

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 11, 2017
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	EXECUTION OF CONTRIBUTION AMENDING AGREEMENTS WITH THE GOVERNMENT OF ONTARIO FOR THE HELP CLEAN WATER INITIATIVE

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental and Engineering Services and City Engineer, the attached proposed By-law **BE INTRODUCED** at the Municipal Council meeting of April 18, 2017, to authorize the execution of a Contribution Amending Agreement for the Huron-Elgin-London Project Clean Water (HELP Clean Water) initiative with the Government of Ontario by the Corporation of the City of London, on its own behalf and on behalf of the Lake Huron Primary Water Supply System and the Elgin Area Primary Water Supply System in the City's capacity as Administering Municipality as authorized by the respective Boards of Management.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Civic Works Committee – January 10, 2017 -- Execution of Contribution Amending Agreements with the Government of Canada for the Help Clean Water Initiative

BACKGROUND

Purpose

The purpose of this report is to extend the term-end date for the Contribution Agreement for the Huron-Elgin-London Project Clean Water (HELP Clean Water) initiative with the Government of Ontario.

Context

The City of London, in partnership with the Lake Huron Primary Water Supply system and the Elgin Area Primary Water Supply System, entered into a Contribution Agreement with the Government of Canada in June 2009 and with the Government of Ontario in March 2010 for the Huron-Elgin-London Project Clean Water initiative. Under the Contribution Agreement, Canada and Ontario each contributed nearly \$50 million for nine drinking water-related projects which comprise the HELP Clean Water initiative. The contributions from Canada and Ontario are part of the Building Canada Fund program.

The City of London, in partnership with Lake Huron Primary Water Supply System and the Elgin Area Primary Water Supply System, entered into Contribution Amending Agreements with the governments of Canada and Ontario in June 2014, which amended the scope of the HELP Clean Water program. Two wind generator project components and the landfill gas project component were removed from the HELP Clean Water initiative. Also included in the Amending Agreements were the addition of the Acoustic Fibre Optic Monitoring System on the Lake Huron transmission pipeline and the Filtration System Replacement at the Elgin water treatment plant,, as well as additional project scope related to London's Southeast Reservoir and Pump Station project.

DISCUSSION

The original Contribution Agreements (as previously amended) with the Government of Canada and the Government of Ontario required all eight project components to be completed by January 31, 2017 with the final claim submitted to Canada and Ontario no later than March 31, 2017. Due to substantial issues experienced with the delivery of the Southeast Reservoir and Pump Station, it was apparent that these completion dates would not be achievable.

In discussions with Canada and Ontario at the Agreement Management Committee, it was agreed that the Contribution Agreements would be amended such that the project completion dates and final claim dates could be extended for up to two years. Accordingly, on behalf of the three recipient partners (City of London, the Lake Huron Primary Water Supply System, and the Elgin Area Primary Water Supply System), a request to extend the completion and claim dates was formally submitted in April 2016. The request was subsequently accepted by both Canada and Ontario.

On December 1, 2016, the Board of Management for the Lake Huron Primary Water Supply and the Board of Management for the Elgin Area Primary Water Supply each authorized the City of London to execute a proposed amending agreement with Canada and Ontario on their behalf, substantially in the form provided by the Government of Canada. The Federal Amending Agreement with Canada was approved for execution by Council at their meeting of January 17, 2017.

On March 28, 2017, Ontario provided a copy of the proposed Provincial Amending Agreement, attached to this report for the information and reference of the Committee and Council. It has already been approved and signed by the Province of Ontario. As with the previous Amending Agreements, the proposed amendment would be executed by the City of London on behalf of the Recipient Partners; the City of London, the Lake Huron primary Water Supply System, and the Elgin Area Primary Water Supply System.

CONCLUSION

In order to complete the proposed change term-end date of the Contribution Agreements for the HELP Clean Water initiative, a Provincial Contribution Amending Agreement has been drafted for execution with the Government of Ontario. Similar to the original Contribution Agreements, the City of London would be executing the agreements in its own right, as well as in its capacity as the Administering Municipality as approved by the respective Board of Management.

A similar Federal Contribution Amending Agreement with the Government of Canada was previously approved in January 2017 and signed by the City of London, in its own right as well as in its capacity as the Administering Municipality as approved by the respective Board of Management.

PREPARED BY:	REVIEWED & CONCURRED BY:
ANDREW HENRY, P. ENG. DIVISION MANAGER, REGIONAL WATER SUPPLY	JOHN LUCAS, P. ENG. DIRECTOR, WATER AND WASTEWATER
	RECOMMENDED BY:
	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER

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March 28, 2017

/ajh

Bill No.
2017

By-law No.

A By-law to authorize and approve Amending Agreement No. 2 with the Government of Ontario for the HELP Clean Water initiative, and to authorize the Mayor and Clerk to execute the agreement.

WHEREAS subsection 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 on March 3, 2010, The Corporation of the City of London and Her Majesty the Queen in Right of Ontario entered into an Agreement for Capital Project Comprised of Nine Components to Ensure Sustainable Regional Water Supply System ("Original Agreement"), also known as the Huron Elgin London Clean Water Project, also known as the HELP Clean Water initiative;

AND WHEREAS on August 28, 2014, the Parties to the Original Agreement entered into an agreement to amend the Original Agreement ("Amending Agreement No. 1");

AND WHEREAS the Parties to the Original Agreement as amended by Amending Agreement No. 1 wish to further amend the Original Agreement, to extend the Final Claim Date and Agreement End Date, by entering into a further amending agreement ("Amending Agreement No. 2");

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Amending Agreement No. 2, to the Original Agreement entered into between Her Majesty the Queen in Right of Ontario and The Corporation of the City of London, substantially in the form attached as Schedule "A" to this by-law, is authorized and approved.
2. The Mayor and Clerk are hereby authorized to execute the Amending Agreement No. 2, as authorized and approved under section 1 of this by-law.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on _____, 2017.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading
Second Reading
Third Reading

Schedule "A"