of the structure, vault, chamber or tunnel;

“Contracted Operating Authority” – means the authority (entity) contracted for the operation, maintenance and management of the Lake Huron Primary Water Supply System;

“Director” – the Director, Regional Water for the Lake Huron Primary Water Supply System (assigned and seconded staff from the Corporation of the City of London in its capacity as Administering Municipality);

“Friable material” – means a material that when dry, can be crumbled, pulverized or powdered by hand pressure or is crumbled, pulverized or powdered;

“Huron Board” – Joint Board of Management for the Lake Huron Primary Water Supply system as established by Transfer Order Lake Huron Area Water Supply System #W1/1998 dated effective September 15, 2000;

“OHS Advisor” - the Occupational Health and Safety Advisor for the Lake Huron Primary Water Supply System (assigned and seconded staff from the Corporation of the City of London in its capacity as Administering Municipality);

“Project Manager” – as defined under Section 7.4 of this Asbestos Management Program;

“Regional Hub Manager” – the Project Manager for the Contracted Operating Authority of the Lake Huron Primary Water Supply System;

“Senior Operations Manager” – the Manager of Facilities for the Contracted Operating Authority of the Lake Huron Primary Water Supply system;



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“Suspected Asbestos Containing Material” – means a material that has not been specifically confirmed to contain asbestos by inspection or testing, but given the installation date or similar locations of installations which have been confirmed to contain asbestos, are assumed to contain asbestos and therefore treated as Asbestos Containing Material until such time as the material is confirmed to contain or not contain asbestos through testing.

5.2 Acronyms:

“ACM” – Asbestos Containing Material;

“AMP” – Asbestos Management Program;

“EPA” – Ontario’s Environmental Protection Act;

“JHSC” – Joint Health and Safety Committee;

“LHPWSS” – Lake Huron Primary Water Supply System;

“MLITSD” – Ontario Ministry of Labour, Immigration, Training and Skills Development;

“OA” – Operating Authority, or Contracted Operating Authority;

“O.Reg.278” – Designated Substance – Asbestos on Construction Projects and in Buildings and Repair Operations - Ontario Regulation 278/05;

“O.Reg.490” – Designated Substances - Ontario Regulation 490/09;

“PPE” – Personal Protective Equipment;

“RWS” – the Regional Water division of the Corporation of the City of London in its capacity as Administering Municipality for the Lake Huron Primary Water Supply System;

“SACM” – Suspected Asbestos Containing Material.

6. ASBESTOS MANAGEMENT PROGRAM POLICY

It is the policy of the Lake Huron Primary Water Supply System to protect employees, contractors and the public throughout the organization and in so doing establishes that:



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- 6.1 Only qualified persons shall be involved in any asbestos related repairs, maintenance or removal. All tasks involving the disturbance of ACM will be conducted only after appropriate work controls in accordance with O. Reg. 278, including isolating and control of work area access, have been identified and implemented.
- 6.2 Access to areas that contain friable ACM shall be controlled and accessible only to authorized personnel approved by the Director, the Regional Hub Manager, or the Senior Operations Manager.
- 6.3 Asbestos removal or repair operations will be conducted in occupied spaces, where possible, outside of normal hours of operation. Only LHPWSS employees and/or contractors authorized by the Director, the Regional Hub Manager, or the Senior Operations Manager will be allowed to enter the asbestos work site.
- 6.4 In the event of a major renovation or demolition project, a review of the ACM inventory/assessment of both friable and non-friable ACM, shall be performed prior to the beginning of such a project to determine potential ACM disturbance.
- 6.5 Where possible and practical, ACM will not be purchased by the LHPWSS.

7. RESPONSIBILITIES

7.1 RWS OHS Advisor (as representing the **OWNER**)

With regard to the LHPWSS as “owner” under O. Reg. 278, the RWS OHS Advisor shall:

- a) Ensure that an asbestos assessment has been performed for all facilities constructed prior to 1986. Where such a survey has not been performed in pre-1986 facilities, arrange for a room-by-room survey of the Building. For facilities constructed after 1986, an asbestos assessment will be performed prior to demolition or renovation activities for all non-friable materials that may be present (i.e. Transite rain water leaders and sheets, gaskets and roofing materials). Notify the Contracted Operating Authority such that, as the Employer with regard to the operation, maintenance and management of the LHPWSS, the Contracted Operating Authority can ensure that any prudent or required involvement of the JHSC certified members is arranged, and any relevant aspects are complied with;
- b) Ensure the asbestos assessment report is available on site;
- c) Notify in writing the Regional Hub Manager of the information in this record. The form Template can be found in Appendix E;



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- d) Arrange for the reassessment of ACM and SACM at regular intervals and ensure the asbestos assessment report is updated at least annually, or when new information is obtained as ACM is removed or it's condition changes;
 - e) Ensure he or she is informed of all upcoming work;
 - f) Arrange for the abatement of deteriorated ACM reported by the OA, reported in the asbestos assessment report, or in reassessment reports using the appropriate procedures (Type 1, Type 2 or Type 3 procedures), including:
 - i) Ensure the abatement work is properly arranged for and scheduled;
 - ii) The person(s) scheduled to perform the abatement work are trained (as per approved training developed by the Ministry of Training, Colleges and Universities or equivalent in the case of Type 3 work), and in the case of a contractor, that the firm is qualified;
 - iii) The person(s) responsible for overseeing the abatement work has/have been advised;
 - iv) Ensure that OA is informed in advance of projects which will require asbestos abatements;
 - v) Ensure that the asbestos abatement contractor has arranged for the inspection and air monitoring of asbestos work in the Building as required by O. Reg. 278/05;
 - vi) At the completion of the work, to ensure the updating of the asbestos assessment survey to reflect location and altered condition of ACM, and complete the Asbestos Project Work Record in Appendix B for each project during which asbestos is removed.
 - g) Ensure that procedures are in place in the Building to respond to emergencies involving asbestos by using an asbestos abatement contractor;
 - h) Ensure proper procedures are being followed for the handling, storage and disposal of ACM waste;
 - i) Inform OA of any sampling or testing to be conducted with respect to this AMP as their JHSC certified members have a right to be present during testing if desired;
 - j) Maintain applicable documentation required by this program, including but not limited to: Asbestos Management Program, Asbestos Assessment Reports and Reassessments, Contractor Notification Forms, Asbestos Project Work Records.

7.2 RWS Director (as representing the **OWNER**)

With regard to the LHPWSS as "owner" under O. Reg. 278 when undertaking capital projects at a LHPWSS Building or infrastructure, the Director or designate shall:

- a) Ensure notification of outside contractors or service providers directly under contract to the LHPWSS who may work with or may disturb the material in the



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record of its presence and location (issue Contractor Notification Letter as appropriate – Appendix C);

- b) Ensure all Project Managers, architects, engineers and others arranging for or planning work in the Building under the direction of the LHPWSS are provided with a copy of the Asbestos Survey or record. Ensure this information is provided to the Constructor in contract documents, plans, drawings or specifications;
- c) Maintain applicable documentation required by this program, including but not limited to: Asbestos Management Program, Asbestos Assessment Reports and Reassessments, Contractor Notification Forms, Asbestos Project Work Records, and Training Certificates (i.e. Contractor training records).

7.3 RWS Director (as representing the **EMPLOYER**)

With regard to the LHPWSS as “employer” under O. Reg. 490 for Regional Water Division employees that attend the LHPWSS Buildings, the Director or designate shall:

- a) Arrange training for RWS staff;
- b) Maintain applicable documentation required by this program, including but not limited to: Procedures and Training Certificates (i.e. RWS staff training records, etc.).

7.4 Regional Hub Manager and/or Senior Operations Manager (as representing the **EMPLOYER**)

With regard to the Operating Authority as “employer” under O. Reg. 490 and O. Reg. 278 for the operation, maintenance and management of the LHPWSS, the Regional Hub Manager or the Senior Operations Manager on behalf of the Regional Hub Manager shall:

- a) Ensure measures are implemented to prevent accidental disturbance or further damage to ACM;
- b) Ensure they are informed of all upcoming work;
- c) Notify outside contractors or service providers directly under contract to the OA who may work with or may disturb the material in the record of its presence and location (issue Contractor Notification Letter as appropriate – Appendix C);
- d) Ensure all Project Managers, architects, engineers and others arranging for or planning work in the Building under the direction of the OA are provided with a copy of the Asbestos Survey or record. Ensure this information is provided to the Constructor in contract documents, plans, drawings or specifications as appropriate;



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- e) Arrange for awareness training on asbestos for OA staff;
- f) Maintain applicable documentation required by this program, including but not limited to: Contractor Notification Forms, Asbestos Project Work Records, Training Certificates and Respiratory Protection Program (i.e. records of fit testing);
- g) Ensure employees of the OA, upon discovering damaged, deteriorated or suspected ACM, shall immediately notify the Senior Operations Manager and/or Regional Hub Manager;
- h) Upon unexpected discovery of suspected ACM, or upon an uncontrolled asbestos spill or disturbance, follow the emergency procedures of Appendix D. Ensure all OA staff that may report an emergency are aware of the emergency procedure;
- i) Ensure all personnel who may work near the location of ACM are aware of its presence and follow the procedures outlined in this AMP;
- j) Ensure all personnel avoid unnecessary contact with or disturbance of ACM;
- k) Report any disturbance, damage or deterioration of ACM to the RWS OHS Advisor.

7.5 Project Managers

Project Managers (which may also include the Senior Operations Manager or staff of the OA, staff of the RWS, or architects, engineers or consultants employed by the RWS or OA) who plan, arrange for or oversee work in the Building or infrastructure shall:

- a) Ensure that an intrusive pre-construction assessment for friable and non-friable ACM has been performed prior to any renovation, alteration or demolition. Ensure this information is provided to the Constructor in contract documents, plans, drawings or specifications. Such assessments shall include destructive investigation where necessary and appropriate;
- b) When possible, the abatement of ACM will be completed before construction. The Project Manager will contact the RWS OHS Advisor to schedule the work;
- c) When abatement prior to construction is not possible, The project manager will ensure the following:
 - i. Based on the results of the pre-construction assessment report, provide or arrange for the provision of appropriate specifications (Type 1, 2 or 3 operations) to the Constructor to remove ACM from the work area;
 - ii. Ensure all asbestos work in the Building is performed by asbestos abatement contractors who specialize in asbestos work and who have appropriate experience, equipment and insurance;



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- iii. Arrange for the inspection and air monitoring of asbestos work in the Building as required by O. Reg. 278/05 and this AMP;
 - iv. Notify the RWS Director, the RWS OHS Advisor, and the JHSC certified members of the OA of work requiring asbestos abatement precautions sufficiently in advance of work to allow notification to OA and RWS staff;
 - v. Ensure all necessary notification of the Ministry of Labour for Type 2 and 3 Projects have been performed by the contractor prior to start of work and that all necessary forms are posted on site;
 - vi. At the completion of the work provide information to the RWS OHS Advisor to allow updating of the asbestos assessment report to reflect altered location and condition of ACM. Complete Asbestos Project Work Record in Appendix B for each project during which asbestos is removed or disturbed and submit to the RWS OHS Advisor.

7.6 JHSC

The JHSC shall periodically review, at least annually, the asbestos inventory/assessment surveys and other asbestos related documentation and make recommendations, where warranted to the appropriate parties.

8. Pre- Demolition, Alteration, Renovation or Repair Work (PreDAR) Requirements

- 8.1 Prior to the tendering or contracting for demolition, alteration, renovation or repair work in a building or infrastructure containing or suspected of containing asbestos materials (friable and non-friable) that is likely to be handled, dealt with, disturbed or removed during the work, the Project Manager shall contact the RWS OHS Advisor to ensure a written report was completed.
- 8.2 The report shall document the following:
 - a) Confirmation of the presence or absence of ACM, including any destructive testing as necessary;
 - b) Floor plans or descriptions identifying the location(s) of all ACM;
 - c) Whether the material is friable or non-friable; and,
 - d) Condition of ACM.
- 8.3 Any prospective constructor, at the time of tender or request for proposal, shall be provided with a copy of the complete report.



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9. Training

9.1 Asbestos Awareness Training

- a) All employees of the RWS shall receive general Asbestos Awareness Training. Asbestos Awareness Training shall consist of the following topics:
- Background information on asbestos;
 - Hazards of asbestos exposure;
 - Overview of the measures and procedures outlined in O. Reg. 278;
 - Asbestos Management Program.
- b) The RWS Director or designate will ensure the Operating Authority provides Asbestos Awareness training to their employees that complies with O. Reg. 278 and O. Reg. 490, and on the LHPWSS Asbestos Management Program.

9.2 Asbestos Specific Training

The RWS Director and Project Managers will ensure all contractors, including the OA, who work in close proximity to, have the potential to or who may disturb friable and/or non-friable ACM or those involved in the repair and/or removal of asbestos, will also receive asbestos specific training in addition to asbestos awareness training. Asbestos Specific Training shall include, but is not limited to:

- Use, care, cleaning and disposal of respirators and other PPE;
- Personal hygiene to be observed when doing work;
- (Detailed) Measures and procedures outlined in O. Reg. 278/05.

10. Constructor/Contractor Requirements

New and existing contractors, including service contractors who are required to work in a building in which asbestos is present, shall be provided with written notice of the information in the asbestos record if the work may involve material mentioned in the record, or may be carried on in close proximity to such material and as a result may disturb it. For tendered work, contractors will receive notification of ACM in the tender documents through the City of London's Designated Substance Notification Form (e-Form 0576). For other work, contractors will receive notification through the Contractor Notification Letter (Appendix C).

Where the Contractor suspects Asbestos may be present in buried services such as underground piping, the Contractor may undertake, in consultation with the Project Manager, additional testing as required to determine the extent of the hazard.



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The RWS or OA, as applicable, will include a notice identifying the presence of ACM and/or SAMP including the locations, whether the material is friable or non-friable and its condition, in tender documents for individual projects in which contractors may work in close proximity to, have potential to or who may disturb friable ACM, or those involved in the repair and/or removal of asbestos.

Contractors shall work in accordance with relevant Legislative requirements and this Asbestos Management Program.

The successful contractor shall do the following prior to the beginning of asbestos-related work:

- Notify any subcontractors of the presence and location of ACM;
- Ensure that their employees, or any employees of a sub-contractor, work in the manner with the protective devices and procedures specified by the AMP and O. Reg. 278/05; and,
- May be required to submit a written work plan prior to beginning of asbestos related work.

Contractors must provide written evidence (training records and content) that all workers and supervisors involved in asbestos-related work have received appropriate instruction and training in the following:

- Hazards of asbestos;
- Use, care, cleaning and disposal of respirators and other PPE;
- Use of showers (Type 3);
- All aspects of Type 1, Type 2 and/or Type 3 operations and protective measures;
- For Type 3 Operations the successful Constructor/Contractor shall provide proof of completion of the Asbestos Abatement Worker Training Program for workers and supervisors;
- O. Reg. 278/05 Respecting Asbestos on Construction Projects and in Buildings and Repair Operations.

During the course of work the Project Manager shall be notified immediately if suspect ACM is discovered that was not documented in the onsite record. No work shall commence or continue until these hazards have been deemed eliminated or controlled and to be safe.



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For any asbestos removals, the Contractor must submit a completed “Asbestos Project Work Record” form (Appendix B) within 24 hours of completion of the work to document the removals. This form will be provided by the Project Manager.

11. Related Documents

- Appendix A: Asbestos – General Background Document
- Appendix B: Asbestos Project Work Record
- Appendix C: *Sample* Contractor Notification Letter
- Appendix D: Asbestos Emergency Procedure
- Appendix E: Sample Notification to Tenants Occupants Regarding the Asbestos Annual Review

(not attached) Contracted Operating Authority Respiratory Protection Program
(not attached) Designated Substance Notification Form (City of London e-Form 0576)

12. Emergency Procedure

RWS employees, OA employees, and contractors may encounter fallen material, which may be suspected of containing asbestos. This may occur in areas where asbestos has been documented or in areas not included in the survey due to limited accessibility. **Fallen material must not be disturbed or handled.** Upon encountering asbestos or suspected asbestos containing material, immediately notify the Senior Operations Manager and Regional Hub Manager. The Senior Operations Manager or Regional Hub Manager shall immediately notify the RWS OHS Advisor.

If debris is present above a ceiling space (i.e. on the top side of ceiling tile) and has not been disturbed, immediately stop all work and report to the Senior Operations Manager and Regional Hub Manager. Do not continue work until ACM is cleaned-up/removed. Clean up, repair or removal shall be performed in accordance with the appropriate procedures.

If debris is found in accessible areas or if debris above ceilings has been disturbed, it is important that the exposure of all persons to airborne asbestos be minimized by isolating the area from unauthorized access.

See ASBESTOS EMERGENCY PROCEDURE , Appendix D
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13. Revision History

REVISION NUMBER	DATE (YYYY/MM/DD)	CHANGE
0	2008/10/10	Asbestos Management Program issued as endorsed by the Board on 9 October 2008.
1	2025/01/08	Asbestos Management Program updates to include the transferring of responsibilities from the RWS Manager (Director) to the new RWS OHS Advisor, updated language, updated Appendix A, added Appendix E, aligned Section 10 with the RWS Special Provisions.



Appendix A: Asbestos – General Background

What is Asbestos?¹

Asbestos is the generic name for 6 different naturally-occurring fibrous minerals. A "fibre" is defined as a particle that is more than 5 micrometres (μm) in length and having a length to width ratio of at least 3:1. Many Canadian regulations further add that a fibre of asbestos must also be less than 3 μm wide.

Based on their physical and chemical properties, there are two major groups of asbestos: serpentine and amphibole.

Serpentine: Serpentine fibres are long, flexible and curved. These fibres can be woven together. The main type of serpentine asbestos is chrysotile (white asbestos), which is the main type of asbestos used in manufacturing.

Amphibole: Amphibole fibres are straight and stiff. These fibres are generally brittle and rod- or needle-shaped, which limits their commercial usefulness. There are 5 sub-types of amphibole asbestos, including:

- Crocidolite (blue asbestos)
- Amosite (brown asbestos)
- Actinolite
- Anthophyllite
- Tremolite

How Has Asbestos Been Used?¹

Because it has heat-resistant and insulating properties, asbestos was used in a wide range of manufactured products. Before 1990, asbestos was mainly used for insulating buildings and homes against cold weather and noise, and for fireproofing. Asbestos was used by industry, construction, and commercial sectors in products such as:

- Building materials (roofing shingles, roof sealants, ceiling and floor tiles, paper products and felts, house siding, and asbestos-containing cement and plaster products).
- Friction materials (automobile clutch pads, brake linings, pads and shoes, and transmission parts).
- Fire and heat protection wear.
- Industrial furnaces and heating systems.
- Asbestos textiles (fabrics).



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- Heat, electrical, and sound insulation or wrappings.
 - Insulation for hot and cold areas.
 - Packing materials, gaskets, linings, and coatings.
 - Reinforcement of plastic products, thermoset and thermoplastic resins.
 - Filler in resins, plastics and caulking and in asphalt road surfacing.

Why was asbestos used in so many products?¹

All forms of asbestos are resistant to heat, fire, chemical, and biological break-down. Asbestos does not dissolve in water or evaporate. These properties mean that asbestos fibres do not burn, do not undergo significant reactions with most chemicals, and do not break down significantly in the environment. Other properties of asbestos that made it so commercially desirable include its wear and friction characteristics, its tensile strength, its heat, electrical and sound insulation capabilities, and its adsorption capacity. With these properties, asbestos was useful in a wide range of manufactured products such as building materials, friction products, and heat-resistant fabrics.

What is the concern about asbestos?¹

Asbestos is a friable material which means that when it is dry, it can be crumbled, pulverized or powdered. Small fibres and clumps of fibres may be released into the air as dust. Inhaling asbestos during its manufacturing or use is the main health concern. The human health effects from long-term asbestos exposure are well documented, including asbestosis and changes in the lining of the lungs (pleural abnormalities). All forms of asbestos have been shown to cause lung cancer and mesothelioma.

There are no significant health risks if the materials containing asbestos in your home or work are:

- Tightly bound in the original product, and in good condition.
- Sealed behind walls and floorboards.
- Isolated in the attic.
- Left undisturbed.

What are the health effects of asbestos?²

The human health effects from long-term unsafe asbestos exposure are well documented. Asbestos fibres are easily inhaled and carried into the lower regions of the lung where they can cause fibrotic lung disease (asbestosis) and changes in the lining of the chest cavity (pleura). These diseases can lead to reduced respiratory function



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and death. Long-term inhalation of asbestos fibres also increases the risk of lung cancer and mesothelioma.

Enlargement of the heart can also occur as an indirect effect from the increased resistance of blood flow through the lungs.

People are more likely to experience asbestos-related disorders if they are exposed:

- to high concentrations of asbestos,
- for longer periods of time, and/or,
- to asbestos more frequently.

Asbestosis²: Asbestosis is a chronic lung disease in which there is scar-like tissue formed in the lungs (pulmonary fibrosis). This fibrosis decreases the elasticity of the lungs, making breathing more difficult. Shortness of breath is the most common symptom. In most cases, a common physical sign is "crackles" - sounds that can be heard through a stethoscope. Also known as "rales", they are usually detected near the end of a full inspiration.

When diagnosing asbestosis, chest x-rays will show small irregular opacities (spots in x-ray film where the x-rays could not "see" through the tissue). These are commonly found in the middle and lower lungs. Lung function tests can help to determine how serious the condition is. People with fully developed asbestosis have shortness of breath, cough, chest pain, reduced lung function, finger clubbing, and bluish skin colouration.

Development of asbestosis usually requires several years of exposure to asbestos fibres. The development and progression of asbestosis varies from individual to individual. It is often slow with little changes over five, ten or more years. Many cases do not advance after diagnosis. It may, however, be quicker in some individuals than in others due to different conditions of past dust exposure.

Mesothelioma²: Mesotheliomas are relatively rare in the general population but are often observed in asbestos workers and sometimes in family/household members. Case-control studies have found strong associations between occupational exposure to asbestos fibres and the development of mesothelioma.

Malignant mesothelioma is an aggressive, usually fatal cancer arising from the mesothelial cells that form the lining of the pleural (lung), peritoneal (abdominal) and pericardial (heart) cavities. For mesothelioma, the latency is generally 30-40 years, with the longer periods seen where there had been lower levels of asbestos exposure. Workers with heavy exposure probably swallow asbestos fibres (when fibres are cleared from the airways in mucous and then swallowed), which may contribute to the development of mesothelioma of the lining of the abdominal cavity (peritoneum).



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Mesothelioma has also been reported in household contacts and family members of asbestos workers, presumably from exposure to asbestos carried home on work clothes.

Similar to lung cancer, several studies have indicated that the risk of mesothelioma after asbestos exposure depends on the time since exposure (latency), with the risk increasing exponentially with time after about 10 years. Early studies indicated that diagnosis with mesothelioma was fatal within a short period of time (often within months), however other studies indicate that survival time after diagnosis may be influenced by exposure intensity (amount). Some scientists believe that early identification and intervention of mesothelioma may increase survival. In contrast to the situation for lung cancer, the effect of asbestos on mesothelioma risk does not appear to be increased by smoking.

Patients with pleural mesothelioma experience chest and shoulder pain and dry cough is frequent. As the cancer progresses and the tumor increases, weight loss, weakness, and fever may also occur.

Lung Cancer²: The risk of getting lung cancer after asbestos exposure depends on a number of factors, the most important of which are:

- the level (how much) and the duration (length) of exposure
- the time since exposure occurred
- the age at which exposure occurred
- the tobacco-smoking history of the exposed person, and
- the type and size of the asbestos fibres.

The average time from exposure to cancer development (latency period) is 20 to 30 years. Although lung cancer is generally associated with long-term exposures to asbestos, there are also studies which show that workers with 1 to 12 months of exposure had an increased risk in developing lung cancer a number of years later.

Lung cancer has also been reported in household contacts and family members of asbestos workers, presumably from exposure to asbestos carried home on work clothes.

Lung cancer usually does not cause symptoms in the early stages. When symptoms occur the cancer is often advanced. Symptoms of lung cancer include chronic cough, weight loss, shortness of breath, fever, and chest pain. These symptoms are also common with other lung disorders, therefore, to confirm the diagnosis it is necessary to carry out laboratory tests including chest x-rays.



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Other health effects from asbestos²

Pleural Effects: Inhalation of asbestos fibres can also lead to four types of non-cancerous abnormalities in the lining of the chest cavity (pleura). These are:

- localized deposits of collagen (pleural plaques);
- fluid in the pleural space (pleural effusion);
- diffuse thickening and fibrosis of the pleura; and
- folded lung or rounded atelectasis (a condition which occurs when an area of pleural fibrosis rolls into the lung making a portion of the lung airless).

These pleural abnormalities are found in 10-60% of asbestos workers. Pleural abnormalities are also common in family members of asbestos workers, presumably from exposure to asbestos carried home on work clothes.

In many cases, the development of pleural plaques is not seen for 20 to 30 years after exposure. Pleural effusions (excess fluid between the two membranes that envelop the lungs) usually occur within 10 years after exposure.

Laryngeal Effects: Asbestos exposure has also been found to significantly increase the incidence of laryngitis in a small number of studies.

Immune System Effects: There have been several studies on the effects of asbestos exposure on the immune system. Most studies indicate that immune system function is reduced in workers with asbestosis. It has not been determined if the changes in immune function are the cause or the result of the asbestosis. In workers exposed to asbestos but who have not developed clinical signs of asbestosis, a depressed immune function is mild or no change has been noted.

Asbestos exposure may be a causal factor in the development of a rare condition known as retroperitoneal fibrosis. This condition is the development of a fibrous mass behind the membrane lining the abdominal cavity, which can result in kidney failure. There is a case control study and there are a number of case reports which indicate that asbestos exposure may be an important risk factor for retroperitoneal fibrosis.

Classification of Asbestos Related Work³

In some jurisdictions (for example, Manitoba, Ontario and New Brunswick), working with asbestos is closely regulated. Typically, the laws break the type of asbestos work into 3 classes:

- Type I (low risk)
- Type II (medium risk)
- Type III (high risk)



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Type I (low risk) involves:

- Installing or removing ceiling tiles covering an area less than 7.5 square metres.
- Installing or removing other non-friable asbestos containing materials (ACM), and the tiles/material are not being broken, cut, drilled, abraded, ground, sanded or vibrated (e.g., dust is not being generated).
- Breaking, cutting, drilling, abrading, grinding, sanding or vibrating non-friable ACM if the material is wetted to control the spread of dust or fibres, and the work is done only with non-powered hand-held tools (e.g., dust is being generated, but easy to control).
- Removing less than 1 m² of drywall in which joint-filling compounds contain asbestos.

Type II (medium risk) involves:

- Removing all or part of a false ceiling to get access to a work area, if ACM is likely to be lying on the surface of the false ceiling.
- The removal or disturbance of less than or equal to 1 m² of friable ACM during the repair, alteration, maintenance or demolition of all or part of machinery or equipment or a building, aircraft, locomotive, railway car, vehicle or ship.
- Enclosing friable ACM.
- Applying tape, sealant, etc. to pipe or boiler insulation that is ACM.
- Installing or removing ceiling tiles that are ACM if the tiles cover an area of greater than or equal to 7.5 m² and are installed or removed without being broken, cut, drilled, abraded, ground, sanded or vibrated.
- Breaking, cutting, drilling, abrading, grinding, sanding or vibrating non-friable ACM if the material is not wetted to control the spread of dust or fibres, and the work is done only with non-powered hand-held tools.
- Removing greater than or equal to 1 m² of drywall in which the joint filling compound has ACM.
- Breaking, cutting, drilling, abrading, grinding, sanding or vibrating non-friable asbestos-containing material if the work is done with power tools attached to dust-collecting devices equipped with high efficiency particulate air (HEPA) filters.
- Removing insulation that is ACM from a pipe, duct, etc. using a glove bag.
- Cleaning or removing filters used in air handling equipment in a building that has sprayed fireproofing that is ACM.



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- An operation that is not mentioned above but may expose a worker to asbestos and is not classified as a Type 1 or Type 3 operation.

Type III (high risk) involves:

- The removal or disturbance of greater than 1 m² of friable ACM during the repair, alteration, maintenance or demolition of all/ part of a building, aircraft, ship, vehicle, etc.
- The spray application of a sealant to friable ACM.
- Cleaning or removing air handling equipment, including rigid ducting (excluding filters), in a building that has sprayed fireproofing that is ACM.
- Repairing, altering or demolishing all or part of a kiln, metallurgical furnace or similar structure that is made in part of refractory materials that are ACMs.
- Breaking, cutting, drilling, abrading, grinding, sanding or vibrating non-friable ACM, if the work is done with power tools not attached to dust-collecting devices equipped with HEPA filters.
- Repairing, altering or demolishing all or part of any building in which asbestos is or was used in the manufacture of products.

Adapted from: Designated Substance - Asbestos on Construction Projects and in Buildings and Repair Operations, Ontario Regulation 278/05

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Asbestos Management Program

Appendix C: Sample Contractor Notification Letter

The Lake Huron Primary Water Supply system has identified the presence of various friable and non-friable asbestos-containing materials in the Building. An asbestos inventory report showing the locations and amounts of these materials is available for viewing from the onsite Senior Operations Manager or the Regional Water Supply Division of the City of London (in its capacity as the Administrating Municipality).

Ontario Regulation 278/05 (*Designated Substance - Asbestos on Construction Projects and in Buildings and Repair Operations*) applies to workers that may work on or disturb asbestos containing materials. The disturbance of asbestos building materials are only to be undertaken by Asbestos Abatement Contractors that maintain the appropriate insurance coverage and meet the requirements set out in the Asbestos Management Program. The following list activities may disturb asbestos materials and the onsite Senior Operations Manager must be notified prior to performing the following activities:

- Removal or repair of asbestos mechanical insulation or sprayed asbestos.
- Ceiling entry which may disturb sprayed fireproofing or pipe insulation.
- Any other operation which may generate airborne asbestos from friable asbestos containing material.
- Any removal, cutting or other disturbance of non-friable asbestos material.
- Disturbance of any material excluded from the survey.

Notification of Asbestos Abatement

All contractors and employees who perform work at facilities where asbestos containing material is present should be notified of the presence of the asbestos if their work may bring them into contact or close proximity to the asbestos containing material and they may disturb it. This notification may include janitorial, security, telephone, computer cabling suppliers, mechanical maintenance contractors, etc. This notification shall be performed by the Senior Operations Manager or Regional Hub Manager of the Operating Authority, the Project Manager, or the Regional Water Supply Division of the City of London (in its capacity as Administering Municipality).

Declaration by Contractor

The Contractor and their sub-contractors shall not disturb asbestos containing materials without using proper procedures in accordance with Regulation 278/05 and the Asbestos Management Program.

The Contractor and their sub-contractors agree that their staff will not disturb asbestos-containing materials without prior notification to the onsite Senior Operations Manager. The staff of the contractor and their sub-contractors will follow all procedures specified



Asbestos Management Program

by O. Reg. 278/05. All asbestos waste will be packaged and disposed of in accordance with Ministry of the Environment, Conservation and Parks requirements.

Contractors are to:

- Notify orally and in writing, an inspector at the office of the Ontario Ministry of Labour, Immigration, Training and Skills Development nearest the project site (Notice of Project), as per Ontario Regulation 278/05, prior to commencing Type 3 abatement, Glove Bag abatement or any abatement project that exceeds \$50,000.00 in cost.
- Notify Sanitary Landfill site as per Ontario EPA Regulation 347 as amended.
- Inform all sub trades of the presence of asbestos containing materials identified in the contract documents.
- Immediately notify the Project Manager or onsite Senior Operations Manager and stop work if friable materials not identified in the contract documents are discovered during the course of the work. Ensure that the Ministry of Labour, Immigration, Training and Skills Development and the site Health and Safety Representatives are immediately notified if the friable material is asbestos containing, as required by Ontario Regulation 278/05.

Building (Address): _____

Project: _____

Contractor: _____

Name and Title: _____

Signature: _____

Date: _____

Appendix D: Asbestos Emergency Procedure

1.0 PURPOSE

To outline the measures to be taken in the event of an asbestos-related emergency i.e. where asbestos has fallen into an occupied area or been damaged.

2.0 LEGISLATIVE REQUIREMENTS

Occupational Health and Safety Act, R.S.O. 1990, c. O.1

DESIGNATED SUBSTANCE — ASBESTOS ON CONSTRUCTION PROJECTS AND IN BUILDINGS AND REPAIR OPERATIONS - O. Reg. 278/05

3.0 PROCEDURE

All emergency situations are to be immediately reported to the Senior Operations Manager of the Operating Authority and Project Manager.

1. Do not clean up, cover, move or have contact with asbestos-suspect material.
2. Stop work in the area.
3. Notify the OA Senior Operations Manager and the Project Manager.
4. Senior Operations Manager or designate shall evacuate and isolate the area if needed. Post “Warning Asbestos” or “Restricted” signs to advise of the hazard.
5. Isolate the area by locking doors if this can be done without blocking emergency or fire routes.
6. The Senior Operations Manager or designate shall arrange to shut down ventilation systems to the affected area.
7. The Senior Operations Manager or designate will notify the relevant staff, the Joint Health and Safety Committee Worker and Management Representatives, and the RWS OHS Advisor of the Administering Municipality, immediately.
8. The RWS OHS Advisor or designate will contact an outside contractor to remove/repair and clean up the asbestos where required.



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9. The contractor will assess whether Type I, II or III removal is required. Upon approval by the RWS Director or designate, the contractor will complete the removal/repair and clean up the asbestos.

Asbestos Management Program

Appendix E: Notification to Occupants Regarding the Asbestos Annual Review

February 19, 2026

Dear Occupants,

(name)
(street address or P.O. Box)
(city, province, Postal Code)
(phone—optional)

We are writing to you pursuant to Ontario Regulation 278/05 under the *Occupational Health and Safety Act* (“the Act”) which requires written notification to you of information contained in the onsite asbestos record (contained within the designated substances record) for the building located at **71155 Bluewater Hwy, Grand Bend, ON** in which you occupy space.

In accordance with the Act, please find enclosed an updated copy of the onsite designated substances record for the facility which includes, among other information, the location of asbestos containing material, lead containing material, and material to be treated as asbestos containing.

A copy of the attached onsite designated substances record is also available locally on site at the front lobby and the Board’s Asbestos Management Program is available via the LHPWSS website.

All maintenance, renovation and disturbance of building materials on the record is prohibited without prior consultation of a Regional Water Representative. For such work please notify the Regional Water Occupational Health and Safety Advisor.

Please ensure that your staff are aware of the above information and the enclosed Asbestos Report.

Thank you,

Signature

Print Name of RW OHS Advisor

Title

Phone

Email



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Please complete and return.

We, (Tenant/Occupant) _____ hereby acknowledge having received the above information.

Name (Please print) _____

Signature: _____

Date: _____

Board of Management Report

Subject: Process Optimization Program Update

Overview:

- This report is intended to be updated annually to inform the Board of the progress, outcomes and benefits that the Process Optimization program has achieved.
- This report is also intended to provide insights into the future of the Process Optimization program at the drinking water treatment plant.

Recommendation

That, on the recommendation of the Chief Administrative Officer, the Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report for information regarding the Process Optimization program at the Lake Huron Water Treatment Plant.

Previous and Related Reports

December 5, 2024 Process Optimization Program Update

Background

Board staff have had a long-standing relationship with university partners, such as Western University, the University of Toronto, and the University of Waterloo. Through these partnerships, the Process Optimization program has developed and grown into an internally led effort with industry and academic support as needed. The Process Optimization program has adopted the following goals:

- Monitor and assess current treatment processes to identify optimization opportunities that defer capital spending, reduce chemical and energy usage and operational cost, and decrease process waste streams;
- Undertake capital projects that result in improvements to treatment processes and/or operational procedures;
- Research emerging contaminants and issues to understand how they may impact our treatment capacity and capability in advance of possible regulatory changes;
- Monitor long-term trends in changes to source water quality, including implications due to climate change, to assess and maintain plant robustness;
- Support the objectives of the Environmental Management and Quality Management Policy to protect the environment, including prevention of pollution, climate change mitigation and adaptation, energy management, and chemical

usage optimization in the production of treated potable water and associated residuals treatment; and

- Uphold the long-term sustainability, resiliency and environmental conscious principles of the Asset Management Policy and the associated Plan by minimizing the impacts of infrastructure on the environment, addressing the vulnerabilities and risks caused by climate change through lifecycle management and resource optimization.

Discussion

Polymer Optimization

Board Staff have retained Stantec Consulting Ltd. (Stantec) to perform a polymer optimization study. Stantec will perform jar testing using several polymers with differing functions to determine the optimal polymer to aid in reducing settled water turbidity. Stantec will also review the current polymer dosing system and provide recommendations to improve the current system's ability to dose the recommended polymer. This study will commence in February 2026, and it is anticipated to be completed within six months. By increasing the settleability of the water, less solids will be carried over to the filters, therefore potentially increasing filter run times and in turn, reducing the number of backwashes and wash wastewater being treated by the residual management facility.

Coagulation

In 2025, Board staff purchased a bench top zeta potential analyzer on the recommendation of the Water Quality Facility Plan endorsed by the Board in 2024. Zeta potential is used to optimize coagulant dose for improved coagulation and sedimentation processes. Operators at the water treatment plant have recently undertaken a preliminary data collection exercise to gather baseline data. Board Staff, along with the Operating Authority, will use this data and perform jar testing to determine the optimal zeta potential range and corresponding coagulant dosage. By optimizing the coagulant dose, filter run times can significantly increase, reducing the required number of backwashes and, in turn, reduce the volume of water being treated by the residual management facility.

The zeta potential analyzer will also be used in the previously mentioned polymer optimization study.

Partnerships with Natural Sciences and Engineering Research Council (NSERC) Alliance Chairs in Water Treatment

Partnership in the Natural Sciences and Engineering Research Council (NSERC) Alliance in water treatment provides a forum that encourages the exchange of ideas,

establishes important contacts with researchers, regulators, and others in the forefront of the drinking water sector, and in general keeps partners up to date with respect to relevant information and emerging issues. Board Staff continue to work with the University of Toronto under the current agreement.

This partnership offers multiple benefits including research specific to the water treatment plant using their plant data and water samples, sharing knowledge and evolving research initiatives, such as peer reviewed journal articles relevant to our system, access to research results and informally assist with research interpretations and/or study methodologies we may be taking on internally.

University of Toronto

The University of Toronto is currently undertaking a study regarding microplastics in drinking water. Sampling first took place in late 2023 and samples have continued into December 2025. Preliminary results have shown that the water treatment processes at the water treatment plant are capable of reducing microplastic concentrations.

Currently there are no specific exposure limits set out by any regulatory body in Canada, but there is acknowledgement of their presence in source and drinking water. More research into the impact of microplastics on human health is needed before a limit can be implemented.

Next steps for this study include the analysis of the samples retained in December 2025, compiling the total data set, presenting the findings and explaining what the results mean for the water treatment plant.

University of Waterloo

While we currently do not have a specific partnership with the University of Waterloo, we are participating in a province-wide study that includes the University and have worked with them on their pre- and polyfluoroalkyl substances (PFAS) research. The University of Waterloo has been retaining water samples from the water treatment plant and analyzing since 2023. Two samples were retained by the Operating Authority in 2025 and shipped to the University.

The recently published *Objective for Canadian drinking water quality-per-and polyfluoroalkyl substances* from Health Canada provided a concentration objective for 25 PFAS species. While some substances do appear in slightly above the limit in the water treatment plant source water; the studies have reported the current treatment processes are effective at reducing PFAS to well below the objective value.

This study is on-going, and Board Staff will continue to support the University's research by coordinating site visits and sample collection with the Operating Authority.

2026 Research Day

In April 2026, Board Staff will host the biennial Research Day. The day will bring together partners that Board Staff have worked with on research and process optimization projects at the Lake Huron and Elgin Area water treatment plants to present at a one-day conference. Invitees will include Board Members, representatives of member municipalities, operating authorities, local Ministry of Environment, Conservation and Parks staff, health unit staff, university partners, invited consultants and Board Staff. The aim of Research Day is to share completed projects, while demonstrating the benefits that have been realized by the water system to interested parties. A summary of future studies and optimization efforts will also be presented.

Conclusion

The Process Optimization program has been reaching its goals of monitoring and optimizing current treatment processes, researching emerging contaminants and changes to source water quality to maintain plant robustness and in advance of potential regulatory changes. The program has leveraged research partnerships with various universities and Board Staff plan to continue these partnerships on future projects and studies. Looking ahead, Board Staff will continue to communicate program results to the Board on an annual basis.

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

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: Electronic Monitoring Policy

Overview:

- The Electronic Monitoring Policy was first adopted by the Board of Management on October 6, 2022.
- In addition to non-material clarifications, the proposed amendments address a new health & safety program related to employee-initiated lone worker monitoring.

Recommendation

That the Board of Management for the Lake Huron Primary Water Supply System take the following actions with regard to the amendment of a travel and expenses policy:

1. That the proposed amended policy, being an Electronic Monitoring Policy for the Lake Huron Primary Water Supply System, as attached to this report, **BE ACCEPTED** and a by-law be introduced at the March 5, 2026, meeting of the Board of Management to approve the Policy; and
2. This report and proposed Electronic Monitoring Policy **BE RECEIVED** for information.

Previous and Related Reports

October 6, 2022 Electronic Monitoring Policy

Background

As of April 11, 2022, the *Employment Standards Act, 2000* (“ESA”) was amended to require employers with 25 or more employees, excluding Crown Corporations and agencies, to implement an Electronic Monitoring Policy as of October 11, 2022. The intent of the amendment is to ensure that employees are adequately advised that their activities in the workplace may be monitored by their employer by electronic means.

The Electronic Monitoring Policy required under the Employment Standards Act would apply to all employees of the employer, as well as all assignment employees, temporary help, and agency employees who are assigned to perform work for the employer.

Discussion

The staff of the Regional Water Division, which are seconded and report to the Board of Management for the Lake Huron Water Supply System, are considered employees of

the Corporation of the City of London for the purposes of the *Employment Standards Act*. In addition, the Lake Huron Water Supply system utilizes various contracted services that may utilize the electronic systems owned by the Lake Huron Water Supply System, including but not limited to the contracted operating authority and contracted security services which operate at facilities owned by the Lake Huron Water Supply System.

Notwithstanding, and given the secondment nature of the employment of Regional Water staff, the Board adopted its own policy related to electronic monitoring for the purpose of public transparency as the systems and circumstances of employment may be different than other employees of the Corporation of the City of London.

Within the context of the *Employment Standards Act*, “electronic monitoring” may include any and all forms of employee and assignment monitoring that is undertaken electronically, as well as any electronic means by which an employer can directly or indirectly monitor the activities of an employee.

The existing policy includes various direct and indirect forms of monitoring including:

- GPS installed in fleet vehicles used by staff
- CCTV security cameras
- Access Control Systems (HID “swipe” cards)
- Computer and network systems

To address a workplace health and safety risk associated with staff working independently and working alone outside of the Regional Water office in London, an lone worker program has been developed and involves employee-initiated electronic monitoring. For complete transparency, the Electronic Monitoring Policy is recommended to be updated to include the lone worker program.

Conclusion

The proposed amendments to the Electronic Monitoring Policy for the Lake Huron Primary Water Supply System provides clarity and public transparency on electronic monitoring that may be undertaken by the Lake Huron Water Supply System.

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

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

Attachments: Electronic Monitoring Policy



By-Law No. 3-2026 – Schedule ‘D’

Electronic Monitoring Policy

Approved: 6 October 2022

Revised: 4 June 2026

Legislative History: Enacted by Board Resolution October 6, 2022, amended and enacted by By-law No. 1-2026 March 5, 2026

Last Reviewed Date: 29 January, 2026

Policy Lead: Director, Regional Water

1. Purpose

The Lake Huron Primary Water Supply System (“LHPWSS”) prioritizes instituting practices which foster a workplace culture of mutual trust with and among employees.

The purpose of this Electronic Monitoring Policy (“Policy”) is to ensure that each employee understands how and why the LHPWSS utilizes certain electronic systems which may be used for electronic monitoring, either directly or indirectly.

At all times, the LHPWSS will ensure that it remains compliant with applicable privacy laws and other laws that also relate to the subject matter of this policy.

2. Applicability

This Policy applies to all staff of the Regional Water Division of the City of London which are seconded and report to the Board of Management for the Lake Huron Primary Water Supply System, as well as all assignment employees, temporary help, and agency employees who are assigned to perform work for the LHPWSS.

The LHPWSS Video Surveillance Policy is a supplemental policy to this Policy, specific to the implementation and use of Closed-Circuit Television security cameras.

The Electronic Monitoring Policy of the Corporation of the City of London may also apply to employees accessing LHPWSS Systems utilizing computers, devices and network services provided through the Corporation of the City of London.

3. Definition of Electronic Monitoring

Electronic monitoring includes all forms of employee monitoring that is performed electronically.

In this Policy, “electronic monitoring” means the LHPWSS’ collection of information about an employee's activities through electronic devices, electronic communication tools, software, or any other technology used in LHPWSS networks and systems or through systems/devices not owned by the LHPWSS, but to which the LHPWSS has access or obtains information regarding an employee’s activities and that are monitored electronically, including employee personal devices used for work purposes.

Examples of electronic monitoring systems include, but are not limited to, LHPWSS-owned hardware such as computers, laptops, tablets, mobile devices, key fobs, video or audio recording devices, GPS units, GPS vehicle tracking and/or LHPWSS-licensed and approved software including computer servers, network threat detection tools, email accounts, applications, computer programs, LHPWSS-shared drives or file shares, message boards, instant messaging systems, LHPWSS cloud storage locations, whether leased or owned, and various other systems (“Systems”).

Given that technology changes rapidly, the LHPWSS reserves the right to amend these definitions and examples at any time, and the examples are not to be considered exhaustive.

4. LHPWSS Specific Electronic Monitoring

In addition to the Electronic Monitoring identified in the Electronic Monitoring Policy of the Corporation of the City of London (referenced in its capacity as Administering Municipality for the LHPWSS in the provision of seconded/assigned employees), at present the LHPWSS engages the following types of electronic monitoring:

- GPS-enabled tracking of vehicles supplied through the Corporation of the City of London for use by authorized employees of the LHPWSS from the time that the GPS is activated to the time that it is deactivated;
- GPS-enabled tracking through employee-activated lone worker application for use by employees identified in the working alone health and safety procedure;
- Closed-Circuit Television Security Cameras in accordance with the Video Surveillance Policy;
- Data associated with key card (HID cards) access controls is collected every time an employee uses their assigned key card to access an electronically controlled door;
- Network connectivity and activity is logged every time an employee logs into the network, and Wi-Fi data is tracked until the employee logs off;
- Data associated with the access and utilization of the document management system, including accessing, modifying, and deleting files for the purposes of document controls and records management;

- Monitoring of employee email, messaging and text-based communications to ensure compliance with employee policies/licencing requirements and productivity;
- Data associated with accessing, monitoring, modifications, and operational changes made within the Supervisory Control and Data Acquisition System

5. Purpose of Electronic Monitoring and Use of Information Obtained

The LHPWSS collects, uses, transfers and discloses information of its employees for reasons related to the administration of the employment relationship, health and safety of employees and visitors, site safety and security, as well as for the reasons specifically set out below. The information obtained through electronic monitoring may be used for the following reasons including, but not limited to:

- recruiting, training, recognizing, and retaining a highly qualified and motivated workforce;
- establishing and maintaining harmonious employer-employee relations;
- assessing overall employee productivity;
- disciplinary discovery, such as for workplace investigations concerning disciplinary and conduct issues;
- administration of the LHPWSS policies and procedures, including investigations related to alleged breaches of such policies and/or procedures;
- managing and promoting the LHPWSS business activities;
- complying with a subpoena, warrant or court order;
- ensuring security of Systems and all data contained or transmitted therein;
- employee and public health, safety and security; and,
- meeting requirements imposed by law.

6. In What Circumstances Employees May be Electronically Monitored

The LHPWSS may monitor employees during the employee's working hours, as well as anytime employees are utilizing LHPWSS Systems, or when personal devices for work-related purposes. Electronic monitoring may occur at any time when the employee accesses and utilizes LHPWSS Systems, including but not limited to remote access and working from home, including times outside of normal working hours.

7. No Expectation of Privacy

The way in which the LHPWSS seeks consent, including whether it is express or implied, may vary depending upon the sensitivity of the information and the method in which the information is being collected. In addition, in certain circumstances as permitted or required by law, the LHPWSS may collect, use or disclose personal information without the knowledge or consent of the individual.

The LHPWSS reserves the right to access any and all data hosted or stored on LHPWSS's Systems at any time and without advance notice or consultation with the employee, for the purposes described in this Policy or applicable law.

8. Retention and Safeguards

After the conclusion of the employment relationship, the LHPWSS may retain certain personal information that it obtained through electronic monitoring for a period not longer than seven years, unless otherwise required by applicable law.

Information obtained through electronic monitoring that is not personal information, may be retained indefinitely, at the sole discretion of the LHPWSS, unless otherwise requested.

The LHPWSS will protect personal information by security safeguards appropriate to the sensitivity of the information. Safeguards will vary depending on the sensitivity, format, location, and storage of the information.

9. Enforcement

If employees have any questions regarding this Policy or any questions about electronic monitoring that are not addressed in this Policy, they may contact the Director, Regional Water.

The LHPWSS will not tolerate any reprisal against an individual who exercises their rights under this Policy. Reprisal, or threats of reprisal, are considered a serious violation of an employee's rights, and will be dealt with accordingly.

10. Changes

This Policy may be amended in whole or in part or eliminated in its entirety at any time at the sole discretion of the LHPWSS, provided that any change or elimination complies with the *Employment Standards Act, 2000*. The Director, Regional Water, may make minor, non-material, changes to this policy for the purposes of policy maintenance, clarification, readability, and/or consistency with applicable legislation.

If a change to this Policy is made, the revised Policy will be made available to all employees.

Board of Management Report

Subject: Travel and Business Expenses Policy

Overview:

- Administrative Policy 1A (Travel and Expenses) was first adopted by the provisional Board of Management in January 1999 and affirmed by the Board in 2000 following the issuance of Transfer Order Lake Huron #W1/1998 effective September 15, 2000.
- Members and Alternate Members appointed to the Board by the benefiting municipalities do not receive remuneration from the Lake Huron Primary Water Supply System pursuant to the Transfer Order, consistent with the Municipal Act, but are entitled to reimbursement of reasonable expenses when undertaking Board business as approved by the Board of Management.
- The proposed Travel and Business Expenses Policy would apply to all Board Members and Alternate Members, the Chief Administrative Officer, and employees of the Regional Water division of the City of London (in its capacity as Administering Municipality) who are seconded to report to the Board for the purposes of administration, management and oversight services for the regional water system.

Recommendation

That the Board of Management for the Lake Huron Primary Water Supply System take the following actions with regard to the amendment of a travel and expenses policy:

1. That the proposed policy, being a Travel and Business Expenses Policy for the Lake Huron Primary Water Supply System, as attached to this report, **BE ACCEPTED** and a by-law be introduced at the March 5, 2026, meeting of the Board of Management to approve the Policy; and
2. This report and proposed Travel and Business Expenses Policy **BE RECEIVED** for information.

Previous and Related Reports

None

Background

Section 270 of the *Municipal Act, 2001*, requires a municipality or local board to adopt and maintain policies, including policies related to procurement and reimbursement of expenses.

Discussion

The proposed Policy, attached to this report, provides the framework for travel and the reimbursement of reasonable expenses incurred when Board Members, Alternate Members and employees travel and incur business-related expenses. The Policy includes provisions relating to approved travel and reasonable expenses incurred by Board Members and Alternate Members when conducting the business of the Board.

Transfer Order Lake Huron #W1/1998 issued by the Province of Ontario effective September 15, 2000, restricts Members and Alternate Members appointed to the Board of Management from receiving remuneration. Notwithstanding, Members and Alternate Members are entitled to reimbursement of reasonable expenses incurred by Board Members and Alternate Members when the Board Members or Alternate Members are undertaking the business of the Board as approved by the Board.

The proposed Policy is consistent with similar policies adopted by the benefiting municipalities and applies to Board Members, Board Alternate Members, the Chief Administrative Officer, and Board staff.

Conclusion

The proposed Travel and Business Expenses Policy for the Lake Huron Primary Water Supply System provides clarity relating to public transparency, approvals and related responsibilities for business-related travel and related reimbursement of expenses incurred when conducting the business of the Lake Huron Primary Water Supply System.

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

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

Attachments: Travel and Business Expenses Policy



By-Law No. 3-2026 – Schedule ‘C’

Travel and Business Expenses Policy

Approved: 5 March 2026

Revised: n/a

Legislative History: Enacted by provisional Board resolution (January 1999), endorsed by Board (December 2000), rescinded/replaced and enacted by By-law No. 01-2026 (March 5, 2026)

Last Reviewed Date: 26 February 2002

Policy Lead: Director, Regional Water

1. Purpose

The purpose of this Travel and Business Expenses Policy (“Policy”) is to address the methods and procedures by which the Lake Huron Water Supply System will be governed when attending to business, including but not limited to conferences, conventions, seminars, as well as business and business entertainment expenses; and provides for the associated compensation entitlements.

2. Applicability

This Policy applies to:

- All Members and Alternate Members appointed to the Board of Management for the Lake Huron Water Supply System (Officials).
- All staff of the Regional Water Division of the City of London which are seconded and report to the Board of Management for the Lake Huron Primary Water Supply System (Employees).
- The Chief Administrative Officer (CAO).

It is understood that authority for the expenditure of funds for any and all expenses covered by this Policy extends only to the extent of the financial limitations imposed by the annual (current) budgets of the Lake Huron Water Supply System.

It is understood where an active contract and/or collective bargaining agreement is in place that addresses items contained within this Policy that the terms of the contract/collective bargaining agreement will be followed.

Where this Policy contradicts an existing policy or practice, the issue will be forwarded to the Chief Administrative Officer or designate for a final binding decision. The issue and decision will be documented to be placed into further revisions of this Policy.

Any question involving the meaning or application of this policy is to be submitted to the Manager, Finance and Procurement, or designate for clarification.

3. Definitions

Accommodation – shall mean commercial lodging facilities such as hotels, motels, corporate residences or apartments.

Board of Management (and Board) – shall mean the Board of Management for the Lake Huron 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 (and CAO) – shall mean the person appointed as the Chief Administrative Officer in accordance with the Appointment of the Chief Administrative Officer Bylaw.

Director – shall mean the Director, Regional Water of the Regional Water division of the City of London seconded to Huron for the purpose of administration, management, and oversight of Huron.

Employees – shall mean the staff of the Regional Water division of the Corporation of the City of London which are seconded to Huron for the purpose of administration, management and oversight of Huron.

Expense Review Officer (and ERO) – shall mean the person responsible for administering this Policy, having budgetary control over the general ledger account to be expensed, and having authority over the Officials/Employees incurring the expenditure; as defined in Section II of this Policy.

Expense Reports – shall mean approved manual and electronic forms, and corporate purchasing card statements, as applicable.

Huron (and Lake Huron) – shall mean the Lake Huron 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.

Huron Business – shall mean attending an event as a representative of Huron, to derive a benefit for Huron, or to advance the interests of the Huron.

Local Mileage – shall mean travel within the municipal boundaries of the benefiting municipalities of Huron.

Officials – shall mean a Member or Alternate Member of the Board of Management.

Per Diem - shall mean an allowance to cover out-of-pocket expenses exclusive of accommodation or transportation. This allowance is intended to include meals, taxes, and gratuities related to travel.

Receipt - shall mean an original document showing the name of the vendor, as well as the date, amount and description of the expenditure paid by the Official or Employee.

Travel - shall mean going beyond the municipal boundaries of the benefiting municipalities of Huron for the purpose of Huron Business.

Travel Advance – shall mean the pre-payment of funds to an Official/Employee prior to Travel.

4. The Policy

4.1. Expense Review Officer

The following are designated “Expense Review Officers” (ERO) for the jurisdictions referred to and shall be responsible for administering this Policy within their particular areas of jurisdiction, addressing any justifiable expectations; and for auditing and processing all expense reports in accordance with this Policy, while maintaining the right to request additional explanations, documentation or justification of any or all of the expense reports.

Jurisdiction	Expense Review Officer
Board Chair	Director, Regional Water
Board Members & Alternate Members	Director, Regional Water
Chief Administrative Officer	Board Chair
Director, Regional Water	Chief Administrative Officer
Manager, Finance & Procurement	Director, Regional Water
Employees	Manager, Finance & Procurement, or designate

4.2. Responsibilities

4.2.1. Officials and Employees

Officials and Employees are responsible for adhering to the provisions of this policy, in addition to the completion of the expense report and submitting it for approval. Supporting documentation, as outlined in this Policy, must be attached to the expense report. To avoid duplicate payments and to facilitate appropriate reviews, copies of credit card/debit card transaction slips, and credit card

statement are not acceptable as receipts; however, may be required to provide proof of purchase.

4.2.2. Expense Review Officer

The ERO is responsible for reviewing and authorizing the expense report. Under no circumstances may an ERO authorize expenses incurred on their own behalf.

The ERO signature indicates that:

- The expense reported is a legitimate business expense, and funds are available within the adopted (current) budget;
- The purchasing method does not violate the purchasing policy;
- Appropriate supporting documentation, as outlined in this Policy, is attached; and,
- The expense has been charged to the correct cost centre, account and expense code.

The ERO is responsible for pre-approving individual travel and business expenses expected to be reimbursed at an amount greater than \$3,000 and to approve local mileage claims in excess of \$1,000.

Officials are not entitled to claim local mileage.

4.2.3. Finance

Approved expense reports are to be forwarded to the Manager, Finance & Procurement, or designate, for processing on a timely basis. An audit may be conducted at any time, without notice, to assess compliance with this policy. Failure to comply may result in corrective and/or disciplinary action up to and including dismissal.

4.3. General

4.3.1. Travel, business and local mileage expenditures are to be based on sound judgment and proper regard for the economy.

4.3.2. Where travel and business expense payments are made using a corporate purchasing card; all provisions within this policy and the corporate purchasing card policy must be followed.

4.3.3. Travel, business and local mileage expenditures are subject to examination by the Manager, Finance & Procurement, or delegate and/or the Board's external auditors and must be completed with care, accuracy and supported by the appropriate forms, invoices and/or receipts.

- 4.3.4.** Where an individual travel expense is expected to be reimbursed at an amount greater than \$3,000; a Travel Expense Authorization Form must be completed and approved by the ERO in advance of the date of travel. The Travel Expense Authorization Form must be attached to the expense report for submission for reimbursement.
- 4.3.5.** When more than one Official/Employee is attending the same event, all attendees must where practical/possible:
- i. Coordinate travel arrangements
 - ii. Take advantage of group rates
 - iii. Individually submit a separate expense report for reimbursement
- 4.3.6.** When personal and business travel is combined, only documented expenses directly related to the business portion are reimbursable. Travel and related expenses will not be reimbursed for spouse, dependents and/or other guests.
- 4.3.7.** When attending a course, conference or seminar, an outline/itinerary must be provided.
- 4.3.8.** Where travel is delayed or cancelled due to circumstances beyond the traveller's control, effort must be made to notify the ERO immediately; the individual should attempt to secure complimentary lodging and/or meals where available. Any additional expense resulting from the delay or cancellation may require justification and be subject to review.
- 4.3.9.** Expense reports must be submitted within sixty days from return to work from travel or the date from which the business expense was incurred. Consideration for year-end timelines should be taken into account at the end of the year.
- 4.3.10.** Huron will not reimburse for any personal items lost.

4.4. Travel

4.4.1. Authorized Travel - Officials

Officials are entitled to receive reimbursement for expenses while undertaking pre-approved Travel for Huron Business and attending the following:

- i. Board meetings, meetings of Board committees, meetings with Federal or Provincial Ministries, or Federal or Provincial officials;
- ii. Annual conferences or board meetings of any organization on which an Official sits as a director or committee member and representing the

Board, and where the Board is entitled to voting delegate status because of its membership;

- iii. Business as a representative of the Board, provided that prior approval has been received from the Board or provided that the Official is acting on behalf of the Chair or Vice-Chair of the Board and that prior approval of the Chair or Vice-Chair has been obtained; or,
- iv. Huron Business as the Chair or Vice-Chair of the Board provided that sufficient funds are available.

Officials are not entitled to reimbursement for expenses if the Official is reimbursed by the Municipality which appointed the Official to the Board or is otherwise reimbursed for the expenses incurred.

4.4.2. Authorized Travel – Employees

Employees, including the CAO and Director, are entitled to reimbursement for expenses while representing Huron and attending the following:

- i. Conferences, seminars, workshops of associations of which Huron is a member;
- ii. Board or executive committee meetings, committee meetings, associated meetings with federal or provincial ministries, workshops and seminars of an organization, provided that the staff member is a director, committee or task force member within the sponsoring organization;
- iii. Annual conferences or board meetings of any organization on which a staff member sits as a director or committee member representing Huron or is part of a professional association or membership;
- iv. Board meetings, meetings of Board committees, or associated meetings with Federal or Provincial Ministries and/or officials;
- v. Meetings with officials of other municipalities or attending workshops, seminars, conventions, or any other event, function or meeting related to Huron Business, provided that prior approval is received and subject to the availability of sufficient fund;
- vi. Out-of-town Huron Business as a representative of Huron provided that prior approval has been obtained;
- vii. Out-of-town Huron Business to meet with peers to discuss best practices; and,

- viii. Out-of-town training courses provided that such training is of benefit to the Employee's position or necessary to retain licensing/designations required of their position, and that prior approval has been obtained.

Employees are not entitled to reimbursement for expenses if the Employee is reimbursed by an organization or association or otherwise is reimbursed for the expenses incurred.

4.4.3. Travel Advances

- a) Requests for a Travel Advance must be submitted to the ERO at least two weeks prior to the departure date.
- b) The amount of the Travel Advance will be calculated by the ERO, based on the estimated expenses associated with the individual circumstance.
- c) No Travel Advance will be provided for amounts less than \$200.00. Per Diem amounts, if applicable, will be advanced in Canadian Funds only.
- d) Travel Advances resulting in \$0.00 balances (Travel Advance = actual travel costs), or amounts owed back to Huron, must be reconciled. For amounts owed back to Huron, repayment by the Official/Employee must be made within sixty days from the date of return from Travel. The cashier's receipt must be attached to the final expense report submitted to the ERO.
- e) Any Official/Employee that has an outstanding Travel Advance claim and repayment that is not submitted within sixty days of the date of return from Travel will not be allowed any further Travel Advances for Travel until the outstanding Travel Advance has been settled.

4.4.4. Registration Fees

Registration fees for attendance at a convention, conference, seminar, workshop or annual meeting will be reimbursed in full upon submission of an invoice from the appropriate organization and an official receipt indicating payment.

4.4.5. Travel Allowances

4.4.5.1. Per Diem Allowance

- a) The per diem rate shall be as established in this Policy. The per diem rate will be paid in Canadian funds. An Official/Employee who receives a per diem allowance may not claim additional personal expenses. To simplify reporting, receipts are not required for per diem expenses.

A corporate purchasing card should not be used to purchase expenses covered under the per diem allowance.

b) The per diem allowance is intended to cover the following normal daily expenses:

- Meals and snacks
- Gratuities
- Non-alcoholic beverages

c) The per diem rate of \$75.00 will be applied to a twenty-four-hour travel period. At the discretion of the ERO, a partial per diem may be paid to cover costs associated with partial travel days. (Proration will be based on actual departure/arrival times as outlined in 4.4.5.1(d) below). Where meals have been provided, the per diem rate will be reduced by the amount reflected as follows:

Breakfast \$15.00

Lunch \$25.00

Dinner \$35.00

d) Where a partial day per diem is applicable, the following proration will be applied:

Breakfast \$15.000 – if an Official/Employee is required to depart before 6:00 a.m.

Lunch \$25.00 - if an Official/Employee is required to depart before 12:00 noon

Dinner \$35.00 – if an official/Employee is required to return after 6:00 p.m.

No other expenses will be reimbursed; receipts are not required for per diem expenses.

4.4.5.2. Transportation

a) Officials and Employees may choose their own method of transportation on the understanding that the most direct route, the most economical and the most practical method of transportation must be used. The loss of productive time must be minimized.

b) Air

Economy class airfare is normally to be used; however, business class may be authorized by the ERO if:

- Less expensive seats are not available, or
- The departure time is not acceptable, or
- The individual is travelling on a continuous flight in excess of five (5) hours.

The cost of an additional night(s) accommodation may be reimbursed if it is required in order to take advantage of a discount fare, provided that the cost of the extra accommodation is not greater than the savings realized from the discounted airfare.

c) Rail

With prior approval of the ERO, Officials and Employees may be reimbursed for business class rail transportation, provided that they actually travel business class, and provided that the trip extends over a normal meal period (breakfast, lunch or dinner). Otherwise, only economy rail transportation costs will be reimbursed. The per diem will be reduced by the amounts noted in section 4.4.5.1(d).

d) Private Vehicles

Private vehicles may be used by Officials and Employees for out-of-town transportation when it is the most economical and practical method of travel. The mileage rate established by this Policy will be used for reimbursement.

- Expenses relating to personal vehicles such as maintenance, repairs, insurance premiums (standard or extra), accident deductibles or tickets, etc. will not be reimbursed.
- 407 ETR or similar toll charges are a reimbursable expense with receipt/proof of payment.
- NOTE: See Section 4.6 Risk Management – Personal Vehicle regarding insurance requirements for use of personal vehicles on Huron Business.

e) Huron Vehicles

The use of a Huron vehicle where available is encouraged. Fuel will be reimbursed with supporting receipts.

f) Rental Vehicles

Rental vehicles may be used by Officials and Employees where it is demonstrated that this method of transportation is more economical

and practical than the use of taxis, limousines, etc. The most economical size of vehicle must be used, depending on the requirements of the occasion and the number of passengers.

For Employees who rent vehicles, the rental contract must be registered under the name “Corporation of the City of London – [Applicant Name]”.

Officials/Employees who rent vehicles in their own name become contractually responsible for meeting the terms of the contract, including any loss or damage of the vehicle. See Section 4.7 Risk Management – Rental Vehicle (excerpt from the Risk Management Manual) for further details regarding insurance coverage.

g) Taxi/Limousine/Rideshare

Officials and Employees may be reimbursed for the actual costs of taxicabs, airport limousines, rideshare transportation, buses or equivalents for transportation between the individual's home or workplace and the designated transportation terminal as well as between the transportation terminal and the hotel or other destination point. Reimbursement will not be made to Employees for commuting between the individual's home and workplace.

4.4.5.3. Local/Out-of-Town Mileage

a) Local Mileage

Local Mileage expenses cover all individuals that this Policy applies to with the exception of Officials who are reimbursed for local mileage by their benefiting municipality.

The mileage rate will be reimbursed for local travel. Officials and Employees must complete the Car Allowance Statement and submit the form to the Manager, Finance & Procurement, or designate, at the minimum of a quarterly basis. The Car Allowance Statements submitted by Employees will be delivered to payroll weekly for reimbursement on the next available payroll direct deposit.

b) Out-of-Town Mileage

The mileage rate will be reimbursed for out-of-town travel. Officials and Employees must complete the Accounts Payable Voucher – Travel Advance/Expense Report and submit the form to the Manager, Finance and Procurement, or designate, within sixty days of travel. When more than one Official/Employee is travelling in the same vehicle, only the owner of the vehicle is entitled to reimbursement for mileage expenses as provided by this Policy.

4.4.5.4. Accommodation

- a) An overnight stay in association with a one-day meeting or business event out-of-town is justified depending on the scheduled start and end times of the meeting and that the distance required to be travelled exceeds 150 kilometres.
- b) Available government or corporate rates should be requested whenever applicable. Individuals may be reimbursed for either single or double room base rates (including applicable taxes) depending on individual circumstances.
- c) With the approval of the ERO, hospitality accommodation, such as suites, parlours, etc. may be obtained when necessary for approved entertainment or hosting purposes.

If an Official/Employee chooses to stay overnight with friends or relatives while on Huron Business instead of a hotel, accommodation expenses will not be reimbursed; however, the per diem allowance will still apply as required.

- d) In the event of travel cancellation. The Official/Employee may be held responsible and not reimbursed for 'no show' charges resulting from failure to cancel a hotel reservation.

4.4.5.5. Telephone Calls

Officials and Employees will be reimbursed for all telephone calls (local or long distance) that are directly related to Huron Business.

4.4.5.6. Spousal Expenses

Officials and Employees shall be responsible for all additional expenses incurred as a result of a spouse or companion travelling with them, save and except the cost of accommodation that is shared with the Official/Employee as referred to in Section 4.4.5.4 above.

4.4.5.7. Parking Expenses

- a) Officials and Employees will be reimbursed for the cost of parking their motor vehicle at a transportation terminal while they are out-of-town on business, subject to the submission of appropriate receipts and provided that the cost of the parking does not exceed the cost of ground transportation from their home or place of business to the transportation terminal. Loss or damage to the vehicle, while parked, shall not be the responsibility of Huron.

- b) Officials and Employees will be reimbursed for the cost of parking their motor vehicle overnight while they are out-of-town on business, subject to the submission of appropriate receipts. Loss or damage to the vehicle, while parked, shall not be the responsibility of Huron.

4.4.6. Travel Expense Reports

- a) Officials and Employees are responsible for submitting their respective travel expense reports with the ERO within sixty days of their return to office from an out-of-town event or from the date of the business expense incurred as covered by this policy.
- b) Original individual detailed receipts must be filed with the expense report for all travel expenses not covered by the per diem allowance and for all hotel (room) accommodations. To avoid duplicate payments, copies, credit card slips, statements and/or Interac payment slips are not acceptable as receipts, however, may be required to provide proof of payment.
- c) Any funds owed to Huron as a result of cash advances or claims for expenses of a personal nature not reimbursable under this Policy, etc. shall be submitted within thirty (30) days and a receipt for the returned funds shall be attached to the travel expense report.

Any funds owing by an Employee beyond a sixty (60) day period from the date of return from an out-of-town event may be deducted from the individual's next pay cheque.

4.4.7. Foreign Exchange

All funds shall be reimbursed in Canadian Funds.

The exchange rate used in calculation of the reimbursement will be the Bank of Canada rate during the travel period except in the following circumstances:

- If the Official/Employee provide evidence of the rate obtained at the time of travel, such as bank/currency exchange office or ATM receipts; or,
- In cases where a credit card has been used, the rate used on the credit card purchase(s) will be used for those purchases only. A copy of the credit card statement must be submitted.

4.5. Business Expenditures

4.5.1. Corporate Purchasing Cards

Where payments are made using a corporate purchasing card for items covered under this section of the policy; all provisions within this policy, including per the diem allowance, and the corporate purchasing card policy must be followed.

4.5.2. Hosting (Huron and non- Huron Employees in attendance)

- a) On occasions when it becomes necessary for an Officials/Employees to host or entertain individuals relating to the advancement of the affairs of Huron, such hosting or entertaining shall not be extended solely to Huron Employees or solely to the spouse or companion of the Officials or Employees, unless the individual, spouse or companion is attending in an official or business related capacity. In such cases, all expenses must be accompanied by receipts plus a written explanation setting out the following:
 - The purpose of the hosting and the particular circumstances;
 - The names and positions held of the person(s) hosted; and,
 - The location at which the hosting took place.
- b) Hospitality such as beverages, meals, tours or other entertainment is only to be provided to Officials/Employees that have been identified by prior approval to act as hosts to guests of Huron.
- c) Reasonable expenses associated with the hosting of business contacts, such as business lunches or dinners, may be reimbursed when the expense is considered to be necessary for the advancement of the interests of Huron (Officials or Employees alone are not considered “business contacts”). The request for reimbursement must include the purpose of the hosting, and the name(s) of the individual(s) hosted.

With pre-approval from the ERO, alcoholic beverages purchased during these business events may be reimbursed. It is the responsibility of the ERO to determine whether the expense should be reimbursed, given the particular circumstances. Officials/Employees must be mindful of the fact that entertainment expenses in particular must be able to withstand public scrutiny.

- d) When two or more Officials and/or Employees are present for a business/hosting event, the highest-ranking person present at the event must pay for the expenditure and prepare the respective

expense report. If this is not feasible, the resultant expense report must still be approved by the ERO of the highest-ranking person present at the event.

4.5.3. Meals In-town (Only Officials/Employees in attendance)

- a) It may be necessary for Officials and/or Employees to conduct Huron Business over a meal, or an Officials or Employee may incur meal expenses in conjunction with attending a function on Huron Business. It is the responsibility of the ERO to determine whether the meal expense should be reimbursed, given the particular circumstances. Receipts must be detailed and include a description of the purpose of the meal and a list of all persons in attendance.

Alcohol will not be reimbursed.

- b) When two or more Officials or Employees are present for a meal in-town, the highest-ranking person present must pay for the expenditure and prepare the respective expense report. If this is not feasible, the resultant expense report must still be approved by the ERO of the highest-ranking person present.

4.5.4. Business Expenditures (Non- Employees in attendance)

Expenses associated with events such as meetings, award banquets, a political speech/address or other business-related events where the purchase of a ticket or meal is required; will be reimbursed when such expense is considered to have a direct relationship to Huron concerns or interests or Huron Business. Additional reasonable expenses related to these types of events may be reimbursed. Official receipts must be provided.

4.5.5. Working Meetings / Life Events (Only Officials/Employees present)

- a) Non-alcoholic beverages and snacks may be offered to Officials and/or Employees required to work through "breaks" (otherwise called "coffee breaks"). Such hospitality should be restricted to occasions where the dispersal of participants during a break period is not desirable (e.g. training workshops). Managerial discretion and due regard for economy should be used in identifying such occasions.
- b) Non-alcoholic refreshments, meals, or both may be offered to Officials and/or Employees required to work through meal hours. Such hospitality should be restricted to occasions where the dispersal of participants during the meal hour is not desirable. Managerial discretion and due regard for economy should be used in identifying such occasions.

- c) Expenses will be reimbursed for employee events such as: team building events, staff appreciation or general celebrations, recognition of project milestones, or recognition of the extra efforts of employees. It is the responsibility of the ERO to exercise good judgment to ensure that the expense is warranted and reasonable, and that the type of event or award is appropriate for the purpose. Officials and Employees must be mindful of the fact that entertainment expenses in particular must be able to withstand public scrutiny.
- d) Expenses associated with functions for departing Employees may not be charged to Huron budget. All expenses related to this type of function are the responsibility of those hosting the function.
- e) Cash awards are considered taxable benefits under income tax regulations.
- f) It is not permissible to use Huron funds to purchase flowers or gifts in recognition of any individual or group of individuals unless required within the business context in such circumstances as:
 - a. In the event of the death of an Employee, an Employee's spouse or an Employee's child, the CAO or Director may purchase flowers on behalf of Huron. Where a donation is requested in lieu of flowers, the CAO or Director may make a contribution up to a maximum of \$100.00. Any flowers or donations shall be clearly marked as having come from the "The Board of Management and staff of Lake Huron Water Supply System".
 - b. In the event of the death of a current Member of the Board, a current Member of the Board's spouse or a current Member of Board's child, the CAO may purchase flowers on behalf of Huron. Where a donation is requested in lieu of flowers, the CAO may make a contribution up to a maximum of \$100.00. Any flowers or donations shall be clearly marked as having come from the "The Board of Management and staff of Lake Huron Water Supply System".
 - c. In the event of the death of a current local Member of Parliament or current local Member of the Legislative Assembly of Ontario, the CAO may purchase flowers on behalf of Huron. Where a donation is requested in lieu of flowers, the CAO may make a contribution up to a maximum of \$100.00. Any flowers or donations shall be clearly marked as having come from the "The Board of Management and staff of Lake Huron Water Supply System".

- d. Gifts for Officials or Employees related to service recognition, as directed by the Board.

4.5.6. Attending Public Functions

When Officials/Employees are officially requested to attend functions at public expense at which there are guests who are not Officials/Employees, the number of Officials/Employees must not exceed the number needed to reasonably conduct Huron Business.

Expenses incurred at or for political fundraising events where the Officials/Employee have been requested to attend are not reimbursable.

5. Appeal

Any dispute in relation the reimbursement of expenses in accordance with this Policy shall be referred to Chief Administrative Officer and the Director, Regional Water which shall constitute the Appeal Committee.

If the individual with a dispute is the Chief Administrative Officer, the Appeal Committee shall be the Board Chair and one Member of the Board chosen by the Board Chair.

If the individual with a dispute is the Director, Regional Water, the Appeal Committee shall be the Board Chair and the Chief Administrative Officer.

Decisions of the Appeal Committee shall be final.

6. Release of Expense Information

All expense information is considered to be public information and shall be made available by the Manager, Finance & Procurement, upon request.

7. APPENDIX A: Risk Management – Personal Vehicle

PURPOSE

From time to time, it is necessary for Employees to use a personal vehicle on Huron Business. This policy establishes the requirements of Employees, who receive travel expense reimbursement, are aware of expectations and insurance requirements when using a personal vehicle while on Huron Business.

POLICY

7.1. Automobile Liability Insurance Coverage

The Ontario Insurance Act directs that passengers injured during an automobile accident shall file their claim with their own insurance company. If they do not hold a policy, they can file a claim against the policy of their spouse or parent(s) or guardian(s). When a passenger has no access to any other insurance policy, they can make a claim against the insurance policy covering the vehicle that they were a passenger in.

- a) The Board purchases “Non-Owned Automobile Liability” insurance. This provides coverage, in excess of the Employee’s insurance, for legal liability arising out of automobile accidents while an Employee is using their vehicle for Huron Business.

Non-Owned Auto protects Huron and the Board against claims arising out of the use by Employees of their own personal vehicles. It does not protect the owner of the vehicle who must, by law, carry owner's insurance. If the owner’s policy does not cover part or all of a claim when a vehicle is operated on behalf of Huron, this ‘non-owned’ policy provides insurance to the Board.

7.2. Minimum Coverage

Employees who use their vehicles on Huron Business must maintain a minimum of \$1,000,000.00 automobile liability and statutory accident benefits insurance coverage as required under the Ontario Insurance Act.

- a) Injury/Incident Reporting Procedures

Employees will report all automobile accidents that occur while on Huron Business to the Director or their manager as soon as possible.

- b) The Director/manager will inform Human Resources of injuries involving Employees and Risk Management of injuries to non-employees. The Director/Manager will also complete the appropriate WSIB and Automobile Accident report forms as appropriate.

8. APPENDIX B: Risk Management – Rental Vehicle

8.1. Insurance on Rented Vehicles – Guidelines

When vehicles are rented for business purposes they must be rented in employer's name in order that the blanket auto insurance policy provides coverage. This is because the renter's own insurance policy responds first to claims by injured claimants. Employees who rent vehicles in their own name become contractually responsible for meeting the terms of the contract, including any loss or damage of the vehicle. For example, when an accident arises out of the use or operation of a leased or rented vehicle the priority of those responsible for costs is:

- a) The renter's own automobile insurance policy,
- b) Next is the policy of the driver of the vehicle, (for example, if you rented a vehicle but let a friend drive it), and
- c) The policy of the vehicle owner (the rental company).

8.2. Physical Damage to Rented Vehicles

The Collision Damage Waiver (CDW) on short-term vehicle rental contracts should be declined as the Board and City of London (City), in its capacity as Administering Municipality, has adequate insurance for the risk. Rental car agencies normally charge in between \$10.00 and \$20.00 per day in addition to the daily rental charge. In the case of the City and insured Boards, it is not necessary to purchase insurance for physical damage to the vehicles rented when the vehicles rented are valued at less than \$100,000.00.

8.3. Restrictions on Use

Rental agreements all contain restrictions on certain uses and drivers that, if violated, may affect insurance coverage and make the renter fully responsible for the loss. Renters should pay particular attention to the following typical rental agency restrictions:

- No driver under age 21
- No driver under the influence of alcohol or drugs
- No use inconsistent with normal business travel

8.4. Personal Use of Rented Vehicles

These guidelines and procedures apply only to vehicles rented for use on the business of the City, in its capacity as Administering Municipality, or insured Board.

8.5. Reporting Requirements

All accidents must be reported promptly to the rental agency, to the local police and to Risk Management. See Automobile Accident Report Form.

Board of Management Report

Subject: Brand and Brand Management

Overview:

- There will be no change to the legal name, structure or autonomy of the Lake Huron Primary Water Supply System, the oversight and authority of the Board of Management, or the day-to-day operations of the system.
- There is a need for a consolidated public-facing brand identity that allows for further consolidation of administrative and management functions to both the Lake Huron and Elgin Area Primary water supply systems to communicate consistently with target audiences under one brand.
- This initiative sets a foundation for clear, effective and consistent public-facing communication/engagement, underscores the cooperative nature of the two regional water systems, and creates opportunities for collaboration with partnering communities and interest holders.
- The recommended consolidated public-facing name is **Huron Erie Water** with logo and brand treatment included in the attached document.

Recommendation

That the Board of Management for the Lake Huron Primary Water Supply System take the following actions regarding a comprehensive brand for the regional water system:

- a) The Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report and associated presentation for information; and,
- b) The Board of Management for the Lake Huron Primary Water Supply System **ACCEPT** the proposal to brand the external facing identify as “Huron Erie Water” and **AUTHORIZE** the Director, Regional Water, to institute the consolidated brand and visual identity as appropriate; it being noted that the acceptance and implementation is contingent on the acceptance by the Elgin Area Primary Water Supply System Board of Management.

Background

It has been more than 20 years since the original logos and brand identities for the Lake Huron Primary Water Supply System and the Elgin Area Primary Water Supply System were created. At the time of their creation, the two regional water systems and Regional Water were still in their virtual infancy. The first stages of managing the provincial transfer focused on developing processes to ensure safe and effective delivery of potable water to partnering communities and the development of necessary management infrastructure and protocols.

The Regional Water division of the City of London (in its capacity as Administering Municipality) has delivered conjoined administration of the two systems since their inception, without a consolidated public-facing identity. This often leads to confusion and contextual issues when communicating with the public, as well as with external agencies, government officials and communities.

This branding initiative was developed in consultation with tbk Creative – a London-based marketing and communications firm, which has an existing relationship with the regional water system – in collaboration with the Director, Regional Water, and the Senior Manager, Business Administration, Regional Water. In addition to the development of a new logo and name, this initiative will include an updated set of brand standards. When completed, the cost of this initiative will be approximately \$12,000 in total, equally divided between the two water systems (\$6,000 per board).

The branding initiative will also impact, and be impacted by, ongoing strategic planning activities and the development of policies for the regional water system. A subsequent report will be presented to the Board that outlines the potential cost for the implementation of the updated brand and implications to the proposed strategic plan.

Discussion

It is important to recognize that this initiative will not alter the legal name, structure or autonomy of the Lake Huron Primary Water Supply System, or the authority and oversight responsibilities of the Board of Management. Additionally, the day-to-day operations of the Lake Huron Primary Water Supply System will not change.

Since the creation of the Lake Huron Primary Water Supply System and the Elgin Area Primary Water Supply System, the operational scope and capacity of the Regional Water division of the City of London (in its capacity as Administering Municipality) as the joint administrator of the two regional water systems have evolved and grown. The seconded staff of the Regional Water division function as the administrative staff of the regional water systems, reporting to the two separate and distinct Boards of Management.

We are now at a point where we can more fully consider the extent and implications of public engagement and proactive communications strategies as we continue to be responsible stewards of this critical natural resource under the direction of the two Boards.

Administering and managing both the Lake Huron and Elgin Area water systems, under separate brands, comes with challenges related to how the water systems effectively can communicate with target audiences and engage in strategic public engagement activities, on behalf of either or both systems.

The creation of a consolidated public-facing brand (name, logo, key messaging) for the conjoined administration of both water supply systems provides a solution to this problem. It establishes a foundation for clear, effective and consistent communication and engagement with target audiences, creates opportunities for collaboration with partnering communities and avoids confusion.

This consolidated brand enhances the community visibility of the activities of both systems and allows them to be viewed publicly as an entity that is committed to serving their partner communities. The intention was to create a flexible brand that works across public education and outreach initiatives, media relations, government relations and other communication activities, including social media.

Huron Erie Water was selected as the public-facing name for the conjoined administration of the two systems largely for its simplicity, its ability to be inclusive of all future partnering communities and its connection to the foundations of all we do.

The personality of this brand reflects a shared commitment to clarity, safety, and the communities that depend on both systems every day. Our goal is to build a visual language that feels warm, trustworthy, and easy to understand—one that helps people feel confident in where their water comes from and how it is cared for.

The target audience for this brand focuses on the people that engage with the water that is treated by the Lake Huron Primary Water Supply System and the Elgin Area Primary Water Supply System. This includes partnering communities and their customers, as well as future communities and consumers, and businesses throughout the region.

We see this brand allowing effective communication directly with consumers, through our partnering communities, for things like public education initiatives, conservation and responsible water usage, and water quality advisories. It also allows for better communication with interest holders such as health units and other government agencies and ministries.

Conclusion

The recommendation to adopt this brand identity does not alter the legal structure or autonomy of the Lake Huron Primary Water Supply System or the authority and oversight of its Board of Management, nor does it change any aspects of the day-to-day operations of the Lake Huron Primary Water Supply System.

The proposed brand implementation presents opportunities for the Lake Huron Primary Water Supply System to better communicate with its partner communities and their customers and brings about opportunities for broader engagement with target audiences.

Prepared by: Jess Bechard, MBA
Senior Manager, Business Administration

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

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

Attachments: Appendix A: Huron Erie Water Brand Identity (prepared by tbk Creative)

Appendix A: Huron Erie Water Brand Identity



HURON ERIE WATER

BRANDING IDENTITY

January 28, 2026 - V3

INTRODUCTION

Huron Erie Water is the unified public identity of the regional drinking water systems that supply 15 communities.

This brand reflects a shared commitment to clarity, safety, and the communities that depend on these two Great Lakes every day. Our goal is to build a visual language that feels warm, trustworthy, and easy to understand—one that helps people feel confident in where their water comes from and how it's cared for.

LOGOTYPE



Huron Erie Water®

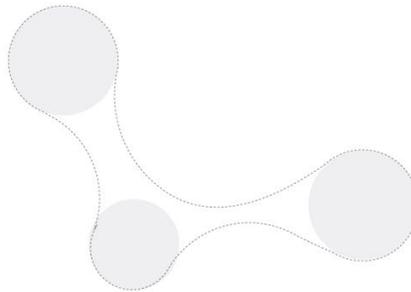
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ISOLOGO

The symbol represents:

- Two bodies of water
- One cohesive system
- A shared regional standard
- Flow, movement, and care

It's approachable, memorable, and instantly tied to the idea of unity and clarity.



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SOCIAL MEDIA

Your Water starts here.

TWO LAKES
ONE STANDARD.



Huron Erie Water®

What makes us different?

- Two lakes, one coordinated system
- Transparent and community-first
- A future-focused approach to water stewardship

Huron Erie Water® Learn more at HuronErieWater.ca





FPO

YOUR WATER STARTS HERE

**Rooted in Two Great Lakes.
Connected by One Standard.**



Huron Erie Water®

Huron Erie Water®

**Strategy Begins With Reliability.
And Reliability Begins With Clean Water.**

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Board of Management Report

Subject: Delegation of Powers and Duties Policy

Overview:

- The Board previously approved a Delegation of Powers and Duties Policy at the March 2, 2023 meeting.
- The proposed amendments to the policy provide clarification on various delegated authorities, as well as what the Board may consider when delegating authority.

Recommendation

That the Board of Management for the Lake Huron Primary Water Supply System take the following actions with regard to the amendment of a Delegation of Powers and Duties Policy:

1. That the proposed policy, being a Delegation of Powers and Duties Policy for the Lake Huron Primary Water Supply System, as attached to this report, BE ACCEPTED and a by-law be introduced at the March 5, 2026 meeting of the Board of Management to approve the Policy; and
2. This report and proposed Delegation of Powers and Duties Policy BE RECEIVED for information.

Previous and Related Reports

March 2, 2023 Delegation of Powers and Duties Policy

Background

The Board of Management (Board) for the Lake Huron Primary Water Supply System was established by Transfer Order (Order) issued by the Minister of the Environment of the province of Ontario effective September 15, 2000, pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*. The Order establishes the Board's authority to, among other things, enact policies and enter into agreements related to the Lake Huron Primary Water Supply System.

Section 270(1) of the *Municipal Act, 2001*, requires municipalities and local boards to adopt and maintain various policies including the delegation of its powers and duties. The Lake Huron Primary Water Supply System first established a Delegation of Powers and Duties Policy at the March 2, 2023, meeting of the Board of Management.

Discussion

The proposed amendments to the Delegation of Powers and Duties Policy (Delegation Policy), attached to this report as “Schedule A” of Appendix A, provides clarification to the Board’s delegation previously established. The proposed amendments to the Delegation Policy include:

- Clarification that a delegated authority cannot be further delegated by the individual, except as required by the Procurement of Goods and Services Policy or other policy, or where a person is in the designated acting capacity in the absence of the delegate.
- Clarification that in the event of an emergency, the Director of Regional Water has expanded delegated authority consistent with the special provisions of the Procurement of Goods and Services Policy, and only as it relates to the emergency.
- Clarification that, when considering delegating authority, the Board may, among other things, also consider things like span of control, public reporting requirements and the accountability of the delegation.
- Clarification that the Chief Administrative Officer may sign an agreement as it relates to the administrative approval of a procurement for goods and services, consistent with the Procurement of Goods and Services Policy.
- Clarification that the Chief Administrative Officer may approve grant applications on behalf of the Board up to \$5,000.
- Clarification that the Chief Administrative Officer may authorize and approve costs as a result of an arbitration of a capital project, undertaken in accordance with the Construction Act.
- Clarification that the Director of Regional Water may sign an agreement as it relates to the administrative approval of a procurement for goods and services, including low dollar value procurements.
- Clarification of the types of operational documents that can be signed by the Director of Regional Water, including the application for new/amended permits and licences, Environmental Activity Sector Registry, and site plan applications.

Conclusion

The proposed amendments to the Delegation of Powers and Duties Policy attached to this report, to be enacted by by-law, provides clarification to the guidelines that the Board may consider when delegating authority, as well as specified delegations to administrative staff consistent with the water system's Procurement of Goods and Services and Disposal of Assets Policy and consistent with the requirements of Section 270(1) 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: Schedule 'A' – Delegation of Powers and Duties Policy (amended)



By-Law No. 3-2026 – Schedule ‘B’

Delegation of Powers and Duties Policy

Approved: March 2, 2023

Revised: March 5, 2026

Legislative History: Enacted by By-Law 5A-2023 (March 2, 2023), amended by By-Law 3-2026 (March 5, 2026)

Last Reviewed Date: January 27, 2026

Policy Lead: Director, Regional Water

1 Purpose

This policy establishes guidelines for the Board of Management for the Lake Huron Water Supply System when considering the delegation of some of its powers and duties to a person or body.

2 Applicability

This policy shall apply to the Board of Management for the Lake Huron Water Supply System, noting that a delegation may not be subsequently delegated to another person or position except as may be permitted by the Procurement of Goods and Services and Disposal of Assets Policy, or other applicable policy, or when a person is in an acting capacity in the absence of the delegate.

3 Definitions

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

Board of Management (and Board) – shall mean the Board of Management for the Lake Huron 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, whose membership is constituted in accordance with the Appointment of Board Members By-law, as amended.

Emergency – shall mean a situation or an impending situation that constitutes a danger that could result in serious harm to persons or substantial damage to property or the significant impairment of water quality and quantity and that is caused by the forces of nature, a disease or other health risk, an accident, or an act whether intentional or otherwise.

Huron (and Lake Huron) – shall mean the Lake Huron 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.

4 The Policy

4.1 Applicable Legislation

Section 23.1 of the *Municipal Act, 2001* expanded the right of authority to delegate some of the powers and duties to a person or body.

It should be noted that the intent of Section 23.1 of the *Municipal Act, 2001* was to help streamline the decision-making process and enable the Board of Management to, as a local board, focus on larger issues in a more strategic manner. Delegation of powers and duties could also be used to enhance engagement with communities, interested parties and rights-holders on regional issues within the jurisdiction of Huron.

4.2 Powers that may be Delegated

Any delegation of a power or a duty shall be in accordance with the *Municipal Act, 2001*, S.O. 2001 c.25 and any other applicable legislation, noting that a delegation may not be subsequently delegated to another person or position except as may be permitted by the Procurement of Goods and Services and Disposal of Assets Policy, or other applicable policy or when a person is in an acting capacity in the absence of the delegate.

4.3 Process for Delegation

Any delegation of a power or a duty shall be made by by-law or resolution of the Board of Management.

4.4 Public Consultation

Prior to delegating any power or a duty, the Board of Management may consult with the public and/or the Benefiting Municipalities of Huron when, in the sole opinion of the Board of Management, public consultation is appropriate, unless it is required to do so by law.

4.5 Factors that the Board of Management may Consider

When delegating any power or duty, the Board of Management may consider, without limitation, any of the following matters:

- a) The term of the delegation;
- b) The conditions or restrictions, if any, on the Board of Management's powers to revoke the delegation;

- c) The conditions or restrictions, if any, to be imposed on the delegate;
- d) Whether the power or duty to be delegated will be exercised only by the delegate or by both the delegate and the Board of Management;
- e) Whether the delegation is consistent with the Board of Management's policies;
- f) The span of control, public reporting, and accountability of the delegation; and,
- g) The importance and complexity of the power or duty to be delegated and whether the delegate has the requisite qualifications and expertise to exercise the delegated powers and duties.

5 Delegation of Duties and Powers – Administrative

In addition to any delegation of duties and powers that the Board of Management may authorize, this Policy authorizes the following delegations of duties and powers:

5.1 Chief Administrative Officer

- a. Has the authority to execute Agreements related to approved research undertaken by an academic and research institution including, but not limited to, the related Industrial Research Chairs under the Natural Science and Engineering Research Canada program, the Ontario Water Consortium, the Canadian Water Network, and the Water Research Foundation, provided that there are sufficient funds within an appropriate account, and the activity or service is of benefit to Huron and undertaken in accordance with the Procurement of Goods and Services Policy;
- b. Has the authority to execute Pipeline Operations and Maintenance Agreement(s) and related amending agreements with landowners provided that the agreement and/or amending agreement is materially consistent with the corresponding template agreement approved by the Board of Management;
- c. Has the authority to execute Consulting Services Agreements and agreements for capital projects and initiatives not exceeding the budget approved by the Board of Management, and in accordance with the Procurement of Goods and Services and Disposal of Assets Policy; and,
- d. Has the authority to execute Agreements and/or Contracts for procurements within the Approval Authority granted to the Chief Administrative Officer, or jointly to the Chief Administrative Officer and the Director of Regional Water, pursuant to the Procurement of Goods and Services and Disposal of Assets Policy.
- e. Has the authority to approve applications for grants submitted in accordance with the Grants and Donations Policy, to a maximum of \$5,000.
- f. Has the authority to authorize and approve payments related to costs and fees from an adjudication undertaken and completed in accordance with the Construction Act.

5.2 Director of Regional Water

- a. Has the authority to execute forms and documents in the capacity as the Owner's agent or Owner's representative of Huron for the purpose of the ongoing administration, management and/or operation of the water supply system, including but not limited to:
 - i. Ministry of the Environment, Conservation and Parks Director Notification – Alteration to a Drinking Water System;
 - ii. Ministry of the Environment, Conservation and Parks Form 2 - Record of Minor Modifications or Replacements to the Drinking Water System;
 - iii. Access Plans, as amended from time to time, related to authorized Pipeline Operations and Maintenance Agreements executed with Landowners;
 - iv. Operational policies, procedures and related documents approved or endorsed by the Board of Management;
 - v. Applications related to new, amended and/or renewal of permits, licences, certificates, Environmental Activity Sector Registry, and related documents;
 - vi. Applications related to permits and approvals associated with approved capital projects and related initiatives, including but not limited to building permits, site plan and planning applications, conservation authority permits and approvals, utilities, and senior governments and their agencies;
 - vii. Agreements related to the services of the accredited laboratory as required by the *Safe Drinking Water Act* and its regulations;
 - viii. Agreements required and related to Utilities for the ongoing operation of Huron and in accordance with the Procurement of Goods and Services and Disposal of Assets Policy; and,
 - ix. Agreements related to Low Dollar Value Procurements (up to \$30,000), if required, in accordance with the Procurement of Goods and Services and Disposal of Assets Policy.
- b. Has the authority to execute Non-Disclosure Agreements regarding the provision of data, access to Huron facilities, and/or provision of information for the purpose of undertaking capital projects or operational requirements, including but not limited to participating in an approved research and related activities with an academic and research institution or consultant;
- c. Has the authority to execute Agreements and/or Contracts for procurements within the Approval Authority granted to the Director of Regional Water pursuant to the Procurement of Goods and Services and Disposal of Assets Policy”; and,
- d. Has the authority to submit comments to senior government engagement processes on behalf of the Board of Management and Huron, including but not limited to a posting on the Environmental Registry of Ontario.

- e. Has the authority to procure, execute agreements and contracts, and provide direction in an Emergency as established by, and in accordance with, the Procurement of Goods and Services and Disposal of Assets Policy, and as it solely relates to the Emergency.

Board of Management Report

Subject: Procurement of Goods and Services and Disposal of Assets Policy

Overview:

- The Board last approved amendments to the Procurement of Goods and Services and Disposal of Assets Policy at the December 7, 2023, meeting.
- The proposed amendments to the policy provides clarification on various delegated authorities and span of control related to public procurements, as well as address trade agreements and transparency in public procurement.

Recommendation

That the Board of Management for the Lake Huron Primary Water Supply System take the following actions with regard to the amendment of a Procurement of Goods and Services and Disposal of Assets Policy:

1. That the proposed policy, being a Procurement of Goods and Services and Disposal of Assets Policy for the Lake Huron Primary Water Supply System, as attached to this report, BE ACCEPTED and a by-law be introduced at the March 5, 2026, meeting of the Board of Management to approve the Policy; and
2. This report and proposed Procurement of Goods and Services and Disposal of Assets Policy BE RECEIVED for information.

Previous and Related Reports

December 7, 2023 Procurement of Goods and Services and Disposal of Assets Policy

March 2, 2023 Procurement of Goods and Services and Disposal of Assets Policy

Background

The Board of Management (Board) for the Lake Huron Water Supply System was established by Transfer Order (Order) issued by the Minister of the Environment of the province of Ontario effective September 15, 2000, pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*. The Order establishes the Board's authority to, among other things, enact policies and enter into agreements related to the Lake Huron Water Supply System. In March 2023, the Board enacted the Procurement of Goods and Services and Disposal of Assets Policy through By-Law No.2A-2023 which replaced the longstanding Procurement Policy established at the time of the transfer of ownership. The Policy was amended at the December 7, 2023, meeting of the Board

through By-law amendment to provide further clarification and corrections to the Policy. The policy ensures the water utility receives the best overall value for goods and services through a fair, transparent and competitive bidding process.

Discussion

The proposed amendments to the Procurement of Goods and Services and Disposal of Assets Policy (Procurement Policy), attached to this report as “Schedule A”, provides further updates and clarification to the Board’s policy previously established to address consistency with trade agreements, transparency in procurement and approval authorities, and assures appropriate span of control.

The proposed amendments to the Procurement Policy include:

- Adjustment of the low-dollar value procurement limit to \$30,000;
- Clarification of approval authority between the Board, the Chief Administrative Officer, the Director of Regional Water, and their delegates;
- Adjustment and clarification of procurement limits as they relate to the Canada Free Trade Agreement and the Canada-European Trade Agreement; and,
- Clarifications related to single source procurement, sole source procurement, and irregular results.

Conclusion

The proposed amendments to the Procurement of Goods and Services and Disposal of Assets Policy attached to this report, to be enacted via by-law, provides clarification to public procurements and assures that the Board maintains an appropriate balance of delegated authority, public transparency and best value in procurements.

Prepared by: Frank Tumin-Eke,
Procurement Officer

Archana Gagnier,
Manager, Finance and Procurement

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

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

Attachments: Schedule 'A' – Procurement of Goods and Services and Disposal of Assets Policy (amended)



By-Law No. 3 - 2026 – Schedule 'A'

Procurement of Goods and Services and Disposal of Assets Policy

Approved: March 2, 2023

Revised: March 5, 2026

Legislative History: Enacted March 2, 2023 (By-Law 2A-2023), amended December 7, 2023 (By-law 2A-2023), amended March 5, 2026 (By-law 3-2026)

Last Reviewed Date: February 5, 2026

Policy Lead: Director, Regional Water

1. Purpose

This Policy establishes the procurement and disposal processes to ensure best value, fairness, and accountability in the acquisition of goods, services, construction, and the disposal of assets for the Lake Huron Primary Water Supply System (Huron). This Policy confirms Huron as the sole authority governing all procurement and disposal activities related to its operations and capital projects.

2. Applicability

Procurement activities conducted for the Lake Huron Primary Water Supply System (Huron) shall be governed by all applicable Board policies and by-laws, the relevant provisions of the *Municipal Act 2001*, and all applicable Federal and Provincial legislation. Procurement authority rests solely with Huron under this Policy.

Services performed by the Administering Municipality on behalf of Huron, when requested or required by the Board, are excluded from the scope of this Policy, and such services shall not be construed as procurement activities governed by this Policy.

3. Definitions

In this Policy, unless a contrary intention appears,

Acting – shall mean the formal delegation of authority by the person in the position of authority to the person acting in that role on a temporary basis.

Addendum (and 'Addenda') – shall mean the form of a document used to officially change, and delete information contained within a Competitive Bid. By issuing an Addendum, the Competitive Bid itself changes to incorporate the Addendum.

Administering Municipality – shall mean the Corporation of the City of London, as outlined in Transfer Order Lake Huron Area #W1/1998 issued by the Minister of the Environment effective September 15, 2000, pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*, who provides services to and under the direction of the Board, as amended from time to time.

Agreement – shall mean a formal written legal agreement or contract for the supply of goods, services, equipment or construction.

Award – shall mean a bid is formally accepted by Huron and has obtained the required approval as defined in Section 4.7.5 and Schedule “A”. An award may be executed by the issuance of a Purchase Order, Contract Record or formal Agreement.

Best Value – shall mean the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan. Best value may include a time horizon that reflects the overall life cycle of a given asset.

Bid – shall mean a response to a competitive bid issued by Huron.

Bidder – shall mean a person, corporation or other entity that responds, or intends to respond to a competitive bid.

Bid Deposit – shall mean currencies, certified cheques, bid bond issued by a surety company licensed to operate by the Government of Canada or the Province of Ontario or another form of negotiable instrument acceptable to Huron to compensate Huron if the successful bidder does not enter into a contract.

Blanket Purchase Contract – shall mean any contract for the purchase of goods and services which will be required frequently or repetitively but where the exact quantity of goods and services required may not be precisely known or the time period during which the goods and services are to be delivered may not be precisely determined.

Board of Management (and Board) – shall mean the Board of Management for the Lake Huron 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.

Board Member – shall mean a member of the Board of Management as appointed in accordance with the Appointment of Board Members Bylaw.

Certificate of Clearance – shall mean certificate issued by an authorized official of the Workplace Safety and Insurance Board certifying that the Workplace Safety and Insurance Board waives its rights under Subsection 141(10) of the *Workplace Safety and Insurance Act, R.S.O. 1997*, as amended.

CETA – shall mean the **Comprehensive Economic and Trade Agreement** between Canada and the European Union, as amended from time to time, including any applicable procurement obligations and threshold values in effect at the time of procurement.

CFTA – shall mean the **Canadian Free Trade Agreement** that came into force on July 1, 2017, and governs trade and procurement obligations between Canadian provinces, territories, and public sector entities, as amended from time to time.

Chief Administrative Officer – shall mean the person appointed as the Chief Administrative Officer in accordance with the Appointment of the Chief Administrative Officer By-law.

Competitive Bid – shall mean a REOI, RFI, RFQual, RFP, IRFQ, RFQ or RFT as further defined in this section.

Consultant – shall mean an external subject matter expert that provides advisory services and direction to Huron when it requires competency and capacity for a particular procurement that is not available in-house.

Contract (and ‘Contracting’) – shall mean any formal or deliberate written agreement for the purchase of goods, services, equipment or construction including but not limited to Purchase Order and Agreement. Standard contracts may be used for the acquisition of goods and services for a specific requirement. Corporate contracts may be used for the acquisition of goods and services for a group of specific requirements.

Conflict of Interest – shall mean a situation in which the personal interests of the Chief Administrative Officer, the Director of Regional Water and/or Regional Water staff come into conflict, or appear to come into conflict, with the interests of Huron.

Contract Record – shall mean a document which summarizes the goods and services to be purchased.

Declaration Respecting Workers’ Compensation Act, R.S.O. 1990/Corporations Tax Act – shall mean a declaration that the bidder has paid all assessments or compensation payable and has otherwise complied with all requirements of the Workplace Safety and Insurance Board and that the bidder has paid all taxes and penalties imposed on it pursuant to the *Corporations Tax Act*, R.S.O. 1990, CHAPTER C.40, as amended.

Delegate - shall mean a person who has been delegated approval authority by a position with authority under this Policy (Section 4.7.7) and pursuant to the Delegation of Powers and Duties Policy.

Delegation of Approval Authority - shall mean the formal delegation of authority to perform a specific task or approval by a person in a position with authority under this Policy (Section 4.7.7) and pursuant to the Delegation of Powers and Duties Policy, resulting in a ‘delegate’.

Delegation of Approval Authority List - shall mean a list prepared by the Director of Regional Water granting the formal delegation of authority to perform a task or approval (Section 4.7.7).

Director of Regional Water – shall mean the Director of Regional Water of the Regional Water division of the City of London seconded to Huron for the purpose of administration, management, and oversight of Huron.

Dispute Committee - means a committee established by Huron and comprised of the Director of Regional Water (or delegate), a senior representative from the procurement function of Huron (or delegate), and a Senior Manager (or delegate) of Huron, convened to review and resolve procurement related disputes in accordance with this Policy.

Emergency – shall mean a situation or an impending situation that constitutes a danger that could result in serious harm to persons or substantial damage to property or the significant impairment of water quality and quantity and that is caused by the forces of nature, a disease or other health risk, an accident, or an act whether intentional or otherwise.

Employee-Employer Relationship – shall mean a worker agrees to work for Huron, on a full-time or part-time basis, for a specified or indeterminate period of time, in return for wages or a salary. Huron has the right to decide where, when and how the work is to be done.

Executed Agreement – shall mean a formal agreement, either incorporated in the bid documents or prepared by Huron or its agents, executed by the successful bidder and Huron.

Goods and Services – shall mean supplies, services, materials and equipment of every kind required to be used to carry out the operations of Huron.

Huron – shall mean the Lake Huron 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 and shall include the staff of the Regional Water division of the City of London seconded to Huron for the purpose of administration, management, and oversight of Huron.

Informal Request for Quotation (IRFQ) – shall mean a request for prices on specific goods and services from selected suppliers which are submitted in writing, or as specified in the Informal Request for Quotation.

Insurance Documents – shall mean official original documents issued by an insurance company acceptable to Huron and, preferably, licensed to operate by the Government of Canada or the Province of Ontario certifying that the bidder is insured in accordance with Huron's insurance requirements and completed on Huron standard insurance form(s); as contained in the competitive bid document or at the time of execution of an Agreement.

Irregular Result – shall mean as defined in Section 4.7.10.

Irregularities Contained in Bids – shall mean as defined in Schedule "C" and includes the appropriate response to those irregularities.

Irrevocable Letter of Credit – shall mean an irrevocable letter on the financial institution's standard form containing a request that the party to whom it is addressed pay the bearer or a person named therein money as a result of failure to perform or fulfill all the covenants, undertakings, terms, conditions and agreements contained in a contract.

Labour and Material Bond – shall mean a bond issued by a surety company on Huron's standard Form of Bond to ensure that the contractor will fulfill its obligations to its employees, subcontractors and suppliers and thereby protect Huron.

Letter of Agreement to Bond – shall mean a letter or other form issued by a surety company licensed to operate by the Government of Canada or the Province of Ontario advising that, if the bidder is successful the bonding agency will issue the required bonds.

MEA Consulting Services Agreement – shall mean the MEA/ACEC Ontario Client/Engineer Agreement for Professional Consulting Services template documents.

Obsolete – shall mean Huron assets that are no longer current or have no functional use due to being replaced by newer assets and still may have some economic value.

Pecuniary Interest – shall mean the opportunity, directly or indirectly, to profit or share in any profit derived from a competitive bid or agreement.

Performance Bond – shall mean a bond issued by a surety company on Huron standard Form of Bond executed in connection with a contract and which secures the performance and fulfillment of the undertakings, covenants, terms, conditions and agreements contained in the contracts. These may also be in the form of ‘renewable performance bonds.

Procurement Manager – shall mean an employee of Regional Water responsible for the overall management, oversight, and coordination of procurement activities for Huron. The Procurement Manager provides professional procurement advice, establishes procurement processes and controls, ensures compliance with this Policy and applicable trade agreements, and makes procurement recommendations in accordance with approved approval authorities.

Procurement Officer – shall mean an employee of Regional Water Services responsible for administering and overseeing procurement activities for Huron. The Procurement Officer may delegate certain procurement functions to qualified staff (such as a Procurement Specialist or Clerk), provided that overall accountability and authority remain with the Procurement Officer. Procurement authority resides exclusively within Huron governance and shall not be delegated to the Administering Municipality or to external parties.

Professional Consulting Services – shall mean a consulting firm, engineer or architect providing professional knowledge or design or technical expertise.

Proponent – shall mean the respondent to a Request for Proposal (RFP).

Purchase Order – shall mean the standard procurement document issued by Huron, or the Administering Municipality on behalf of Huron, to formalize a purchasing transaction with a supplier.

Purchase Requisition – shall mean a duly authorized written or electronically produced request in an approved format to obtain goods or services.

Purchasing Card – shall mean a credit card provided by the Administering Municipality to a Regional Water employee, and its use is bound by the provisions of this Policy and the Administering Municipality’s Procurement of Goods and Services Policy.

Regional Water – shall mean the Regional Water division of the City of London seconded to Huron for the purpose of administration, management, and oversight of Huron, including staff assigned to the Regional Water division.

Request for Expression of Interest (REOI) - shall mean a focused market research tool used to determine supplier interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications (RFQUAL) when the proposed procurement is well defined, and the purchaser has clear expectations for the procurement.

Request for Information (RFI) – shall mean a general market research tool to determine which products and services are available, scope out business requirements, and estimate project costs which may be used prior to issuing another type of competitive bid.

Request for Proposal (RFP) - shall mean a process where a need is identified, but the method by which it will be achieved is not prescribed at the outset. This process allows prospective suppliers and bidders to propose solutions or methods to arrive at the desired result.

Request for Qualifications (RFQUAL) shall mean a request for a list of qualified suppliers and firms who have an interest in providing services to Huron, typically through a two-stage process.

Request for Quotation (RFQ) – shall mean a request for prices on specific goods and services as specified in the Request for Quotation.

Request for Tender (RFT) – shall mean a request for sealed bids which contain an offer in writing to execute some specified services, or to supply certain specific goods, at a certain price, in response to a publicly advertised request for bids.

Scrap – shall mean Huron assets that no longer have the ability to function for their original design in their current state and have minimal economic value other than primarily for recycling value.

Sealed Bid – shall mean a formal sealed response received as part of a competitive bid.

Single Source – shall mean that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications. Further qualifications appear in the definition in Section 14.12.4.

Sole Source – shall mean that the goods and services are available from only one supplier. Further qualifications appear in the definition in Section 14.12.3.

Substantive Objection – shall mean an unsuccessful bidder request moving to the third stage of dispute resolution as prescribed in Section 4.2.6.

Supplier – shall mean any individual or organization providing goods or services to Huron including but not limited to contractors, consultants, suppliers, service organizations etc.

Supplier Conduct – shall mean the ethical, environmental, labour, safety and human rights standards required of all Suppliers engaging with Huron.

Surplus – shall mean Huron assets that exceed the portion that is utilized by Huron, may be current, may have functional use and still have some economic value.

Sustainable Purchasing – shall mean a procurement approach that considers the full life-cycle costs and benefits of goods, services, and construction, including economic, environmental, and social impacts, to achieve best value for Huron. For guidance, Huron may reference the City of London’s Sustainable Purchasing program, as appropriate.

Suspension – shall mean a temporary prohibition preventing a Supplier from participating in procurement opportunities issued by Huron.

Tender – shall mean a sealed bid which contains an offer in writing to execute some specified services, or to supply certain specified goods, at a certain price, in response to a publicly advertised request for bids.

Transfer Order – shall mean Transfer Order Lake Huron #W1/1998 dated effective September 15, 2000, issued by the Minister of the Environment pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*.

Triggering Event – shall mean an occurrence resulting from an unforeseen action or consequence of an unforeseen event, which must be remedied on a time sensitive basis to avoid a material financial risk to Huron or serious or prolonged risk to persons or property.

Value Analysis – shall mean a life cycle costing approach to valuing a given alternative, which calculates the long term expected impacts of implementing the particular option.

4. Procurement Policy

4.1 Procurement Goals and Objectives

- 4.1.1 Policy outlines the processes to be followed in order to obtain the best value when purchasing goods, contracting for services, or disposing of assets having monetary value for Huron.
- 4.1.2 The guiding principle of this Policy is that procurement decisions shall be made through a competitive process that is open, fair, and transparent, and that the disposal of Huron-owned assets shall be undertaken with the knowledge and oversight of the Board. Huron procurement activities shall also be conducted in compliance with applicable trade agreements, including the CFTA and the CETA, which support open, non-discriminatory competition and the achievement of best value for Huron.
- 4.1.3 Huron encourages innovation and the use of appropriate technology which meets Huron specifications and industry standards in order to ensure the utilization of the most efficient and effective procurement processes and practices.
- 4.1.4 Huron will consider the total costs including, but not limited to, the cost of acquisition, operation, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs in evaluating competitive bids from responsive and responsible bidders. Where costs are submitted for more than one year, the net present value of the annual costs will be used to evaluate the costs at a discount value.

- 4.1.5 Huron shall integrate environmental, social, economic, and lifecycle considerations into procurement planning and evaluations. Sustainability criteria may include lifecycle costing, energy efficiency, climate resilience, durability of water infrastructure assets, waste reduction, greenhouse gas minimization, and Supplier sustainability performance. Huron may reference the City of London Sustainable Purchasing Program for guidance, provided such reference does not supersede or conflict with Huron authority.

4.2 General Provisions

- 4.2.1 Unless otherwise provided in this Policy, the Director of Regional Water is authorized to act on behalf of Huron for the procurement and disposal of goods and services and shall ensure that such activities are conducted in accordance with the procurement methods and requirements set out in this Policy.

The Director may delegate the day-to-day administration and oversight of procurement activities to the Procurement Manager and the Procurement Officer, who shall jointly be responsible for planning, coordinating, and managing procurement processes, ensuring compliance with this Policy, and providing professional procurement advice and recommendations in support of procurement decisions.

This Policy shall be administered in compliance with applicable trade agreements, including the CFTA and the CETA. Where procurement values exceed applicable trade agreement thresholds, Huron shall comply with the associated transparency, open competition, and non-discrimination obligations.

- 4.2.2 No purchase of goods and services shall be authorized unless it is in compliance with this Policy. Goods and services that are obtained without following the provisions of this Policy will not be accepted, and any invoices received may not be processed for payment.
- 4.2.3 Unless otherwise provided in accordance with this Policy, the purchase of all goods and services shall be authorized in accordance with the provisions of Schedule "A" to this Policy.
- 4.2.4 Requisitions or purchase orders shall not be arbitrarily structured to alter the relationship of the price to the preauthorized expenditure limit.
- 4.2.5 The procedures prescribed in this Policy shall be followed to make an award or to make a recommendation for an award to the Board.
- 4.2.6 Huron recognizes that errors, misunderstandings, or differing interpretations may occur during a procurement process and that bidders may feel aggrieved by a recommended contract award. To maintain the integrity, fairness, and transparency of the procurement process, a bidder who believes it has been treated unfairly may raise the concern by submitting a written notice to the Procurement Manager, with a copy to the Director of Regional Water, prior to the award of the contract.

A bidder wishing to formally dispute the recommended award must submit a written appeal within two (2) business days of being notified by Huron that its bid or proposal was not successful. Upon receipt, the Procurement Manager shall acknowledge the dispute and coordinate a hearing meeting with the Director of Regional Water (or delegate).

The hearing meeting shall be held within seven (7) business days of the bidder's notification and shall provide the bidder with an opportunity to present the basis of the dispute.

Where the bidder disagrees with the outcome of the hearing meeting, the bidder may submit a further written appeal to the Huron Board within seven (7) business days of receiving the written decision arising from the hearing meeting. The Board shall consider the appeal and render a determination. The Board's decision shall be final.

Huron may, in its absolute sole discretion, reject any other bids submitted if the bidder, or any officer of the bidder, is or has been engaged, either directly or indirectly through another Corporation or personally, in/or during a dispute appeal of decision for the contract award action against Huron.

In determining whether or not to reject a bid under this clause, Huron will consider delays in awards of this or subsequent contracts and whether the dispute or appeal is likely to affect the bidder's ability to work with Huron, its consultants and representatives, and whether the experience with the bidder indicates that the Huron is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder.

Huron will also consider delays in awards of subsequent Huron contracts with other contractors and the potential for those additional costs resulting in delays associated with this dispute/appeal.

There are strict time limits to file a dispute appeal. If the bidder is unsure of the deadline for appeal, they must seek direction from the Director of Regional Water. Failure to seek and follow these directions will result in the appeal being dismissed.

- 4.2.7 This Policy will be **reviewed** and revised on a periodic basis. It is anticipated that reviews will be conducted **every two (2) years** or more frequently as required. Where this Policy is silent, the Procurement Manager may recommend adopting provisions from comparable public-sector procurement frameworks, including those of the City of London, subject to approval by the Director of Regional Water. Such adoption shall not be automatic and must not conflict with Huron governance, thresholds, or authorities.
- 4.2.8 Good and services NOT subject to this Policy are listed in Schedule "B". The final determination of whether goods and services qualify for exemption under Schedule "B" shall be determined by the Director of Regional Water.

- 4.2.9 In accordance with Ontario Regulation 191/11 under the *Accessibility for Ontarians with Disabilities Act, 2005 (AODA)* as amended, Huron shall consider accessibility criteria and features when procuring or acquiring goods, services, or facilities, except where it is not practicable to do so. In which case, an explanation will be provided upon request.
- 4.2.10 No purchase of goods and services associated with computer software, hardware and telecommunications equipment will be authorized without the completion of appropriate cybersecurity and information technology reviews and the authorization of the Director of Regional Water.
- 4.2.11 When Grants or Stimulus Funding are received by Huron, the use of that funding for procurements is subject to this Policy, notwithstanding any specific conditions placed by the Grant or Stimulus Funding provider.
- 4.2.12 Where any matter or circumstance occurs not provided for by this Policy, the procurement and disposal policies and procedures of the Administering Municipality may be used as a guide with the necessary modifications in the circumstances.

4.3 Roles and Responsibilities

4.3.1 General Responsibilities

All persons with Approval Authority shall follow the guidelines as set out in Schedule 'D', as well as Section 4.4 below.

Procurement activities shall be subject to all applicable Huron policies and by-laws, any specific provisions of the Municipal Act, and all other applicable Federal and Provincial legislation.

Failure to adhere to the requirements outlined in this Policy may lead to disciplinary action up to and including termination of employment.

No provision of this Policy precludes the Director of Regional Water, with the concurrence of the Chief Administrative Officer, from recommending an award to the Board where:

- a) In the opinion of the Director of Regional Water, it is in the best interest of Huron to do so; or,
- b) It is a matter of procurement procedure and, in the opinion of the Director of Regional Water, is in the best interest of Huron to do so.

4.3.2 Chief Administrative Officer

The Chief Administrative Officer has the authority to instruct the Director of Regional Water not to award contracts and to submit recommendations to the Board for approval and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interest of Huron.

4.3.3 Director of Regional Water

- a) Has responsibility for all procurement activities on behalf of Huron and is accountable for achieving best value while following the Procurement of Goods and Services and Disposal of Assets Policy;
- b) Is responsible for maintaining ownership over this Policy and its integrity;
- c) Has the authority to delegate approval authority to staff at the appropriate levels (Section 4.7.7);
- d) Has the authority to award contracts in the circumstances specified in this Policy provided that the delegated power is exercised within the limits prescribed in Schedule "A" and the requirements of this Policy are met; and,
- e) When the Director of Regional Water is of the opinion that a Triggering Event has occurred, the Director of Regional Water may authorize the purchase of such goods and services as is considered necessary to remedy the situation without regard to the requirement for a competitive bid and may approve the necessary contract amendment. The relevant details surrounding the Triggering Event shall be included in a report and submitted to the Board as soon as reasonably possible.

4.3.4 Board

- a) Despite any other provision of this Policy, the following contracts are subject to Board approval:
- b) Any contract requiring approval from the Ontario Land Tribunal;
- c) Any contract prescribed by Statute to be made by the Board;
- d) Where a recommendation is being made to amend the total value of a contract in excess of the original bid (plus contingency), and;
 - i. it is an amount greater than \$100,000 or 5%; or
 - ii. in the opinion of the Chief Administrative Officer, funds are not available for the additional expenditure.
- e) Where a Substantive Objection, emanating from the competitive bid has been filed with the Director of Regional Water prior to award of the contract;
- f) Where there is an Irregular Result (see Section 4.7.10);
- g) Where authority to approve has not been expressly delegated.

4.3.5 Procurement Manager

The Procurement Manager is responsible for the effective management, oversight, and coordination of Huron's procurement and disposal activities. This includes, but is not limited to:

- a) Developing and maintaining procurement processes, documentation standards, templates, and guidelines in accordance with this Policy.
- b) Planning and coordinating procurements, including timing, method selection, and evaluation approaches.
- c) Providing professional procurement advice and interpretation of this Policy and applicable trade agreements (including CFTA and CETA).
- d) Ensuring procurements are conducted in a manner that supports transparency, fairness, accountability, and best value.
- e) Advising the Director of Regional Water on procurement decisions and recommending awards within delegated authority.
- f) Managing the dispute process in accordance with Section 4.2.6 and facilitating communication with bidders regarding procurement decisions.

4.4 Conflict of Interest

- 4.4.1 No Board Member or employee of Regional Water or the Administering Municipality shall have a pecuniary or controlling interest either direct or indirect in any competitive bid or contract for the supply of goods or services to Huron, unless such pecuniary interest is disclosed by the contractor, bidder or person submitting a quotation, as the case may be, or unless such pecuniary interest would be exempt under the *Municipal Conflict of Interest Act*.
- 4.4.2 Competitive bid documents shall include a section that requires and provides for the disclosure of any pecuniary interest prior to submission of the bid. Should a conflict of interest arise after the award of a contract, the conflict shall immediately be disclosed in writing to the Director of Regional Water. Further, a competitive bid documents and agreements shall provide that in the event that a contract is awarded to a person who has not, during the bidding or contracting process, disclosed the pecuniary interest of a Board member, Regional Water employee, or employee of the Administering Municipality in the contract, the contract may be cancelled at any time by Huron in its entire discretion without damages or penalty.
- 4.4.3 In this section, controlling interest' means the interest that a person has in a corporation when the person beneficially owns, directly or indirectly, or exercises control or direction over, equity shares of the corporation carrying more than ten percent (10%) of the voting rights attached to all equity shares of the corporation for the time being outstanding.

- 4.4.4 For the purposes of this section, a person has an indirect pecuniary interest in any competitive bid or agreement entered into by a corporation, if:
- a) The person or his or her nominee is a shareholder in or a director or senior officer of a corporation that does not offer in securities to the public; or
 - b) Has a controlling interest in or is a director or senior officer of a corporation that offers securities to the public.
- 4.4.5 For the purposes of this section, a Board Member, Regional Water employee or employee of the Administering Municipality has an indirect pecuniary interest if the person is a partner of a person or is in the employment of a person or body that has entered into a tender, proposal, quotation or contract with Huron.
- 4.4.6 For the purposes of this section, the pecuniary interest in a Tender, Proposal, Quotation or contract of a parent or spouse or any child of a Board Member, Regional Water Employee, or employee of the Administering Municipality shall, if known to the person, be deemed to be also the pecuniary interest of the Board Member, Regional Water employee or employee of the Administering Municipality as the case may be.

4.5 Prohibitions

4.5.1 Division of Contracts

No Regional Water employee shall divide a purchase or contract to avoid the requirements of the Tender, Proposal, Quotation or purchasing procedures of this Policy. Nor shall purchases be split in order to circumvent prescribe spending authority dollar limits as outlined in this Policy.

4.5.2 Interference in the Procurement Process

- a) Board Members and Regional Water employees shall not knowingly cause or permit anything to be done or communicated to anyone in a manner which is likely to cause any potential supplier to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and services to Huron. This also includes a contract with any other municipality, local board , public body or government agency involved in the purchase of goods and services either jointly or in cooperation with Huron.
- b) Board Members shall separate themselves from the procurement process and have no involvement whatsoever in specific procurements. Board Members should not see any documents or receive any information related to a particular procurement while the procurement process is ongoing. Board Members who receive inquiries from suppliers related to any specific procurement shall immediately direct those inquiries to the Director of Regional Water or the Chief Administrative Officer.

- c) The only exception to (b) above relates to selection of an integrity commissioner or an RFP whereby Board Members are specifically part of the evaluation team for the RFP as approved by resolution of the Board.

4.5.3 Official Point of Purchasing Contact and Lobbying Prohibition

- a) Huron is committed to the highest standards of integrity with respect to the purchase of goods and services and managing the processes by which goods and services are acquired. The official point of purchasing contact shall be the Procurement Officer identified in the competitive bid documents. Should it be necessary or desirable to have a contact person to respond to technical issues that person shall be named in the competitive bid documents.

All communications shall be made by these individuals and, during the procurement process, no bidder or person acting on behalf of the bidder or group of bidders shall contact any Board Member or consult with any employee of Regional Water or Huron's operating authority, to seek information or to influence the award of the contract.

Any activity designed to influence the decision process, including, but not limited to, contacting any Board Member, or consulting with any employee of Regional Water or Huron's operating authority, for purposes such as meetings of introduction, social events, meals, or meetings related to the selection process, shall result in disqualification of the bidder for the project to which the influencing activity is directed.

- b) Notwithstanding the foregoing, this prohibition does not apply to meetings specifically scheduled for presentations or negotiations related to the competitive bid. Any bidder found to be in breach of this Policy shall be subject to immediate disqualification from the procurement process and may be prohibited from future opportunities at the discretion of the Board.
- c) In addition, no bidder who has been awarded the contract shall engage in any contact or activities in an attempt to influence any Board Member, or consultant with any employee of Regional Water or Huron's operating authority with respect to the purchase of additional enhancements, options, or modules. However, a contractor may communicate with the appropriate Procurement Officer identified in the competitive bid documents or the Director of Regional Water for purposes of administration of the contract during the term of the contract.
- d) The determination of what constitutes influential activity is in the sole discretion of the Director of Regional Water, acting reasonably, and not subject to appeal.

4.5.4 Trade Agreement Non-Compliance

Failure to comply with the requirements of applicable trade agreements, including the CFTA and CETA, may be considered a prohibited procurement practice. Non-compliance may result in restricted or unfair access to procurement opportunities, expose Huron to formal trade challenges or bid disputes, and undermine the integrity, transparency, and fairness of the procurement process. Adherence to trade agreement obligations is essential to maintaining public confidence, legal compliance, and the achievement of best value for Huron.

4.6 Procurement Documentation

- 4.6.1 Regional Water shall establish, maintain, and periodically update its own procurement documentation standards, guidelines on procurement policies and procedures, templates, and procedures governing a comprehensive bid process, including the planning, solicitation, receipt, evaluation, award, and administration of procurements. Such documentation, guidelines, and processes shall be developed and applied in a manner that ensures fairness, transparency, consistency, accountability, and compliance with this Policy and all applicable legislative and trade agreement requirements.
- 4.6.2 The Procurement Officer shall review proposed procurement documentation for a Competitive Bid to ensure clarity, reasonableness, quality and consistency with guidelines, and shall advise Regional Water of suggested improvements.
- 4.6.3 Procurement documentation shall avoid use of specific products or brand names.
- 4.6.4 Notwithstanding Section 4.6.3, the Director of Regional Water (or delegate) may specify a specific product, brand name or approved equal for essential functionality purposes (with consideration for operating and maintenance costs) to avoid unacceptable risk or for some other valid purpose. In such instances, the Director of Regional Water (or delegate) shall oversee the procurement to achieve a competitive situation whenever possible.
- 4.6.5 The use of standards in procurement documentation that have been certified, evaluated, qualified, registered or verified by independent nationally or internationally recognized and industry-supported organizations such as, but not limited to, the Standards Council of Canada, shall be preferred.
- 4.6.6 Director of Regional Water (or delegate) shall:
- a) Give consideration to Value Analysis, Sustainable Purchasing and supplier code of conduct;
 - b) Ensure that adequate Value Analysis comparisons are conducted to provide assurance that the specification(s) will provide best value.
 - c) Forward the Value Analysis to Purchasing and Supply for documentation in the procurement file; and

d) Ensure specifications(s) are set to allow for an open competitive process.

4.6.7 All substantive changes to standard clauses in Competitive Bid documents and standard agreements shall be reviewed by Huron's solicitor (or delegate).

4.6.8 Unless otherwise noted in this Policy, the Director of Regional Water (or delegate) shall issue Competitive Bid documents for goods and services. The Procurement Officer shall give notice of the issuance of a Competitive Bid electronically via the internet as well as any other means as appropriate.

4.7 Approval Authority and Reporting Requirements

4.7.1 Any person having delegated approval authority pursuant to this Policy shall ensure that an approved budget, as described in Section 4.16 of this Policy, exists for the proposed procurement and that such procurement does not violate any Huron policies or any applicable law. Any such procurement shall also satisfy any applicable audit and documentation requirements of Huron.

4.7.2 All applicable taxes, duties and shipping shall be excluded in determining the procurement limit of authorized delegates and the type of procurement process to be followed.

4.7.3 The dollar values identified in this section represent the annual estimated procurement value for a good and service to be procured. The annual estimated procurement value is the cumulative value spent over a twelve (12) month period for a particular good and service.

4.7.4 In the case of multi-year supply and service contracts, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract.

4.7.5 The following body and persons shall have the respective approval authority as set out below (see summary in Schedule "A"). All dollar values are based on annual amounts and must be within pre-approved budgeted limits.

a) **Board** must approve the following awards:

- i. RFP or RFT equal to or greater than the applicable CFTA threshold for goods, services or construction, as amended, and any RFP or RFT greater than the applicable CETA threshold for goods, services or construction, as amended.
- ii. RFP or RFT is greater than \$139,000 and having an Irregular Result (see Section 4.7.10); and,
- iii. Sole Source or Single Source greater than \$347,400

b) **Chief Administrative Officer** is authorized to approve the following awards:

- i. Professional Consulting Services greater than \$139,000 and less than the applicable CETA threshold for services, as amended.

- ii. Sole Source or Single Source greater than \$139,000 and less than the CFTA threshold for construction.
- c) **Director of Regional Water and the Chief Administrative Officer** (jointly) are authorized to approve the following awards:
 - i. Sole Source or Single Source up to \$347,000;
 - ii. RFP or RFT up to \$139,000 and having an Irregular Result (see Section 4.7.10);
 - iii. RFP or RFT of \$50,000 up to \$139,000 and in excess of the Board approved budget; and,
 - iv. RFP or RFT of \$139,000 up to the applicable CETA threshold for goods, services or construction not exceeding the Board approved budget.
- d) **Director of Regional Water** is authorized to approve the following awards:
 - i. Informal quotations up to \$50,000 and in excess of the Board approved budget; and,
 - ii. Professional Consulting Services not exceeding \$139,000.
- e) **Director of Regional Water** or any Regional Water employee exercising delegated authority approval are authorized to approve the following awards Provided that the procurement value does not meet or exceed any applicable CFTA or CETA threshold:
 - i. Informal quotations up to \$50,000 not exceeding the Board approved budget; and,
 - ii. RFQ or RFP up to \$139,000 not exceeding the Board approved budget.

4.7.6 Section 4.7.5 approvals may be overridden in the case of an ‘emergency’ as defined in Section 4.13.2 of this Policy.

4.7.7 **Delegation of Approval Authority**

The method for the Director of Regional Water delegating approval authority is as follows:

- a) The Director of Regional Water shall prepare a ‘delegation of approval authority list’ for Regional Water;
- b) The list will provide evidence that the staff listed have been delegated approval authority by the Director of Regional Water;
- c) The list at minimum, shall include the staff person’s name, title and approval limit, the list will also include any acting roles;

- d) The list shall be updated immediately upon any change in staff or position;
- e) A copy of the list shall be maintained by Huron and circulated internally to the Director of Regional Water, the Procurement Manager, and the Regional Water Finance and Procurement Department for reference each time the list is revised;
- f) The Procurement Manager shall ensure that the delegation of approval authority list is current and made available to appropriate Huron staff, as required for the administration of this Policy;
- g) Huron staff responsible for procurement, purchasing, and financial administration shall review the applicable delegation of approval authority list prior to undertaking any task that requires approval under this Policy.

4.7.8 Only the Director of Regional Water may further delegate approval authority to Regional Water staff at the procurement values deemed appropriate. Regional Water staff that have been delegated approval authority from the Director of Regional Water to approve procurement shall have no authority to further delegate this approval authority to any other person.

4.7.9 The Board may explicitly delegate further approval authority as it considers necessary from time to time, including but not limited to, any extended time periods which the Board does not meet.

4.7.10 Irregular Result

- a) The Director of Regional Water may approve a Competitive Bid up to \$50,000 where the value of the lowest compliant bid is in excess of the Board approved budget including any contingency allowance.
- b) The Director of Regional Water, jointly with the Chief Administrative Officer may approve a Competitive Bid up to \$139,000 if any of the following conditions apply:
 - i. The value of the lowest compliant bid is in excess of the Board approved budget including any contingency allowance;
 - ii. The specifications of a competitive bid cannot be met by two (2) or more suppliers;
 - iii. The award is not being made to a compliant bidder(s) offering the Best Value to Huron; or,
 - iv. Where a Substantive Objection has been filed prior to award of a Competitive Bid
- c) The Director of Regional Water and the Chief Administrative Officer shall submit a report to the Board and receive their approval for the award of a Competitive Bid greater than \$139,000 if any of the following conditions apply:

- i. The value of the lowest compliant bid is in excess of the Board approved budget including any contingency allowance;
- ii. The specifications of a competitive bid cannot be met by two (2) or more suppliers;
- iii. The award is not being made to a compliant bidder(s) offering the Best Value to Huron; or,
- iv. Where a Substantive Objection has been filed prior to award of a Competitive Bid.

4.7.11 Reporting to the Board

- a) On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where delegated approval authority was used to award a Contract in excess of \$10,000, amend or extend a Contract, and amend Board approved budgets in accordance with this Policy.
- b) On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where delegated approval authority was used to dispose of Huron assets in accordance with this Policy.

4.8 Low Dollar Value Procurements (up to \$30,000) as per Schedule 'A'

4.8.1 Procurements up to \$30,000 shall be considered low dollar value procurements.

4.8.2 A Purchasing Card provided by the Administering Municipality may be used for low-dollar value procurements provided that the procurement complies with the Administering Municipality's Procurement of Goods and Services Policy, as applicable.

For further clarity, where alternative payment methods such as cheque or electronic funds transfer are available and reasonably practical, those methods are preferred; however, the use of a Purchasing Card remains permissible where operationally appropriate.

4.8.3 The Director of Regional Water may delegate approval authority to Regional Water staff for low dollar value procurements, and it is their responsibility to ensure that this Policy is adhered to.

4.8.4 Huron's standard insurance form(s) must be completed for all Informal Quotations, as appropriate.

4.8.5 WSIB Certificates of Clearance must be obtained at the commencement of the project and as needed before final payment is released.

4.8.6 Low dollar value procurements do not require an RFQ, RFP or RFT. Obtaining competitive quotes is considered good business practice and should be obtained

where it is reasonably practicable. An authorized Purchase Order is the preferred method.

4.9 Informal Request for Quotation (IRFQ) \$30,000 to \$50,000 – as per Schedule ‘A’

- 4.9.1 Procurements greater than \$30,000 but not exceeding \$50,000 are eligible to be completed through an Informal Quotation process. The Director of Regional Water or any employee exercising delegated authority is authorized to award the contract
- 4.9.2 All Informal Quotations shall be in accordance with the Procurement of Goods and Services and Disposal of Assets Policy.
- 4.9.3 Informal Quotations shall be obtained in the following manner:
 - a) Written (use of the electronic bidding system is encouraged) bids obtained from at least three (3) separate potential suppliers;
 - b) A ‘No Bid’ response shall not be considered as a valid bid;
 - c) All suppliers shall receive the same written informal quotation information;
 - d) The informal quotation shall be awarded to the lowest compliant bid; and
 - e) Documentation on all bids, including but not limited to the prospective bidders list, bid document, bid responses and decision-making rationale shall be retained in the project files for a minimum of two (2) years and in accordance with the Retention Policy of Huron.
- 4.9.4 Regional Water staff are encouraged to seek at least three (3) bids to ensure a more competitive process. If staff has exhausted all efforts to obtain three (3) bids and can support this with documented evidence under Section 4.9.3.e. above, a minimum of two (2) written bids is acceptable.
- 4.9.5 Huron’s standard insurance form(s) must be completed for all Informal Quotations as appropriate.
- 4.9.6 WSIB Certificates of Clearance must be obtained at the commencement of the project and as needed before final payment is released.
- 4.9.7 An authorized Purchase Requisition may be issued and shall include copies of the Bids received.

4.10 Request for Quotation (RFQ) \$50,000 to \$139,000 – as per Schedule ‘A’

- 4.10.1 RFQ procedures shall be used where:
 - a) The item is greater than \$50,000 but not exceeding \$139,000;
 - b) The requirement can be fully defined; and,

- c) Best value for Huron will be achieved by an award selection made on the basis of the total lifecycle cost that meets all terms, conditions and specifications.
- 4.10.2 The Director of Regional Water or any Regional Water employee exercising delegated authority approval may approve this award.
- 4.10.3 Huron's standard insurance form(s) must be completed for all Requests for Quotations as appropriate.
- 4.10.4 WSIB Certificates of Clearance must be obtained at the commencement of the project and as needed before final payment is released.
- 4.10.5 The Director of Regional Water or any Regional Water employee exercising delegated authority approval shall submit a Purchase Request in writing containing the relevant specifications, budget authorization, approval authority and terms and conditions for the purchase of goods, services or construction.
- 4.10.6 Regional Water shall be responsible for administering and reviewing RFQs, including those conducted through an approved electronic bidding platform, and for verifying that all terms, conditions, and specifications are met.
- 4.10.7 Huron reserves the right in its absolute sole discretion to accept or reject any submission.

4.11 Request for Proposal (RFP) – as per Schedule 'A'

- 4.11.1 The RFP procedure shall be used where:
 - a) The requirement is best described in a general performance specification.
 - b) Innovative solutions are sought; and,
 - c) To achieve best value, the award selection will be made on an evaluated point per item or other method involving a combination of mandatory and desirable requirements.
- 4.11.2 Awards under the RFP process require the following approval:
 - a) Except in the case of an award for Professional Consulting Services or an Irregular Bid, the Director of Regional Water or any Regional Water employee exercising delegated authority approval may approve an RFP award for purchases up to \$139,000;
 - b) Except in the case of an award for Professional Consulting Services or an Irregular Bid, the Director of Regional Water and the Chief Administrative Officer must jointly approve an RFP award for purchases greater than \$139,000 up to the threshold value established under CETA; and,

- c) The Board must approve an RFP award for purchases greater than the applicable trade agreement threshold, as amended.
- 4.11.3 The RFP process is a competitive method of procurement that may or may not include supplier pre-qualification and may be conducted through an approved electronic bidding platform.
- 4.11.4 An RFI, REOI or RFQUAL may be issued in advance of a RFP to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified suppliers.
- 4.11.5 An RFI, REOI and RFQUAL shall follow the same award approvals as an RFP, if applicable.
- 4.11.6 Regional Water may establish and maintain a list of suggested evaluation criteria to assist in formulating an evaluation methodology for use in a Request for Proposal (RFP). Such criteria may include, but are not limited to, qualifications and experience, strategy, approach, methodology, scheduling, past performance, facilities, equipment, pricing, life-cycle costing, product standardization, and factors supporting sustainability and environmental procurement. The selection and application of evaluation criteria shall be determined by Regional Water for each procurement and applied in accordance with this Policy to ensure fairness, transparency, and best value.
- 4.11.7 The Director of Regional Water or any Regional Water employee exercising delegated authority approval shall identify appropriate evaluation criteria from the list for use in an RFP but are not limited to criteria from the list. Cost will always be included as a factor, as best value includes but is not limited to quality and cost.
- 4.11.8 The Director of Regional Water or any Regional Water employee exercising delegated authority approval shall submit a written Purchase Request containing the budget authorization, approval authority, terms of reference and evaluation criteria to be applied in evaluating the proposals submitted.
- 4.11.9 A designated Procurement Officer will be the lead in the RFP process, including prerequisite RFI, REOI and/or RFQUAL as applicable. A selection committee will be formed with a minimum of three evaluators. The evaluators shall review all compliant proposals against the established criteria, reach consensus on the final rating results, and ensure that the final rating results, with supporting documents, are kept in the procurement file. The Purchasing Officer may or may not participate in the scoring of the proposals. The RFP process may be administered through an approved electronic bidding platform.
- 4.11.10 During the proposal process all communication with proponents shall be through the designated Procurement officer.
- 4.11.11 The Procurement Officer shall provide an evaluation summary of the procurement, as well as the evaluation committee's recommendation for award of contract to the proponent which meets all mandatory requirements and providing best value as

stipulated in the RFP. The Procurement Officer is responsible for documenting the determination of best value. The criteria and analysis to determine best value will be included (if applicable) in the report to the Board.

- 4.11.12 Reporting will not include financial summaries of bids as this information will remain confidential. Any disclosure of information shall be made by the appropriate officer in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990*, as amended.
- 4.11.13 Unsuccessful proponents may, at their request, attend a debriefing session with the Procurement Officer to review their competitive bid. Any discussions relating to any submissions other than that of the proponent present will be strictly prohibited. This debriefing session is intended to provide general feedback regarding the proponent's rating on various criteria in order to allow the proponent to understand where future improvements might be available.
- 4.11.14 Huron reserves the right in its absolute sole discretion to accept or reject any submission.
- 4.11.15 Procurement for Collaborative Delivery Programs that involve the procurement of a combination of goods, services, construction and/or consulting services (including design-build and construction manager at risk), shall follow the RFP process as outlined in this section 4.11.

4.12 Request for Tender (RFT) Greater than \$139,000 – as per Schedule 'A'

4.12.1 RFT procedures shall be used where:

- a) The total cost is expected to be greater than \$139,000;
- b) The requirement can be fully defined; and,
- c) Best value for Huron can be achieved by an award selection made on the basis of the lowest bid that meets all terms, conditions and specifications.

4.12.2 Awards under the RFT process require the following approval:

- a) The Board must approve an RFT award for tenders greater than the threshold value established by CETA, where sufficient funds are not available within the appropriate account;
- b) The Board must approve an RFT award for an Irregular Bid; and,
- c) The Director of Regional Water and the Chief Administrative Officer must jointly approve an RFT award for tenders up to the threshold value established by CETA and where there are sufficient funds available within the appropriate account.

4.12.3 The Director of Regional Water (or delegate) shall submit a purchase request in writing containing the relevant specifications, budget authorization, approval

authority and terms and conditions for the purchase of goods, services or construction. Specifications may include certain brands of product in order to facilitate standardization of Huron's inventory as per Section 4.6.4 of this Policy.

- 4.12.4 The Procurement Officer shall be responsible for arranging the public disclosure of bid submissions at the time and date specified by the bid call.
- 4.12.5 The Procurement Officer shall provide a summary of the bids and recommend the awarding of the contract to the lowest compliant bidder.
- 4.12.6 Huron reserves the right in its absolute sole discretion to accept or reject any submission.

4.13 Non-Competitive Purchases (Emergency, Sole Source, Single Source)

- 4.13.1 The requirement for a Competitive Bid process for the selection of a supplier for goods, services and construction (except for Emergencies – see Section 4.13.2) may be waived under the authority of the Chief Administrative Officer and replace with direct negotiations by the Director of Regional Water (or Delegate) under the following circumstances:
 - a) The procurement qualifies as a “Sole Source” as defined in Section 4.13.3; or,
 - b) The procurement qualifies as a ‘Single Source’ as defined in Section 4.13.4.

4.13.2 Procurement Emergencies

For the purpose of this section, and in addition to Section 3, “Emergency” shall mean an event or occurrence that in the opinion of the Chief Administrative Officer or the Director of Regional Water deem as an immediate threat to:

- a) Public health;
- b) The maintenance of essential Huron services; or,
- c) The welfare and protection of persons, property, or the environment; and the event or occurrence necessitates the immediate need for goods or services to mitigate the Emergency, and time does not permit for a competitive procurement process.

In the event of an Emergency the Chief Administrative Officer or Director of Regional Water, and their respective delegates, are authorized to enter into a purchase agreement utilizing the Emergency Reserve Fund as the source of finance without the requirement for a formal competitive process. A list of pre-qualified suppliers will be used to select the suppliers, whenever possible.

Where the procurement to mitigate, the Emergency is anticipated to exceed \$50,000:

- a) A notification must be sent (e-mail is acceptable) to the Regional Water Finance and Procurement department requesting the establishment of a project number for the Emergency. The notification shall include an outline of the nature of the emergency (referencing this section of the Policy), the estimated budget for the project, and the primary Regional Water contact that is managing the Emergency.
- b) A notification must be sent (e-mail is acceptable) from the Director of Regional Water to the Board, copied to the Chief Administrative Officer, notifying the Board Members of the nature of the emergency and that the Emergency provisions of this Policy have been used; and,
- c) The steps taken to mitigate the Emergency must always be clearly documented regardless of amount.

Where the aggregate costs for the Emergency are expected to be in excess of \$50,000, the emergency procurement shall be reported at the next regularly scheduled meeting of the Board, or related Special Meeting of the Board if called in accordance with the Rules of Order and Procedure By-law.

4.13.3 Sole Source

The procurement may be conducted using a Sole Source process if the goods and services are available from only one supplier by reason of:

- a) Statutory or market-based monopoly;
- b) Competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, license, technical secrets or controls of raw material; or,
- c) The complete item, service, or system is unique to one supplier, and no other alternative or substitute exists.

4.13.4 Single Source

Single Source means that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications.

The procurement may be conducted using a Single Source process if the goods and services are available from more than one source, but there are valid and sufficient reasons for selecting one supplier in particular, as follows:

- a) An attempt to acquire the required goods and services by soliciting competitive bids has been made in good faith, but has failed to identify more than one willing and compliant supplier;

- b) The confidential nature of the requirement is such that it would not be in the public interest to solicit competitive bids;
- c) Construction, renovations, repairs, maintenance etc. in respect of a building leased by Huron may only be done by the lessor of the building, in accordance with a lease agreement;
- d) There is a need for compatibility with goods and services previously acquired or the required goods and services will be additional to similar goods and services being supplied under an existing contract (i.e., contract extension or renewal);
- e) The required goods and services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience;
- f) The goods are purchased under circumstances which are exceptionally advantageous to Huron, such as in the case of bankruptcy or receivership;
- g) It is advantageous to Huron to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body;
- h) It is advantageous to Huron to acquire the goods or services directly from another public body or public service body;
- i) Another organization is funding or substantially funding the acquisition and has determined the supplier, and the terms and conditions of the commitment into which Huron will enter are acceptable to Huron;
- j) The acquisition is for a particular brand of goods or services that are intended solely for resale to the public and no other brand is desirable, and the brand is not available from any other source; or,
- k) Where due to abnormal market conditions, the goods, services or construction required are in short supply.

4.13.5 Sole Source and Single Source – Approval and Reporting

Awards which qualify to be considered as Single Source or Sole Source process require the following approval:

- a) The Director of Regional Water and the Chief Administrative Officer must jointly approve an award not exceeding \$139,000; or for construction awards up to the applicable CFTA construction threshold, as amended; or,
- b) The Board must approve an award greater than \$139,000 unless otherwise permitted by this Policy.

4.14 Appointment of Professional Consulting Services

4.14.1 General

- a) Senior management staff will be involved in the selection process for Professional Consulting Services. Specifically, the Senior Manager of Capital Programs or the Senior Manager of Business Administration is to be involved in the procurement of consulting services for all projects within their respective department, and Director of Regional Water for high-profile projects of increasing complexity or expense.
- b) Under no circumstances shall an extension or expansion of a consulting engagement preclude the required approvals. This includes splitting the project or scope of work into multiple phases or sections. The Board has sole authority to approve and award contracts greater than the CETA threshold for services, as amended.
- c) If a consulting engagement that was previously awarded administratively subsequently exceeds the CETA threshold for services, the Director of Regional Water shall prepare an information report for the Board providing a status update and requesting approval to proceed (if applicable).
- d) The Director of Regional Water shall be responsible for ensuring that a Consulting Services Agreement is executed for engineering consulting assignments. Notwithstanding, if an alternative agreement is used for any consulting services, the agreement must be reviewed by the Board's solicitor. The Consulting Services Agreement or alternate consulting services Agreement must be executed by the Chief Administrative Officer and Board Chair, or their delegate.
- e) The Director of Regional Water shall be responsible for ensuring that appropriate insurance and WSIB documents are obtained and submitted to the Administering Municipality's Risk Management division and copies kept with the project file.
- f) On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where Consulting Services were administratively awarded, or an agreement for Consulting Services was amended or extended in accordance with this Policy.

4.14.2 Consulting Engineers, Architects, Landscape Architects and Environmental Consultants

With the exception of the procurement for Collaborative Delivery Projects, including design-build or Construction Manager at Risk, the selection of Professional Consulting Services will follow the requirements of Section 4.14.1; and,

- a) Professional Consulting Services, such as architects, landscape architects, and environmental consultants, may be procured in accordance with an

Huron approved Consultant Vendor of Record and grouped consultant selection process, established and maintained by the Director of Regional Water.

- b) A list of pre-approved firms (Consulting Engineers, Architects, Landscape Architects and Environmental Consultants) that provide professional consulting services shall be established by the Director of Regional Water.
- c) Assignments for projects which have estimated fees of less than \$139,000 shall be awarded by the Director of Regional Water to listed candidate firms based on an evaluation of the firm's competency, expertise, costs, past performance on Huron projects, available capacity, and the size of their operation and the particulars of the work to be done.
- d) Assignments for projects that are more complex in nature, but that are within the capability of firms included on the above-mentioned pre-approved list, and that have estimated fees between \$139,000 and the CETA threshold for goods and services, as amended, shall be assigned on the basis of a proposal submitted by a minimum of three (3) qualified firms from the list. Such proposals shall outline the firm's approach to the proposed project and demonstrate relevant experience and knowledge of projects of a similar nature.

If staff has exhausted all efforts to obtain at least three (3) proposals and can support this with documented evidence, a minimum of two (2) written bids is acceptable

A grouped consultant selection process may be undertaken for more than one project where the projects are similar in nature, the consultants possess the requisite skills and capacity to undertake the work, and operational efficiencies or value-for-money benefits are realized by Huron. Any grouped consultant selection process shall be established, maintained, administered, and governed by Huron in accordance with this Policy. The process shall form part of Huron's consultant selection framework and shall be applied in a manner that ensures fairness, transparency, consistency, and best value, and shall not constitute or rely upon any external consultant selection framework or delegation of procurement authority.

- e) Except in the case of an Irregular Bid, assignments for projects with estimated fees between \$139,000 and the CETA threshold for goods and services, as amended, shall be approved by the Chief Administrative Officer.
- f) Assignments for complex projects, or projects with estimated consulting fees greater than the CETA threshold for goods and services, as amended, shall be awarded through a two-stage competitive process. The first stage shall consist of an open, publicly advertised expression of interest and pre-qualification process (REOI/RFQUAL). The second stage shall consist of a Request for Proposals (RFP) issued to the short-listed firms, of which there shall be a minimum of three (3) qualified firms, each submitting their proposed

approach and demonstrating relevant experience and knowledge of projects of a similar nature.

- g) The assignments of an Irregular Bid outlined in parts d) and any assignment outlined in f) above and their related budget shall be subject to the approval of the Board. Prior to award by the Board, Regional Water staff will negotiate with the recommended consultant to establish the estimated personnel costs and other charges required for the assignment. It is anticipated that an upset fee will be established for the first phase of the project as directed by the Director of Regional Water. Board approval will be for the entire project noting that the consultant shall obtain the approval of the Director of Regional Water to proceed with subsequent phases to upset limits as appropriate to the work within the limit of the budget.
- h) A consulting firm which has satisfactorily partially completed a project may be recommended for award of the balance of a project without competition subject to satisfying all financial, reporting and other conditions contained within this Policy. This should be to the financial advantage of Huron due to the fact that such a consultant has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected.

4.14.3 Other Professional Consulting Services

The selection of Professional Consulting Services which are not included under Section 4.14.2 will follow the requirements of Section 4.14.1; and,

- a) Projects which have estimated fees of less than \$139,000 may be awarded by the Director of Regional Water under the following circumstances:
 - i. the project requires special knowledge, skills, expertise or experience; or,
 - ii. another organization is funding or substantially funding the project and has already selected a preferred firm and strict timelines have been placed on the funding; or,
 - iii. the confidential nature of the project is such that it would not be in the public interest to solicit competitive bids; or,
 - iv. the preferred firm has already been selected through a formal procurement process by another public body to provide same or similar services; or,
 - v. the project requirement meets the definition of Sole Source, Section 4.13.3.
- b) The Director of Regional Water is responsible for detailing the rationale supporting their decision to award the recommended firm.

- c) Under this section, all professional consultant proposals must include, at minimum:
 - i. Schedule of fees;
 - ii. Methodology and timeline to complete project;
 - iii. Demonstrated experience and qualifications required to perform project; and,
 - iv. List of personnel who will be directly involved in the completion of the project.
- d) All requirements for Other Professional Consulting Services (section 4.14.3) not meeting the selection requirements of section 4.14.3(a) shall follow the RFP process outlined in Section 4.11

4.15 Blanket Purchase Contracts

- 4.15.1 A Blanket Purchase Contract established by Huron, in accordance with this Policy and Huron's procurement procedures, may be used where it is determined to be in the best interest of Huron.

4.16 Requirement for Approved Funds

- 4.16.1 The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within Board approved budget for Huron.
- 4.16.2 Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:
 - a. The identification and availability of sufficient funds in appropriate accounts for the current year within the Board approved budget;
 - b. The requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the Director of Regional Water, the required funding can reasonably be expected to be made available; and,
 - c. The contract containing a provision that the supply of goods or services in subsequent years is subject to the approval by the Board.

4.17 Bid Administration

- 4.17.1 All competitive procurements shall be administered by an authorized Procurement Officer using an electronic bidding platform directly procured and controlled by Regional Water.

The protocol for bid irregularities and their associated responses are detailed in Schedule 'C' of this Policy.

4.18 Contract Administration

4.18.1 Contractual Agreement

- a) The award of a contract may be made by way of an Agreement, Contract Record or Purchase Order.
- b) A Purchase Order or Contract Record is to be used when the resulting contract is straightforward and will contain Huron's standard terms and conditions.
- c) Agreement is to be used when the resulting contract is complex and will include terms and conditions other than Huron's standard terms and conditions.
- d) It shall be the responsibility of the Director of Regional Water (or delegate) and the Chief Administrative Officer to determine if it is in the best interest of Huron to establish an agreement with the supplier.
- e) Where it is determined that Section 4.18.1.d is to apply, the agreement shall be reviewed for execution by Huron's solicitor unless a standard Consulting Services Agreement is used, as appropriate.
- f) Where an agreement is required, as a result of the award of a contract by delegated authority, the Board Chair and Chief Administrative Officer shall execute the agreement in the name of Huron unless delegated in writing in accordance with the Delegation of Powers and Duties Policy.
- g) Where an agreement is issued, a Purchase Order or Contract Record may be issued incorporating the formal agreement.
- h) Where an agreement is not required, an authorized Purchase Order or Contract Record may be issued incorporating the terms and conditions relevant to the award of contract.

4.18.2 Exercise of Contract Renewal Options

- a) Where a contract contains an option for renewal, the Director of Regional Water may authorize the exercise of such option provided that all of the following apply:
 - i. the supplier's performance in supplying the goods and services or construction is considered to have met the requirements of the contract;
 - ii. any price increases are consistent with the prevailing market conditions for the goods or services being purchased;
 - iii. the facts justifying the decision to award this supplier previously are still relevant at the time of contract renewal;

- iv. funds are available or will be available in appropriate accounts within Board approved budget, including authorized revisions, to meet the proposed expenditure;
 - v. the relevant Board report, if applicable, clearly identified the options to extend;
 - vi. the Director of Regional Water and the Chief Administrative Officer agree that the exercise of the option is in the best interest of Huron; and
 - vii. compliance with Sections i. through v. is documented, authorized by the Director of Regional Water and saved with the project file.
- b) Approval for contract renewals and extensions shall be governed by Section 4.7.5 and Schedule "A" of this Policy.

4.18.3 Contract Amendments

- a) No amendment to a contract shall be made unless the amendment is in the best interest of Huron.
- b) No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- c) Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within Board approved budgets including authorized amendments.
- d) Director of Regional Water jointly with the Chief Administrative Officer may authorize amendments when:
 - i. the total amended value of the contract (original contract plus amendment) is within the approval limit as noted in Schedule "A" of this Policy; or,
 - ii. the contract amendment will not exceed the originally approved contract by an amount greater than \$100,000 or 5% of contract value, whichever is greater, and there are sufficient funds available.
- e) The Board must authorize contract amendments when:
 - i. the total amended value of the contract will be greater than the administrative approval threshold under Section 4.18.3.d above; or,
 - ii. the total amended value of the contract will exceed the originally approved contract by an amount greater than \$100,000 or 5% of contract value, whichever is greater, and there are funds available.

4.18.4 Performance Evaluation

The Director of Regional Water may develop and implement a Performance Evaluation program for contractors and consultants to be used in conjunction with Bid Administration in accordance with Section 4.17 of this Policy.

4.19 Disposal of Materials and Equipment

4.19.1 Obsolete and / or Surplus Material and Equipment

- a) If materials and equipment are designated as obsolete, they may be offered for sealed bids, public auction or other public sale, depending in the opinion of the Director of Regional Water, or delegate, on which method is most suitable for the equipment or material involved.
- b) Auctions are held as required dependent upon the individual circumstances such as delivery of replacement items and storage capacity.
- c) The disposal of material and equipment where the removal and disposal are intrinsic to a project is excluded from this Policy and is deemed to have been approved by the Board with the approval of the project. Huron may, at its sole discretion, designate specific material or equipment as having high value in a project and exclude the disposal from the project, and the disposal may be undertaken separately in accordance with this Policy.

4.19.2 Scrap Materials and Equipment

Material and equipment deemed to be scrap may be disposed of by:

- a) General advertising to secure sealed bids;
- b) Direct contact with the appropriate dealers to view the scrap and submit offers to purchase;
- c) Public auction; or,
- d) Other methods as deemed appropriate.

4.19.3 Revenue and Reporting to the Board

- a) On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where material and equipment was disposed of in accordance with this Policy, excluding disposals that were intrinsic to a project.
- b) The revenue from the sale of obsolete material shall be credited to the appropriate Huron account.

4.20 General Provisions

4.20.1 Cooperative Purchasing

- a) Huron may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interests of Huron to do so.

- b) The decision to participate in cooperative purchasing agreements will be made by the Director of Regional Water.
- c) The individual policies of the government agencies or public authorities participating in the cooperative competitive bid are to be the accepted by law for that particular competitive bid.

4.20.2 Direct Solicitation

- a) Unsolicited proposals received by Huron shall be referred to the Director of Regional Water and the Manager of Finance and Procurement for review.
- b) Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this Policy.
- c) A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement complies with the requirements of a non-competitive procurement, as detailed in Section 4.13.

4.20.3 Resolution of Questions

Any question involving the meaning or application of this Policy is to be submitted to the Chief Administrative Officer who will resolve the question.

4.20.4 Access to Information

The disclosure of information received relevant to the issue of competitive bids or the award of contracts emanating from competitive bids shall be made by the appropriate officers in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990*, as amended. This includes, but is not limited to, records and information pertaining to a competitive bid if the disclosure could reasonably be expected to:

- a) significantly prejudice the competitive position or significantly interfere with the contractual or other negotiations of a person, corporation or other entity that responds, or intends to respond to a request for bids;
- b) result in similar information no longer being supplied to Huron where it is in the public interest that similar information continues to be so supplied;
- c) result in undue loss or gain to any person, group, committee or financial institution or agency; or,
- d) result in information whose disclosure could reasonably be expected to be injurious to the financial interests of Huron.

4.20.5 Local or Geographical Preference

Huron shall not give any local or geographical preference during the competitive bid process. Huron may mandate certain bona fide on-site response time requirements for specific situations as appropriate.

4.20.6 Terms and Conditions

All standard Huron Terms and Conditions for all procurement activities will govern unless there is written approval for the proposed changes from the Director of Regional Water in consultation with Huron's Solicitor if applicable.

4.20.7 Application of Trade Agreements

Huron procurement activities shall comply with all applicable trade agreements, including the CFTA and the CETA, as amended from time to time.

Schedule 'A' – Levels of Contract Approval Authority

Sales taxes, excise taxes, goods and service taxes and duties shall be excluded in determining the price of a contract for the supply of goods or services for the purpose of the relationship of the price to the preauthorized expenditure limit. In the case of multi-year supply and service contracts, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract.

Copies of quotations, tenders, proposals and related documents must be retained for a period of not less than two years following the completion of the provision of the Goods & Services, and as determined by the Retention Policy.

Emergencies as defined in Section 4.13.2 are exempt from this Approval Authority.

Table 1: Goods & Services, excluding Consulting Services

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
Less than \$30,000	<p>Low Dollar Value Procurement</p> <ul style="list-style-type: none"> ▪ Use purchasing card for small operational expenses, etc. within the transaction limit established for the card in each circumstance. ▪ Obtain competitive quotes where reasonably practical (informal). 	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.8
\$30,000 to \$50,000	IRFQ – min. of three written quotes	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.7.5 4.9
	Amount exceeding approved project budget	Director of Regional Water	4.7.10

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
	Single Source or Sole Source	Director of Regional Water or Chief Administrative Officer)	4.7.5
Greater than \$50,000 to \$139,000	“RFQ” <ul style="list-style-type: none"> At least three quotes Procurement awarded to the lowest compliant bid 	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.7.5 4.10 / 4.12
	“RFP” <ul style="list-style-type: none"> At least three proposals Awarded to the proponent offering best value 	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.7.5 4.11
	Irregular Result	Director of Regional Water and Chief Administrative Officer (Jointly)	4.7.10
	Amount exceeding approved project budget	Director of Regional Water and Chief Administrative Officer (Jointly)	4.7.10
	Single Source or Sole Source	Director of Regional Water and Chief Administrative Officer (Jointly)	4.7.5
Greater than \$139,000 to the CETA threshold (\$736,000), as amended	“RFP” <ul style="list-style-type: none"> At least three proposals if RFP Awarded to proponent having best value 	Director of Regional Water and Chief Administrative Officer (Jointly) Board greater than \$736,000	4.7.5 4.11

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
	"RFT" <ul style="list-style-type: none"> • At least three quotes • Awarded to the lowest compliant bid 	Director of Regional Water and Chief Administrative Officer (Jointly), Board greater than \$736,000	4.7.5 4.12
	Irregular Result	Board	4.7.10
	Amount exceeding approved project budget	Board	4.7.10
	Single Source or Sole Source	Board	4.7.5
	Contract Extensions – previously approved by the Board – <ul style="list-style-type: none"> ▪ Less than the CETA threshold limit (\$736,000), as amended 	Director of Regional Water and Chief Administrative Officer (Jointly)	4.18.2
\$736,000 and above Greater than the CETA threshold limit (\$736,000), as amended	RFP	Board	4.7.5
	RFT	Board	4.7.5
	Contract Extension – previously approved by the Board	Board	4.18.2

Table 2: Consulting Services

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
Less than \$139,000	RFP or appointment from pre-approved list	Director of Regional Water	4.14.2
	Irregular Bid	Chief Administrative Officer	4.14.2
\$139,000 to the CETA (\$736,000) threshold for <u>services</u> limit, as amended	RFP from at least three qualified firms	Chief Administrative Officer	4.14.2
	Irregular Bid	Board	4.14.2
Greater than the CETA (\$736,000) threshold for <u>services</u> limit, as amended	Two-stage procurement: RFQual and RFP	Board	4.14.2
	Irregular Bid	Board	4.14.2
Less than the CETA (\$736,000) threshold limit, as amended	Contract Extensions – previously approved by the Board	Director of Regional Water and Chief Administrative Officer (Jointly)	4.18.2
Greater than the CETA (\$736,000) threshold limit, as amended	Contract Extensions – previously approved by the Board	Board	4.18.2
	Contract Amendments – subject to availability of sufficient funds in appropriate accounts and budget <ul style="list-style-type: none"> ▪ The greater of either up to \$100,000 or 5% of the Contract Value 	Director of Regional Water and Chief Administrative Officer (Jointly)	4.18.2 4.18.3

Schedule 'B' – Goods and Services Not Subject to this Policy

1. Training and Education, including:
 - a. Conventions, conference, seminars, and educational courses;
 - b. Magazines, subscriptions, and periodicals;
 - c. Memberships;
 - d. Staff development;
 - e. Staff workshops; and,
 - f. Staff relations
2. Refundable employee expenses as per the Travel & Business Expense Policy.
3. General Expenses, including:
 - a. Payroll and payroll deductions;
 - b. Medicals;
 - c. Insurance premiums, claim settlements and adjuster services;
 - d. Tax remittances, GST.HST Cost Recovery Reviews and WSIB Remittances;
 - e. Payment in Lieu of Property Tax remittances;
 - f. Charges to and from municipalities and other government agencies, including but not limited to application fees and permit fees;
 - g. Postage;
 - h. Advertising as required by the *Municipal Act or other applicable Provincial legislation*;
 - i. Retirement Recognition Awards;
 - j. Investment Management Services;
 - k. Employee Group Benefits, Compensation, Programs, Consulting and Reviews
 - l. Administrative services provided by the Administering Municipality as defined under a Service Level Agreement;
4. Licenses, certificates, permits and other approvals.
5. Ongoing maintenance and actions to maintain present functionality of existing computer hardware and software.

6. Professional and special services up to \$100,000, or defined more specifically in another Huron by-law or Policy, including, but not limited to:
 - a. Additional Non-recurring Accounting and Auditing Services;
 - b. Public Debenture Sales;
 - c. Realty Services for Lease, Acquisition, Demolition, Sale and Appraisal of Land and Property, including Appraisal and Consulting Services relating to matters of Expropriation;
 - d. Printing and Mailing Services; and
 - e. Integrity Commissioner Services

Professional and special services exceeding \$100,000 must follow the approval process outlined on [Schedule "A"](#)

7. Utilities – Including water and Wastewater, Electricity, Electrical Inspection Services, Phone, Internet/Communications and Natural Gas
 8. Urgent Facilities Maintenance/Repairs/Renovations as deemed appropriate by the Director of Regional Water with the concurrence of the Chief Administrative Officer.
 9. Legal Services and Labour Relations Services as deemed appropriate by the Director of Regional Water, with the concurrence of the Chief Administrative Officer, up to \$ 250,000.
 10. Services provided for Huron construction projects within a railway right-of-way as required by the rail authority having jurisdiction.
 11. Banking Services where covered by agreements and provided either directly by Huron's contracted Banking Services provider as deemed appropriate by the Director of Regional Water with the concurrence of the Chief Administrative Officer, or by the Administering Municipality as authorized by the Service Level Agreement either directly or indirectly.
 12. Lease, maintenance and repair of office space for Regional Water as deemed appropriate by the Director of Regional Water with the concurrence of the Chief Administrative Officer.
- Note: the acquisition, lease, or sale/disposition of Huron land (real property) is subject to Board approval.
13. Grant Funding, given or paid by Huron as per Board approved Policies for Grants and agreements entered into by the Board. Grants provided by Huron not covered by these Policies or agreements must be approved by the Board.

14. Compensation paid to landowners in accordance with an applicable landowners agreement authorized by the Board, including but not limited to the Pipeline Operations and Maintenance Agreement.
15. The services of the accredited laboratory as required by the *Safe Drinking Water Act* and its regulations.
16. Disposal of material and equipment deemed to be obsolete and surplus and scrap and having a value of less than \$1,000.

Schedule 'C' – Irregularities Contained in Bids

Irregularity	Response
1. Late bids.	Automatic rejection
2. Insufficient financial security (no bid deposit or insufficient bid deposit).	Automatic rejection
3. Failure to insert the name of the bonding company in the space provided for in the bid documents.	Automatic rejection
4. Failure to provide a letter of agreement to bond / letter of guarantee where required.	Automatic rejection
5. Incomplete, illegible or obscure bids, or bids which contain additions not called for, erasures, alterations, errors or irregularities of any kind.	May be rejected as informal – Mandatory Requirements must be met or Automatic rejection
6. Documents, in which all addenda have not been acknowledged.	Automatic rejection
7. Failure to attend mandatory site visit.	Automatic rejection
8. Bids received on documents other than those provided by Huron.	Automatic rejection
9. Failure to insert the bidder's business name in one of the two spaces provided in the bid documents.	Automatic rejection
10. Conditions placed by the bidder on the total contract price.	Automatic rejection

Irregularity	Response
<p>11. Bids containing minor mathematical errors</p>	<ul style="list-style-type: none"> a) If the amount bid for a unit price item does not agree with the extension of the estimated quantity and the bid unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly. b) If both the unit price and the total price are left blank, then both shall be considered as zero. c) If the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity. d) If the total price is left blank for a lump sum item, it shall be considered as zero. e) If the bid documents contain an error in addition and subtraction and transcription in the approved competitive bid documentation format requested (i.e., not the additional supporting documentation supplied), the error shall be corrected, and the corrected total contract price shall govern. f) Bid documents containing prices which appear to be so unbalanced as to likely affect the interests of Huron adversely may be rejected.

Schedule 'D' – Statement of Ethics for Public Procurements

The Ontario Public Buyers Association's Code of Ethics is based upon the following tenets and all employees who are authorized to purchase goods and services on behalf of the City are to adhere to the following:

1. **Open and Honest Dealings with Everyone who is Involved in the Purchasing Process.** This includes all businesses with which Huron contracts or from which it purchases goods and services, as well as all Regional Water staff and agents who act on behalf of Huron in the purchase of goods and services including the Administering Municipality as applicable.
2. **Fair and Impartial Award Recommendations for All Contracts and Tenders.** This means that we do not extend preferential treatment to any supplier, including local companies. Not only is it against the law, but it is also not good business practice, since it limits fair and open competition for all potential suppliers and is therefore a detriment to obtaining the best possible value for each dollar.
3. **An Irreproachable Standard of Personal Integrity on the Part of All Those Delegated as Purchasing Representatives** for Huron. Absolutely no gifts or favours are accepted by the purchasing representatives in return for business or the consideration of business. Also, the purchasing representatives do not publicly endorse one company in order to give that company an advantage over others.

Cooperation with Other Public Agencies in Order to Obtain the Best Possible Value for Every Tax Dollar. Where appropriate, Huron may participate in, either directly or through an agent, a cooperative purchasing group to pool expertise and resources in order to practice good Value Analysis and to purchase goods and services in volume and save tax.

Board of Management Report

Subject: LH1408 Oneida Nation of the Thames Water Transmission Pipeline – Tender Award and Extension of Construction Services

Overview:

- A water supply agreement was previously executed between the Lake Huron Primary Water Supply System and Oneida Nation of the Thames. The off-settlement project is solely financed by Indigenous Services Canada through the Oneida Nation of the Thames. The off-settlement work is being managed by Board staff.
- The detailed design of the Lake Huron Primary Water Supply transmission connection to Oneida Nation of the Thames by the Board's engineering consultant, Stantec Consulting Ltd., progressed to the tendering phase in December 2025. The tender was issued to the seven pre-qualified General Contractors.
- The tender period for the off-settlement construction of the transmission connection closed on February 12, 2026. The tender award of this project requires approval by the Board of Management for the Lake Huron Primary Water Supply System (LHPWSS), in accordance with the Procurement of Goods and Services and Disposal of Assets Policy.
- Consulting engineering services provided by Stantec Consulting Limited require an extension to provide sufficient services during the construction period, including construction observation and contract administration.
- Updates regarding the off-settlement project will be provided during construction through the water systems' public-facing website (www.huroneginwater.ca/), as well as through [social media](#).

Recommendation

That the Board of Management for the Lake Huron Primary Water Supply System (LHPWSS) take the following actions, with regard to the LHPWSS connection to Oneida Nation of the Thames project:

- a) The Board of Management for the LHPWSS **ACCEPT** the bid from L82 Construction Ltd in the amount of \$23,442,572.67, including contingency and excluding HST, and **AUTHORIZE** the Chair and Chief Administrative Officer to execute an agreement with the General Contractor, L82 Construction Ltd, for the construction of the LHPWSS transmission connection to Oneida Nation of the Thames;

- b) The Board of Management for the LHPWSS **EXTEND** the existing consulting services agreement with Stantec Consulting Limited by \$558,875, including contingency and excluding HST, for a total of \$2,203,965.15, to provide consulting engineering services through the construction period;
- c) The Board of Management for the LHPWSS **DECREASE** the approved budget by \$8,700,000 for a total approved budget of \$26,800,000 to align with the recommended tender bid value and external funding commitment reflecting forecasted costs; and,
- d) The Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report for information.

Previous and Related Reports

March 3, 2022	Oneida Nation of the Thames Water Supply
June 2, 2022	Onedia Nation of the Thames Water Supply Agreement
June 2, 2022	Oneida Nation of the Thames Transmission Pipeline Class Environmental Assessment and Preliminary Design – Consultant Award
October 6, 2022	Oneida Nation of the Thames Transmission Pipeline Municipal Class Environmental Assessment and Preliminary Design – Project Update
January 19, 2023	Oneida Nation of the Thames Transmission Pipeline – Connection to LHPWSS – Project Update
March 2, 2023	Oneida Nation of the Thames Transmission Pipeline – Connection to LHPWSS – Administrative Award of Consulting Services
June 6, 2024	Oneida Nation of the Thames Transmission Pipeline – Connection to LHPWSS – Project Update
June 5, 2025	LH1408 Oneida Nation of the Thames Water Transmission Pipeline – Project Update

Background

At the March 3, 2022, meeting, the Board endorsed the request from Oneida Nation of the Thames (Oneida Nation) to supply drinking water to the Oneida Nation settlement from the Lake Huron Primary Water Supply System, and authorized Board staff to negotiate a water supply agreement.

Given the location of Oneida Nation, it was proposed that the existing LHPWSS transmission pipeline, which currently terminates near the community of Mount Brydges, be extended to a connection point located near the Oneida Nation settlement boundary. The preferred route for the proposed transmission main was presented at the October 6, 2022, meeting of the Board.

The water supply agreement between Oneida Nation and the LHPWSS was subsequently executed in May 2023.

The design of the transmission system connection has progressed from preliminary design to detailed design and to tendering over the last three years, in coordination with the on-settlement works by others.

Discussion

Stantec Consulting Limited (Stantec) was retained in 2023 for consulting services related to detailed design of the transmission connection (off-settlement project). The various field investigations and detailed design progressed to a point where the project tender was issued in December 2025. Consultation took place with Middlesex County, Municipality of Strathroy-Caradoc, various conservation authorities and the Canadian National Railway.

A separate, on-settlement project to address water distribution system improvements within Oneida Nation is being undertaken by Oneida Nation and their consultants, Colliers Project Leaders and First Nations Engineering Services Ltd. Coordination of this transmission main project (off-settlement) with the various on-settlement distribution system upgrades is crucial to the effective delivery of the overall project.

A General Contractor pre-qualification process (RFPQ-2024-283) was undertaken in the fall of 2024 to identify, evaluate and select qualified companies to undertake the construction of the off-settlement project. A total of seventeen (17) companies submitted pre-qualification submissions, in response to RFPQ-2024-283, and seven (7) companies were identified as pre-qualified based on the technical evaluation of each submission for various criteria including: team qualifications, experience and reference projects, health and safety, scheduling and commissioning.

The off-settlement project could not be tendered by the LHPWSS until confirmation was provided that the overall budget for the project, including the on-settlement and off-settlement projects, was approved by Indigenous Services Canada. Board staff received notification of this approval on December 1, 2025, with formal confirmation in writing on February 13, 2026.

Regular communication and consultation continue to take place with Oneida Nation of the Thames and their consultants, Stantec, and Indigenous Services Canada. Updates regarding the off-settlement project will be provided during construction through the water systems' public-facing website (www.huronelginwater.ca/), as well as through [social media](#).

Tender

The construction tender (RFT-2025-176) was posted on December 16, 2025, to the seven pre-qualified General Contractors through the City of London's online procurement service site, bids&tenders.

The following six bids were received upon tender close on February 12, 2026:

Contractor	Tender Bid *
L82 Construction Ltd	\$23,442,572.67
J-AAR Civil Infrastructures Limited	\$24,210,452.61
KAPP Infrastructure Inc.	\$29,870,000.00
AVERTEX Utility Solutions Inc	\$30,993,991.00
North Rock Group Ltd	\$31,980,000.00
Blue-Con Construction	\$35,750,000.00

*Total bid price (including contingency, and excluding HST)

On this basis, the bid submitted by L82 Construction Ltd, in the amount of \$23,442,572.67 (including contingency, and excluding HST), is recommended for acceptance, noting that the submitted bid meets the tender requirements and L82 Construction Ltd was previously identified as qualified to undertake the work.

The tender documents indicated a completion date of May 27, 2027, for this off-settlement project. The baseline construction schedule will be established by the Contractor, following award, in accordance with the specifications and requirements. It is anticipated that Oneida Nation of the Thames will receive water from the Lake Huron Primary Water Supply System, through the new transmission infrastructure, in spring 2027 in coordination with the completion of on-settlement improvements by others.

Engineering Services During Construction

Stantec's proposal for consulting engineering services for the off-settlement project, provided in 2023, covered detailed design, tendering and construction phases. An engineering agreement for these services was previously executed in 2023. The duration of construction, and overall design concept, was not well established prior to

the start of the detailed design phase. Additional fees are required in the amount of \$558,875, including contingency and excluding HST, to ensure appropriate contract administration and construction services can effectively be provided over the duration of the construction period, including the transmission main and connection facility, given the potential for multiple construction crews (at separate locations).

Cost Recovery

Cost recovery from Oneida Nation by LHPWSS is being undertaken in accordance with the water supply agreement. Board staff have invoiced Oneida Nation for all costs incurred up to the end of 2025.

Project Financial Status

EXPENDITURE	FORECAST	INCURRED
Preliminary Design	\$ 99,882	\$ 99,882
Detailed design, tender and engineering construction services	\$ 2,554,268	\$ 1,116,179
Construction	\$ 24,145,850	\$ 0
Other Fees and Charges	\$ 0	\$ 17,183
Total	\$26,800,000	\$1,233,244
Approved Budget	\$35,500,000	
Budget Surplus / Deficit	\$8,700,000	

Based on the recommended tender value, it is acknowledged that the current approved capital budget of \$35.5 million can be decreased by \$8.7 million, to a total approved budget of \$26.8 million to align with forecast expenditures.

Conclusion

The Lake Huron Primary Water Supply System connection to Oneida Nation of the Thames continues to be a priority project for the regional water system, and a significant milestone has been achieved with the completion of the tendering process. Coordination continues between Board staff and their consultants, Oneida Nation of the Thames and their consultants and Indigenous Services Canada to ensure effective project delivery.

On February 12, 2026, L82 Construction Ltd submitted a bid in the amount of \$23,442,572.67 (including contingency and excluding HST) that was deemed compliant with the tender process, specifications and project requirements. Board staff recommend that the Board Chair and Chief Administrative Officer accept the bid, and

execute an agreement with L82 Construction Ltd, for the construction of the off-settlement project.

Board staff also recommend that the Board approve the engineering fee increase from Stantec to ensure appropriate consulting services are provided through the construction phase, to support effective project delivery. Finally, Board staff recommend that the Board approve the decrease in approved capital budget for the off-settlement project to ensure alignment with forecasted costs.

Prepared by: Marcy McKillop, P.Eng., GDPA, PMP
Environmental Services Engineer

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

Andrew J. Henry, P.Eng.
Director, Regional Water

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

Board of Management Report

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

Overview:

- The 2025-2026 annual Ministry of the Environment, Conservation and Parks (MECP) Inspection Report was received on January 29, 2026.
- The final inspection report did not identify any non-compliances. There was one (1) recommendation identified.
- The final inspection rating was 100%.

Recommendation

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

Background

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

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

Discussion

Inspection Findings

The MECP conducted an announced "focused" physical inspection of the LHPWSS on October 24, 2025. The final inspection report was issued by the MECP on January 29, 2026. The inspection covered the period from November 1, 2024, through September 30, 2025.

The final inspection report issued by the MECP contained an inspection rating of 100% for the inspection period. There were no non-compliances identified by the Ministry Inspector.

One (1) recommendation was identified in relation to low pressure events in the LHPWSS transmission system. The MECP has not established reporting criteria for low pressure events. The Health Units commonly use two criteria for when a report of low pressure is required, which are a sustained drop in pressure below 20 psi (138 kPa), or a complete loss of pressure within a distribution system. Due to the regional nature of the LHPWSS it includes a large regional transmission system, which differs from a typical distribution system. During transmission system maintenance events, low pressure can be indicated at various points along the transmission mains. The LHPWSS has been requested to confirm with the Health Units their reporting requirements specific to the LHPWSS. The owner and operating authority will develop an action plan to address the recommendation as requested by the Inspector.

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

It is noted for the Board's information and reference that these annual inspection reports were previously posted to the water systems' website for ease of public access. Unfortunately, the inspection reports issued by the MECP do not comply with the Accessibility for Ontarians with Disabilities Act. As a result, inspection reports are no longer posted on the water systems' website. This and future annual inspection reports issued by the Ministry will only be made available upon request until such time as the Ministry makes the document compliant with the Act.

Risk Rating

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

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

The following table outlines inspection ratings for the LHPWSS over the last five years:

Inspection Year	Final Inspection Rating	# of Non-compliances	Type of Inspection	Operating Authority
2021-2022	100.00%	0	Detailed	OCWA
2022-2023	91.12%	3	Focused	OCWA
2023-2024	99.35%	1	Detailed	OCWA
2024-2025	100.00%	0	Focused	OCWA
2025-2026	100.00%	0	Focused	OCWA

Correspondence and Communications

Prior to issuing the final inspection report, the Ministry Inspector issued a draft copy to the operating authority, providing the opportunity to comment or request clarification on the findings. The operating authority provided Board staff with a copy of the draft report for review and comment. The comments submitted to the Ministry Inspector requested administrative clarifications and provided additional records that were noted as not being provided during the inspection. The majority of the comments were addressed in the final inspection report.

Conclusion

The MECP inspection report has indicated that the requirements of applicable legislation were met by the LHPWSS for this inspection period. Board staff will continue to discuss any inspection findings with the MECP District Office to ensure that inspection findings are consistent, appropriate and relevant to the LHPWSS.

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

By-Law No. 3 - 2026

A By-law to establish policies related to the Procurement of Goods and Services, the Delegation of Powers and Duties, Travel and Business Expenses, and Electronic Monitoring for the Lake Huron Primary Water Supply System.

WHEREAS the Joint Board of Management for the Lake Huron Water Supply System was established by Transfer Order Lake Huron Area #W1/1998, effective September 15, 2000, pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*;

AND WHEREAS section 5(3) of the *Municipal Act, 2001 S.O. 2001, c.25*, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 270(1) of the *Municipal Act, 2001* provides that a municipality and/or local board adopt and maintain a policy with respect to the procurement of goods and services;

AND WHEREAS section 270(1) of the *Municipal Act, 2001* provides that a municipality and/or local board adopt and maintain a policy with respect to the delegation of powers and duties;

NOW THEREFORE the Board of Management for the Lake Huron Water Supply System enacts as follows:

1. The following by-laws and policies be rescinded:

By-Law No.2A-2023(a) and corresponding Procurement of Goods and Services and Disposal of Assets Policy (By-law Schedule 'A')

By-Law No.5A-2023 and corresponding Delegation of Powers and Duties Policy

Electronic Monitoring Policy (2022)

Travel and Business Expenses Policy (1999)

2. The attached policies be hereby implemented:

SCHEDULE 'A' – Procurement of Goods and Services and Disposal of Assets Policy

SCHEDULE 'B' – Delegation of Powers and Duties Policy

SCHEDULE 'C' – Travel and Business Expenses Policy

SCHEDULE 'D' – Electronic Monitoring Policy

3. This by-law shall come into force and effect on March 6, 2026.

PASSED in Open session on March 5, 2026

First Reading –

Second Reading –

Third Reading –



By-Law No. 3 - 2026 – Schedule 'A'

Procurement of Goods and Services and Disposal of Assets Policy

Approved: March 2, 2023

Revised: March 5, 2026

Legislative History: Enacted March 2, 2023 (By-Law 2A-2023), amended December 7, 2023 (By-law 2A-2023), amended March 5, 2026 (By-law 3-2026)

Last Reviewed Date: February 5, 2026

Policy Lead: Director, Regional Water

1. Purpose

This Policy establishes the procurement and disposal processes to ensure best value, fairness, and accountability in the acquisition of goods, services, construction, and the disposal of assets for the Lake Huron Primary Water Supply System (Huron). This Policy confirms Huron as the sole authority governing all procurement and disposal activities related to its operations and capital projects.

2. Applicability

Procurement activities conducted for the Lake Huron Primary Water Supply System (Huron) shall be governed by all applicable Board policies and by-laws, the relevant provisions of the *Municipal Act 2001*, and all applicable Federal and Provincial legislation. Procurement authority rests solely with Huron under this Policy.

Services performed by the Administering Municipality on behalf of Huron, when requested or required by the Board, are excluded from the scope of this Policy, and such services shall not be construed as procurement activities governed by this Policy.

3. Definitions

In this Policy, unless a contrary intention appears,

Acting – shall mean the formal delegation of authority by the person in the position of authority to the person acting in that role on a temporary basis.

Addendum (and 'Addenda') – shall mean the form of a document used to officially change, and delete information contained within a Competitive Bid. By issuing an Addendum, the Competitive Bid itself changes to incorporate the Addendum.

Administering Municipality – shall mean the Corporation of the City of London, as outlined in Transfer Order Lake Huron Area #W1/1998 issued by the Minister of the Environment effective September 15, 2000, pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*, who provides services to and under the direction of the Board, as amended from time to time.

Agreement – shall mean a formal written legal agreement or contract for the supply of goods, services, equipment or construction.

Award – shall mean a bid is formally accepted by Huron and has obtained the required approval as defined in Section 4.7.5 and Schedule “A”. An award may be executed by the issuance of a Purchase Order, Contract Record or formal Agreement.

Best Value – shall mean the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan. Best value may include a time horizon that reflects the overall life cycle of a given asset.

Bid – shall mean a response to a competitive bid issued by Huron.

Bidder – shall mean a person, corporation or other entity that responds, or intends to respond to a competitive bid.

Bid Deposit – shall mean currencies, certified cheques, bid bond issued by a surety company licensed to operate by the Government of Canada or the Province of Ontario or another form of negotiable instrument acceptable to Huron to compensate Huron if the successful bidder does not enter into a contract.

Blanket Purchase Contract – shall mean any contract for the purchase of goods and services which will be required frequently or repetitively but where the exact quantity of goods and services required may not be precisely known or the time period during which the goods and services are to be delivered may not be precisely determined.

Board of Management (and Board) – shall mean the Board of Management for the Lake Huron 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.

Board Member – shall mean a member of the Board of Management as appointed in accordance with the Appointment of Board Members Bylaw.

Certificate of Clearance – shall mean certificate issued by an authorized official of the Workplace Safety and Insurance Board certifying that the Workplace Safety and Insurance Board waives its rights under Subsection 141(10) of the *Workplace Safety and Insurance Act, R.S.O. 1997*, as amended.

CETA – shall mean the **Comprehensive Economic and Trade Agreement** between Canada and the European Union, as amended from time to time, including any applicable procurement obligations and threshold values in effect at the time of procurement.

CFTA – shall mean the **Canadian Free Trade Agreement** that came into force on July 1, 2017, and governs trade and procurement obligations between Canadian provinces, territories, and public sector entities, as amended from time to time.

Chief Administrative Officer – shall mean the person appointed as the Chief Administrative Officer in accordance with the Appointment of the Chief Administrative Officer By-law.

Competitive Bid – shall mean a REOI, RFI, RFQual, RFP, IRFQ, RFQ or RFT as further defined in this section.

Consultant – shall mean an external subject matter expert that provides advisory services and direction to Huron when it requires competency and capacity for a particular procurement that is not available in-house.

Contract (and ‘Contracting’) – shall mean any formal or deliberate written agreement for the purchase of goods, services, equipment or construction including but not limited to Purchase Order and Agreement. Standard contracts may be used for the acquisition of goods and services for a specific requirement. Corporate contracts may be used for the acquisition of goods and services for a group of specific requirements.

Conflict of Interest – shall mean a situation in which the personal interests of the Chief Administrative Officer, the Director of Regional Water and/or Regional Water staff come into conflict, or appear to come into conflict, with the interests of Huron.

Contract Record – shall mean a document which summarizes the goods and services to be purchased.

Declaration Respecting Workers’ Compensation Act, R.S.O. 1990/Corporations Tax Act – shall mean a declaration that the bidder has paid all assessments or compensation payable and has otherwise complied with all requirements of the Workplace Safety and Insurance Board and that the bidder has paid all taxes and penalties imposed on it pursuant to the *Corporations Tax Act*, R.S.O. 1990, CHAPTER C.40, as amended.

Delegate - shall mean a person who has been delegated approval authority by a position with authority under this Policy (Section 4.7.7) and pursuant to the Delegation of Powers and Duties Policy.

Delegation of Approval Authority - shall mean the formal delegation of authority to perform a specific task or approval by a person in a position with authority under this Policy (Section 4.7.7) and pursuant to the Delegation of Powers and Duties Policy, resulting in a ‘delegate’.

Delegation of Approval Authority List - shall mean a list prepared by the Director of Regional Water granting the formal delegation of authority to perform a task or approval (Section 4.7.7).

Director of Regional Water – shall mean the Director of Regional Water of the Regional Water division of the City of London seconded to Huron for the purpose of administration, management, and oversight of Huron.

Dispute Committee - means a committee established by Huron and comprised of the Director of Regional Water (or delegate), a senior representative from the procurement function of Huron (or delegate), and a Senior Manager (or delegate) of Huron, convened to review and resolve procurement related disputes in accordance with this Policy.

Emergency – shall mean a situation or an impending situation that constitutes a danger that could result in serious harm to persons or substantial damage to property or the significant impairment of water quality and quantity and that is caused by the forces of nature, a disease or other health risk, an accident, or an act whether intentional or otherwise.

Employee-Employer Relationship – shall mean a worker agrees to work for Huron, on a full-time or part-time basis, for a specified or indeterminate period of time, in return for wages or a salary. Huron has the right to decide where, when and how the work is to be done.

Executed Agreement – shall mean a formal agreement, either incorporated in the bid documents or prepared by Huron or its agents, executed by the successful bidder and Huron.

Goods and Services – shall mean supplies, services, materials and equipment of every kind required to be used to carry out the operations of Huron.

Huron – shall mean the Lake Huron 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 and shall include the staff of the Regional Water division of the City of London seconded to Huron for the purpose of administration, management, and oversight of Huron.

Informal Request for Quotation (IRFQ) – shall mean a request for prices on specific goods and services from selected suppliers which are submitted in writing, or as specified in the Informal Request for Quotation.

Insurance Documents – shall mean official original documents issued by an insurance company acceptable to Huron and, preferably, licensed to operate by the Government of Canada or the Province of Ontario certifying that the bidder is insured in accordance with Huron's insurance requirements and completed on Huron standard insurance form(s); as contained in the competitive bid document or at the time of execution of an Agreement.

Irregular Result – shall mean as defined in Section 4.7.10.

Irregularities Contained in Bids – shall mean as defined in Schedule "C" and includes the appropriate response to those irregularities.

Irrevocable Letter of Credit – shall mean an irrevocable letter on the financial institution's standard form containing a request that the party to whom it is addressed pay the bearer or a person named therein money as a result of failure to perform or fulfill all the covenants, undertakings, terms, conditions and agreements contained in a contract.

Labour and Material Bond – shall mean a bond issued by a surety company on Huron's standard Form of Bond to ensure that the contractor will fulfill its obligations to its employees, subcontractors and suppliers and thereby protect Huron.

Letter of Agreement to Bond – shall mean a letter or other form issued by a surety company licensed to operate by the Government of Canada or the Province of Ontario advising that, if the bidder is successful the bonding agency will issue the required bonds.

MEA Consulting Services Agreement – shall mean the MEA/ACEC Ontario Client/Engineer Agreement for Professional Consulting Services template documents.

Obsolete – shall mean Huron assets that are no longer current or have no functional use due to being replaced by newer assets and still may have some economic value.

Pecuniary Interest – shall mean the opportunity, directly or indirectly, to profit or share in any profit derived from a competitive bid or agreement.

Performance Bond – shall mean a bond issued by a surety company on Huron standard Form of Bond executed in connection with a contract and which secures the performance and fulfillment of the undertakings, covenants, terms, conditions and agreements contained in the contracts. These may also be in the form of ‘renewable performance bonds.

Procurement Manager – shall mean an employee of Regional Water responsible for the overall management, oversight, and coordination of procurement activities for Huron. The Procurement Manager provides professional procurement advice, establishes procurement processes and controls, ensures compliance with this Policy and applicable trade agreements, and makes procurement recommendations in accordance with approved approval authorities.

Procurement Officer – shall mean an employee of Regional Water Services responsible for administering and overseeing procurement activities for Huron. The Procurement Officer may delegate certain procurement functions to qualified staff (such as a Procurement Specialist or Clerk), provided that overall accountability and authority remain with the Procurement Officer. Procurement authority resides exclusively within Huron governance and shall not be delegated to the Administering Municipality or to external parties.

Professional Consulting Services – shall mean a consulting firm, engineer or architect providing professional knowledge or design or technical expertise.

Proponent – shall mean the respondent to a Request for Proposal (RFP).

Purchase Order – shall mean the standard procurement document issued by Huron, or the Administering Municipality on behalf of Huron, to formalize a purchasing transaction with a supplier.

Purchase Requisition – shall mean a duly authorized written or electronically produced request in an approved format to obtain goods or services.

Purchasing Card – shall mean a credit card provided by the Administering Municipality to a Regional Water employee, and its use is bound by the provisions of this Policy and the Administering Municipality’s Procurement of Goods and Services Policy.

Regional Water – shall mean the Regional Water division of the City of London seconded to Huron for the purpose of administration, management, and oversight of Huron, including staff assigned to the Regional Water division.

Request for Expression of Interest (REOI) - shall mean a focused market research tool used to determine supplier interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications (RFQUAL) when the proposed procurement is well defined, and the purchaser has clear expectations for the procurement.

Request for Information (RFI) – shall mean a general market research tool to determine which products and services are available, scope out business requirements, and estimate project costs which may be used prior to issuing another type of competitive bid.

Request for Proposal (RFP) - shall mean a process where a need is identified, but the method by which it will be achieved is not prescribed at the outset. This process allows prospective suppliers and bidders to propose solutions or methods to arrive at the desired result.

Request for Qualifications (RFQUAL) shall mean a request for a list of qualified suppliers and firms who have an interest in providing services to Huron, typically through a two-stage process.

Request for Quotation (RFQ) – shall mean a request for prices on specific goods and services as specified in the Request for Quotation.

Request for Tender (RFT) – shall mean a request for sealed bids which contain an offer in writing to execute some specified services, or to supply certain specific goods, at a certain price, in response to a publicly advertised request for bids.

Scrap – shall mean Huron assets that no longer have the ability to function for their original design in their current state and have minimal economic value other than primarily for recycling value.

Sealed Bid – shall mean a formal sealed response received as part of a competitive bid.

Single Source – shall mean that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications. Further qualifications appear in the definition in Section 14.12.4.

Sole Source – shall mean that the goods and services are available from only one supplier. Further qualifications appear in the definition in Section 14.12.3.

Substantive Objection – shall mean an unsuccessful bidder request moving to the third stage of dispute resolution as prescribed in Section 4.2.6.

Supplier – shall mean any individual or organization providing goods or services to Huron including but not limited to contractors, consultants, suppliers, service organizations etc.

Supplier Conduct – shall mean the ethical, environmental, labour, safety and human rights standards required of all Suppliers engaging with Huron.

Surplus – shall mean Huron assets that exceed the portion that is utilized by Huron, may be current, may have functional use and still have some economic value.

Sustainable Purchasing – shall mean a procurement approach that considers the full life-cycle costs and benefits of goods, services, and construction, including economic, environmental, and social impacts, to achieve best value for Huron. For guidance, Huron may reference the City of London’s Sustainable Purchasing program, as appropriate.

Suspension – shall mean a temporary prohibition preventing a Supplier from participating in procurement opportunities issued by Huron.

Tender – shall mean a sealed bid which contains an offer in writing to execute some specified services, or to supply certain specified goods, at a certain price, in response to a publicly advertised request for bids.

Transfer Order – shall mean Transfer Order Lake Huron #W1/1998 dated effective September 15, 2000, issued by the Minister of the Environment pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*.

Triggering Event – shall mean an occurrence resulting from an unforeseen action or consequence of an unforeseen event, which must be remedied on a time sensitive basis to avoid a material financial risk to Huron or serious or prolonged risk to persons or property.

Value Analysis – shall mean a life cycle costing approach to valuing a given alternative, which calculates the long term expected impacts of implementing the particular option.

4. Procurement Policy

4.1 Procurement Goals and Objectives

- 4.1.1 Policy outlines the processes to be followed in order to obtain the best value when purchasing goods, contracting for services, or disposing of assets having monetary value for Huron.
- 4.1.2 The guiding principle of this Policy is that procurement decisions shall be made through a competitive process that is open, fair, and transparent, and that the disposal of Huron-owned assets shall be undertaken with the knowledge and oversight of the Board. Huron procurement activities shall also be conducted in compliance with applicable trade agreements, including the CFTA and the CETA, which support open, non-discriminatory competition and the achievement of best value for Huron.
- 4.1.3 Huron encourages innovation and the use of appropriate technology which meets Huron specifications and industry standards in order to ensure the utilization of the most efficient and effective procurement processes and practices.
- 4.1.4 Huron will consider the total costs including, but not limited to, the cost of acquisition, operation, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs in evaluating competitive bids from responsive and responsible bidders. Where costs are submitted for more than one year, the net present value of the annual costs will be used to evaluate the costs at a discount value.

- 4.1.5 Huron shall integrate environmental, social, economic, and lifecycle considerations into procurement planning and evaluations. Sustainability criteria may include lifecycle costing, energy efficiency, climate resilience, durability of water infrastructure assets, waste reduction, greenhouse gas minimization, and Supplier sustainability performance. Huron may reference the City of London Sustainable Purchasing Program for guidance, provided such reference does not supersede or conflict with Huron authority.

4.2 General Provisions

- 4.2.1 Unless otherwise provided in this Policy, the Director of Regional Water is authorized to act on behalf of Huron for the procurement and disposal of goods and services and shall ensure that such activities are conducted in accordance with the procurement methods and requirements set out in this Policy.

The Director may delegate the day-to-day administration and oversight of procurement activities to the Procurement Manager and the Procurement Officer, who shall jointly be responsible for planning, coordinating, and managing procurement processes, ensuring compliance with this Policy, and providing professional procurement advice and recommendations in support of procurement decisions.

This Policy shall be administered in compliance with applicable trade agreements, including the CFTA and the CETA. Where procurement values exceed applicable trade agreement thresholds, Huron shall comply with the associated transparency, open competition, and non-discrimination obligations.

- 4.2.2 No purchase of goods and services shall be authorized unless it is in compliance with this Policy. Goods and services that are obtained without following the provisions of this Policy will not be accepted, and any invoices received may not be processed for payment.
- 4.2.3 Unless otherwise provided in accordance with this Policy, the purchase of all goods and services shall be authorized in accordance with the provisions of Schedule "A" to this Policy.
- 4.2.4 Requisitions or purchase orders shall not be arbitrarily structured to alter the relationship of the price to the preauthorized expenditure limit.
- 4.2.5 The procedures prescribed in this Policy shall be followed to make an award or to make a recommendation for an award to the Board.
- 4.2.6 Huron recognizes that errors, misunderstandings, or differing interpretations may occur during a procurement process and that bidders may feel aggrieved by a recommended contract award. To maintain the integrity, fairness, and transparency of the procurement process, a bidder who believes it has been treated unfairly may raise the concern by submitting a written notice to the Procurement Manager, with a copy to the Director of Regional Water, prior to the award of the contract.

A bidder wishing to formally dispute the recommended award must submit a written appeal within two (2) business days of being notified by Huron that its bid or proposal was not successful. Upon receipt, the Procurement Manager shall acknowledge the dispute and coordinate a hearing meeting with the Director of Regional Water (or delegate).

The hearing meeting shall be held within seven (7) business days of the bidder's notification and shall provide the bidder with an opportunity to present the basis of the dispute.

Where the bidder disagrees with the outcome of the hearing meeting, the bidder may submit a further written appeal to the Huron Board within seven (7) business days of receiving the written decision arising from the hearing meeting. The Board shall consider the appeal and render a determination. The Board's decision shall be final.

Huron may, in its absolute sole discretion, reject any other bids submitted if the bidder, or any officer of the bidder, is or has been engaged, either directly or indirectly through another Corporation or personally, in/or during a dispute appeal of decision for the contract award action against Huron.

In determining whether or not to reject a bid under this clause, Huron will consider delays in awards of this or subsequent contracts and whether the dispute or appeal is likely to affect the bidder's ability to work with Huron, its consultants and representatives, and whether the experience with the bidder indicates that the Huron is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder.

Huron will also consider delays in awards of subsequent Huron contracts with other contractors and the potential for those additional costs resulting in delays associated with this dispute/appeal.

There are strict time limits to file a dispute appeal. If the bidder is unsure of the deadline for appeal, they must seek direction from the Director of Regional Water. Failure to seek and follow these directions will result in the appeal being dismissed.

4.2.7 This Policy will be **reviewed** and revised on a periodic basis. It is anticipated that reviews will be conducted **every two (2) years** or more frequently as required. Where this Policy is silent, the Procurement Manager may recommend adopting provisions from comparable public-sector procurement frameworks, including those of the City of London, subject to approval by the Director of Regional Water. Such adoption shall not be automatic and must not conflict with Huron governance, thresholds, or authorities.

4.2.8 Good and services NOT subject to this Policy are listed in Schedule "B". The final determination of whether goods and services qualify for exemption under Schedule "B" shall be determined by the Director of Regional Water.

- 4.2.9 In accordance with Ontario Regulation 191/11 under the *Accessibility for Ontarians with Disabilities Act, 2005 (AODA)* as amended, Huron shall consider accessibility criteria and features when procuring or acquiring goods, services, or facilities, except where it is not practicable to do so. In which case, an explanation will be provided upon request.
- 4.2.10 No purchase of goods and services associated with computer software, hardware and telecommunications equipment will be authorized without the completion of appropriate cybersecurity and information technology reviews and the authorization of the Director of Regional Water.
- 4.2.11 When Grants or Stimulus Funding are received by Huron, the use of that funding for procurements is subject to this Policy, notwithstanding any specific conditions placed by the Grant or Stimulus Funding provider.
- 4.2.12 Where any matter or circumstance occurs not provided for by this Policy, the procurement and disposal policies and procedures of the Administering Municipality may be used as a guide with the necessary modifications in the circumstances.

4.3 Roles and Responsibilities

4.3.1 General Responsibilities

All persons with Approval Authority shall follow the guidelines as set out in Schedule 'D', as well as Section 4.4 below.

Procurement activities shall be subject to all applicable Huron policies and by-laws, any specific provisions of the Municipal Act, and all other applicable Federal and Provincial legislation.

Failure to adhere to the requirements outlined in this Policy may lead to disciplinary action up to and including termination of employment.

No provision of this Policy precludes the Director of Regional Water, with the concurrence of the Chief Administrative Officer, from recommending an award to the Board where:

- a) In the opinion of the Director of Regional Water, it is in the best interest of Huron to do so; or,
- b) It is a matter of procurement procedure and, in the opinion of the Director of Regional Water, is in the best interest of Huron to do so.

4.3.2 Chief Administrative Officer

The Chief Administrative Officer has the authority to instruct the Director of Regional Water not to award contracts and to submit recommendations to the Board for approval and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interest of Huron.

4.3.3 Director of Regional Water

- a) Has responsibility for all procurement activities on behalf of Huron and is accountable for achieving best value while following the Procurement of Goods and Services and Disposal of Assets Policy;
- b) Is responsible for maintaining ownership over this Policy and its integrity;
- c) Has the authority to delegate approval authority to staff at the appropriate levels (Section 4.7.7);
- d) Has the authority to award contracts in the circumstances specified in this Policy provided that the delegated power is exercised within the limits prescribed in Schedule "A" and the requirements of this Policy are met; and,
- e) When the Director of Regional Water is of the opinion that a Triggering Event has occurred, the Director of Regional Water may authorize the purchase of such goods and services as is considered necessary to remedy the situation without regard to the requirement for a competitive bid and may approve the necessary contract amendment. The relevant details surrounding the Triggering Event shall be included in a report and submitted to the Board as soon as reasonably possible.

4.3.4 Board

- a) Despite any other provision of this Policy, the following contracts are subject to Board approval:
- b) Any contract requiring approval from the Ontario Land Tribunal;
- c) Any contract prescribed by Statute to be made by the Board;
- d) Where a recommendation is being made to amend the total value of a contract in excess of the original bid (plus contingency), and;
 - i. it is an amount greater than \$100,000 or 5%; or
 - ii. in the opinion of the Chief Administrative Officer, funds are not available for the additional expenditure.
- e) Where a Substantive Objection, emanating from the competitive bid has been filed with the Director of Regional Water prior to award of the contract;
- f) Where there is an Irregular Result (see Section 4.7.10);
- g) Where authority to approve has not been expressly delegated.

4.3.5 Procurement Manager

The Procurement Manager is responsible for the effective management, oversight, and coordination of Huron's procurement and disposal activities. This includes, but is not limited to:

- a) Developing and maintaining procurement processes, documentation standards, templates, and guidelines in accordance with this Policy.
- b) Planning and coordinating procurements, including timing, method selection, and evaluation approaches.
- c) Providing professional procurement advice and interpretation of this Policy and applicable trade agreements (including CFTA and CETA).
- d) Ensuring procurements are conducted in a manner that supports transparency, fairness, accountability, and best value.
- e) Advising the Director of Regional Water on procurement decisions and recommending awards within delegated authority.
- f) Managing the dispute process in accordance with Section 4.2.6 and facilitating communication with bidders regarding procurement decisions.

4.4 Conflict of Interest

- 4.4.1 No Board Member or employee of Regional Water or the Administering Municipality shall have a pecuniary or controlling interest either direct or indirect in any competitive bid or contract for the supply of goods or services to Huron, unless such pecuniary interest is disclosed by the contractor, bidder or person submitting a quotation, as the case may be, or unless such pecuniary interest would be exempt under the *Municipal Conflict of Interest Act*.
- 4.4.2 Competitive bid documents shall include a section that requires and provides for the disclosure of any pecuniary interest prior to submission of the bid. Should a conflict of interest arise after the award of a contract, the conflict shall immediately be disclosed in writing to the Director of Regional Water. Further, a competitive bid documents and agreements shall provide that in the event that a contract is awarded to a person who has not, during the bidding or contracting process, disclosed the pecuniary interest of a Board member, Regional Water employee, or employee of the Administering Municipality in the contract, the contract may be cancelled at any time by Huron in its entire discretion without damages or penalty.
- 4.4.3 In this section, controlling interest' means the interest that a person has in a corporation when the person beneficially owns, directly or indirectly, or exercises control or direction over, equity shares of the corporation carrying more than ten percent (10%) of the voting rights attached to all equity shares of the corporation for the time being outstanding.

- 4.4.4 For the purposes of this section, a person has an indirect pecuniary interest in any competitive bid or agreement entered into by a corporation, if:
- a) The person or his or her nominee is a shareholder in or a director or senior officer of a corporation that does not offer in securities to the public; or
 - b) Has a controlling interest in or is a director or senior officer of a corporation that offers securities to the public.
- 4.4.5 For the purposes of this section, a Board Member, Regional Water employee or employee of the Administering Municipality has an indirect pecuniary interest if the person is a partner of a person or is in the employment of a person or body that has entered into a tender, proposal, quotation or contract with Huron.
- 4.4.6 For the purposes of this section, the pecuniary interest in a Tender, Proposal, Quotation or contract of a parent or spouse or any child of a Board Member, Regional Water Employee, or employee of the Administering Municipality shall, if known to the person, be deemed to be also the pecuniary interest of the Board Member, Regional Water employee or employee of the Administering Municipality as the case may be.

4.5 Prohibitions

4.5.1 Division of Contracts

No Regional Water employee shall divide a purchase or contract to avoid the requirements of the Tender, Proposal, Quotation or purchasing procedures of this Policy. Nor shall purchases be split in order to circumvent prescribe spending authority dollar limits as outlined in this Policy.

4.5.2 Interference in the Procurement Process

- a) Board Members and Regional Water employees shall not knowingly cause or permit anything to be done or communicated to anyone in a manner which is likely to cause any potential supplier to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and services to Huron. This also includes a contract with any other municipality, local board , public body or government agency involved in the purchase of goods and services either jointly or in cooperation with Huron.
- b) Board Members shall separate themselves from the procurement process and have no involvement whatsoever in specific procurements. Board Members should not see any documents or receive any information related to a particular procurement while the procurement process is ongoing. Board Members who receive inquiries from suppliers related to any specific procurement shall immediately direct those inquiries to the Director of Regional Water or the Chief Administrative Officer.

- c) The only exception to (b) above relates to selection of an integrity commissioner or an RFP whereby Board Members are specifically part of the evaluation team for the RFP as approved by resolution of the Board.

4.5.3 Official Point of Purchasing Contact and Lobbying Prohibition

- a) Huron is committed to the highest standards of integrity with respect to the purchase of goods and services and managing the processes by which goods and services are acquired. The official point of purchasing contact shall be the Procurement Officer identified in the competitive bid documents. Should it be necessary or desirable to have a contact person to respond to technical issues that person shall be named in the competitive bid documents.

All communications shall be made by these individuals and, during the procurement process, no bidder or person acting on behalf of the bidder or group of bidders shall contact any Board Member or consult with any employee of Regional Water or Huron's operating authority, to seek information or to influence the award of the contract.

Any activity designed to influence the decision process, including, but not limited to, contacting any Board Member, or consulting with any employee of Regional Water or Huron's operating authority, for purposes such as meetings of introduction, social events, meals, or meetings related to the selection process, shall result in disqualification of the bidder for the project to which the influencing activity is directed.

- b) Notwithstanding the foregoing, this prohibition does not apply to meetings specifically scheduled for presentations or negotiations related to the competitive bid. Any bidder found to be in breach of this Policy shall be subject to immediate disqualification from the procurement process and may be prohibited from future opportunities at the discretion of the Board.
- c) In addition, no bidder who has been awarded the contract shall engage in any contact or activities in an attempt to influence any Board Member, or consultant with any employee of Regional Water or Huron's operating authority with respect to the purchase of additional enhancements, options, or modules. However, a contractor may communicate with the appropriate Procurement Officer identified in the competitive bid documents or the Director of Regional Water for purposes of administration of the contract during the term of the contract.
- d) The determination of what constitutes influential activity is in the sole discretion of the Director of Regional Water, acting reasonably, and not subject to appeal.

4.5.4 Trade Agreement Non-Compliance

Failure to comply with the requirements of applicable trade agreements, including the CFTA and CETA, may be considered a prohibited procurement practice. Non-compliance may result in restricted or unfair access to procurement opportunities, expose Huron to formal trade challenges or bid disputes, and undermine the integrity, transparency, and fairness of the procurement process. Adherence to trade agreement obligations is essential to maintaining public confidence, legal compliance, and the achievement of best value for Huron.

4.6 Procurement Documentation

- 4.6.1 Regional Water shall establish, maintain, and periodically update its own procurement documentation standards, guidelines on procurement policies and procedures, templates, and procedures governing a comprehensive bid process, including the planning, solicitation, receipt, evaluation, award, and administration of procurements. Such documentation, guidelines, and processes shall be developed and applied in a manner that ensures fairness, transparency, consistency, accountability, and compliance with this Policy and all applicable legislative and trade agreement requirements.
- 4.6.2 The Procurement Officer shall review proposed procurement documentation for a Competitive Bid to ensure clarity, reasonableness, quality and consistency with guidelines, and shall advise Regional Water of suggested improvements.
- 4.6.3 Procurement documentation shall avoid use of specific products or brand names.
- 4.6.4 Notwithstanding Section 4.6.3, the Director of Regional Water (or delegate) may specify a specific product, brand name or approved equal for essential functionality purposes (with consideration for operating and maintenance costs) to avoid unacceptable risk or for some other valid purpose. In such instances, the Director of Regional Water (or delegate) shall oversee the procurement to achieve a competitive situation whenever possible.
- 4.6.5 The use of standards in procurement documentation that have been certified, evaluated, qualified, registered or verified by independent nationally or internationally recognized and industry-supported organizations such as, but not limited to, the Standards Council of Canada, shall be preferred.
- 4.6.6 Director of Regional Water (or delegate) shall:
- a) Give consideration to Value Analysis, Sustainable Purchasing and supplier code of conduct;
 - b) Ensure that adequate Value Analysis comparisons are conducted to provide assurance that the specification(s) will provide best value.
 - c) Forward the Value Analysis to Purchasing and Supply for documentation in the procurement file; and

d) Ensure specifications(s) are set to allow for an open competitive process.

4.6.7 All substantive changes to standard clauses in Competitive Bid documents and standard agreements shall be reviewed by Huron's solicitor (or delegate).

4.6.8 Unless otherwise noted in this Policy, the Director of Regional Water (or delegate) shall issue Competitive Bid documents for goods and services. The Procurement Officer shall give notice of the issuance of a Competitive Bid electronically via the internet as well as any other means as appropriate.

4.7 Approval Authority and Reporting Requirements

4.7.1 Any person having delegated approval authority pursuant to this Policy shall ensure that an approved budget, as described in Section 4.16 of this Policy, exists for the proposed procurement and that such procurement does not violate any Huron policies or any applicable law. Any such procurement shall also satisfy any applicable audit and documentation requirements of Huron.

4.7.2 All applicable taxes, duties and shipping shall be excluded in determining the procurement limit of authorized delegates and the type of procurement process to be followed.

4.7.3 The dollar values identified in this section represent the annual estimated procurement value for a good and service to be procured. The annual estimated procurement value is the cumulative value spent over a twelve (12) month period for a particular good and service.

4.7.4 In the case of multi-year supply and service contracts, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract.

4.7.5 The following body and persons shall have the respective approval authority as set out below (see summary in Schedule "A"). All dollar values are based on annual amounts and must be within pre-approved budgeted limits.

a) **Board** must approve the following awards:

- i. RFP or RFT equal to or greater than the applicable CFTA threshold for goods, services or construction, as amended, and any RFP or RFT greater than the applicable CETA threshold for goods, services or construction, as amended.
- ii. RFP or RFT is greater than \$139,000 and having an Irregular Result (see Section 4.7.10); and,
- iii. Sole Source or Single Source greater than \$347,400

b) **Chief Administrative Officer** is authorized to approve the following awards:

- i. Professional Consulting Services greater than \$139,000 and less than the applicable CETA threshold for services, as amended.

- ii. Sole Source or Single Source greater than \$139,000 and less than the CFTA threshold for construction.
- c) **Director of Regional Water and the Chief Administrative Officer** (jointly) are authorized to approve the following awards:
 - i. Sole Source or Single Source up to \$347,000;
 - ii. RFP or RFT up to \$139,000 and having an Irregular Result (see Section 4.7.10);
 - iii. RFP or RFT of \$50,000 up to \$139,000 and in excess of the Board approved budget; and,
 - iv. RFP or RFT of \$139,000 up to the applicable CETA threshold for goods, services or construction not exceeding the Board approved budget.
- d) **Director of Regional Water** is authorized to approve the following awards:
 - i. Informal quotations up to \$50,000 and in excess of the Board approved budget; and,
 - ii. Professional Consulting Services not exceeding \$139,000.
- e) **Director of Regional Water** or any Regional Water employee exercising delegated authority approval are authorized to approve the following awards Provided that the procurement value does not meet or exceed any applicable CFTA or CETA threshold:
 - i. Informal quotations up to \$50,000 not exceeding the Board approved budget; and,
 - ii. RFQ or RFP up to \$139,000 not exceeding the Board approved budget.

4.7.6 Section 4.7.5 approvals may be overridden in the case of an ‘emergency’ as defined in Section 4.13.2 of this Policy.

4.7.7 **Delegation of Approval Authority**

The method for the Director of Regional Water delegating approval authority is as follows:

- a) The Director of Regional Water shall prepare a ‘delegation of approval authority list’ for Regional Water;
- b) The list will provide evidence that the staff listed have been delegated approval authority by the Director of Regional Water;
- c) The list at minimum, shall include the staff person’s name, title and approval limit, the list will also include any acting roles;

- d) The list shall be updated immediately upon any change in staff or position;
- e) A copy of the list shall be maintained by Huron and circulated internally to the Director of Regional Water, the Procurement Manager, and the Regional Water Finance and Procurement Department for reference each time the list is revised;
- f) The Procurement Manager shall ensure that the delegation of approval authority list is current and made available to appropriate Huron staff, as required for the administration of this Policy;
- g) Huron staff responsible for procurement, purchasing, and financial administration shall review the applicable delegation of approval authority list prior to undertaking any task that requires approval under this Policy.

4.7.8 Only the Director of Regional Water may further delegate approval authority to Regional Water staff at the procurement values deemed appropriate. Regional Water staff that have been delegated approval authority from the Director of Regional Water to approve procurement shall have no authority to further delegate this approval authority to any other person.

4.7.9 The Board may explicitly delegate further approval authority as it considers necessary from time to time, including but not limited to, any extended time periods which the Board does not meet.

4.7.10 Irregular Result

- a) The Director of Regional Water may approve a Competitive Bid up to \$50,000 where the value of the lowest compliant bid is in excess of the Board approved budget including any contingency allowance.
- b) The Director of Regional Water, jointly with the Chief Administrative Officer may approve a Competitive Bid up to \$139,000 if any of the following conditions apply:
 - i. The value of the lowest compliant bid is in excess of the Board approved budget including any contingency allowance;
 - ii. The specifications of a competitive bid cannot be met by two (2) or more suppliers;
 - iii. The award is not being made to a compliant bidder(s) offering the Best Value to Huron; or,
 - iv. Where a Substantive Objection has been filed prior to award of a Competitive Bid
- c) The Director of Regional Water and the Chief Administrative Officer shall submit a report to the Board and receive their approval for the award of a Competitive Bid greater than \$139,000 if any of the following conditions apply:

- i. The value of the lowest compliant bid is in excess of the Board approved budget including any contingency allowance;
- ii. The specifications of a competitive bid cannot be met by two (2) or more suppliers;
- iii. The award is not being made to a compliant bidder(s) offering the Best Value to Huron; or,
- iv. Where a Substantive Objection has been filed prior to award of a Competitive Bid.

4.7.11 Reporting to the Board

- a) On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where delegated approval authority was used to award a Contract in excess of \$10,000, amend or extend a Contract, and amend Board approved budgets in accordance with this Policy.
- b) On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where delegated approval authority was used to dispose of Huron assets in accordance with this Policy.

4.8 Low Dollar Value Procurements (up to \$30,000) as per Schedule 'A'

4.8.1 Procurements up to \$30,000 shall be considered low dollar value procurements.

4.8.2 A Purchasing Card provided by the Administering Municipality may be used for low-dollar value procurements provided that the procurement complies with the Administering Municipality's Procurement of Goods and Services Policy, as applicable.

For further clarity, where alternative payment methods such as cheque or electronic funds transfer are available and reasonably practical, those methods are preferred; however, the use of a Purchasing Card remains permissible where operationally appropriate.

4.8.3 The Director of Regional Water may delegate approval authority to Regional Water staff for low dollar value procurements, and it is their responsibility to ensure that this Policy is adhered to.

4.8.4 Huron's standard insurance form(s) must be completed for all Informal Quotations, as appropriate.

4.8.5 WSIB Certificates of Clearance must be obtained at the commencement of the project and as needed before final payment is released.

4.8.6 Low dollar value procurements do not require an RFQ, RFP or RFT. Obtaining competitive quotes is considered good business practice and should be obtained

where it is reasonably practicable. An authorized Purchase Order is the preferred method.

4.9 Informal Request for Quotation (IRFQ) \$30,000 to \$50,000 – as per Schedule ‘A’

- 4.9.1 Procurements greater than \$30,000 but not exceeding \$50,000 are eligible to be completed through an Informal Quotation process. The Director of Regional Water or any employee exercising delegated authority is authorized to award the contract
- 4.9.2 All Informal Quotations shall be in accordance with the Procurement of Goods and Services and Disposal of Assets Policy.
- 4.9.3 Informal Quotations shall be obtained in the following manner:
 - a) Written (use of the electronic bidding system is encouraged) bids obtained from at least three (3) separate potential suppliers;
 - b) A ‘No Bid’ response shall not be considered as a valid bid;
 - c) All suppliers shall receive the same written informal quotation information;
 - d) The informal quotation shall be awarded to the lowest compliant bid; and
 - e) Documentation on all bids, including but not limited to the prospective bidders list, bid document, bid responses and decision-making rationale shall be retained in the project files for a minimum of two (2) years and in accordance with the Retention Policy of Huron.
- 4.9.4 Regional Water staff are encouraged to seek at least three (3) bids to ensure a more competitive process. If staff has exhausted all efforts to obtain three (3) bids and can support this with documented evidence under Section 4.9.3.e. above, a minimum of two (2) written bids is acceptable.
- 4.9.5 Huron’s standard insurance form(s) must be completed for all Informal Quotations as appropriate.
- 4.9.6 WSIB Certificates of Clearance must be obtained at the commencement of the project and as needed before final payment is released.
- 4.9.7 An authorized Purchase Requisition may be issued and shall include copies of the Bids received.

4.10 Request for Quotation (RFQ) \$50,000 to \$139,000 – as per Schedule ‘A’

- 4.10.1 RFQ procedures shall be used where:
 - a) The item is greater than \$50,000 but not exceeding \$139,000;
 - b) The requirement can be fully defined; and,

- c) Best value for Huron will be achieved by an award selection made on the basis of the total lifecycle cost that meets all terms, conditions and specifications.
- 4.10.2 The Director of Regional Water or any Regional Water employee exercising delegated authority approval may approve this award.
- 4.10.3 Huron's standard insurance form(s) must be completed for all Requests for Quotations as appropriate.
- 4.10.4 WSIB Certificates of Clearance must be obtained at the commencement of the project and as needed before final payment is released.
- 4.10.5 The Director of Regional Water or any Regional Water employee exercising delegated authority approval shall submit a Purchase Request in writing containing the relevant specifications, budget authorization, approval authority and terms and conditions for the purchase of goods, services or construction.
- 4.10.6 Regional Water shall be responsible for administering and reviewing RFQs, including those conducted through an approved electronic bidding platform, and for verifying that all terms, conditions, and specifications are met.
- 4.10.7 Huron reserves the right in its absolute sole discretion to accept or reject any submission.

4.11 Request for Proposal (RFP) – as per Schedule 'A'

- 4.11.1 The RFP procedure shall be used where:
 - a) The requirement is best described in a general performance specification.
 - b) Innovative solutions are sought; and,
 - c) To achieve best value, the award selection will be made on an evaluated point per item or other method involving a combination of mandatory and desirable requirements.
- 4.11.2 Awards under the RFP process require the following approval:
 - a) Except in the case of an award for Professional Consulting Services or an Irregular Bid, the Director of Regional Water or any Regional Water employee exercising delegated authority approval may approve an RFP award for purchases up to \$139,000;
 - b) Except in the case of an award for Professional Consulting Services or an Irregular Bid, the Director of Regional Water and the Chief Administrative Officer must jointly approve an RFP award for purchases greater than \$139,000 up to the threshold value established under CETA; and,

- c) The Board must approve an RFP award for purchases greater than the applicable trade agreement threshold, as amended.
- 4.11.3 The RFP process is a competitive method of procurement that may or may not include supplier pre-qualification and may be conducted through an approved electronic bidding platform.
- 4.11.4 An RFI, REOI or RFQUAL may be issued in advance of a RFP to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified suppliers.
- 4.11.5 An RFI, REOI and RFQUAL shall follow the same award approvals as an RFP, if applicable.
- 4.11.6 Regional Water may establish and maintain a list of suggested evaluation criteria to assist in formulating an evaluation methodology for use in a Request for Proposal (RFP). Such criteria may include, but are not limited to, qualifications and experience, strategy, approach, methodology, scheduling, past performance, facilities, equipment, pricing, life-cycle costing, product standardization, and factors supporting sustainability and environmental procurement. The selection and application of evaluation criteria shall be determined by Regional Water for each procurement and applied in accordance with this Policy to ensure fairness, transparency, and best value.
- 4.11.7 The Director of Regional Water or any Regional Water employee exercising delegated authority approval shall identify appropriate evaluation criteria from the list for use in an RFP but are not limited to criteria from the list. Cost will always be included as a factor, as best value includes but is not limited to quality and cost.
- 4.11.8 The Director of Regional Water or any Regional Water employee exercising delegated authority approval shall submit a written Purchase Request containing the budget authorization, approval authority, terms of reference and evaluation criteria to be applied in evaluating the proposals submitted.
- 4.11.9 A designated Procurement Officer will be the lead in the RFP process, including prerequisite RFI, REOI and/or RFQUAL as applicable. A selection committee will be formed with a minimum of three evaluators. The evaluators shall review all compliant proposals against the established criteria, reach consensus on the final rating results, and ensure that the final rating results, with supporting documents, are kept in the procurement file. The Purchasing Officer may or may not participate in the scoring of the proposals. The RFP process may be administered through an approved electronic bidding platform.
- 4.11.10 During the proposal process all communication with proponents shall be through the designated Procurement officer.
- 4.11.11 The Procurement Officer shall provide an evaluation summary of the procurement, as well as the evaluation committee's recommendation for award of contract to the proponent which meets all mandatory requirements and providing best value as

stipulated in the RFP. The Procurement Officer is responsible for documenting the determination of best value. The criteria and analysis to determine best value will be included (if applicable) in the report to the Board.

- 4.11.12 Reporting will not include financial summaries of bids as this information will remain confidential. Any disclosure of information shall be made by the appropriate officer in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990*, as amended.
- 4.11.13 Unsuccessful proponents may, at their request, attend a debriefing session with the Procurement Officer to review their competitive bid. Any discussions relating to any submissions other than that of the proponent present will be strictly prohibited. This debriefing session is intended to provide general feedback regarding the proponent's rating on various criteria in order to allow the proponent to understand where future improvements might be available.
- 4.11.14 Huron reserves the right in its absolute sole discretion to accept or reject any submission.
- 4.11.15 Procurement for Collaborative Delivery Programs that involve the procurement of a combination of goods, services, construction and/or consulting services (including design-build and construction manager at risk), shall follow the RFP process as outlined in this section 4.11.

4.12 Request for Tender (RFT) Greater than \$139,000 – as per Schedule 'A'

4.12.1 RFT procedures shall be used where:

- a) The total cost is expected to be greater than \$139,000;
- b) The requirement can be fully defined; and,
- c) Best value for Huron can be achieved by an award selection made on the basis of the lowest bid that meets all terms, conditions and specifications.

4.12.2 Awards under the RFT process require the following approval:

- a) The Board must approve an RFT award for tenders greater than the threshold value established by CETA, where sufficient funds are not available within the appropriate account;
- b) The Board must approve an RFT award for an Irregular Bid; and,
- c) The Director of Regional Water and the Chief Administrative Officer must jointly approve an RFT award for tenders up to the threshold value established by CETA and where there are sufficient funds available within the appropriate account.

4.12.3 The Director of Regional Water (or delegate) shall submit a purchase request in writing containing the relevant specifications, budget authorization, approval

authority and terms and conditions for the purchase of goods, services or construction. Specifications may include certain brands of product in order to facilitate standardization of Huron's inventory as per Section 4.6.4 of this Policy.

- 4.12.4 The Procurement Officer shall be responsible for arranging the public disclosure of bid submissions at the time and date specified by the bid call.
- 4.12.5 The Procurement Officer shall provide a summary of the bids and recommend the awarding of the contract to the lowest compliant bidder.
- 4.12.6 Huron reserves the right in its absolute sole discretion to accept or reject any submission.

4.13 Non-Competitive Purchases (Emergency, Sole Source, Single Source)

- 4.13.1 The requirement for a Competitive Bid process for the selection of a supplier for goods, services and construction (except for Emergencies – see Section 4.13.2) may be waived under the authority of the Chief Administrative Officer and replace with direct negotiations by the Director of Regional Water (or Delegate) under the following circumstances:
 - a) The procurement qualifies as a “Sole Source” as defined in Section 4.13.3; or,
 - b) The procurement qualifies as a ‘Single Source’ as defined in Section 4.13.4.

4.13.2 Procurement Emergencies

For the purpose of this section, and in addition to Section 3, “Emergency” shall mean an event or occurrence that in the opinion of the Chief Administrative Officer or the Director of Regional Water deem as an immediate threat to:

- a) Public health;
- b) The maintenance of essential Huron services; or,
- c) The welfare and protection of persons, property, or the environment; and the event or occurrence necessitates the immediate need for goods or services to mitigate the Emergency, and time does not permit for a competitive procurement process.

In the event of an Emergency the Chief Administrative Officer or Director of Regional Water, and their respective delegates, are authorized to enter into a purchase agreement utilizing the Emergency Reserve Fund as the source of finance without the requirement for a formal competitive process. A list of pre-qualified suppliers will be used to select the suppliers, whenever possible.

Where the procurement to mitigate, the Emergency is anticipated to exceed \$50,000:

- a) A notification must be sent (e-mail is acceptable) to the Regional Water Finance and Procurement department requesting the establishment of a project number for the Emergency. The notification shall include an outline of the nature of the emergency (referencing this section of the Policy), the estimated budget for the project, and the primary Regional Water contact that is managing the Emergency.
- b) A notification must be sent (e-mail is acceptable) from the Director of Regional Water to the Board, copied to the Chief Administrative Officer, notifying the Board Members of the nature of the emergency and that the Emergency provisions of this Policy have been used; and,
- c) The steps taken to mitigate the Emergency must always be clearly documented regardless of amount.

Where the aggregate costs for the Emergency are expected to be in excess of \$50,000, the emergency procurement shall be reported at the next regularly scheduled meeting of the Board, or related Special Meeting of the Board if called in accordance with the Rules of Order and Procedure By-law.

4.13.3 Sole Source

The procurement may be conducted using a Sole Source process if the goods and services are available from only one supplier by reason of:

- a) Statutory or market-based monopoly;
- b) Competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, license, technical secrets or controls of raw material; or,
- c) The complete item, service, or system is unique to one supplier, and no other alternative or substitute exists.

4.13.4 Single Source

Single Source means that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications.

The procurement may be conducted using a Single Source process if the goods and services are available from more than one source, but there are valid and sufficient reasons for selecting one supplier in particular, as follows:

- a) An attempt to acquire the required goods and services by soliciting competitive bids has been made in good faith, but has failed to identify more than one willing and compliant supplier;

- b) The confidential nature of the requirement is such that it would not be in the public interest to solicit competitive bids;
- c) Construction, renovations, repairs, maintenance etc. in respect of a building leased by Huron may only be done by the lessor of the building, in accordance with a lease agreement;
- d) There is a need for compatibility with goods and services previously acquired or the required goods and services will be additional to similar goods and services being supplied under an existing contract (i.e., contract extension or renewal);
- e) The required goods and services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience;
- f) The goods are purchased under circumstances which are exceptionally advantageous to Huron, such as in the case of bankruptcy or receivership;
- g) It is advantageous to Huron to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body;
- h) It is advantageous to Huron to acquire the goods or services directly from another public body or public service body;
- i) Another organization is funding or substantially funding the acquisition and has determined the supplier, and the terms and conditions of the commitment into which Huron will enter are acceptable to Huron;
- j) The acquisition is for a particular brand of goods or services that are intended solely for resale to the public and no other brand is desirable, and the brand is not available from any other source; or,
- k) Where due to abnormal market conditions, the goods, services or construction required are in short supply.

4.13.5 Sole Source and Single Source – Approval and Reporting

Awards which qualify to be considered as Single Source or Sole Source process require the following approval:

- a) The Director of Regional Water and the Chief Administrative Officer must jointly approve an award not exceeding \$139,000; or for construction awards up to the applicable CFTA construction threshold, as amended; or,
- b) The Board must approve an award greater than \$139,000 unless otherwise permitted by this Policy.

4.14 Appointment of Professional Consulting Services

4.14.1 General

- a) Senior management staff will be involved in the selection process for Professional Consulting Services. Specifically, the Senior Manager of Capital Programs or the Senior Manager of Business Administration is to be involved in the procurement of consulting services for all projects within their respective department, and Director of Regional Water for high-profile projects of increasing complexity or expense.
- b) Under no circumstances shall an extension or expansion of a consulting engagement preclude the required approvals. This includes splitting the project or scope of work into multiple phases or sections. The Board has sole authority to approve and award contracts greater than the CETA threshold for services, as amended.
- c) If a consulting engagement that was previously awarded administratively subsequently exceeds the CETA threshold for services, the Director of Regional Water shall prepare an information report for the Board providing a status update and requesting approval to proceed (if applicable).
- d) The Director of Regional Water shall be responsible for ensuring that a Consulting Services Agreement is executed for engineering consulting assignments. Notwithstanding, if an alternative agreement is used for any consulting services, the agreement must be reviewed by the Board's solicitor. The Consulting Services Agreement or alternate consulting services Agreement must be executed by the Chief Administrative Officer and Board Chair, or their delegate.
- e) The Director of Regional Water shall be responsible for ensuring that appropriate insurance and WSIB documents are obtained and submitted to the Administering Municipality's Risk Management division and copies kept with the project file.
- f) On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where Consulting Services were administratively awarded, or an agreement for Consulting Services was amended or extended in accordance with this Policy.

4.14.2 Consulting Engineers, Architects, Landscape Architects and Environmental Consultants

With the exception of the procurement for Collaborative Delivery Projects, including design-build or Construction Manager at Risk, the selection of Professional Consulting Services will follow the requirements of Section 4.14.1; and,

- a) Professional Consulting Services, such as architects, landscape architects, and environmental consultants, may be procured in accordance with an

Huron approved Consultant Vendor of Record and grouped consultant selection process, established and maintained by the Director of Regional Water.

- b) A list of pre-approved firms (Consulting Engineers, Architects, Landscape Architects and Environmental Consultants) that provide professional consulting services shall be established by the Director of Regional Water.
- c) Assignments for projects which have estimated fees of less than \$139,000 shall be awarded by the Director of Regional Water to listed candidate firms based on an evaluation of the firm's competency, expertise, costs, past performance on Huron projects, available capacity, and the size of their operation and the particulars of the work to be done.
- d) Assignments for projects that are more complex in nature, but that are within the capability of firms included on the above-mentioned pre-approved list, and that have estimated fees between \$139,000 and the CETA threshold for goods and services, as amended, shall be assigned on the basis of a proposal submitted by a minimum of three (3) qualified firms from the list. Such proposals shall outline the firm's approach to the proposed project and demonstrate relevant experience and knowledge of projects of a similar nature.

If staff has exhausted all efforts to obtain at least three (3) proposals and can support this with documented evidence, a minimum of two (2) written bids is acceptable

A grouped consultant selection process may be undertaken for more than one project where the projects are similar in nature, the consultants possess the requisite skills and capacity to undertake the work, and operational efficiencies or value-for-money benefits are realized by Huron. Any grouped consultant selection process shall be established, maintained, administered, and governed by Huron in accordance with this Policy. The process shall form part of Huron's consultant selection framework and shall be applied in a manner that ensures fairness, transparency, consistency, and best value, and shall not constitute or rely upon any external consultant selection framework or delegation of procurement authority.

- e) Except in the case of an Irregular Bid, assignments for projects with estimated fees between \$139,000 and the CETA threshold for goods and services, as amended, shall be approved by the Chief Administrative Officer.
- f) Assignments for complex projects, or projects with estimated consulting fees greater than the CETA threshold for goods and services, as amended, shall be awarded through a two-stage competitive process. The first stage shall consist of an open, publicly advertised expression of interest and pre-qualification process (REOI/RFQUAL). The second stage shall consist of a Request for Proposals (RFP) issued to the short-listed firms, of which there shall be a minimum of three (3) qualified firms, each submitting their proposed

approach and demonstrating relevant experience and knowledge of projects of a similar nature.

- g) The assignments of an Irregular Bid outlined in parts d) and any assignment outlined in f) above and their related budget shall be subject to the approval of the Board. Prior to award by the Board, Regional Water staff will negotiate with the recommended consultant to establish the estimated personnel costs and other charges required for the assignment. It is anticipated that an upset fee will be established for the first phase of the project as directed by the Director of Regional Water. Board approval will be for the entire project noting that the consultant shall obtain the approval of the Director of Regional Water to proceed with subsequent phases to upset limits as appropriate to the work within the limit of the budget.
- h) A consulting firm which has satisfactorily partially completed a project may be recommended for award of the balance of a project without competition subject to satisfying all financial, reporting and other conditions contained within this Policy. This should be to the financial advantage of Huron due to the fact that such a consultant has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected.

4.14.3 Other Professional Consulting Services

The selection of Professional Consulting Services which are not included under Section 4.14.2 will follow the requirements of Section 4.14.1; and,

- a) Projects which have estimated fees of less than \$139,000 may be awarded by the Director of Regional Water under the following circumstances:
 - i. the project requires special knowledge, skills, expertise or experience; or,
 - ii. another organization is funding or substantially funding the project and has already selected a preferred firm and strict timelines have been placed on the funding; or,
 - iii. the confidential nature of the project is such that it would not be in the public interest to solicit competitive bids; or,
 - iv. the preferred firm has already been selected through a formal procurement process by another public body to provide same or similar services; or,
 - v. the project requirement meets the definition of Sole Source, Section 4.13.3.
- b) The Director of Regional Water is responsible for detailing the rationale supporting their decision to award the recommended firm.

- c) Under this section, all professional consultant proposals must include, at minimum:
 - i. Schedule of fees;
 - ii. Methodology and timeline to complete project;
 - iii. Demonstrated experience and qualifications required to perform project; and,
 - iv. List of personnel who will be directly involved in the completion of the project.
- d) All requirements for Other Professional Consulting Services (section 4.14.3) not meeting the selection requirements of section 4.14.3(a) shall follow the RFP process outlined in Section 4.11

4.15 Blanket Purchase Contracts

- 4.15.1 A Blanket Purchase Contract established by Huron, in accordance with this Policy and Huron's procurement procedures, may be used where it is determined to be in the best interest of Huron.

4.16 Requirement for Approved Funds

- 4.16.1 The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within Board approved budget for Huron.
- 4.16.2 Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:
 - a. The identification and availability of sufficient funds in appropriate accounts for the current year within the Board approved budget;
 - b. The requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the Director of Regional Water, the required funding can reasonably be expected to be made available; and,
 - c. The contract containing a provision that the supply of goods or services in subsequent years is subject to the approval by the Board.

4.17 Bid Administration

- 4.17.1 All competitive procurements shall be administered by an authorized Procurement Officer using an electronic bidding platform directly procured and controlled by Regional Water.

The protocol for bid irregularities and their associated responses are detailed in Schedule 'C' of this Policy.

4.18 Contract Administration

4.18.1 Contractual Agreement

- a) The award of a contract may be made by way of an Agreement, Contract Record or Purchase Order.
- b) A Purchase Order or Contract Record is to be used when the resulting contract is straightforward and will contain Huron's standard terms and conditions.
- c) Agreement is to be used when the resulting contract is complex and will include terms and conditions other than Huron's standard terms and conditions.
- d) It shall be the responsibility of the Director of Regional Water (or delegate) and the Chief Administrative Officer to determine if it is in the best interest of Huron to establish an agreement with the supplier.
- e) Where it is determined that Section 4.18.1.d is to apply, the agreement shall be reviewed for execution by Huron's solicitor unless a standard Consulting Services Agreement is used, as appropriate.
- f) Where an agreement is required, as a result of the award of a contract by delegated authority, the Board Chair and Chief Administrative Officer shall execute the agreement in the name of Huron unless delegated in writing in accordance with the Delegation of Powers and Duties Policy.
- g) Where an agreement is issued, a Purchase Order or Contract Record may be issued incorporating the formal agreement.
- h) Where an agreement is not required, an authorized Purchase Order or Contract Record may be issued incorporating the terms and conditions relevant to the award of contract.

4.18.2 Exercise of Contract Renewal Options

- a) Where a contract contains an option for renewal, the Director of Regional Water may authorize the exercise of such option provided that all of the following apply:
 - i. the supplier's performance in supplying the goods and services or construction is considered to have met the requirements of the contract;
 - ii. any price increases are consistent with the prevailing market conditions for the goods or services being purchased;
 - iii. the facts justifying the decision to award this supplier previously are still relevant at the time of contract renewal;

- iv. funds are available or will be available in appropriate accounts within Board approved budget, including authorized revisions, to meet the proposed expenditure;
 - v. the relevant Board report, if applicable, clearly identified the options to extend;
 - vi. the Director of Regional Water and the Chief Administrative Officer agree that the exercise of the option is in the best interest of Huron; and
 - vii. compliance with Sections i. through v. is documented, authorized by the Director of Regional Water and saved with the project file.
- b) Approval for contract renewals and extensions shall be governed by Section 4.7.5 and Schedule "A" of this Policy.

4.18.3 Contract Amendments

- a) No amendment to a contract shall be made unless the amendment is in the best interest of Huron.
- b) No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- c) Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within Board approved budgets including authorized amendments.
- d) Director of Regional Water jointly with the Chief Administrative Officer may authorize amendments when:
 - i. the total amended value of the contract (original contract plus amendment) is within the approval limit as noted in Schedule "A" of this Policy; or,
 - ii. the contract amendment will not exceed the originally approved contract by an amount greater than \$100,000 or 5% of contract value, whichever is greater, and there are sufficient funds available.
- e) The Board must authorize contract amendments when:
 - i. the total amended value of the contract will be greater than the administrative approval threshold under Section 4.18.3.d above; or,
 - ii. the total amended value of the contract will exceed the originally approved contract by an amount greater than \$100,000 or 5% of contract value, whichever is greater, and there are funds available.

4.18.4 Performance Evaluation

The Director of Regional Water may develop and implement a Performance Evaluation program for contractors and consultants to be used in conjunction with Bid Administration in accordance with Section 4.17 of this Policy.

4.19 Disposal of Materials and Equipment

4.19.1 Obsolete and / or Surplus Material and Equipment

- a) If materials and equipment are designated as obsolete, they may be offered for sealed bids, public auction or other public sale, depending in the opinion of the Director of Regional Water, or delegate, on which method is most suitable for the equipment or material involved.
- b) Auctions are held as required dependent upon the individual circumstances such as delivery of replacement items and storage capacity.
- c) The disposal of material and equipment where the removal and disposal are intrinsic to a project is excluded from this Policy and is deemed to have been approved by the Board with the approval of the project. Huron may, at its sole discretion, designate specific material or equipment as having high value in a project and exclude the disposal from the project, and the disposal may be undertaken separately in accordance with this Policy.

4.19.2 Scrap Materials and Equipment

Material and equipment deemed to be scrap may be disposed of by:

- a) General advertising to secure sealed bids;
- b) Direct contact with the appropriate dealers to view the scrap and submit offers to purchase;
- c) Public auction; or,
- d) Other methods as deemed appropriate.

4.19.3 Revenue and Reporting to the Board

- a) On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where material and equipment was disposed of in accordance with this Policy, excluding disposals that were intrinsic to a project.
- b) The revenue from the sale of obsolete material shall be credited to the appropriate Huron account.

4.20 General Provisions

4.20.1 Cooperative Purchasing

- a) Huron may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interests of Huron to do so.

- b) The decision to participate in cooperative purchasing agreements will be made by the Director of Regional Water.
- c) The individual policies of the government agencies or public authorities participating in the cooperative competitive bid are to be the accepted by law for that particular competitive bid.

4.20.2 Direct Solicitation

- a) Unsolicited proposals received by Huron shall be referred to the Director of Regional Water and the Manager of Finance and Procurement for review.
- b) Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this Policy.
- c) A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement complies with the requirements of a non-competitive procurement, as detailed in Section 4.13.

4.20.3 Resolution of Questions

Any question involving the meaning or application of this Policy is to be submitted to the Chief Administrative Officer who will resolve the question.

4.20.4 Access to Information

The disclosure of information received relevant to the issue of competitive bids or the award of contracts emanating from competitive bids shall be made by the appropriate officers in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990*, as amended. This includes, but is not limited to, records and information pertaining to a competitive bid if the disclosure could reasonably be expected to:

- a) significantly prejudice the competitive position or significantly interfere with the contractual or other negotiations of a person, corporation or other entity that responds, or intends to respond to a request for bids;
- b) result in similar information no longer being supplied to Huron where it is in the public interest that similar information continues to be so supplied;
- c) result in undue loss or gain to any person, group, committee or financial institution or agency; or,
- d) result in information whose disclosure could reasonably be expected to be injurious to the financial interests of Huron.

4.20.5 Local or Geographical Preference

Huron shall not give any local or geographical preference during the competitive bid process. Huron may mandate certain bona fide on-site response time requirements for specific situations as appropriate.

4.20.6 Terms and Conditions

All standard Huron Terms and Conditions for all procurement activities will govern unless there is written approval for the proposed changes from the Director of Regional Water in consultation with Huron's Solicitor if applicable.

4.20.7 Application of Trade Agreements

Huron procurement activities shall comply with all applicable trade agreements, including the CFTA and the CETA, as amended from time to time.

Schedule 'A' – Levels of Contract Approval Authority

Sales taxes, excise taxes, goods and service taxes and duties shall be excluded in determining the price of a contract for the supply of goods or services for the purpose of the relationship of the price to the preauthorized expenditure limit. In the case of multi-year supply and service contracts, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract.

Copies of quotations, tenders, proposals and related documents must be retained for a period of not less than two years following the completion of the provision of the Goods & Services, and as determined by the Retention Policy.

Emergencies as defined in Section 4.13.2 are exempt from this Approval Authority.

Table 1: Goods & Services, excluding Consulting Services

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
Less than \$30,000	<p>Low Dollar Value Procurement</p> <ul style="list-style-type: none"> ▪ Use purchasing card for small operational expenses, etc. within the transaction limit established for the card in each circumstance. ▪ Obtain competitive quotes where reasonably practical (informal). 	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.8
\$30,000 to \$50,000	IRFQ – min. of three written quotes	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.7.5 4.9
	Amount exceeding approved project budget	Director of Regional Water	4.7.10

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
	Single Source or Sole Source	Director of Regional Water or Chief Administrative Officer)	4.7.5
Greater than \$50,000 to \$139,000	“RFQ” <ul style="list-style-type: none"> • At least three quotes • Procurement awarded to the lowest compliant bid 	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.7.5 4.10 / 4.12
	“RFP” <ul style="list-style-type: none"> • At least three proposals • Awarded to the proponent offering best value 	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.7.5 4.11
	Irregular Result	Director of Regional Water and Chief Administrative Officer (Jointly)	4.7.10
	Amount exceeding approved project budget	Director of Regional Water and Chief Administrative Officer (Jointly)	4.7.10
	Single Source or Sole Source	Director of Regional Water and Chief Administrative Officer (Jointly)	4.7.5
Greater than \$139,000 to the CETA threshold (\$736,000), as amended	“RFP” <ul style="list-style-type: none"> • At least three proposals if RFP • Awarded to proponent having best value 	Director of Regional Water and Chief Administrative Officer (Jointly) Board greater than \$736,000	4.7.5 4.11

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
	"RFT" <ul style="list-style-type: none"> • At least three quotes • Awarded to the lowest compliant bid 	Director of Regional Water and Chief Administrative Officer (Jointly), Board greater than \$736,000	4.7.5 4.12
	Irregular Result	Board	4.7.10
	Amount exceeding approved project budget	Board	4.7.10
	Single Source or Sole Source	Board	4.7.5
	Contract Extensions – previously approved by the Board – <ul style="list-style-type: none"> ▪ Less than the CETA threshold limit (\$736,000), as amended 	Director of Regional Water and Chief Administrative Officer (Jointly)	4.18.2
\$736,000 and above Greater than the CETA threshold limit (\$736,000), as amended	RFP	Board	4.7.5
	RFT	Board	4.7.5
	Contract Extension – previously approved by the Board	Board	4.18.2

Table 2: Consulting Services

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
Less than \$139,000	RFP or appointment from pre-approved list	Director of Regional Water	4.14.2
	Irregular Bid	Chief Administrative Officer	4.14.2
\$139,000 to the CETA (\$736,000) threshold for <u>services</u> limit, as amended	RFP from at least three qualified firms	Chief Administrative Officer	4.14.2
	Irregular Bid	Board	4.14.2
Greater than the CETA (\$736,000) threshold for <u>services</u> limit, as amended	Two-stage procurement: RFQual and RFP	Board	4.14.2
	Irregular Bid	Board	4.14.2
Less than the CETA (\$736,000) threshold limit, as amended	Contract Extensions – previously approved by the Board	Director of Regional Water and Chief Administrative Officer (Jointly)	4.18.2
Greater than the CETA (\$736,000) threshold limit, as amended	Contract Extensions – previously approved by the Board	Board	4.18.2
	Contract Amendments – subject to availability of sufficient funds in appropriate accounts and budget <ul style="list-style-type: none"> ▪ The greater of either up to \$100,000 or 5% of the Contract Value 	Director of Regional Water and Chief Administrative Officer (Jointly)	4.18.2 4.18.3

Schedule 'B' – Goods and Services Not Subject to this Policy

1. Training and Education, including:
 - a. Conventions, conference, seminars, and educational courses;
 - b. Magazines, subscriptions, and periodicals;
 - c. Memberships;
 - d. Staff development;
 - e. Staff workshops; and,
 - f. Staff relations
2. Refundable employee expenses as per the Travel & Business Expense Policy.
3. General Expenses, including:
 - a. Payroll and payroll deductions;
 - b. Medicals;
 - c. Insurance premiums, claim settlements and adjuster services;
 - d. Tax remittances, GST.HST Cost Recovery Reviews and WSIB Remittances;
 - e. Payment in Lieu of Property Tax remittances;
 - f. Charges to and from municipalities and other government agencies, including but not limited to application fees and permit fees;
 - g. Postage;
 - h. Advertising as required by the *Municipal Act or other applicable Provincial legislation*;
 - i. Retirement Recognition Awards;
 - j. Investment Management Services;
 - k. Employee Group Benefits, Compensation, Programs, Consulting and Reviews
 - l. Administrative services provided by the Administering Municipality as defined under a Service Level Agreement;
4. Licenses, certificates, permits and other approvals.
5. Ongoing maintenance and actions to maintain present functionality of existing computer hardware and software.

6. Professional and special services up to \$100,000, or defined more specifically in another Huron by-law or Policy, including, but not limited to:
 - a. Additional Non-recurring Accounting and Auditing Services;
 - b. Public Debenture Sales;
 - c. Realty Services for Lease, Acquisition, Demolition, Sale and Appraisal of Land and Property, including Appraisal and Consulting Services relating to matters of Expropriation;
 - d. Printing and Mailing Services; and
 - e. Integrity Commissioner Services

Professional and special services exceeding \$100,000 must follow the approval process outlined on [Schedule "A"](#)

7. Utilities – Including water and Wastewater, Electricity, Electrical Inspection Services, Phone, Internet/Communications and Natural Gas
8. Urgent Facilities Maintenance/Repairs/Renovations as deemed appropriate by the Director of Regional Water with the concurrence of the Chief Administrative Officer.
9. Legal Services and Labour Relations Services as deemed appropriate by the Director of Regional Water, with the concurrence of the Chief Administrative Officer, up to \$ 250,000.
10. Services provided for Huron construction projects within a railway right-of-way as required by the rail authority having jurisdiction.
11. Banking Services where covered by agreements and provided either directly by Huron's contracted Banking Services provider as deemed appropriate by the Director of Regional Water with the concurrence of the Chief Administrative Officer, or by the Administering Municipality as authorized by the Service Level Agreement either directly or indirectly.
12. Lease, maintenance and repair of office space for Regional Water as deemed appropriate by the Director of Regional Water with the concurrence of the Chief Administrative Officer.

Note: the acquisition, lease, or sale/disposition of Huron land (real property) is subject to Board approval.
13. Grant Funding, given or paid by Huron as per Board approved Policies for Grants and agreements entered into by the Board. Grants provided by Huron not covered by these Policies or agreements must be approved by the Board.

14. Compensation paid to landowners in accordance with an applicable landowners agreement authorized by the Board, including but not limited to the Pipeline Operations and Maintenance Agreement.
15. The services of the accredited laboratory as required by the *Safe Drinking Water Act* and its regulations.
16. Disposal of material and equipment deemed to be obsolete and surplus and scrap and having a value of less than \$1,000.

Schedule 'C' – Irregularities Contained in Bids

Irregularity	Response
1. Late bids.	Automatic rejection
2. Insufficient financial security (no bid deposit or insufficient bid deposit).	Automatic rejection
3. Failure to insert the name of the bonding company in the space provided for in the bid documents.	Automatic rejection
4. Failure to provide a letter of agreement to bond / letter of guarantee where required.	Automatic rejection
5. Incomplete, illegible or obscure bids, or bids which contain additions not called for, erasures, alterations, errors or irregularities of any kind.	May be rejected as informal – Mandatory Requirements must be met or Automatic rejection
6. Documents, in which all addenda have not been acknowledged.	Automatic rejection
7. Failure to attend mandatory site visit.	Automatic rejection
8. Bids received on documents other than those provided by Huron.	Automatic rejection
9. Failure to insert the bidder's business name in one of the two spaces provided in the bid documents.	Automatic rejection
10. Conditions placed by the bidder on the total contract price.	Automatic rejection

Irregularity	Response
<p>11. Bids containing minor mathematical errors</p>	<ul style="list-style-type: none"> a) If the amount bid for a unit price item does not agree with the extension of the estimated quantity and the bid unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly. b) If both the unit price and the total price are left blank, then both shall be considered as zero. c) If the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity. d) If the total price is left blank for a lump sum item, it shall be considered as zero. e) If the bid documents contain an error in addition and subtraction and transcription in the approved competitive bid documentation format requested (i.e., not the additional supporting documentation supplied), the error shall be corrected, and the corrected total contract price shall govern. f) Bid documents containing prices which appear to be so unbalanced as to likely affect the interests of Huron adversely may be rejected.

Schedule 'D' – Statement of Ethics for Public Procurements

The Ontario Public Buyers Association's Code of Ethics is based upon the following tenets and all employees who are authorized to purchase goods and services on behalf of the City are to adhere to the following:

1. **Open and Honest Dealings with Everyone who is Involved in the Purchasing Process.** This includes all businesses with which Huron contracts or from which it purchases goods and services, as well as all Regional Water staff and agents who act on behalf of Huron in the purchase of goods and services including the Administering Municipality as applicable.
2. **Fair and Impartial Award Recommendations for All Contracts and Tenders.** This means that we do not extend preferential treatment to any supplier, including local companies. Not only is it against the law, but it is also not good business practice, since it limits fair and open competition for all potential suppliers and is therefore a detriment to obtaining the best possible value for each dollar.
3. **An Irreproachable Standard of Personal Integrity on the Part of All Those Delegated as Purchasing Representatives** for Huron. Absolutely no gifts or favours are accepted by the purchasing representatives in return for business or the consideration of business. Also, the purchasing representatives do not publicly endorse one company in order to give that company an advantage over others.

Cooperation with Other Public Agencies in Order to Obtain the Best Possible Value for Every Tax Dollar. Where appropriate, Huron may participate in, either directly or through an agent, a cooperative purchasing group to pool expertise and resources in order to practice good Value Analysis and to purchase goods and services in volume and save tax.



By-Law No. 3-2026 – Schedule ‘B’ Delegation of Powers and Duties Policy

Approved: March 2, 2023

Revised: March 5, 2026

Legislative History: Enacted by By-Law 5A-2023 (March 2, 2023), amended by By-Law 3-2026 (March 5, 2026)

Last Reviewed Date: January 27, 2026

Policy Lead: Director, Regional Water

1 Purpose

This policy establishes guidelines for the Board of Management for the Lake Huron Water Supply System when considering the delegation of some of its powers and duties to a person or body.

2 Applicability

This policy shall apply to the Board of Management for the Lake Huron Water Supply System, noting that a delegation may not be subsequently delegated to another person or position except as may be permitted by the Procurement of Goods and Services and Disposal of Assets Policy, or other applicable policy, or when a person is in an acting capacity in the absence of the delegate.

3 Definitions

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

Board of Management (and Board) – shall mean the Board of Management for the Lake Huron 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, whose membership is constituted in accordance with the Appointment of Board Members By-law, as amended.

Emergency – shall mean a situation or an impending situation that constitutes a danger that could result in serious harm to persons or substantial damage to property or the significant impairment of water quality and quantity and that is caused by the forces of nature, a disease or other health risk, an accident, or an act whether intentional or otherwise.

Huron (and Lake Huron) – shall mean the Lake Huron 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.

4 The Policy

4.1 Applicable Legislation

Section 23.1 of the *Municipal Act, 2001* expanded the right of authority to delegate some of the powers and duties to a person or body.

It should be noted that the intent of Section 23.1 of the *Municipal Act, 2001* was to help streamline the decision-making process and enable the Board of Management to, as a local board, focus on larger issues in a more strategic manner. Delegation of powers and duties could also be used to enhance engagement with communities, interested parties and rights-holders on regional issues within the jurisdiction of Huron.

4.2 Powers that may be Delegated

Any delegation of a power or a duty shall be in accordance with the *Municipal Act, 2001*, S.O. 2001 c.25 and any other applicable legislation, noting that a delegation may not be subsequently delegated to another person or position except as may be permitted by the Procurement of Goods and Services and Disposal of Assets Policy, or other applicable policy or when a person is in an acting capacity in the absence of the delegate.

4.3 Process for Delegation

Any delegation of a power or a duty shall be made by by-law or resolution of the Board of Management.

4.4 Public Consultation

Prior to delegating any power or a duty, the Board of Management may consult with the public and/or the Benefiting Municipalities of Huron when, in the sole opinion of the Board of Management, public consultation is appropriate, unless it is required to do so by law.

4.5 Factors that the Board of Management may Consider

When delegating any power or duty, the Board of Management may consider, without limitation, any of the following matters:

- a) The term of the delegation;
- b) The conditions or restrictions, if any, on the Board of Management's powers to revoke the delegation;

- c) The conditions or restrictions, if any, to be imposed on the delegate;
- d) Whether the power or duty to be delegated will be exercised only by the delegate or by both the delegate and the Board of Management;
- e) Whether the delegation is consistent with the Board of Management's policies;
- f) The span of control, public reporting, and accountability of the delegation; and,
- g) The importance and complexity of the power or duty to be delegated and whether the delegate has the requisite qualifications and expertise to exercise the delegated powers and duties.

5 Delegation of Duties and Powers – Administrative

In addition to any delegation of duties and powers that the Board of Management may authorize, this Policy authorizes the following delegations of duties and powers:

5.1 Chief Administrative Officer

- a. Has the authority to execute Agreements related to approved research undertaken by an academic and research institution including, but not limited to, the related Industrial Research Chairs under the Natural Science and Engineering Research Canada program, the Ontario Water Consortium, the Canadian Water Network, and the Water Research Foundation, provided that there are sufficient funds within an appropriate account, and the activity or service is of benefit to Huron and undertaken in accordance with the Procurement of Goods and Services Policy;
- b. Has the authority to execute Pipeline Operations and Maintenance Agreement(s) and related amending agreements with landowners provided that the agreement and/or amending agreement is materially consistent with the corresponding template agreement approved by the Board of Management;
- c. Has the authority to execute Consulting Services Agreements and agreements for capital projects and initiatives not exceeding the budget approved by the Board of Management, and in accordance with the Procurement of Goods and Services and Disposal of Assets Policy; and,
- d. Has the authority to execute Agreements and/or Contracts for procurements within the Approval Authority granted to the Chief Administrative Officer, or jointly to the Chief Administrative Officer and the Director of Regional Water, pursuant to the Procurement of Goods and Services and Disposal of Assets Policy.
- e. Has the authority to approve applications for grants submitted in accordance with the Grants and Donations Policy, to a maximum of \$5,000.
- f. Has the authority to authorize and approve payments related to costs and fees from an adjudication undertaken and completed in accordance with the Construction Act.

5.2 Director of Regional Water

- a. Has the authority to execute forms and documents in the capacity as the Owner's agent or Owner's representative of Huron for the purpose of the ongoing administration, management and/or operation of the water supply system, including but not limited to:
 - i. Ministry of the Environment, Conservation and Parks Director Notification – Alteration to a Drinking Water System;
 - ii. Ministry of the Environment, Conservation and Parks Form 2 - Record of Minor Modifications or Replacements to the Drinking Water System;
 - iii. Access Plans, as amended from time to time, related to authorized Pipeline Operations and Maintenance Agreements executed with Landowners;
 - iv. Operational policies, procedures and related documents approved or endorsed by the Board of Management;
 - v. Applications related to new, amended and/or renewal of permits, licences, certificates, Environmental Activity Sector Registry, and related documents;
 - vi. Applications related to permits and approvals associated with approved capital projects and related initiatives, including but not limited to building permits, site plan and planning applications, conservation authority permits and approvals, utilities, and senior governments and their agencies;
 - vii. Agreements related to the services of the accredited laboratory as required by the *Safe Drinking Water Act* and its regulations;
 - viii. Agreements required and related to Utilities for the ongoing operation of Huron and in accordance with the Procurement of Goods and Services and Disposal of Assets Policy; and,
 - ix. Agreements related to Low Dollar Value Procurements (up to \$30,000), if required, in accordance with the Procurement of Goods and Services and Disposal of Assets Policy.
- b. Has the authority to execute Non-Disclosure Agreements regarding the provision of data, access to Huron facilities, and/or provision of information for the purpose of undertaking capital projects or operational requirements, including but not limited to participating in an approved research and related activities with an academic and research institution or consultant;
- c. Has the authority to execute Agreements and/or Contracts for procurements within the Approval Authority granted to the Director of Regional Water pursuant to the Procurement of Goods and Services and Disposal of Assets Policy"; and,
- d. Has the authority to submit comments to senior government engagement processes on behalf of the Board of Management and Huron, including but not limited to a posting on the Environmental Registry of Ontario.

- e. Has the authority to procure, execute agreements and contracts, and provide direction in an Emergency as established by, and in accordance with, the Procurement of Goods and Services and Disposal of Assets Policy, and as it solely relates to the Emergency.



By-Law No. 3-2026 – Schedule ‘C’

Travel and Business Expenses Policy

Approved: 5 March 2026

Revised: n/a

Legislative History: Enacted by provisional Board resolution (January 1999), endorsed by Board (December 2000), rescinded/replaced and enacted by By-law No. 01-2026 (March 5, 2026)

Last Reviewed Date: 26 February 2002

Policy Lead: Director, Regional Water

1. Purpose

The purpose of this Travel and Business Expenses Policy (“Policy”) is to address the methods and procedures by which the Lake Huron Water Supply System will be governed when attending to business, including but not limited to conferences, conventions, seminars, as well as business and business entertainment expenses; and provides for the associated compensation entitlements.

2. Applicability

This Policy applies to:

- All Members and Alternate Members appointed to the Board of Management for the Lake Huron Water Supply System (Officials).
- All staff of the Regional Water Division of the City of London which are seconded and report to the Board of Management for the Lake Huron Primary Water Supply System (Employees).
- The Chief Administrative Officer (CAO).

It is understood that authority for the expenditure of funds for any and all expenses covered by this Policy extends only to the extent of the financial limitations imposed by the annual (current) budgets of the Lake Huron Water Supply System.

It is understood where an active contract and/or collective bargaining agreement is in place that addresses items contained within this Policy that the terms of the contract/collective bargaining agreement will be followed.

Where this Policy contradicts an existing policy or practice, the issue will be forwarded to the Chief Administrative Officer or designate for a final binding decision. The issue and decision will be documented to be placed into further revisions of this Policy.

Any question involving the meaning or application of this policy is to be submitted to the Manager, Finance and Procurement, or designate for clarification.

3. Definitions

Accommodation – shall mean commercial lodging facilities such as hotels, motels, corporate residences or apartments.

Board of Management (and Board) – shall mean the Board of Management for the Lake Huron 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 (and CAO) – shall mean the person appointed as the Chief Administrative Officer in accordance with the Appointment of the Chief Administrative Officer Bylaw.

Director – shall mean the Director, Regional Water of the Regional Water division of the City of London seconded to Huron for the purpose of administration, management, and oversight of Huron.

Employees – shall mean the staff of the Regional Water division of the Corporation of the City of London which are seconded to Huron for the purpose of administration, management and oversight of Huron.

Expense Review Officer (and ERO) – shall mean the person responsible for administering this Policy, having budgetary control over the general ledger account to be expensed, and having authority over the Officials/Employees incurring the expenditure; as defined in Section II of this Policy.

Expense Reports – shall mean approved manual and electronic forms, and corporate purchasing card statements, as applicable.

Huron (and Lake Huron) – shall mean the Lake Huron 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.

Huron Business – shall mean attending an event as a representative of Huron, to derive a benefit for Huron, or to advance the interests of the Huron.

Local Mileage – shall mean travel within the municipal boundaries of the benefiting municipalities of Huron.

Officials – shall mean a Member or Alternate Member of the Board of Management.

Per Diem - shall mean an allowance to cover out-of-pocket expenses exclusive of accommodation or transportation. This allowance is intended to include meals, taxes, and gratuities related to travel.

Receipt - shall mean an original document showing the name of the vendor, as well as the date, amount and description of the expenditure paid by the Official or Employee.

Travel - shall mean going beyond the municipal boundaries of the benefiting municipalities of Huron for the purpose of Huron Business.

Travel Advance – shall mean the pre-payment of funds to an Official/Employee prior to Travel.

4. The Policy

4.1. Expense Review Officer

The following are designated “Expense Review Officers” (ERO) for the jurisdictions referred to and shall be responsible for administering this Policy within their particular areas of jurisdiction, addressing any justifiable expectations; and for auditing and processing all expense reports in accordance with this Policy, while maintaining the right to request additional explanations, documentation or justification of any or all of the expense reports.

Jurisdiction	Expense Review Officer
Board Chair	Director, Regional Water
Board Members & Alternate Members	Director, Regional Water
Chief Administrative Officer	Board Chair
Director, Regional Water	Chief Administrative Officer
Manager, Finance & Procurement	Director, Regional Water
Employees	Manager, Finance & Procurement, or designate

4.2. Responsibilities

4.2.1. Officials and Employees

Officials and Employees are responsible for adhering to the provisions of this policy, in addition to the completion of the expense report and submitting it for approval. Supporting documentation, as outlined in this Policy, must be attached to the expense report. To avoid duplicate payments and to facilitate appropriate reviews, copies of credit card/debit card transaction slips, and credit card

statement are not acceptable as receipts; however, may be required to provide proof of purchase.

4.2.2. Expense Review Officer

The ERO is responsible for reviewing and authorizing the expense report. Under no circumstances may an ERO authorize expenses incurred on their own behalf.

The ERO signature indicates that:

- The expense reported is a legitimate business expense, and funds are available within the adopted (current) budget;
- The purchasing method does not violate the purchasing policy;
- Appropriate supporting documentation, as outlined in this Policy, is attached; and,
- The expense has been charged to the correct cost centre, account and expense code.

The ERO is responsible for pre-approving individual travel and business expenses expected to be reimbursed at an amount greater than \$3,000 and to approve local mileage claims in excess of \$1,000.

Officials are not entitled to claim local mileage.

4.2.3. Finance

Approved expense reports are to be forwarded to the Manager, Finance & Procurement, or designate, for processing on a timely basis. An audit may be conducted at any time, without notice, to assess compliance with this policy. Failure to comply may result in corrective and/or disciplinary action up to and including dismissal.

4.3. General

4.3.1. Travel, business and local mileage expenditures are to be based on sound judgment and proper regard for the economy.

4.3.2. Where travel and business expense payments are made using a corporate purchasing card; all provisions within this policy and the corporate purchasing card policy must be followed.

4.3.3. Travel, business and local mileage expenditures are subject to examination by the Manager, Finance & Procurement, or delegate and/or the Board's external auditors and must be completed with care, accuracy and supported by the appropriate forms, invoices and/or receipts.

- 4.3.4.** Where an individual travel expense is expected to be reimbursed at an amount greater than \$3,000; a Travel Expense Authorization Form must be completed and approved by the ERO in advance of the date of travel. The Travel Expense Authorization Form must be attached to the expense report for submission for reimbursement.
- 4.3.5.** When more than one Official/Employee is attending the same event, all attendees must where practical/possible:
- i. Coordinate travel arrangements
 - ii. Take advantage of group rates
 - iii. Individually submit a separate expense report for reimbursement
- 4.3.6.** When personal and business travel is combined, only documented expenses directly related to the business portion are reimbursable. Travel and related expenses will not be reimbursed for spouse, dependents and/or other guests.
- 4.3.7.** When attending a course, conference or seminar, an outline/itinerary must be provided.
- 4.3.8.** Where travel is delayed or cancelled due to circumstances beyond the traveller's control, effort must be made to notify the ERO immediately; the individual should attempt to secure complimentary lodging and/or meals where available. Any additional expense resulting from the delay or cancellation may require justification and be subject to review.
- 4.3.9.** Expense reports must be submitted within sixty days from return to work from travel or the date from which the business expense was incurred. Consideration for year-end timelines should be taken into account at the end of the year.
- 4.3.10.** Huron will not reimburse for any personal items lost.

4.4. Travel

4.4.1. Authorized Travel - Officials

Officials are entitled to receive reimbursement for expenses while undertaking pre-approved Travel for Huron Business and attending the following:

- i. Board meetings, meetings of Board committees, meetings with Federal or Provincial Ministries, or Federal or Provincial officials;
- ii. Annual conferences or board meetings of any organization on which an Official sits as a director or committee member and representing the

Board, and where the Board is entitled to voting delegate status because of its membership;

- iii. Business as a representative of the Board, provided that prior approval has been received from the Board or provided that the Official is acting on behalf of the Chair or Vice-Chair of the Board and that prior approval of the Chair or Vice-Chair has been obtained; or,
- iv. Huron Business as the Chair or Vice-Chair of the Board provided that sufficient funds are available.

Officials are not entitled to reimbursement for expenses if the Official is reimbursed by the Municipality which appointed the Official to the Board or is otherwise reimbursed for the expenses incurred.

4.4.2. Authorized Travel – Employees

Employees, including the CAO and Director, are entitled to reimbursement for expenses while representing Huron and attending the following:

- i. Conferences, seminars, workshops of associations of which Huron is a member;
- ii. Board or executive committee meetings, committee meetings, associated meetings with federal or provincial ministries, workshops and seminars of an organization, provided that the staff member is a director, committee or task force member within the sponsoring organization;
- iii. Annual conferences or board meetings of any organization on which a staff member sits as a director or committee member representing Huron or is part of a professional association or membership;
- iv. Board meetings, meetings of Board committees, or associated meetings with Federal or Provincial Ministries and/or officials;
- v. Meetings with officials of other municipalities or attending workshops, seminars, conventions, or any other event, function or meeting related to Huron Business, provided that prior approval is received and subject to the availability of sufficient fund;
- vi. Out-of-town Huron Business as a representative of Huron provided that prior approval has been obtained;
- vii. Out-of-town Huron Business to meet with peers to discuss best practices; and,

- viii. Out-of-town training courses provided that such training is of benefit to the Employee's position or necessary to retain licensing/designations required of their position, and that prior approval has been obtained.

Employees are not entitled to reimbursement for expenses if the Employee is reimbursed by an organization or association or otherwise is reimbursed for the expenses incurred.

4.4.3. Travel Advances

- a) Requests for a Travel Advance must be submitted to the ERO at least two weeks prior to the departure date.
- b) The amount of the Travel Advance will be calculated by the ERO, based on the estimated expenses associated with the individual circumstance.
- c) No Travel Advance will be provided for amounts less than \$200.00. Per Diem amounts, if applicable, will be advanced in Canadian Funds only.
- d) Travel Advances resulting in \$0.00 balances (Travel Advance = actual travel costs), or amounts owed back to Huron, must be reconciled. For amounts owed back to Huron, repayment by the Official/Employee must be made within sixty days from the date of return from Travel. The cashier's receipt must be attached to the final expense report submitted to the ERO.
- e) Any Official/Employee that has an outstanding Travel Advance claim and repayment that is not submitted within sixty days of the date of return from Travel will not be allowed any further Travel Advances for Travel until the outstanding Travel Advance has been settled.

4.4.4. Registration Fees

Registration fees for attendance at a convention, conference, seminar, workshop or annual meeting will be reimbursed in full upon submission of an invoice from the appropriate organization and an official receipt indicating payment.

4.4.5. Travel Allowances

4.4.5.1. Per Diem Allowance

- a) The per diem rate shall be as established in this Policy. The per diem rate will be paid in Canadian funds. An Official/Employee who receives a per diem allowance may not claim additional personal expenses. To simplify reporting, receipts are not required for per diem expenses.

A corporate purchasing card should not be used to purchase expenses covered under the per diem allowance.

b) The per diem allowance is intended to cover the following normal daily expenses:

- Meals and snacks
- Gratuities
- Non-alcoholic beverages

c) The per diem rate of \$75.00 will be applied to a twenty-four-hour travel period. At the discretion of the ERO, a partial per diem may be paid to cover costs associated with partial travel days. (Proration will be based on actual departure/arrival times as outlined in 4.4.5.1(d) below). Where meals have been provided, the per diem rate will be reduced by the amount reflected as follows:

Breakfast \$15.00

Lunch \$25.00

Dinner \$35.00

d) Where a partial day per diem is applicable, the following proration will be applied:

Breakfast \$15.000 – if an Official/Employee is required to depart before 6:00 a.m.

Lunch \$25.00 - if an Official/Employee is required to depart before 12:00 noon

Dinner \$35.00 – if an official/Employee is required to return after 6:00 p.m.

No other expenses will be reimbursed; receipts are not required for per diem expenses.

4.4.5.2. Transportation

a) Officials and Employees may choose their own method of transportation on the understanding that the most direct route, the most economical and the most practical method of transportation must be used. The loss of productive time must be minimized.

b) Air

Economy class airfare is normally to be used; however, business class may be authorized by the ERO if:

- Less expensive seats are not available, or
- The departure time is not acceptable, or
- The individual is travelling on a continuous flight in excess of five (5) hours.

The cost of an additional night(s) accommodation may be reimbursed if it is required in order to take advantage of a discount fare, provided that the cost of the extra accommodation is not greater than the savings realized from the discounted airfare.

c) Rail

With prior approval of the ERO, Officials and Employees may be reimbursed for business class rail transportation, provided that they actually travel business class, and provided that the trip extends over a normal meal period (breakfast, lunch or dinner). Otherwise, only economy rail transportation costs will be reimbursed. The per diem will be reduced by the amounts noted in section 4.4.5.1(d).

d) Private Vehicles

Private vehicles may be used by Officials and Employees for out-of-town transportation when it is the most economical and practical method of travel. The mileage rate established by this Policy will be used for reimbursement.

- Expenses relating to personal vehicles such as maintenance, repairs, insurance premiums (standard or extra), accident deductibles or tickets, etc. will not be reimbursed.
- 407 ETR or similar toll charges are a reimbursable expense with receipt/proof of payment.
- NOTE: See Section 4.6 Risk Management – Personal Vehicle regarding insurance requirements for use of personal vehicles on Huron Business.

e) Huron Vehicles

The use of a Huron vehicle where available is encouraged. Fuel will be reimbursed with supporting receipts.

f) Rental Vehicles

Rental vehicles may be used by Officials and Employees where it is demonstrated that this method of transportation is more economical

and practical than the use of taxis, limousines, etc. The most economical size of vehicle must be used, depending on the requirements of the occasion and the number of passengers.

For Employees who rent vehicles, the rental contract must be registered under the name “Corporation of the City of London – [Applicant Name]”.

Officials/Employees who rent vehicles in their own name become contractually responsible for meeting the terms of the contract, including any loss or damage of the vehicle. See Section 4.7 Risk Management – Rental Vehicle (excerpt from the Risk Management Manual) for further details regarding insurance coverage.

g) Taxi/Limousine/Rideshare

Officials and Employees may be reimbursed for the actual costs of taxicabs, airport limousines, rideshare transportation, buses or equivalents for transportation between the individual's home or workplace and the designated transportation terminal as well as between the transportation terminal and the hotel or other destination point. Reimbursement will not be made to Employees for commuting between the individual's home and workplace.

4.4.5.3. Local/Out-of-Town Mileage

a) Local Mileage

Local Mileage expenses cover all individuals that this Policy applies to with the exception of Officials who are reimbursed for local mileage by their benefiting municipality.

The mileage rate will be reimbursed for local travel. Officials and Employees must complete the Car Allowance Statement and submit the form to the Manager, Finance & Procurement, or designate, at the minimum of a quarterly basis. The Car Allowance Statements submitted by Employees will be delivered to payroll weekly for reimbursement on the next available payroll direct deposit.

b) Out-of-Town Mileage

The mileage rate will be reimbursed for out-of-town travel. Officials and Employees must complete the Accounts Payable Voucher – Travel Advance/Expense Report and submit the form to the Manager, Finance and Procurement, or designate, within sixty days of travel. When more than one Official/Employee is travelling in the same vehicle, only the owner of the vehicle is entitled to reimbursement for mileage expenses as provided by this Policy.

4.4.5.4. Accommodation

- a) An overnight stay in association with a one-day meeting or business event out-of-town is justified depending on the scheduled start and end times of the meeting and that the distance required to be travelled exceeds 150 kilometres.
- b) Available government or corporate rates should be requested whenever applicable. Individuals may be reimbursed for either single or double room base rates (including applicable taxes) depending on individual circumstances.
- c) With the approval of the ERO, hospitality accommodation, such as suites, parlours, etc. may be obtained when necessary for approved entertainment or hosting purposes.

If an Official/Employee chooses to stay overnight with friends or relatives while on Huron Business instead of a hotel, accommodation expenses will not be reimbursed; however, the per diem allowance will still apply as required.

- d) In the event of travel cancellation. The Official/Employee may be held responsible and not reimbursed for 'no show' charges resulting from failure to cancel a hotel reservation.

4.4.5.5. Telephone Calls

Officials and Employees will be reimbursed for all telephone calls (local or long distance) that are directly related to Huron Business.

4.4.5.6. Spousal Expenses

Officials and Employees shall be responsible for all additional expenses incurred as a result of a spouse or companion travelling with them, save and except the cost of accommodation that is shared with the Official/Employee as referred to in Section 4.4.5.4 above.

4.4.5.7. Parking Expenses

- a) Officials and Employees will be reimbursed for the cost of parking their motor vehicle at a transportation terminal while they are out-of-town on business, subject to the submission of appropriate receipts and provided that the cost of the parking does not exceed the cost of ground transportation from their home or place of business to the transportation terminal. Loss or damage to the vehicle, while parked, shall not be the responsibility of Huron.

- b) Officials and Employees will be reimbursed for the cost of parking their motor vehicle overnight while they are out-of-town on business, subject to the submission of appropriate receipts. Loss or damage to the vehicle, while parked, shall not be the responsibility of Huron.

4.4.6. Travel Expense Reports

- a) Officials and Employees are responsible for submitting their respective travel expense reports with the ERO within sixty days of their return to office from an out-of-town event or from the date of the business expense incurred as covered by this policy.
- b) Original individual detailed receipts must be filed with the expense report for all travel expenses not covered by the per diem allowance and for all hotel (room) accommodations. To avoid duplicate payments, copies, credit card slips, statements and/or Interac payment slips are not acceptable as receipts, however, may be required to provide proof of payment.
- c) Any funds owed to Huron as a result of cash advances or claims for expenses of a personal nature not reimbursable under this Policy, etc. shall be submitted within thirty (30) days and a receipt for the returned funds shall be attached to the travel expense report.

Any funds owing by an Employee beyond a sixty (60) day period from the date of return from an out-of-town event may be deducted from the individual's next pay cheque.

4.4.7. Foreign Exchange

All funds shall be reimbursed in Canadian Funds.

The exchange rate used in calculation of the reimbursement will be the Bank of Canada rate during the travel period except in the following circumstances:

- If the Official/Employee provide evidence of the rate obtained at the time of travel, such as bank/currency exchange office or ATM receipts; or,
- In cases where a credit card has been used, the rate used on the credit card purchase(s) will be used for those purchases only. A copy of the credit card statement must be submitted.

4.5. Business Expenditures

4.5.1. Corporate Purchasing Cards

Where payments are made using a corporate purchasing card for items covered under this section of the policy; all provisions within this policy, including per the diem allowance, and the corporate purchasing card policy must be followed.

4.5.2. Hosting (Huron and non- Huron Employees in attendance)

a) On occasions when it becomes necessary for an Officials/Employees to host or entertain individuals relating to the advancement of the affairs of Huron, such hosting or entertaining shall not be extended solely to Huron Employees or solely to the spouse or companion of the Officials or Employees, unless the individual, spouse or companion is attending in an official or business related capacity. In such cases, all expenses must be accompanied by receipts plus a written explanation setting out the following:

- The purpose of the hosting and the particular circumstances;
- The names and positions held of the person(s) hosted; and,
- The location at which the hosting took place.

b) Hospitality such as beverages, meals, tours or other entertainment is only to be provided to Officials/Employees that have been identified by prior approval to act as hosts to guests of Huron.

c) Reasonable expenses associated with the hosting of business contacts, such as business lunches or dinners, may be reimbursed when the expense is considered to be necessary for the advancement of the interests of Huron (Officials or Employees alone are not considered "business contacts"). The request for reimbursement must include the purpose of the hosting, and the name(s) of the individual(s) hosted.

With pre-approval from the ERO, alcoholic beverages purchased during these business events may be reimbursed. It is the responsibility of the ERO to determine whether the expense should be reimbursed, given the particular circumstances.

Officials/Employees must be mindful of the fact that entertainment expenses in particular must be able to withstand public scrutiny.

d) When two or more Officials and/or Employees are present for a business/hosting event, the highest-ranking person present at the event must pay for the expenditure and prepare the respective

expense report. If this is not feasible, the resultant expense report must still be approved by the ERO of the highest-ranking person present at the event.

4.5.3. Meals In-town (Only Officials/Employees in attendance)

- a) It may be necessary for Officials and/or Employees to conduct Huron Business over a meal, or an Officials or Employee may incur meal expenses in conjunction with attending a function on Huron Business. It is the responsibility of the ERO to determine whether the meal expense should be reimbursed, given the particular circumstances. Receipts must be detailed and include a description of the purpose of the meal and a list of all persons in attendance.

Alcohol will not be reimbursed.

- b) When two or more Officials or Employees are present for a meal in-town, the highest-ranking person present must pay for the expenditure and prepare the respective expense report. If this is not feasible, the resultant expense report must still be approved by the ERO of the highest-ranking person present.

4.5.4. Business Expenditures (Non- Employees in attendance)

Expenses associated with events such as meetings, award banquets, a political speech/address or other business-related events where the purchase of a ticket or meal is required; will be reimbursed when such expense is considered to have a direct relationship to Huron concerns or interests or Huron Business. Additional reasonable expenses related to these types of events may be reimbursed. Official receipts must be provided.

4.5.5. Working Meetings / Life Events (Only Officials/Employees present)

- a) Non-alcoholic beverages and snacks may be offered to Officials and/or Employees required to work through "breaks" (otherwise called "coffee breaks"). Such hospitality should be restricted to occasions where the dispersal of participants during a break period is not desirable (e.g. training workshops). Managerial discretion and due regard for economy should be used in identifying such occasions.
- b) Non-alcoholic refreshments, meals, or both may be offered to Officials and/or Employees required to work through meal hours. Such hospitality should be restricted to occasions where the dispersal of participants during the meal hour is not desirable. Managerial discretion and due regard for economy should be used in identifying such occasions.

- c) Expenses will be reimbursed for employee events such as: team building events, staff appreciation or general celebrations, recognition of project milestones, or recognition of the extra efforts of employees. It is the responsibility of the ERO to exercise good judgment to ensure that the expense is warranted and reasonable, and that the type of event or award is appropriate for the purpose. Officials and Employees must be mindful of the fact that entertainment expenses in particular must be able to withstand public scrutiny.
- d) Expenses associated with functions for departing Employees may not be charged to Huron budget. All expenses related to this type of function are the responsibility of those hosting the function.
- e) Cash awards are considered taxable benefits under income tax regulations.
- f) It is not permissible to use Huron funds to purchase flowers or gifts in recognition of any individual or group of individuals unless required within the business context in such circumstances as:
 - a. In the event of the death of an Employee, an Employee's spouse or an Employee's child, the CAO or Director may purchase flowers on behalf of Huron. Where a donation is requested in lieu of flowers, the CAO or Director may make a contribution up to a maximum of \$100.00. Any flowers or donations shall be clearly marked as having come from the "The Board of Management and staff of Lake Huron Water Supply System".
 - b. In the event of the death of a current Member of the Board, a current Member of the Board's spouse or a current Member of Board's child, the CAO may purchase flowers on behalf of Huron. Where a donation is requested in lieu of flowers, the CAO may make a contribution up to a maximum of \$100.00. Any flowers or donations shall be clearly marked as having come from the "The Board of Management and staff of Lake Huron Water Supply System".
 - c. In the event of the death of a current local Member of Parliament or current local Member of the Legislative Assembly of Ontario, the CAO may purchase flowers on behalf of Huron. Where a donation is requested in lieu of flowers, the CAO may make a contribution up to a maximum of \$100.00. Any flowers or donations shall be clearly marked as having come from the "The Board of Management and staff of Lake Huron Water Supply System".

- d. Gifts for Officials or Employees related to service recognition, as directed by the Board.

4.5.6. Attending Public Functions

When Officials/Employees are officially requested to attend functions at public expense at which there are guests who are not Officials/Employees, the number of Officials/Employees must not exceed the number needed to reasonably conduct Huron Business.

Expenses incurred at or for political fundraising events where the Officials/Employee have been requested to attend are not reimbursable.

5. Appeal

Any dispute in relation the reimbursement of expenses in accordance with this Policy shall be referred to Chief Administrative Officer and the Director, Regional Water which shall constitute the Appeal Committee.

If the individual with a dispute is the Chief Administrative Officer, the Appeal Committee shall be the Board Chair and one Member of the Board chosen by the Board Chair.

If the individual with a dispute is the Director, Regional Water, the Appeal Committee shall be the Board Chair and the Chief Administrative Officer.

Decisions of the Appeal Committee shall be final.

6. Release of Expense Information

All expense information is considered to be public information and shall be made available by the Manager, Finance & Procurement, upon request.

7. APPENDIX A: Risk Management – Personal Vehicle

PURPOSE

From time to time, it is necessary for Employees to use a personal vehicle on Huron Business. This policy establishes the requirements of Employees, who receive travel expense reimbursement, are aware of expectations and insurance requirements when using a personal vehicle while on Huron Business.

POLICY

7.1. Automobile Liability Insurance Coverage

The Ontario Insurance Act directs that passengers injured during an automobile accident shall file their claim with their own insurance company. If they do not hold a policy, they can file a claim against the policy of their spouse or parent(s) or guardian(s). When a passenger has no access to any other insurance policy, they can make a claim against the insurance policy covering the vehicle that they were a passenger in.

- a) The Board purchases “Non-Owned Automobile Liability” insurance. This provides coverage, in excess of the Employee’s insurance, for legal liability arising out of automobile accidents while an Employee is using their vehicle for Huron Business.

Non-Owned Auto protects Huron and the Board against claims arising out of the use by Employees of their own personal vehicles. It does not protect the owner of the vehicle who must, by law, carry owner's insurance. If the owner’s policy does not cover part or all of a claim when a vehicle is operated on behalf of Huron, this ‘non-owned’ policy provides insurance to the Board.

7.2. Minimum Coverage

Employees who use their vehicles on Huron Business must maintain a minimum of \$1,000,000.00 automobile liability and statutory accident benefits insurance coverage as required under the Ontario Insurance Act.

- a) Injury/Incident Reporting Procedures

Employees will report all automobile accidents that occur while on Huron Business to the Director or their manager as soon as possible.

- b) The Director/manager will inform Human Resources of injuries involving Employees and Risk Management of injuries to non-employees. The Director/Manager will also complete the appropriate WSIB and Automobile Accident report forms as appropriate.

8. APPENDIX B: Risk Management – Rental Vehicle

8.1. Insurance on Rented Vehicles – Guidelines

When vehicles are rented for business purposes they must be rented in employer's name in order that the blanket auto insurance policy provides coverage. This is because the renter's own insurance policy responds first to claims by injured claimants. Employees who rent vehicles in their own name become contractually responsible for meeting the terms of the contract, including any loss or damage of the vehicle. For example, when an accident arises out of the use or operation of a leased or rented vehicle the priority of those responsible for costs is:

- a) The renter's own automobile insurance policy,
- b) Next is the policy of the driver of the vehicle, (for example, if you rented a vehicle but let a friend drive it), and
- c) The policy of the vehicle owner (the rental company).

8.2. Physical Damage to Rented Vehicles

The Collision Damage Waiver (CDW) on short-term vehicle rental contracts should be declined as the Board and City of London (City), in its capacity as Administering Municipality, has adequate insurance for the risk. Rental car agencies normally charge in between \$10.00 and \$20.00 per day in addition to the daily rental charge. In the case of the City and insured Boards, it is not necessary to purchase insurance for physical damage to the vehicles rented when the vehicles rented are valued at less than \$100,000.00.

8.3. Restrictions on Use

Rental agreements all contain restrictions on certain uses and drivers that, if violated, may affect insurance coverage and make the renter fully responsible for the loss. Renters should pay particular attention to the following typical rental agency restrictions:

- No driver under age 21
- No driver under the influence of alcohol or drugs
- No use inconsistent with normal business travel

8.4. Personal Use of Rented Vehicles

These guidelines and procedures apply only to vehicles rented for use on the business of the City, in its capacity as Administering Municipality, or insured Board.

8.5. Reporting Requirements

All accidents must be reported promptly to the rental agency, to the local police and to Risk Management. See Automobile Accident Report Form.



By-Law No. 3-2026 – Schedule ‘D’

Electronic Monitoring Policy

Approved: 6 October 2022

Revised: 4 June 2026

Legislative History: Enacted by Board Resolution October 6, 2022, amended and enacted by By-law No. 1-2026 March 5, 2026

Last Reviewed Date: 29 January, 2026

Policy Lead: Director, Regional Water

1. Purpose

The Lake Huron Primary Water Supply System (“LHPWSS”) prioritizes instituting practices which foster a workplace culture of mutual trust with and among employees.

The purpose of this Electronic Monitoring Policy (“Policy”) is to ensure that each employee understands how and why the LHPWSS utilizes certain electronic systems which may be used for electronic monitoring, either directly or indirectly.

At all times, the LHPWSS will ensure that it remains compliant with applicable privacy laws and other laws that also relate to the subject matter of this policy.

2. Applicability

This Policy applies to all staff of the Regional Water Division of the City of London which are seconded and report to the Board of Management for the Lake Huron Primary Water Supply System, as well as all assignment employees, temporary help, and agency employees who are assigned to perform work for the LHPWSS.

The LHPWSS Video Surveillance Policy is a supplemental policy to this Policy, specific to the implementation and use of Closed-Circuit Television security cameras.

The Electronic Monitoring Policy of the Corporation of the City of London may also apply to employees accessing LHPWSS Systems utilizing computers, devices and network services provided through the Corporation of the City of London.

3. Definition of Electronic Monitoring

Electronic monitoring includes all forms of employee monitoring that is performed electronically.

In this Policy, “electronic monitoring” means the LHPWSS’ collection of information about an employee's activities through electronic devices, electronic communication tools, software, or any other technology used in LHPWSS networks and systems or through systems/devices not owned by the LHPWSS, but to which the LHPWSS has access or obtains information regarding an employee’s activities and that are monitored electronically, including employee personal devices used for work purposes.

Examples of electronic monitoring systems include, but are not limited to, LHPWSS-owned hardware such as computers, laptops, tablets, mobile devices, key fobs, video or audio recording devices, GPS units, GPS vehicle tracking and/or LHPWSS-licensed and approved software including computer servers, network threat detection tools, email accounts, applications, computer programs, LHPWSS-shared drives or file shares, message boards, instant messaging systems, LHPWSS cloud storage locations, whether leased or owned, and various other systems (“Systems”).

Given that technology changes rapidly, the LHPWSS reserves the right to amend these definitions and examples at any time, and the examples are not to be considered exhaustive.

4. LHPWSS Specific Electronic Monitoring

In addition to the Electronic Monitoring identified in the Electronic Monitoring Policy of the Corporation of the City of London (referenced in its capacity as Administering Municipality for the LHPWSS in the provision of seconded/assigned employees), at present the LHPWSS engages the following types of electronic monitoring:

- GPS-enabled tracking of vehicles supplied through the Corporation of the City of London for use by authorized employees of the LHPWSS from the time that the GPS is activated to the time that it is deactivated;
- GPS-enabled tracking through employee-activated lone worker application for use by employees identified in the working alone health and safety procedure;
- Closed-Circuit Television Security Cameras in accordance with the Video Surveillance Policy;
- Data associated with key card (HID cards) access controls is collected every time an employee uses their assigned key card to access an electronically controlled door;
- Network connectivity and activity is logged every time an employee logs into the network, and Wi-Fi data is tracked until the employee logs off;
- Data associated with the access and utilization of the document management system, including accessing, modifying, and deleting files for the purposes of document controls and records management;

- Monitoring of employee email, messaging and text-based communications to ensure compliance with employee policies/licencing requirements and productivity;
- Data associated with accessing, monitoring, modifications, and operational changes made within the Supervisory Control and Data Acquisition System

5. Purpose of Electronic Monitoring and Use of Information Obtained

The LHPWSS collects, uses, transfers and discloses information of its employees for reasons related to the administration of the employment relationship, health and safety of employees and visitors, site safety and security, as well as for the reasons specifically set out below. The information obtained through electronic monitoring may be used for the following reasons including, but not limited to:

- recruiting, training, recognizing, and retaining a highly qualified and motivated workforce;
- establishing and maintaining harmonious employer-employee relations;
- assessing overall employee productivity;
- disciplinary discovery, such as for workplace investigations concerning disciplinary and conduct issues;
- administration of the LHPWSS policies and procedures, including investigations related to alleged breaches of such policies and/or procedures;
- managing and promoting the LHPWSS business activities;
- complying with a subpoena, warrant or court order;
- ensuring security of Systems and all data contained or transmitted therein;
- employee and public health, safety and security; and,
- meeting requirements imposed by law.

6. In What Circumstances Employees May be Electronically Monitored

The LHPWSS may monitor employees during the employee's working hours, as well as anytime employees are utilizing LHPWSS Systems, or when personal devices for work-related purposes. Electronic monitoring may occur at any time when the employee accesses and utilizes LHPWSS Systems, including but not limited to remote access and working from home, including times outside of normal working hours.

7. No Expectation of Privacy

The way in which the LHPWSS seeks consent, including whether it is express or implied, may vary depending upon the sensitivity of the information and the method in which the information is being collected. In addition, in certain circumstances as permitted or required by law, the LHPWSS may collect, use or disclose personal information without the knowledge or consent of the individual.

The LHPWSS reserves the right to access any and all data hosted or stored on LHPWSS's Systems at any time and without advance notice or consultation with the employee, for the purposes described in this Policy or applicable law.

8. Retention and Safeguards

After the conclusion of the employment relationship, the LHPWSS may retain certain personal information that it obtained through electronic monitoring for a period not longer than seven years, unless otherwise required by applicable law.

Information obtained through electronic monitoring that is not personal information, may be retained indefinitely, at the sole discretion of the LHPWSS, unless otherwise requested.

The LHPWSS will protect personal information by security safeguards appropriate to the sensitivity of the information. Safeguards will vary depending on the sensitivity, format, location, and storage of the information.

9. Enforcement

If employees have any questions regarding this Policy or any questions about electronic monitoring that are not addressed in this Policy, they may contact the Director, Regional Water.

The LHPWSS will not tolerate any reprisal against an individual who exercises their rights under this Policy. Reprisal, or threats of reprisal, are considered a serious violation of an employee's rights, and will be dealt with accordingly.

10. Changes

This Policy may be amended in whole or in part or eliminated in its entirety at any time at the sole discretion of the LHPWSS, provided that any change or elimination complies with the *Employment Standards Act, 2000*. The Director, Regional Water, may make minor, non-material, changes to this policy for the purposes of policy maintenance, clarification, readability, and/or consistency with applicable legislation.

If a change to this Policy is made, the revised Policy will be made available to all employees.