

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING OF MAY 24, 2017
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR – ENVIRONMENTAL and ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	SERVICES AGREEMENT BETWEEN PARTNER MUNICIPALITIES and the ONTARIO CLEAN WATER AGENCY for CONTRACTED OPERATIONS at the ELGIN-MIDDLESEX PUMPING STATION

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental and Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the Services Agreement between Partner Municipalities and the Ontario Clean Water Agency for Contracted Operations at the Elgin-Middlesex Pumping Station:

- (a) the attached proposed By-law (Appendix “A”) **BE INTRODUCED** at the Municipal Council Meeting of May 30, 2017 to approve a Services Agreement between the Ontario Clean Water Agency and the Corporation of the City of London, Aylmer Area Secondary Water Supply System Board of Management, and the St. Thomas Area Secondary Water Supply System Board of Management for the provision of operation, maintenance, and management services for the Elgin-Middlesex Pumping Station;
- (b) the Mayor and City Clerk **BE AUTHORIZED** to execute the Agreement, substantially in the form attached to this by-law, and satisfactory to the City Solicitor, and all documents required to fulfill its conditions; and,
- (c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this Agreement;

it **BEING NOTED** that the Boards of Management for both Secondary Water Supply Systems are concurrently passing similar by-laws in order to enter into this Services Agreement.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Relevant reports can be found at www.london.ca under City Hall (Meetings) include:

- Elgin-Middlesex Pumping Station Operation & Maintenance Services Agreement Review of Contract Term Extension, Civic Works Committee, May 24, 2016, Agenda Item #9.
- Services Agreement between Partner Municipalities and the Ontario Clean Water Agency for the Contracted Operations at the Elgin-Middlesex Pumping Station, Civic Works Committee, June 19, 2012, Agenda item #5.

2015-19 STRATEGIC PLAN

The proposed continuation of the contract terms between the partnering municipalities and the contracted operator supports the Strategic Plan through the strategic focus area of *Leading in Public Service* by being proactive in financial management services and procurement policies.

CONTEXT

The contracted operation of the EMPS facility was awarded to OCWA in 2012 through a distinct agreement which paralleled (with respect to time) an agreement for services entered into by the Joint Board of Management for the Elgin Area Primary Water Supply System, also with OCWA. In both cases, the respective agreements for contracted services commenced on July 1, 2012, and in both cases, the initial term of the agreement was for a five (5) year term.

Within the terms and conditions of the existing *Services Agreement between Partner Municipalities and the Ontario Clean Water Agency for Contracted Operations at the Elgin-Middlesex Pumping Station*, and in accordance with Municipal Council direction received last year, OCWA has been formally notified of the City of London's interest in preparing an agreement for an additional 5-year term.

Concurrently, staff from the Boards of Management for both the St. Thomas Secondary Water Supply System and the Aylmer Secondary Water Supply System have also notified OCWA of their intentions, and joined City staff to collaboratively discuss and negotiate the terms with OCWA.

Furthermore, the Elgin Area Primary Water Supply System Joint Board of Management authorized the Board's Chief Administrative Officer to notify OCWA of its intention to extend their operating contract an additional five (5) years, including review of the terms and conditions of their agreement. Regional Water Supply staff have been consulting with OCWA, and have recommended that the agreement be extended.

BACKGROUND

The Elgin-Middlesex Pumping Station (EMPS) and Reservoir facility is located in northeast St. Thomas, east of the Highbury Avenue South and South Edgeware Road intersection. Three (3) municipalities (London; Aylmer; St. Thomas) share ownership of the EMPS facility, along with the Elgin Area Primary Water Supply System. The Town of Aylmer is designated as the Administering Municipality for the Aylmer Area Secondary Water Supply System Board of Management; likewise, the City of St. Thomas for the St. Thomas Area Secondary Water Supply System Board of Management.

Various processes, pumping units, electrical and ancillary equipment within the building structure are specifically identified and owned by the municipal partners. Some components are co-shared between municipalities, such as the standby power generation equipment, which only serves the Aylmer and St. Thomas systems. The site also has other components (such as the reservoir) which are under the ownership and responsibility of the Joint Board of Management for the Elgin Area Primary Water Supply System.

In July 2012, the City of London entered into a four-party agreement with the partnering municipalities of Aylmer and St. Thomas. Together, the municipalities collaboratively developed a contract with the Ontario Clean Water Agency (OCWA), for the operation, maintenance, and management of the EMPS. This agreement will lapse on June 30, 2017.

At its meeting on May 24, 2016, the Civic Works Committee endorsed a report from Administration, and Municipal Council issued the following resolution on May 31, 2016:

That, on the recommendation of the Director, Water and Wastewater, the Civic Administration BE DIRECTED to notify the Ontario Clean Water Agency of the Municipal Council's intent to review and consider extending the term of the current services agreement, undertake contract renewal negotiations with Partner Municipalities and, report back to the Municipal Council with recommendations with respect to the Services Agreement between Partner Municipalities and the Ontario Clean Water Agency for Contracted Operations at the Elgin-Middlesex Pumping Station. (2016-A05).

The recommendation of this report is to enter into a Services Agreement with the Ontario Clean Water Agency and the partnering municipalities for the continued operation of the Elgin-Middlesex Pumping Station for a 5-year term, commencing July 1, 2017.

DISCUSSION

The operation of EMPS has historically (since its inception in 1996) been operated through contractors. In 2012, the partner municipalities evaluated various operating scenarios, such as if they were to operate the specific components of the facilities which they own (i.e. individual self-operation), or in some form of combined effort (ie. self-operated partnerships), or via an overall contracted operation. Concurrently, Elgin Area Primary Water Supply System had initiated a proposal call for contracted operation of the regional system. As part of that initiative, an appendix was included for pricing of the maintenance and operation of EMPS as a separate, discrete component. All parties evaluated the proposal submitted by OCWA, commenced negotiations, and developed an agreement for services between the partner municipalities and OCWA. Involvement by Regional Water Supply staff was enlisted to ensure that the EMPS services agreement complemented – and did not conflict with - the contract OCWA entered into with the Elgin Area Primary Water Supply System.

The recommended Services Agreement with OCWA will continue to be based on a two-tier cost system that includes a base operating and maintenance component coupled with an additional services/Capital Works component. The base component is intended to be shared among the owners, which includes the following:

- *Salaries and Benefits* (contracted operator costs, including ancillary support by their electricians, process millwrights, instrumentation technicians, etc.); provision for on-call service and emergency response; Overall Responsible Operator responsibilities for the facility in its entirety; support for the Drinking Water Quality Management System (DWQMS) Operational Plan for each owner's system);
- *Transportation and Communications* (telephones; data communication; cell phones; mandatory training);
- *Services* (vehicles; lab equipment; repairs and maintenance materials; lab analysis-outsourced; insurances);
- *Supplies and Equipment* (lubricants; equipment calibration; vehicle fuel, safety, laboratory, and hardware supplies);
- *Consumable Products*: such as natural gas, electricity, chemicals, chlorine gas, other utility costs: these invoices go directly to Regional Water Supply Division for apportionment to benefiting owner(s), noting that not all of these components are needed for all owners and not necessarily on an equally-shared basis.

Any additional services and/or capital requirements beyond the identified tasks within the base component becomes the responsibility of the benefiting owner to administer, with associated costs borne by the owner requesting the work to be performed.

OCWA has developed a strong maintenance management regime, including identification of specific tasks performed for each of the partner municipalities. Their various operating and maintenance costs are documented and attributed to a particular owner/supply system. Their on-site tasks, staff activities and utilization, operating and maintenance routines reflective of their Maintenance Management System program outputs, regulatory compliance requirements, achievement of performance expectations, etc. are available for review and analysis.

The partnering municipalities are pleased with the performance of OCWA since commencing service delivery in 2012. OCWA provides each municipality with monthly details on maintenance and operational activities. They conduct comprehensive quarterly meetings with the municipal partners, discussing the activities performed and upcoming plans. They have performed an extensive condition assessment on each sub-system and developed specific prevention maintenance activities and suggested Capital improvements for all inventory. OCWA's communication is excellent with regard to undertaking any additional services/Capital work improvements. No work is performed until authorization from the pertinent municipal owner has been given. All supporting documentation (analyses results; quotations; etc.) is always included with OCWA's request to undertake the work.

They have also successfully developed and implemented an Operational Plan, and have conducted numerous Drinking Water Quality Management System audits, both internally and externally. They continue to meet all regulatory compliance requirements, annual Ministry of the Environment & Climate Change inspections, etc., and report the results to the partnering municipalities promptly and thoroughly.

Financial Implications

Approval of recommendations of this report will result in a marginal increase in service cost for the City. OCWA service costs are to rise by the CPI rate each year through the term of the contract. Monthly bills will flow through the Elgin Area Primary Supply System, with London's share being 61%.

Other Future Considerations

The Elgin Area Primary Water Supply System Joint Board of Management has discussed and endorsed an initiative whereby ownership issues at EMPS should be comprehensively reviewed. A clarification of ownership is necessary to ensure responsibilities are clearly delineated for regulatory purposes and for inspections undertaken by the Ministry of the Environment & Climate Change. Conflicting language in the various Transfer Orders, previous Certificates of Approval, and the Municipal Drinking Water Licences should be reconciled.

The fixed cost for OCWA's base operating and maintenance fee has been historically split between the owners of the three (3) water supply systems on the basis of water consumption amounts derived for the original agreement developed in 2004:

- City of London: 61.0%
- City of St. Thomas: 28.5%
- Town of Aylmer: 10.5%

As noted above, the partnering municipalities and Regional Water Supply Division are undertaking a full review of the facility. Efforts include identification of all components, delineation of rightful ownership, operating requirements and related benefit, clarification of shared components and rationale for apportionment. A future report will be brought forward with recommendations for ownership reconciliation and a revised structure/strategy for cost sharing, if warranted.

SUMMARY

OCWA currently has an agreement with the partnering municipalities of London, Aylmer, and St. Thomas, for the contracted operation and maintenance of EMPS. It is in its fifth year of a five (5) year initial term, lapsing on June 30, 2017. Under the terms and conditions of the agreement, there is a provision for an agreement extension for an additional five (5) year term, subject to concurrence by all parties.

Likewise, the Elgin Area Primary Water Supply System Joint Board of Management has proceeded to extend its renewal term option with OCWA for an additional five (5) year period.

This report recommends that the City of London, in conjunction with the partnering municipalities of Aylmer and St. Thomas, continue to retain the Ontario Clean Water Agency for the operation, maintenance, and management of the Elgin-Middlesex Pumping Station, through the attached Services Agreement (Appendix "1"), effective July 1, 2017.

Acknowledgements:

The recommended Services Agreement has been developed through consensus of all parties involved. This report has been prepared with review by David Munteer – City Solicitor’s Office.

PREPARED BY:	RECOMMENDED BY:
JOHN SIMON, P.ENG. DIVISION MANAGER, WATER OPERATIONS	JOHN LUCAS, P.ENG. DIRECTOR - WATER AND WASTEWATER
REVIEWED & CONCURRED BY:	
KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR OF ENVIRONMENTAL AND ENGINEERING SERVICES & CITY ENGINEER	

Appendix "A" - By-law to approve a Services Agreement Between Ontario Clean Water Agency and The Corporation of the City of London, Aylmer Area Secondary Water Supply System Board of Management and the St. Thomas Secondary Water Supply System Board of Management for the operation, maintenance, and management of the Elgin-Middlesex Pumping Station

- CC: Mr. R. Johnson – Aylmer Secondary Water Supply System
 Mr. J. Lawrence - St. Thomas Secondary Water Supply System
 Mr. T. Bender - Ontario Clean Water Agency
 David Munteer – Solicitor II, City Solicitors Office
 Andrew Henry – Division Manager, Regional Water Supply
 Dan Huggins – Water Quality Manager – Water Operations
 Scott Mathers – Division Manager, Water Engineering

APPENDIX “A”

Bill No.
2017

By-law No. - _____

A By-law to authorize a Services Agreement between Ontario Clean Water Agency and The Corporation of the City of London, the Aylmer Area Secondary Water Supply System Board of Management, and the St. Thomas Secondary Water Supply System Board of Management for the operation, maintenance, and management of the Elgin-Middlesex Pumping Station; and to authorize the Mayor and City Clerk to execute the Agreement.

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 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS it is deemed expedient for The Corporation of the City of London (the “City”) to enter into a Services Agreement between Ontario Clean Water Agency and The Corporation of the City of London, the Aylmer Area Secondary Water Supply System Board of Management, and the St. Thomas Secondary Water Supply System Board of Management for the operation, maintenance, and management of the Elgin-Middlesex Pumping Station (the “Agreement”);

AND WHEREAS it is appropriate to authorize the Mayor and City Clerk to execute the Agreement on behalf of the City;

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

1. The Agreement attached as Schedule “1” to this By-law, between Ontario Clean Water Agency and The Corporation of the City of London, the Aylmer Area Secondary Water Supply System Board of Management, and the St. Thomas Secondary Water Supply System Board of Management for the operation, maintenance, and management of the Elgin-Middlesex Pumping Station is hereby AUTHORIZED AND APPROVED.
2. The Mayor and City Clerk are authorized to execute the Agreement 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 May 30, 2017

Matt Brown
Mayor

Catharine Saunders
City Clerk

First reading - May 30, 2017
Second reading – May 30, 2017
Third reading – May 30, 2017

SCHEDULE “1”

SERVICES AGREEMENT

**BETWEEN
ONTARIO CLEAN WATER AGENCY**

A N D

THE CORPORATION OF CITY OF LONDON,

**AYLMER AREA SECONDARY WATER SUPPLY SYSTEM BOARD OF
MANAGEMENT AND THE**

**ST. THOMAS AREA SECONDARY WATER SUPPLY SYSTEM BOARD OF
MANAGEMENT**

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SERVICES AGREEMENT

THIS AGREEMENT effective as of the 1st day of July, 2017 (the “Effective Date”),

B E T W E E N

ONTARIO CLEAN WATER AGENCY/AGENCE ONTARIENNE DES EAUX, a corporation established under the *Capital Investment Plan Act, 1993*, c.23, Statutes of Ontario.

(“OCWA”)

A N D

THE CORPORATION OF CITY OF LONDON, AYLMER AREA SECONDARY WATER SUPPLY SYSTEM BOARD OF MANAGEMENT AND THE ST. THOMAS AREA SECONDARY WATER SUPPLY SYSTEM BOARD OF MANAGEMENT

(the “Client”)

RECITALS

- (a) OCWA is in the business of providing operations and maintenance services for water facilities.
- (b) The Client is the owner of the Secondary Water Supply System portion of the Elgin Middlesex Pumping Station more particularly described in Schedule A (the “Facility”).
- (c) The Client wishes to retain the services of OCWA to operate and maintain the Facility in accordance with the provisions of this agreement (the “Agreement”).
- (d) The Client and OCWA (collectively, the “Parties” and each a “Party”) are entering this Agreement to set out their respective rights and obligations with respect to the management, operation and maintenance of the Facility.
- (e) The respective Councils of the Client have passed by-laws authorizing the Client to enter into the Agreement as follows:

Corporation of the City of St. Thomas: By-Law No. _____ passed on _____
Corporation of the City of London: By-Law No. _____ passed on _____
Corporation of the Township of Malahide: By-Law No. _____ passed on _____
- (f) The Client has requested that the Regional Water Supply facilitate the payment of invoices related to the operation, maintenance, and repair of the Facility on behalf of the Client in accordance with the terms and conditions of this Agreement, and recover related

costs from the Client as mutually agreed by the constituent municipalities that comprise the Client.

NOW THEREFORE in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration the receipt and sufficiency of which is hereby irrevocably acknowledged, the Client and OCWA agree as follows:

ARTICLE 1 - INTERPRETATION

Section 1.1 - Definitions

In this Agreement, definitions are set out in Schedule B, or within applicable provisions as indicated.

ARTICLE 2 - RESPONSIBILITIES OF OCWA

Section 2.1 - Retention of OCWA

- (a) The Client retains OCWA to provide management, operation and maintenance services, and overall responsible operator (“ORO”) duties in respect of the Facility as described in Schedule C to this Agreement, in respect of the Facility (the “Services”).
- (b) The Client acknowledges and agrees that for the purposes of Section 449 of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, OCWA is an agent of the Client.

Section 2.2 - Performance of Services

- (a) OCWA shall deliver the Services in compliance with all applicable Environmental Laws, except as described in Paragraphs 2.2(b) and (c) below and in any of the following circumstances:
 - (i) the Client not making the Major Maintenance Expenditures and/or undertaking the Capital Projects reasonably recommended by OCWA as per Section 4.6 and 4.7 herein;
 - (ii) failure of the Client to meet its representations and warranties specified in this Agreement;
 - (iii) failure of any equipment at the Facility, unless the failure is due to negligent operation and/or maintenance by OCWA;
 - (iv) the water transmitted to the Facility for treatment contains contaminants or pathogens which cannot be treated or removed by the Facility’s treatment

processes;

- (v) the quantity or quality of water transmitted to the Facility exceeds the Facility's design or operating capacity; and
 - (vi) with respect to Overall Responsible Operator duties, the Client not carrying out its duties and responsibilities under this Agreement including, but not limited to, its responsibility for the day-to-day operation of the Facility and for the direction and discipline of any of the Client's Employees assigned to work at the Facility.
- (b) OCWA may temporarily cease to provide or reduce the level of provision of Services hereunder in the event of an emergency, a breakdown or any Uncontrollable Circumstance. OCWA shall, when practicable, try to give the Client reasonable advance notice of any such occurrence, and shall endeavour to coordinate operational activities with the Client in such circumstances.
 - (c) Notwithstanding any other provision of this Agreement, delay in the performance of, or a failure to perform any term of this Agreement by OCWA, shall not constitute default under this Agreement or give rise to any claim for damages suffered by the Client if and to the extent caused by occurrences or circumstances beyond the reasonable control of OCWA (an "Uncontrollable Circumstance"), including but not limited to any circumstances set out in Paragraph 2.2(a), decrees of government, acts of God (including but not limited to hurricanes, tornadoes, floods and other weather disturbances), sabotage, strikes, lockouts and other industrial disturbances, insurrections, war, civil disturbances, pandemics, riots, explosions, fire and acts of third parties.
 - (d) In the event that OCWA determines that a deficiency exists with respect to the compliant operation of the Facility, OCWA will use its best efforts to contact the Client and obtain the Client's approval prior to undertaking any remedial measures to correct the deficiency. The Client acknowledges that such measures may be beyond the scope of the Services and thus subject to an additional charge.
 - (e) Notwithstanding Paragraph 2.2(d) above, the Client recognizes that in an emergency situation or where an Uncontrollable Circumstance exists, OCWA's primary concern will be to use all reasonable efforts to maintain the Facility in compliance with Environmental Laws and that OCWA may be required to correct a deficiency or deal with the emergency situation without obtaining the Client's prior approval. Should such a situation arise, OCWA shall advise the Client as soon as reasonably possible and shall provide as much information as possible to the Client and will work with the Client to ensure the emergency situation is appropriately addressed.

Section 2.3 - Standard of Care and Best Practices

- (a) OCWA shall deliver the Services as would a reasonable operator with like skills in like circumstances.

- (b) OCWA shall operate, maintain and manage the Facility in accordance with Best Practices.

Section 2.4 - OCWA as Independent Contractor

In performing the Services, OCWA shall be acting as an independent contractor and only to the extent and for the specific purposes expressly set forth herein. Neither OCWA nor its employees, agents or subcontractors shall be subject to the direction and control of the Client, except as expressly provided in this Agreement.

Section 2.5 - Authorized Representatives

Each of OCWA and the Client shall be entitled to designate in writing to the other, one or more individuals who shall be authorized to represent it in connection with the day-to-day administration of the provisions of this Agreement (the “Authorized Representative(s)”). Each of the Parties shall be entitled to rely on the acts and approvals given by the other Party’s Authorized Representative until such time as it receives a written notification of change of the other Party’s Authorized Representative.

Section 2.6 - Indemnification of the Client

- (a) OCWA shall exonerate, indemnify and hold harmless the Client, its directors, officers, elected officials of the Client, employees and agents from and against Claims which may be suffered or incurred by, accrue against or be charged to or recoverable from the Client to the extent that such Claim is solely attributed to OCWA’s negligence or wilful misconduct when performing the Services, except where such Claim is due to an Uncontrollable Circumstance or to a condition of the Facility which existed prior to OCWA’s commencement of the Services (a “Pre-existing Condition”), including but not limited to those listed in Schedule F. Such Pre-existing Conditions shall be the ongoing responsibility of the Client. OCWA, in providing these Services, is not responsible, accountable or liable, in any way, for Pre-existing Conditions, either directly or indirectly.
- (b) The Client shall be deemed to hold the provisions of this Section 2.6 that are for the benefit of the Client’s directors, officers, employees and agents in trust for such directors, officers, employees and agents as third party beneficiaries under this Agreement.
- (c) Notwithstanding Paragraph 2.6(a) above, OCWA shall not be liable in respect of any Claim with respect to the Facilities described in Schedule A to the extent the Claim is covered by the Insurance.
- (d) Claims by the Client for indemnification from OCWA will follow the Indemnification Process as described in Schedule B.

Section 2.7 - Insurance

- (a) OCWA shall maintain, subject to reasonable availability, insurance coverage as described in Schedule E to this Agreement (the “Insurance”) and the Client shall be an additional insured under the Commercial General Liability and Contractor’s Pollution Liability insurance. The Client acknowledges that, given the unpredictability of the insurance market, deductibles and coverage limits may not be available (or may not be reasonably priced) from year to year. Insurance coverage is reviewed annually. Any changes or increases to the coverage shall be accepted by the Client, acting reasonably. Increases may be charged to the Client in accordance with Schedule D.
- (b) The Client specifically recognizes and agrees that neither OCWA nor the Crown bears any responsibility for the Pre-existing Condition(s) of the Facility. As such, OCWA is not required to obtain insurance for this purpose and the Client has or will obtain its own insurance.
- (c) The Client shall be responsible for securing its own insurance for any other operations with which it is involved that are not part of the Services. The Client acknowledges that OCWA’s Commercial General Liability and Contractor’s Pollution Liability insurance shall not extend to cover any claims, exposure or liability beyond those directly linked to the provision of Services by OCWA staff. The Client further acknowledges that it will have no recourse under OCWA’s Commercial General Liability and Contractor’s Pollution Liability insurance for any operations that do not form part of the Services provided under this Agreement.
- (d) In the event of a claim under the Insurance, the payment of deductibles is as specified in Schedule E
- (e) The policies of insurance obtained by the Client in connection with this Agreement shall be primary, notwithstanding other insurance obtained and maintained by OCWA.

Section 2.8 - Representations and Warranties of OCWA

OCWA represents and warrants to the Client that the following are true and correct:

- (a) that it has full power and authority and has taken all necessary steps to enter into and perform its obligations under this Agreement; and
- (b) OCWA’s staff is trained and capable of providing the Services set out under this Agreement. OCWA acknowledges that OCWA is the employer for the purposes of the *Occupational Health and Safety Act* and its regulations, OCWA is the “employer” of its staff who provide with regard to the provision of Services set out under this Agreement.

ARTICLE 3 - RESPONSIBILITIES OF THE CLIENT

Section 3.1 - Obligations of the Client

- (a) The Client has the full power and authority to enter into and perform its obligations under this Agreement.
- (b) The Client has passed all necessary By-Laws and has obtained all necessary Authorizations to enable it to enter into and perform its obligations under this Agreement and to operate the Facility, (including, without limitation, any Authorizations required from the Ontario Municipal Board and the Ministry of the Environment and Climate Change), and the Authorizations are in good standing.
- (c) The Client has provided OCWA with a true copy of each of the Authorizations referred to in Paragraph 3.1(b) above prior to the date of this Agreement, including a certified copy of each municipal By-Law required to authorize the Client to enter into and perform its obligations under this Agreement.
- (d) As the owner of the Facility, the Client is fully aware of its responsibilities and obligations regarding the operation and maintenance of the Facility under Applicable Laws, including without limitation its responsibilities under the *Safe Drinking Water Act, 2002* (the “SDWA”) and the *Occupational Health and Safety Act* (the “OHS”) and their regulations.
- (e) The Client confirms that there are no Pre-existing Conditions existing at the Facility which would affect OCWA’s ability to operate the Facility in compliance with the terms of this Agreement and Applicable Laws, other than what is listed in Schedule F. The Client acknowledges and agrees that the Client shall be responsible for addressing such Pre-existing Conditions.
- (f) The Client confirms that as of the date of execution of this Agreement, to the best of the Client’s knowledge, the Facility is in compliance with all Applicable Laws.
- (g) The Client is not aware of the presence of any designated substances as defined under the *Occupational Health and Safety Act* (the “OHS”) at the Facility. The Client acknowledges and agrees that it is responsible for dealing with the designated substances (including but not limited to asbestos) in accordance with the OHS and its regulations and to notify OCWA of the location of any designated substances in the Facility, which is owned and under the Client’s control of the Client as set out in paragraph (b) of the Recitals and in Schedule A of this Agreement. (The Client shall supply OCWA with annual updates on all hazardous substances within the Facility building belonging to each Client).

Section 3.2 - Covenants of the Client

The Client hereby covenants the following for the benefit of OCWA:

- (a) The Client agrees to promptly pay all amounts owing to OCWA under this Agreement as they become due, including any interest charges on late payments as determined under Section 4.9.
- (b) The Client agrees to promptly provide OCWA with any information relating to the Facility which could have a bearing on the provision of Services by OCWA, including but not limited to any engineering report prepared in respect of the Facility, any Authorization or amendment to any Authorization, as well as any governmental notice or order relating to the Facility.
- (c) The Client agrees to commit the necessary resources to appropriately address and comply with any such reports, Authorizations, notices or orders.
- (d) The Client shall repair, maintain and keep in a good working state, in accordance with good engineering practices and the standards reasonably applicable to an owner of a like facility, all water works that belong to or are under the control of the Client and that distribute water from the Facility.
- (e) The Client agrees to promptly commit the necessary resources to appropriately address any health and safety issues identified by OCWA which are the responsibility of the Client.

Section 3.3 - Exoneration and Indemnification of OCWA

- (a) Subject to Paragraph 3.3(d) below, the Client shall exonerate, indemnify and hold harmless OCWA, its directors, officers, employees and agents and Her Majesty the Queen in Right of Ontario, as represented by the Minister of the Environment and Climate Change and all directors, officers, employees and agents of the Ministry of the Environment and Climate Change (collectively referred to as the “Indemnified Parties”) from and against any and all Claims which may be suffered or incurred by, accrue against, or be charged to or recoverable from any one or more of the Indemnified Parties that solely attributed to the Client’s negligence or wilful misconduct.
- (b) OCWA shall be deemed to hold the provisions of this Article 3 that are for the benefit of OCWA’s directors, officers, employees and agents and the other Indemnified Parties as defined above, in trust for all such Indemnified Parties as third party beneficiaries under this Agreement.
- (c) Claims by OCWA for indemnification from the Client will follow the Indemnification Process.
- (d) Notwithstanding Paragraph 3.3(a) above, the Client shall not be liable in respect of any Claim:

- (i) to the extent that such Claim is covered by the Insurance; however, the Client shall be responsible for any deductible or self-insured retention amount in accordance with Schedule E; and
- (ii) to the extent that such Claim is caused by OCWA's negligence or wilful misconduct in providing the Services.

Section 3.4. - OCWA Has No Liability for the Client's Employees while Providing ORO Services

- (a) Any and all employees of the Client assigned to work at the Facility at any time or from time to time (the "Client's Employees") shall continue to be employees of the Client at all times and nothing in this Agreement shall undermine or terminate the relationship of employee and employer between the Client and any of the Client's Employees.
- (b) OCWA shall under no circumstances have any liability whatsoever for any of the Client's Employees or any action performed by any of them.
- (c) Notwithstanding any other provisions of this Agreement, OCWA shall not be a "supervisor" as that term is defined under the OSHA or its regulations and the Client acknowledges that it is solely responsible for appointing a "competent person" as a "supervisor" under the OSHA and its regulations. The Client further acknowledges that it is the "employer" under the OSHA of the Client's Employees.

ARTICLE 4 - TERM, PAYMENT FOR SERVICES AND OTHER CHARGES

Section 4.1 - Initial Term of Agreement

This Agreement shall start on the Effective Date and shall continue in effect for a term of five years, ending on June 30, 2022 (the "Initial Term") and then may be renewed for additional five-year renewal terms (the "Renewal Term") upon agreement between the Parties, subject to Sections 4.3 and 6.2 of this Agreement.

Section 4.2 - Annual Price for the Initial Term

Subject to any adjustments made pursuant to other provisions of this Agreement, the Client shall pay OCWA a price for the Services for each Year of the Initial Term as described in Schedule D.

Section 4.3 - The Annual Price in Renewal Terms

The Annual Price for the Renewal Term will be as agreed between the Client and OCWA. If the Parties cannot agree on the Annual Price for the Renewal Term within six (6) months of the beginning of the last Year of the Initial Term or the Renewal Term, as the case may be (the "Current Term"), then this Agreement will be terminated twelve (12) months after

the last day of the Current Term. During this twelve (12) month period or mutually agreed upon extension period, the Client shall pay the Annual Price paid for the last Year of the Current Term, plus an adjustment for inflation calculated as described in Schedule D, pro-rated over that period.

Section 4.4 - Payment of the Annual Price

- (a) The Regional Water Supply on behalf of the Client shall pay OCWA the Annual Price for each Year of the Initial Term or the Renewal Term, in twelve equal monthly payments, in advance, on the first day of each month. Payment shall be made by the Regional Water Supply by pre-authorized bank debit from a bank account designated by the Regional Water Supply.
- (b) The Client and OCWA each acknowledge and agree that the Regional Water Supply is acting on behalf of the Client, and for the convenience of OCWA and the Client, in the payment of invoices and costs associated with the operation, maintenance and repair of the Facility. The Client and OCWA each acknowledge and agree that the Regional Water Supply bears no liability or responsibility with regard to the ownership or operation of the Facility.

Section 4.5 - Items Not Included in the Annual Price

The Annual Price, as further described in Schedule “D”, for each Year of the Initial Term and any Renewal Term, covers all charges for the Services, but does not include any charges the following:

- (a) any Capital Projects (as defined in Section 4.7 below) or costs resulting from any failure of the Client to implement reasonably recommended Major Maintenance Expenditures;
- (b) costs or charges for services resulting from a Change in Applicable Laws;
- (c) Unexpected Expenses (as defined in Paragraph 4.8(a) below);
- (d) any charges resulting from adverse tax changes in respect of the Services or the Facility;
- (e) Utility Costs, as set out in Section 4.11;
- (f) charges for any Optional Services that are provided by OCWA to the Client;
- (g) costs and charges associated with providing and/or maintaining continuous monitoring technology (SCADA technology) used in respect of the Facility;
- (h) any costs arising from a significant increase in flows, as set out in Part 1 of Schedule F to this Agreement.

Section 4.6 – Major Maintenance Expenditures

- (a) “Major Maintenance Expenditures” means the charges for all non-routine, non-repetitive activities, repair or replacement of machinery or equipment required for the continuity of operations, safety, and operating performance of the Facility that are necessary to prevent or correct a failure of any component of the equipment which is not included as part of routine Maintenance including labour charges, together with the service Fee or fixed fee basis.
- (b) No later than October 31st of each Year this Agreement is in force, or a date as the Parties may agree in writing, OCWA will provide the Client with rolling six (6)-year recommendations for Major Maintenance Expenditures required for the long term operation of the Facility. The Client’s written approval of the estimate or revised estimate, in the form set out in Schedule “J”, authorizes OCWA to incur the Major Maintenance Expenditures included in the estimate (the “Approved Major Maintenance Expenditures”).
- (c) OCWA will invoice the Client for the Approved Major Maintenance Expenditures together with supporting documentation and the Client shall pay the invoice within thirty (30) days of the date of invoice.
- (d) OCWA will not be required to obtain the prior approval of the Client for any Major Maintenance Expenditure costing less than \$1,000.00.

Section 4.7 - Capital Projects

- (a) “Capital Projects” means changes and improvements to the Facility which include the installation of new technology, improvements to the efficiency, performance and operation of the Facility, replacement of major pieces of equipment, structural modifications to the Facility and the construction and commissioning of new Facilities.
- (b) During the term of this Agreement, the Client may request OCWA to undertake Capital Projects for the Client. The terms and conditions of such Capital Projects including the fee shall be negotiated by OCWA and the Client.

Section 4.8 - Unexpected Expenses

- (a) “Unexpected Expenses” means unanticipated expenditures or additional costs which may include Major Maintenance Expenditures in addition to the Approved Major Maintenance Expenditures, that OCWA reasonably incurs in order to address a Change in Applicable Laws, any Uncontrollable Circumstance, any work required by regulatory order (e.g. MOECC or MOL) or identified through an inspection (e.g. ESA, MOECC, MOL) that is not solely the result of OCWA’s negligence in performing the Services or any other emergency situation, together with the Service Fee.

- (b) In the event that OCWA is required to incur Unexpected Expenses, the prior approval of the Client with respect to those Unexpected Expenses will be required only if time permits. Within ten (10) days of incurring the Unexpected Expenses, OCWA will provide the Client with a report detailing the reasons the Unexpected Expenses were incurred.
- (c) Any Unexpected Expenses will be invoiced to the Client together with appropriate supporting documentation, and the Client shall pay the invoice within thirty (30) days of the date of the invoice.
- (d) In the event that OCWA is required to incur Unexpected Expenses, OCWA will not be required to obtain the prior approval of the Client for any Major Maintenance Expenditure item costing less than \$1,000.

Section 4.9 - Interest on Late Payments

- (a) **Monthly Payment of Annual Price.** If the Client's monthly payment of the Annual Price is not available in its designated bank account on the agreed date of payment, OCWA will notify the Client that the funds were not available. Interest will be charged to the Client starting from the day after the payment was due in the account. Interest shall be paid at a rate determined by the Minister of Finance, from time to time, as payable on overdue accounts, in accordance with the Lieutenant Governor in Council under s.10(4) of the *Financial Administration Act*, R.S.O. 1990, c.F.12, plus any banking charges and an administrative fee.
- (b) **Other Invoices.** Invoices, other than for the monthly payment set out in Section 4.9(a) above, shall be paid no later than thirty (30) days from the date of the invoice and interest shall begin to accrue one (1) day after the payment is due.

Section 4.10 - Partial Payment of Disputed Invoices

If the Client disputes any portion of an invoice, the Client shall pay to OCWA the undisputed portion of the invoice by the due date set out herein and provide OCWA with written notice of such dispute by the due date. Failure to provide such written notice of any such dispute will act as a waiver of any defence or justification for failing to pay the full amount of the invoice by the due date. Within ten (10) days of resolution of the disputed amount, the Client shall pay to OCWA all amounts determined to be payable to OCWA, plus interest in accordance with Section 4.9(a).

Section 4.11 Utility Costs

Each municipality that comprises the Client will be responsible for paying its own Utility Costs that will be invoiced directly to the Regional Water Supply, on behalf of the Client. The Regional Water Supply shall invoice the Utility Costs to the constituent municipalities that comprise the Client as mutually agreed by the constituent municipalities that comprise the Client.

Section 4.12 - Optional Services

- (a) If requested by the Client, OCWA may provide Optional Services to the Client by Change Order as set out in Schedule "I", provided that the Client and OCWA agree in writing to the specific scope of work required.
- (b) Unless otherwise agreed to in writing, fees for Optional Services which OCWA agrees to provide to the Client shall be billed directly to the Client on a time and materials basis as described in Schedule D.
- (c) Once OCWA has agreed to provide Optional Services to the Client, the Optional Services shall be subject to the terms and conditions of this Agreement, with any necessary changes having been made.

Section 4.13 - Additional Services and Charges Associated with the MOECC's Municipal Drinking Water Licensing Program

Further to Paragraph 4.5(f) above, the Client and OCWA acknowledge that this Agreement does not address any additional services that may be provided by OCWA to the Client that are associated with meeting the requirements of the MOECC's Municipal Drinking Water Licensing Program. The Client and OCWA agree to negotiate, in good faith, any necessary amendments to this Agreement, including adjustments to the Annual Price, required to reflect any such additional services provided by OCWA as well as all costs and charges of OCWA in respect of the Municipal Drinking Water Licensing Program.

any costs and charges related to meeting the requirements of the MOECC's Municipal Drinking Water Licensing Program – 4.5

- For clarity OCWA agrees to perform under the O&M services regular updates, amendments, internal audits and changes as recommended from auditing (OFI, NC, etc).
- Upon a significant regulatory or other required change OCWA would request reimbursement for costs incurred to align the DWQMS program documents to meet new regulatory requirements following Optional Services process section 4.11.
- OCWA will continue with the process in place currently for invoicing Secondary Boards for all external auditing requirements of DWQMS through the expenditure request process

Section 4.14 – Changes to the Agreement

- (a) A Change to the Agreement may be carried out after execution of this Agreement by Change Order. A Change Order shall be based upon agreement between the Parties and shall be reflected in a Change Order form.
- (b) The Parties shall execute a Change Order Form, which shall be substantially in the form found in Schedule "I" which will state their agreement upon all of the following:
 - (i) the new services to be provided;
 - (ii) fees for the services provided under the Change Order;

- (iii) the extent of the adjustment to the maintenance and operating schedule, if any;
- (iv) the extent of any adjustments to the Annual Price, if any; and
- (v) all other effects that the change has on the provisions of this Agreement.

ARTICLE 5 - DISPUTE RESOLUTION

Section 5.1 - Mediation

- (a) If a dispute arises between the Client and OCWA which cannot be resolved within a reasonable time, then the issue shall be referred to a mediator.
- (b) The fees and expenses of the mediator shall be divided equally between the Parties.
- (c) Involvement in mediation is on a without prejudice basis and does not preclude and is not a bar to either Party pursuing whatever legal remedies may be available, including litigation.
- (d) The Parties will consider utilizing a staged dispute resolution process similar to the Dispute Resolution Policy adopted by the Board of Management for the Elgin Area Primary Water Supply System.

ARTICLE 6 - TERMINATION

Section 6.1 - Termination of Agreement

- (a)
 - (i) At least one (1) calendar year before the expiry of the Current Term the Client shall notify OCWA in writing whether it wishes to terminate or renew this Agreement at the end of the Current Term. However, OCWA reserves the right to decline to renew the Agreement by notifying the Client in writing of its decision to decline, within thirty (30) days of receipt of the Client's written request to renew; or
 - (ii) OCWA shall notify the Client in writing that it wishes to terminate this Agreement at the end of the Initial Term.
- (b) During the Initial Term or any Renewal Term, this Agreement may only be terminated by either the Client or OCWA by giving at least thirty (30) days' notice in writing to the other Party if:
 - (i) there has been a material breach of the Agreement;
 - (ii) the Party complaining of the breach has given written notice of the breach to the other Party; and

- (iii) the other Party does not correct the breach within thirty (30) days of receiving the notice.
- (c) If either Party disputes the existence of a breach or that the breach is material, then the dispute may be referred to mediation under Section 5.1 of this Agreement.

Section 6.2 - Early Termination

If this Agreement is terminated for any reason prior to expiry of the Current Term, the Client shall pay OCWA for all Services provided up to the date of termination, and any other amounts owed (including but not limited to charges for Major Maintenance Expenditures, Capital Projects, Unexpected Expenses and Optional Services).

Section 6.3 - Inventory Count of Consumables/Supplies

OCWA and the Client will conduct an inventory count of consumables/supplies at the Facility on the first day of the Initial Term or as soon as the Parties may agree. If OCWA no longer operates the Facility at termination of this Agreement, OCWA shall either:

- (a) ensure that there is the same amount of consumables/supplies at the Facility on the date of termination as there was on the first day of the Initial Term; or
- (b) reimburse the Client for any shortfall.

If the amount of consumables/supplies at the Facility on the date of termination exceeds the amount on the first day of the Initial Term, the Client will either reimburse OCWA for any excess or OCWA may take possession of any excess, as OCWA may determine.

Section 6.4 - Final Settlement

If OCWA ceases to operate and maintain the Facility, there shall be a final settlement of all accounts with respect to the Annual Price and any other expenses incurred by OCWA and amounts owing by or to the Client under this Agreement but not limited to the outstanding debt, if any, owed to OCWA, no later than ninety (90) days after OCWA ceases to provide the Services or thirty (30) days after OCWA has provided the Client with a final invoice, whichever comes later.

Section 6.5 - Transfer of Operations

Upon the termination of this Services Agreement, OCWA will return the following documents to the Client:

- (a) The log book(s) for the Facility.
- (b) The operations manual(s) that were provided by the Client to OCWA at the commencement of the Services with all updates to the expiry date of the Agreement.

- (c) Maintenance and repair records of equipment at the Facility in electronic format.
- (d) A list of emergency phone numbers from the contingency plan binders used by OCWA staff in respect of the Facility.
- (e) The operation plan under the Drinking Water Quality Management Standard (DWQMS) and any Standard Operating procedures (SOPs) identified in the operations plan.

ARTICLE 7 - GENERAL

Section 7.1 - Ownership of Technology

The Client acknowledges and agrees that in providing the Services, OCWA may utilize certain technology developed by or for OCWA, for example, OCWA's WMMS, Outpost 5 and/or PDC (the "Technology"). The Client further agrees that use of the Technology by OCWA with respect to the Facility does not in any way give the Client any ownership or licensing rights in or to the Intellectual Property Rights to the Technology unless otherwise agreed to in writing between the Parties. For greater certainty, nothing in this Section 7.1 shall be interpreted as requiring OCWA to provide the Client with the Technology and any upgrades or other similar technology in respect of the Facility as part of the Annual Price.

Section 7.2 - Agreement to Govern

If there is any inconsistency between the main body of this Agreement and any Schedule to this Agreement, then the provision in the main body shall govern.

Section 7.3 - Entire Agreement

This Agreement constitutes the entire agreement between the Client and OCWA with respect to the subject matter hereof and cancels and supersedes any prior understandings, undertakings, representations, warranties, terms, conditions and agreements, whether collateral, express, implied or statutory, between the Client and OCWA with respect thereto.

Section 7.4 - Change in Circumstance

- (a) In the event that there is a change in circumstances or condition that is not covered under the terms of this Agreement, including, without limitation, a Change in Applicable Laws or change in the scope of services provided (a "Change in Circumstance"), then the Party asserting the occurrence of such Change in Circumstance shall give written notice to the other Party, and the written notice shall contain:
 - (i) details of the Change in Circumstance;
 - (ii) details of the inadequacy of this Agreement; and

- (iii) a proposal for an amending agreement to remedy the Change in Circumstance.
- (b) The Parties shall negotiate in good faith any amendments to this Agreement necessary to give effect to or comply with the Change, including any adjustments to the Annual Price or the Services to be provided, which shall be effected as of the date of the Change. If the Parties dispute the existence of a Change, or the recommendation proposed to rectify the Change or the terms and provisions of any amendment to the Agreement, then either Party may refer the dispute to mediation under Article 5, Dispute Resolution.

Section 7.5 - Amendments and Waivers

No amendment to this Agreement will be valid or binding unless it is in writing and duly executed by both of the Parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless it is in writing and signed by the Party purporting to give such waiver and, unless otherwise provided, will be limited to the specific breach waived.

Section 7.6 - Successors and Assigns

This Agreement shall operate to the benefit of and be binding upon, the Parties hereto and their successors and assigns. This Agreement may be assigned in the discretion of either Party.

Section 7.7 - Survival

All representations and warranties given by each of the Parties, all outstanding payment obligations, and the confidentiality obligation under Section 7.12, shall survive indefinitely the termination of this Agreement.

Section 7.8 - Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and everything else in this Agreement shall continue in full force and effect.

Section 7.9 - Notices

- (a) All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to be properly given if hand-delivered, sent by confirmed facsimile or by registered mail postage prepaid, return receipt requested, or by courier, to the Parties at their respective addresses as set forth below, or to such other addresses as the Parties may advise by like notice. Such notices if sent by facsimile, registered mail or courier shall be deemed to have been given when received.
 - (i) if to the Client:
City of London
663 Bathurst St.

London, ON N5Z 1P8

Telephone: (519) 661-2500 ext. 4938
Fax: (519) 661-2352
Attention: John Simon

City of St. Thomas
545 Talbot St.
St. Thomas, ON N5P 3V7

Telephone: (519) 631-1680 ext. 4164
Fax: (519) 631-2130
Attention: Justin Lawrence

Township of Malahide
87 John St. South
Aylmer, ON N5H 2C3

Telephone: (519) 773-5344 ext. 231
Fax: (519) 773-5334
Attention: Rob Johnson

With copy to the Regional Water Supply:

Elgin Area Primary Water Supply System
235 North Centre Road, Suite 200
London, ON M5X 4E7

Telephone: (519) 930-3505
Fax: (519) 474-0451
Attention: Andrew Henry

(ii) if to OCWA:
Ontario Clean Water Agency
450 Sunset Drive Suite 370
St Thomas, Ontario
N5R 5B1

Telephone: (519) 519 871 6762
Fax: N/A
Email: cmurchland@ocwa.com
Attention: Carol Murchland

- (b) A Party to this Agreement may change its address for the purpose of this Section by giving the other Party notice of such change of address in the manner provided in this Section.

Section 7.10 - Counterparts

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

Section 7.11 - Freedom of Information

- (a) The Client understands and agrees that this Agreement and any materials or information provided to OCWA through the performance of the Services may be subject to disclosure under the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31, as amended, or as otherwise required by law.
- (b) OCWA understands and agrees that this Agreement and any materials or information provided to the Client through the performance of the Services, or owned by the Client and in the possession of OCWA, may be subject to disclosure under the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990 c. M.56, as amended, or otherwise required by law.

Section 7.12 - Confidentiality and Security

The Parties shall strictly maintain confidential and secure all material and information provided, directly or indirectly, by the other Party pursuant to this Agreement. Subject to relevant legislation related to freedom of information or the protection of privacy and any other laws, neither Party shall directly or indirectly disclose to any person, either during or following the term of this Agreement, any such material or information provided to it by the other Party without first obtaining the written consent of the Party who provided such material or information, allowing such disclosure.

IN WITNESS WHEREOF the Parties have duly executed this Agreement.

ONTARIO CLEAN WATER AGENCY

Date of Signing

By: _____
(XX, VP Finance)

Date of Signing

By: _____
(Terry Bender, VP of Operations)

THE CORPORATION OF THE CITY OF LONDON

Date of Signing

By: _____
(Matt Brown, Mayor)

Date of Signing

By: _____
(Catharine Saunders, City Clerk)

**AYLMER AREA SECONDARY WATER
SUPPLY SYSTEM BOARD OF
MANAGEMENT**

Date of Signing

By: _____
(XX, Mayor)

Date of Signing

By: _____
(XX, CAO/Clerk)

**ST. THOMAS AREA SECONDARY WATER
SUPPLY SYSTEM BOARD OF
MANAGEMENT**

Date of Signing

By: _____
(Heather Jackson, Mayor)

Date of Signing

By: _____
(Maria Konefal, Clerk Clerk)

SCHEDULE A - The Facility

OVERVIEW

This Schedule contains a description of the following:

- Description of existing system
- Description of future capital works
- Description of scope of work

DESCRIPTION OF EXISTING SYSTEM

Overview

The Elgin Middlesex Pumping Station is located at 490 South Edgeware Road, northeast of the City of St. Thomas in the Municipality of Central Elgin.

The Elgin Middlesex Pumping Station (EMPS) property and buildings are owned by the Elgin Area Primary Water Supply System Joint Board of Management.

Within the Elgin Middlesex Pumping Station is process equipment owned by the following:

1. City of London
2. Aylmer Area Secondary Water Supply System Joint Board of Management, administered by the Township of Malahide
3. St. Thomas Area Secondary Water Supply System Joint Board of Management, administered by the City of St. Thomas

Delineation of the system ownership between the Elgin Area Primary Water Supply System and the other systems is included in the CD/DVD of supporting information that has been provided as part of the *Request for Proposals for Lake Huron & Elgin Area Primary Water Supply Systems Contract Successful Proponent Procurement dated August 2, 2011*, under the folder E3 -Drawings – EMPS.

At present, the Supervisory Control and Data Acquisition (SCADA) system is monitored at the Elgin Area Water Treatment Plant (WTP).

City of London Water System

The City of London portion of the EMPS comprises the following:

- Piping specific to the London pump trains up to and including the flow meter located on the discharge header
- three centrifugal pumps, all at constant speed known as Pump 4, Pump 5 and Pump 6

- one hydropneumatic surge tank with two air compressors
- piping, electrical, mechanical, instrumentation, and SCADA/PLC controls

Aylmer Area Secondary Water Supply System

The Aylmer Area Secondary Water Supply System portion of the EMPS comprises the following:

- Piping specific to the Aylmer pump trains up to and including the flow meter located on the discharge header
- two variable speed centrifugal pumps
- one 600 kW emergency diesel generator (shared with St. Thomas Area Secondary Water Supply System)
- one rechlorination system using chlorine gas (shared with St. Thomas Area Secondary Water Supply System)
- piping, electrical, mechanical, instrumentation, and SCADA/PLC controls

St. Thomas Area Secondary Water Supply System

The St. Thomas Area Secondary Water Supply System portion of the EMPS comprises the following:

- Piping specific to the St. Thomas pump trains up to and including the flow meter located in the East Chamber
- three variable speed centrifugal pumps
- one 600 kW emergency diesel generator (shared with Aylmer Area Secondary Water Supply System)
- one rechlorination system using chlorine gas (shared with Aylmer Area Secondary Water Supply System)
- piping, electrical, mechanical, instrumentation, SCADA/PLC controls

Additional Information

A CD/DVD containing supporting information has been provided as part of the *Request for Proposals for Lake Huron & Elgin Area Primary Water Supply Systems Contract Successful Proponent Procurement dated August 2, 2011*.

DESCRIPTION OF FUTURE CAPITAL WORKS

The City of London intends to pump directly into their Southeast Reservoir and Pump Station with Pump 4 and 5 and have the capability to use Pump 6 to pump directly into the London system. There are no other long-term major capital works planned for the systems.

St Thomas is proposing in 2017 to change the 3 current pumps and electrical starters to 3 new pumps with VFD drives and related SCADA changes

SCHEDULE B - Definitions

In this Agreement, the following terms are defined below or in the section in which they first appear:

“Agreement” means this agreement together with Schedules A, B, C, D, E, F, H, I and J attached hereto and all amendments made hereto by written agreement between OCWA and the Client.

“Annual Price” is defined in Section 1 under Schedule D of this Agreement.

“Applicable Laws” means any and all statutes, by-laws, regulations, permits, approvals, standards, guidelines, certificates of approval, licences, judgments, orders, injunctions, authorizations, directives, whether federal, provincial or municipal including, but not limited to all laws relating to occupational health and safety matters, fire prevention and protection, health protection and promotion, land use planning, environment, Building Code, or workers’ compensation matters and includes Environmental Laws.

“Approved Major Maintenance Expenditures” is defined in Paragraph 4.6(b) of this Agreement.

“Authorizations” means any by-laws, licences, certificates of approval, permits, consents and other authorizations or approvals required under Applicable Laws from time to time in order to operate the Facility.

“Authorized Representative(s)” is defined in Section 2.5 of this Agreement.

“Best Practices” means best Operations and Maintenance and management practices as established in accordance with applicable Canadian water utility or industry standards that a prudent and reasonable operator of the Facilities would follow in similar circumstances, having regard to the objectives and terms of this Agreement.

“Business Days” means a day other than a Saturday, Sunday or statutory holiday in Ontario.

“Capital Projects” is defined in Paragraph 4.7(a) of this Agreement.

“Change in Applicable Laws” means the enactment, adoption, promulgation, modification, issuance, repeal or amendment of any Applicable Laws that occur after the date this Agreement is executed by both Parties.

“Change Order” means the document shown in Schedule “I” describing the changes to the Agreement agreed to by both parties.

“Claim” means any claim, fine, penalty, liability, damages, loss and judgments (including but not limited to, costs and expenses incidental thereto).

“CPI Adjustment” means the percentage difference between the Statistics Canada Consumer Price Index, All Items (Ontario) (“CPI”) during September of the previous Year as compared to the CPI of September of the current Year. For example, the CPI Adjustment for Year 2018, is the CPI of September 2017

“Current Term” is defined in Section 4.3 of this Agreement.

“Crown” means Her Majesty the Queen in Right of Ontario.

“Drinking Water Quality Management Standard (DWQMS)” means the standard that sets out the minimum requirements for the operation of a drinking water system.

“Effective Date” is defined on Page 1 of this Agreement.

“Environmental Laws” means, any and all statutes, by-laws, regulations, permits, approvals, certificates of approval, licences, judgments, orders, judicial decisions, injunctions, and authorizations related to environmental matters or occupational health and safety and which are applicable to the operation of water treatment facilities.

“ESA” means the Electrical Safety Authority.

“Facility” is defined in Paragraph (b) of the Recitals to this Agreement and further described in Schedule A.

“Indemnification Process” means the procedures a Party is required to follow to obtain indemnification:

- (a) upon receipt of a claim, or notice of claim, the Party shall immediately forward such claim or notice of claim to the Indemnifying Party;
- (b) if requested by the Indemnifying Party, the Party shall provide all documentation relating to the claim, or notice of claim;
- (c) the Party shall take such steps necessary to protect its right to defend such claim, or notice of claim, and shall assign such right to the Indemnifying Party including any subrogation rights;
- (d) the Indemnifying Party shall not settle any claim, or notice of claim, without the prior written consent of the Party; and
- (e) the Party shall have the right to take-over the defence of any claim, or notice of claim and the Indemnifying Party shall fully co-operate with such action.

“Indemnified Parties” is defined in Paragraph 3.3(a) of this Agreement.

“indemnifying Party” means the Party responsible for dealing with any Claims and paying out any Claims.

“Initial Term” is defined in Section 4.1 of this Agreement.

“Insurance” is defined in Paragraph 2.7(a) and further described in Schedule E.

“Intellectual Property Rights” means any copyright, trademark, patent, registered design, design right, topography right, service mark, application to register any of the aforementioned rights, trade secret, rights in unpatented know-how, right of confidence and any other intellectual or industrial property rights of any nature whatsoever in any part of the world.

“Major Maintenance Expenditure” is defined in Paragraph 4.6(a) of this Agreement.

“MOECC” means the (Ontario) Ministry of the Environment and Climate Change.

“MOL” means the (Ontario) Ministry of Labour.

“Municipal Drinking Water Licensing Program” means the MOECC’s program which requires owners of municipal drinking water systems to obtain a “municipal drinking water licence” (as defined under the SDWA) in accordance with Part V of the SDWA and as part of such process will require owners to: prepare an operational plan and submit the operational plan to the MOECC; retain an accredited operating authority; obtain a “drinking water works permit” (as defined in the SDWA); prepare and submit a financial plan in accordance with Part V of the SDWA; and obtain a permit to take water.

“OHSA” means the *Occupational Health and Safety Act*, R.S.O. 1990, c. O.1.

“Optional Services” means any services not included in the Annual Price that the Client and OCWA agree in writing to designate as “Optional Services” subject to Section 4.11.

“Overall Responsible Operator” or **“ORO”** means the person who will act as the overall responsible operator pursuant to Section 23 of O.Reg. 128/04 under the *Safe Drinking Water Act, 2002* (the “SDWA”) in respect of the Facility.

“Parties” is defined in Paragraph (d) of the Recitals to the Agreement.

“PDC” or **“Process Data Collection”** means technology that allows process data to be entered into a format that can be viewed, manipulated and retrieved in the form of customized reports.

“Pre-existing Condition” is defined in Schedule “F” of this Agreement.

“Regional Water Supply” is defined as the administering body for the payment of services and utilities for the Facility. The Regional Water Supply is the Elgin Area Primary Water Supply c/o the Regional Water Supply Division of the City of London, acting in its capacity as Administering Municipality for the Elgin Area Primary Water Supply System in accordance with

Transfer Order Elgin Area W1/1998 (dated November 29, 2000) issued by the Ontario Minister of the Environment. The Client may, at its discretion and acting reasonably, change the entity which acts as the administering body as identified in this Agreement, subject to the Terms and Conditions of this Agreement, including but not limited to Section 7.10 (Notices).

“Renewal Term” is defined in Section 4.1 of this Agreement.

“Routine Maintenance” means regular and/or repetitive activities recommended by the equipment or facility manufacturer or practices of a prudent operator to maintain the reasonably expected life of the equipment and components thereof and includes preventative maintenance.

“SCADA” means Supervisory Control and Data Acquisition.

“SDWA” means the *Safe Drinking Water Act, 2002*, S.O. 2002 c.32.

“Service Fee” is defined and described in Schedule “D”.

“Services” is defined in Schedule “C” of this Agreement.

“Technology” is defined in Section 7.1 of this Agreement.

“Uncontrollable Circumstance” is defined in Paragraph 2.2(c) of this Agreement.

“Unexpected Expenses” is defined in Paragraph 4.8(a) of this Agreement.

“Utility Costs” means natural gas, electricity, chemicals and diesel costs due to the operation and maintenance of the Facility.

“WMS” or **“Work Management System”** means a computer program used to determine a program of preventive maintenance activities for equipment in a facility based on a risk analysis that considers factors such as equipment life expectancy, present value and replacement cost.

“Year” means the 365 day period from January 1 to December 31 of the following calendar year.

SCHEDULE C - The Services

A. General

OCWA will use trained, certified operators and professional staff to manage, operate and maintain the systems presented in this Services Agreement to:

- Manage, operate and maintain the systems described in this Schedule
- Comply with all Applicable Laws
- Provide insurance coverage as defined in Schedule E
- Have in place adequate contingency and emergency plans acceptable to the Client and employ a workplace safety program that meets or exceeds provincial standards
- Meet the potable water performance criteria
- Conduct onsite sampling and operational testing as necessary, and sampling and laboratory testing with an accredited laboratory in Ontario
- Develop a preventive maintenance program for the facilities, which shall include at a minimum:
 - Pump station (internal) valves, and yard/watermain valves exercised at least annually
 - Maintenance and calibration of instrumentation and analyzers
 - Maintenance of backflow prevention and meters
 - Periodic inspection of pumps and associated equipment
- Deliver detailed monthly, and annual reports to the Client that demonstrate compliance and support all future planning, including operational activities, maintenance activities, and regulatory compliance, and management system conformance. The frequency of reporting is further described in Schedule G.
- Manage all human resource functions such as payroll, recruitment, termination and employee relations
- Ship and receive (and purchase where applicable) all materials, consumables and supplies related to the operation and maintenance of the Facilities
- Obtain and pay for all software excluding the systems' PLC and HMI (SCADA) software, WaterTrax (laboratory information management system) and the Client's CMMS license (any additional CMMS license for use by OCWA is OCWA's responsibility)
- Provide 24-hour 7-day per week monitoring of the pumping systems and facilities, and responding to alarms, emergency response, etc. as necessary (based on twenty-four (24) call-outs per full Year)
 - Total number of call outs (24) for the three (3) combined EMPS systems
 - The above noted 24 callouts is an annual total, if callouts are required beyond the total 24 included these will be invoiced to the respective system following process of optional services
- Pay for all maintenance inclusive of pipes and, sandblasting/recoating of equipment, etc., up to and including \$1,000 per single item. Items in excess of \$1,000 will be invoiced to the Client in addition to the Service Fee
- Pay for telephone communications

Specific components related to the Scope of Services are listed below.

B. Staffing, Training and Certification

OCWA will ensure that the Facility is visited by a licence operator at least once per weekday (Monday to Friday) (excluding Statutory Holidays) for operational checks, includes sampling and testing, equipment operational checks, instrumentation checks, and logbook entries.

OCWA shall respond as necessary and required to alarms and emergencies.

OCWA shall have discretion to staff the Facility as required to fulfill deliver the Services in accordance with this Agreement and comply with the requirements in the *Safe Drinking Water Act*.

All training and fees required to maintain operator's certification in accordance with Applicable Laws shall be OCWA's responsibility.

C. Effective Management and Service Levels

OCWA will perform the Services in compliance with all Applicable Laws in effect at the time of the relevant submission, and as amended from time to time.

D. Control and Accountability

OCWA provide complete and comprehensive financial, operational and maintenance details for all activities related to the Facility's functions.

OWCA will deliver frequent formal and informal reporting to the Client, including but not limited to regular contact regarding day-to-day issues, periodic meetings, and timely delivery of all relevant documentation relating to the management, operation and maintenance of the facilities.

E. Compliance Responsibility

OCWA will ensure complete and timely compliance with all Applicable Laws.

Compliance activities or Capital Improvements that result from changes in the law or from regulatory intervention will be pre-approved by the Client.

F. Capital Improvements

OCWA will record information on the frequency and causes of equipment breakdown and repair prices to determine replacement needs.

OCWA will identify elements of the Facility that require upgrading or improvement and bring these to the attention of the Client with due regard for planning and budgeting requirements. The funding of Capital improvements will be the responsibility of the Client. The Client will have final approval for any Capital Improvement proposed by OCWA. OCWA shall not rely in any way on the Client's annual capital budgets and acknowledges that the identification of a capital improvement in the Client's capital budgets in no way ensures that the capital improvement will be carried out by the Client.

OCWA shall provide support resources for capital projects, detailed report reviews, data compilation, and research of historic information all in support of capital improvements managed by the Secondary Boards or other requested special work.

- A 16 hour total limit on management, team leads and operations/maintenance staff resources for each project under the direction and control of the Secondary Boards.
- OCWA will in consultation with the Client at the initiation phase of each project define the support requested and estimate the number of resource hours forecasted, additional hours will be tracked and invoiced following the Optional Services

G. Asset Protection

OCWA will be the steward of the Facility on behalf of the Client. OCWA will maintain the Facility based on industry standards for similar facilities, normal wear and tear excluded.

OCWA will maintain and utilize the Client's computerized maintenance management system (CMMS; currently incorporated into the CMMS of the Elgin Area Primary Water Supply System) to control and record all maintenance activities, including but not limited to routine, preventative and breakdown maintenance activities.

OCWA will provide the Client with immediate and complete access to all available information relating to the Facility as well as regular reporting.

H. Operational and Maintenance Duties

OCWA will perform regularly scheduled inspections and carry out associated operational and maintenance duties at the Facility, including all related equipment, to ensure that the Facility is operated and maintained effectively. OCWA will perform inspection and maintenance duties in accordance with the Operations Manuals for the Facility, as well as the Operation and Maintenance (O&M) manuals developed and provided by the suppliers of the specific equipment.

I. Services Innovation and Improvement

OCWA will propose innovative strategies to the Client to enhance performance and reduce the overall cost of the Facility's operations without adversely impacting health and safety, or acceptable operating standards.

OCWA will operate and maintain the Facility cooperatively with the Client, including but not limited to the dosage of chlorine for secondary disinfection, and pumping schedules.

The Client will consider cost savings-sharing formula for dealing with savings that result from innovations proposed and implemented by OCWA.

J. Risk Management

OCWA will implement risk identification strategies and create, maintain and implement contingency, emergency, and health and safety plans to manage risk for the Client's facilities within OCWA's control under this Agreement.

OCWA will respond to emergency situations within thirty (30) minutes and appropriate staffing will be available within sixty (60) minutes.

K. Site Visits

OCWA will facilitate site visits at the Facility on a periodic basis. Visitors to the Facility will include the Client's staff, MOECC staff, maintenance services staff as well as the Health Units' staff.

L. Potable Water Performance Criteria

At all times, OCWA will deliver the Services in accordance with the requirements of the *Safe Drinking*

Water Act, the Drinking Water Systems Regulation (O. Reg. 170/03) and the Ontario Drinking Water Quality Standards (O. Reg. 169/03), except for Uncontrollable Circumstances.

M. Sampling and Testing Requirements

OWCA will perform sampling and testing at the Facility in accordance with the *Safe Water Drinking Act*, the Drinking Water Systems Regulation (O. Reg. 170/03), Municipal Drinking Water Licences (or Certificates of Approval) and Applicable Laws.

Sampling and testing shall occur for the following three sub-systems separately:

1. City of London
2. Aylmer Area Secondary Water Supply System
3. St. Thomas Area Secondary Water Supply System

N. Addressing Potential Performance Concerns

OCWA is committed to maintaining excellent client service and transparent communications with regarding the performance of its staff working at the Facility. If the Client has concerns about the work performance of OCWA's staff, these concerns can be forwarded in writing to OCWA's General Manager for the Facility. The Client's concerns about the work performance of OCWA's staff will be thoroughly reviewed with the assistance of OCWA's Human Resources Department, and dealt with on a case-by-case basis. OCWA will apprise the Client of the actions taken to improve performance. In addressing issues of staff work performance, OCWA will attempt to have a resolution that is satisfactory to both Parties.

SCHEDULE D – The Annual Price And Other Charges.

1. Annual Price for the Initial Term

In accordance with Section 4.2 and subject to any adjustments made pursuant to other provisions of this Agreement, the Client shall pay OCWA a price for the Services for each Year of the Initial Term in the following amounts (the “Annual Price”):

- (i) For the period from **January 1, 2017** through to **December 31, 2017** (Year One) inclusive: **\$191,180.00CPI at 1.8% CPI = \$194,621.24.**
- (ii) For **January 1, 2018** through to **December 31, 2018** (Year Two) inclusive: **\$194,621.24 + CPI as defined September of the 2018. The following years will be set by adding CPI as defined in September to the current annual rate (Example 2019 will be calculated 2018 rate + CPI as defined in September** The CPI Adjustment shall be calculated annually as soon as necessary information is available from Statistics Canada (Canadian All Item CPI Index) based on September defined values.

2. Payment of the Annual Price

In Year One of the Initial Term, the monthly payment of the Annual Price shall be **\$16,218.44/month**. The first payment shall be due and payable on January 1, 2017.

3. Optional Services

Unless otherwise agreed to in writing, fees for Optional Services which OCWA agrees to provide to the Client shall be billed directly to the Client on a time and materials basis at the following rates which may be adjusted on an annual basis:

- (a) Labour rates on Business Days, Monday to Friday (0730 to 1600) shall be billed at \$100.00/hour/person for an operations manager; \$90.00/hour/person for a team lead; \$70.00/hour/person for operations and maintenance staff, plus applicable expenses and plus vehicle expenses at \$0.50/km/vehicle;
- (b) Labour rates for after hours and on weekends shall be billed at \$127.50/hour/person for an operations manager; \$97.50/hour/person for a team lead; \$97.50/hour/person for operations and maintenance staff with a minimum four (4) hour charge; plus applicable expenses and plus vehicle expenses at \$0.50/km/vehicle.
- (c) Costs for parts, equipment and supplies, and outside labour charges (i.e., contractors), used by OCWA staff to provide the Optional Services shall be billed to the Client, and the Client will pay such costs together with a Service Fee.

“**Service Fee**” means an additional fee charged to the Client when OCWA purchases materials, supplies, equipment or contractor’s services on behalf of the Client. For any individual item or service purchased, the Service Fee shall be calculated as follows:

- (a) 15% of the first \$10,000; plus
- (b) 10% on the amount from \$10,000 to \$50,000; plus
- (c) 5% on the amount in excess of \$50,000.

For example, the Service associated with a capital project which required \$56,000 in supplies and materials would be \$5,800 (15% x \$10,000 + 10% x \$40,000 + 5% x \$6,000).

SCHEDULE E - Insurance

A summary of the insurance coverage that OCWA will arrange for in respect of the Facility is described below:

Property and Machinery/Boiler Insurance for the Client is provided through Regional Water Supply for the Facilities.

Automobile Insurance

Coverage: Automobile Liability for OCWA owned or leased vehicles.

Limit: \$5,000,000

Commercial General Liability Insurance

Coverage: Third party liability including legal fees, for property damage and/or bodily injury as caused by OCWA's negligence arising out of OCWA's operations of the Facilities.

Limit: \$50,000,000 per occurrence.

Deductible: \$50,000 for the year 2017; subject to change on an annual basis.

Contractor's Pollution Liability/Professional Liability Insurance

Coverage: Professional Liability: To pay on behalf of OCWA sums which OCWA shall become legally obligated to pay as damages and/or claims expense as a result of claims made first against OCWA, and reported to the insurer, in writing during the policy period, automatic extended reporting period (60 days), and by reason of any act, error or omission in professional services rendered or that should have been rendered by OCWA, or by any person for whose acts errors or omissions OCWA is legally responsible, and arising out of the conduct of OCWA's profession.

Pollution legal liability covering third party property damage and bodily injury and clean up costs for pollution conditions arising out of the performance of the services provided by OCWA.

Limit: \$10,000,000 per loss on a Claims Made basis with automatic, extended reporting periods for Pollution Liability. \$10,000,000 aggregate.

Limit: \$5,000,000 for Professional Liability Insurance

Deductible: \$100,000 for the year 2017; subject to change on an annual basis.

SCHEDULE F - List of Pre-Existing Conditions

As per Paragraph 3.1(e) of this Agreement, the following Pre-existing Conditions have been identified:

- Potential changes to operating requirements and impacts associated with the commissioning of the City of London's Southeast Reservoir & Pumping Station located on Highbury Avenue
- City of London's contracted minimum daily current average volume is 22.7 million litres
- St Thomas upgrading 3 pumps, VFDs and SCADA modifications planned for 2017

SCHEDULE G - Reporting

EMPS Reporting Plan		
Report	Frequency	Submission
Operations, Maintenance and Compliance	Monthly	10 business days following month end, submitted electronically
Annual Report (MOECC) (O. Reg. 170, Section 11)	Annually	February 1
Yearly Summary Report (O. Reg. 170, Schedule 22)	Annual	February 28
Capital Recommendations	Quarterly/annually	Quarterly and by October 31 for preceding year
Contingency and Emergency Preparedness		Within 90 days of the start of the contract
Review of provision of infrastructure	Annually	Oct 31
Management Review	Annually	30 days after review
Internal Audit Report	Annually	30 days after audit
Initial Condition Survey		90 days from the start of the contract
Final Condition Survey		60 days prior to end of term

Proposed Meeting Schedule		
Meeting	Frequency	Agenda
Operations and Maintenance	Quarterly	Based on Secondary Board Scheduling
Annual performance review	Annual (year end)	Review of operations, maintenance, compliance and capital for the year.
Capital Recommendations	Annual (Q3)	Presentation of recommended capital for coming year

SCHEDULE H – Pricing

EMPS Price Proposal						
Item	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021	Year 6 2022
Total Fixed Price, excluding taxes	\$191,180.00 (\$191,180 – full year) +CPI	\$194,621 +CPI	2018 Total plus CPI	2019 Total plus CPI	2020 Total plus CPI	2021 Total plus CPI
Total	\$194,621.24					

The CPI Adjustment (Canadian All Item CPI), which will be calculated in accordance with Section 1 above.

The Parties agree that the Annual Fee includes:

Salaries and Benefits – salaries, on call, ORO

Transportation and Communication – telephones, data communication, cell phone, training

Services – vehicles, lab equipment, repairs and maintenance, lab analysis, insurances

Supplies and Equipment – lubricants, calibration, vehicle fuel, safety, laboratory, hardware supplies

Costs Included in the Annual Price:

- Annual DWQMS maintenance costs
- On call costs
- Lab costs
- Data communication and phones costs
- Lifting device annual inspections
- 20 hours per week for operator
- Operator hours are Monday to Friday excluding weekends and holidays
- Shared ORO from Elgin Plant and/or Elgin Middlesex Hub

• **Costs Excluded from the Annual Price:**

- Initial and final condition surveys
- All capital costs
- All natural gas, diesel fuel and utilities costs
- Writing the DWQMS operational plans
- External DWQMS audit
- Chlorine gas

The Parties confirm that OCWA will continue to invoice for chlorine gas to St, Thomas and Malahide in such manner as agreed to by the Parties.

SCHEDULE I - Change Order Form



Change Order Form

Change Being Requested

Name of Change:			
Ontario Clean Water Agency (OCWA)	Per: _____ Name: _____ Title: _____	Date (YYYY/MM/DD):	
Client	Per: _____ Name: _____ Title: _____	Date (YYYY/MM/DD):	

Adjustment

Check Appropriate Type of Change

Apply (Y/N)	Type of Change:
	Adjustment to Estimate
	Change to Service
	Impact

Adjustment to Estimate

Description – Attach Additional Documentation if Required

Change in Services

Description – Attach Additional Documentation if Required

SCHEDULE J - Expenditure Request and Approval to Proceed



Hub Name
 Hub Address
 City, ON Code
 Phone: XXX-XXX-XXXX Fax: XXX-XXX-XXXX

PART 1

Facility Name:			
Project Name:			
Project Number:		Estimated Project Start Date:	
Total Estimated Cost of the Project:	\$	Detailed Quote Attached:	<input type="checkbox"/> Yes <input type="checkbox"/> No

It is recognized that this is a budget estimate and the final price may vary. OCWA will provide additional justification where the final invoice price varies from the estimate by more than 10%

Type of Project:

- Maintenance Project Out of Scope Work Contingency Emergency
 Health & Safety

Description of Project or Expenditure:

Submission Prepared By:

Name (Print)	Signature	Date

Authorized Representative for the Ontario Clean Water Agency

PART 2

Approval to Proceed:

Approved Declined Deferred Reason if Declined or Deferred

The Ontario Clean Water Agency is authorized to proceed with the project/expenditure according to the description and cost estimate provided above. This may include but not limited to the hiring of sub-contractors, consulting firms, etc. as required. The Municipality agrees to pay OCWA the costs associated with this work upon its completion based on the terms of the Municipality’s agreement with OCWA.

Approved By:

Name (Print)	Signature	Date

Authorized Representative for the Municipality

PART 3

OCWA Internal Use Only:			
Client PO / Project #:		Date:	
Project Start Date:		Project Completion Date:	
OCWA Invoice #		Date:	
OCWA Account Code:		OCWA Work Order #	