

Agenda

Lake Huron Primary Water Supply System

Joint Board of Management

4th Meeting of the Lake Huron Primary Water Supply System Joint Board of Management
October 1, 2026, 2:00 PM
Committee Room #5

Pages

1. Call to Order

2. Indigenous Territorial Acknowledgement

The Lake Huron Water Supply System and its benefiting municipalities are situated on the traditional lands of the Anishinaabek (Uh-nish-in-ah-bek), Haudenosaunee (Ho-den-no-show-nee), Lūnaapéewak (Len-ah-pay-wuk) and Attawandaron (Add-a-won-da-run) peoples. We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home. This region is currently home to many First Nations, Inuit and Métis people today and we are grateful to have the opportunity to live and work in this territory.

3. Disclosures of Pecuniary Interest

4. Recognitions and Comments from the Chair

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

5.1 Minutes of the 3rd Meeting held on June 4, 2026

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6. Communications and Petitions

7. Motions of Which Notice is Given

8. Reports and Added Reports

8.1 Recommended Items for Consent

a. Quarterly Compliance Report (2nd Quarter 2026: April - June)

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b. Environmental Management System and Quality Management System

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12.	By-Laws	
12.1	By-Law No. 6 - 2026	106
	A by-law relating to the appointment of Members and Alternate Members to the Joint Board of Management for the Lake Huron Primary Water Supply System.	
13.	Closed Session	
13.1	Personal Matters About Identifiable Individual/Litigation/Potential Litigation/Matters Before Administrative Tribunals	
	A matter pertaining to personal matters about an identifiable individual, including municipal or local board employees and litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.	
14.	Upcoming Meeting Dates	
	January 21, 2027	

15. Adjournment

Lake Huron Primary Water Supply System Report

3rd Meeting of the Lake Huron Primary Water Supply System
June 4, 2026

Attendance: PRESENT: S. Hillier (Chair); C. Burghardt-Jesson, A. DeViet,
S. Franke, C. Grantham, S. Lehman, P. Van Meerbergen and L.
Ahima (Acting Committee Clerk)

ALSO PRESENT: J. Bunn, J. Bechard, B. Haklander and A.
Henry

1. Call to Order

That it BE NOTED that the meeting was called to order at 2:00 PM.

2. Indigenous Territorial Acknowledgement

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

3. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

4. Recognitions and Comments from the Chair

None.

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

5.1 Minutes of the 2nd Meeting held on March 5, 2026

GRANTHAM AND VAN MEERBERGEN

That the minutes of the 2nd meeting of the Lake Huron Primary Water
Supply System Joint Board of Management, from the meeting held on
March 5, 2026, **BE NOTED AND FILED. CARRIED**

Motion Passed

6. Communications and Petitions

None.

7. Motions of Which Notice is Given

None.

8. Reports and Added Reports

8.1 Recommended Items for Consent

- a. Quarterly Compliance Report (1st Quarter 2026: January - March)

BURGHARDT AND VAN MEERBERGEN

That, on the recommendation of the Chief Administrative Officer, the report dated June 4, 2026, with respect to the general, regulatory and contractual obligations of the Lake Huron Primary Water Supply System, for January to March 2026, **BE RECEIVED. CARRIED**

Motion Passed

- b. Environmental Management System and Quality Management System

BURGHARDT-JESSON AND VAN MEERBERGEN

That, on the recommendation of the Chief Administrative Officer, the report dated June 4, 2026, with respect to the Environmental Management System and the Quality Management System, **BE RECEIVED. CARRIED**

Motion Passed

- c. Quarterly Operating Financial Status - 1st Quarter 2026

BURGHARDT-JESSON AND VAN MEERBERGEN

That, on the recommendation of the Chief Administrative Officer, the report dated June 4, 2026, with respect to the Quarterly Operating Financial Status of the Lake Huron Primary Water Supply System for the 1st Quarter of 2026, **BE RECEIVED. CARRIED**

Motion Passed

- d. Water System Operation - Contract Status Update

BURGHARDT-JESSON AND VAN MEERBERGEN

That, on the recommendation of the Chief Administrative Officer, the report dated June 4, 2026, with respect to the Water System Operation - Contract Status Update, **BE RECEIVED. CARRIED**

Motion Passed

- e. 2026 State of the Infrastructure & Levels of Service

BURGHARDT-JESSON AND VAN MEERBERGEN

That, on the recommendation of the Chief Administrative Officer, the report dated June 4, 2026, with respect to the 2026 State of the Infrastructure & Levels of Service, **BE RECEIVED. CARRIED**

Motion Passed

- f. 2025 Audited Financial Statements and Auditors Report

BURGHARDT-JESSON AND VAN MEERBERGEN

That, on the recommendation of the Chief Administrative Officer, the report dated June 4, 2026, with respect to the 2025 Audited Financial Statements and Independent Auditors' Report, **BE ACCEPTED and BE RECEIVED. CARRIED**

8.2 Recommended Items for Discussion

- a. Filter Backwash Sequence Compliance

FRANKE AND DEVIET

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report, dated June 4, 2026, related to Filter Backwash Sequence Compliance:

- a) the addition of a capital project in the 2026 Capital Budget to undertake a Backwash Sequence Compliance project, with a budget of \$60,000 to be funded from the New Capital Reserve Fund, **BE APPROVED**; and,
- b) the above-noted report **BE RECEIVED. CARRIED**

Motion Passed

- b. Employee-Led Strategic Plan (2026-2031)

GRANTHAM AND VAN MEERBERGEN

That, on the recommendation of the Chief Administrative Officer, the report dated June 4, 2026 with respect to the Employee-Led Strategic Plan (2026-2031) Report and the associated presentation as appended to the Agenda, **BE RECEIVED. CARRIED**

Motion Passed

- c. Indemnification By-Law

FRANKE AND VAN MEERBERGEN

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report, dated June 4, 2026, related to the Indemnification By-Law:

a) the proposed by-law, being a by-law to provide for the indemnification and defense of Members of the Joint Board of Management and seconded staff of The Corporation of the City of London against liability incurred while acting on behalf of the Lake Huron Primary Water Supply System and its Joint Board of Management, **BE ACCEPTED** and the by-law **BE INTRODUCED** at the June 4, 2026, meeting for adoption; and,

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

Motion Passed

- d. Procurement of Goods and Services and Disposal of Assets Policy

GRANTHAM AND BURGHARDT-JESSON

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report, dated June 4, 2026, related to the amendment of a Procurement of Goods and Services and Disposal of Assets Policy:

a) the proposed amendment to the policy, being the Procurement of Goods and Services and Disposal of Assets Policy for the Lake Huron Primary Water Supply System, as appended to the above-noted report, **BE ACCEPTED** and a by-law **BE INTRODUCED** at the June 4, 2026, meeting to amend the policy; and,

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

Motion Passed

9. Deferred Matters

None.

10. Additional Business and Enquiries

None.

11. Emergent Motions

None.

12. By-Laws

12.1 By-Law No. 4 - 2026

DEVIET AND VAN MEERBERGEN

That Introduction and First Reading of By-law No. 4 - 2026 **BE APPROVED. CARRIED**

Motion Passed

VAN MEERBERGEN AND GRANTHAM

That the Second Reading of By-law No. 4 - 2026 **BE APPROVED. CARRIED**

Motion Passed

BURGHARDT-JESSON AND FRANKE

That the Third Reading and Enactment of By-law No. 4 - 2026 **BE APPROVED. CARRIED**

Motion Passed

12.2 By-Law No. 5 - 2026

DEVIET AND VAN MEERBERGEN

That Introduction and First Reading of By-law No. 5 - 2026 **BE APPROVED. CARRIED**

Motion Passed

VAN MEERBERGEN AND GRANTHAM

That the Second Reading of By-law No. 5 - 2026 **BE APPROVED. CARRIED**

Motion Passed

BURGHARDT-JESSON AND FRANKE

That the Third Reading and Enactment of By-law No. 5 - 2026 **BE APPROVED. CARRIED**

Motion Passed

13. Closed Session

None.

14. Next Meeting Date

October 1, 2026

15. Adjournment

VAN MEERBERGEN AND FRANKE

That the meeting **BE ADJOURNED. CARRIED**

Motion Passed

The meeting adjourned at 2:25 PM.

Board of Management Report

Subject: Quarterly Compliance Report (2nd Quarter 2026: April - June)

Overview:

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

Recommendation

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

Background

Pursuant to Board of Management resolution, this Compliance Report is prepared on a quarterly basis to report on general, regulatory, and contractual compliance issues relating to the regional water system. For clarity, the content of this report is presented in two basic areas, namely regulatory and contractual, and does not intend to portray an order of importance or sensitivity nor is it a complete list of all applicable regulatory and contractual obligations.

Discussion

Regulatory Issues

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

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

Quarterly Water Quality Reports: The [Water Quality Quarterly Report](#) for the period of April 1 – June 30, 2026 was completed by the operating authority and is posted on the Water Systems' website for public information.

Note: In order to better comply with the *Accessibility for Ontarians with Disabilities Act*, 2005, the detailed tables of water quality test results which were previously appended to this Report have been removed. The full list of test results of drinking water quality parameters is posted on the water system's website and available in print at the Board's Administration Office in London upon request. In addition, detailed water quality information is also published within the water system's Annual Report required by O.Reg. 170/03 under the *Safe Drinking Water Act*.

Adverse Water Quality Incidents (AWQIs): There were no AWQI reported by the operating authority or the external laboratory during this quarter.

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

Contractual Issues

ARTICLE 3, "Operation and Maintenance of the Facilities – General": Board staff informally meets with OCWA on a monthly basis to discuss operations and maintenance related issues, and formally on a quarterly basis to review contractual performance. The 2026 second quarter Contract Report was received from OCWA on July 30, 2026, and was discussed at the quarterly administration meeting between Board staff and OCWA on August 20, 2026. Copies of the monthly Operations and Maintenance Reports, and quarterly Contract Reports are available at the Board's Administration Office in London upon request.

Conclusion

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

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

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

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

Board of Management Report

Subject: Environmental Management System and Quality Management System

Overview:

- This report provides a summary of Environmental Management System (EMS) and Quality Management System (QMS) activities that took place during the second quarter of 2026 (Q2).
- An EMS internal audit was conducted on April 22 - May 22, 2026, to verify conformance with the ISO 14001:2015 EMS. An EMS Internal Audit Summary Report is included [Appendix A](#).
- A QMS internal audit was conducted on June 22 & 23, 2026, to verify conformance with the Ontario Drinking Water Quality Management Standard (DWQMS). A QMS Internal Audit Summary Report is included as [Appendix B](#).
- A Management Review meeting was held on June 15, 2026. The meeting minutes are attached to this report as [Appendix C](#).

Recommendation

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

Background

Environmental Management System (EMS)

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

The continued utilization and registration of the EMS to the ISO 14001 standard is a requirement of the Service Agreement with Ontario Clean Water Agency (OCWA), the contracted Operating Authority for the LHPWSS.

Quality Management System (QMS)

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

The *Safe Drinking Water Act, 2002* (SDWA) and the water system's Municipal Drinking Water License (MDWL) require that an accredited Operating Authority be in operational charge of the drinking water system. To become accredited, the Operating Authority must implement and maintain a QMS, which includes an Operational Plan, meeting the requirements of the DWQMS, and must undergo yearly external audits.

OCWA successfully received full-scope DWQMS re-accreditation in October 2025 and is currently accredited for the three-year period ending in 2028.

Discussion

Management Review

The documented EMS/QMS and its performance requires Management Review by Top Management for a minimum of once every calendar year to ensure that the Board's management team and the Operating Authority stay informed of environmental and quality related issues. Items discussed at the Management Review meetings include, but are not limited to, water quality test results, environmental and quality performance, legislative changes, identified non-conformances, corrective and preventive actions, staff suggestions, changing circumstances and business strategies, and resource requirements. Corrective and preventive actions include not only those to address non-conformance issues and opportunities for improvement identified as part of internal and external audits, but also non-compliance issues identified by the Ministry of the Environment, Conservation and Parks (MECP), suggestions from staff, and opportunities for improvement identified during the Management Review process.

To carry out more effective Management Review meetings, the Board of Management's administration has opted to conduct shorter meetings at more frequent intervals. Although each required Management Review input may not be covered at every meeting, over the year all required inputs are reviewed at least once. Management Review meetings are held in a combined format for both the LHPWSS and the Elgin Area Primary Water Supply System (EAPWSS).

A Management Review meeting was held on June 15, 2026. The meeting minutes are included as [Appendix C](#) for the information of the Board of Management.

Internal Audits

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

An EMS internal audit to verify conformance with the ISO 14001:2015 EMS was conducted on April 22 - May 22, 2026. There were no non-conformances and sixteen (16) opportunities for improvement identified. An EMS Internal Audit Summary Report is included as [Appendix A](#) for the information of the Board of Management.

A QMS internal audit to verify conformance with the Ontario DWQMS was conducted June 22 - 23, 2026. There were no non-conformances and sixteen (16) opportunities for improvement identified. A QMS Internal Audit Summary Report is included as [Appendix B](#) for the information of the Board of Management.

External Audits

Annual surveillance audits (third-party external audits) are conducted for both the EMS and QMS, with a recertification audit taking place every third year. The external registrar for both the EMS and QMS is currently Intertek. External audits review all aspects of the EMS or QMS, including the scope and results of internal audits, subsequent management reviews, and corrective action processes.

There were no external audits conducted in Q2 2026.

Corrective and Preventive Actions

For the EMS/QMS to be effective on an on-going basis, an organization must have a systematic method for identifying actual and potential non-conformities, making corrections, and undertaking corrective and preventive actions, preferably identifying, and preventing problems before they occur. The Internal Audit process and Management Review are the two main drivers for proactively identifying potential problems, opportunities for improvement, and for the implementation of corrective actions for the LHPWSS. Preventive actions may originate from identified opportunities for improvement as part of an audit, but also staff suggestions and discussions with management.

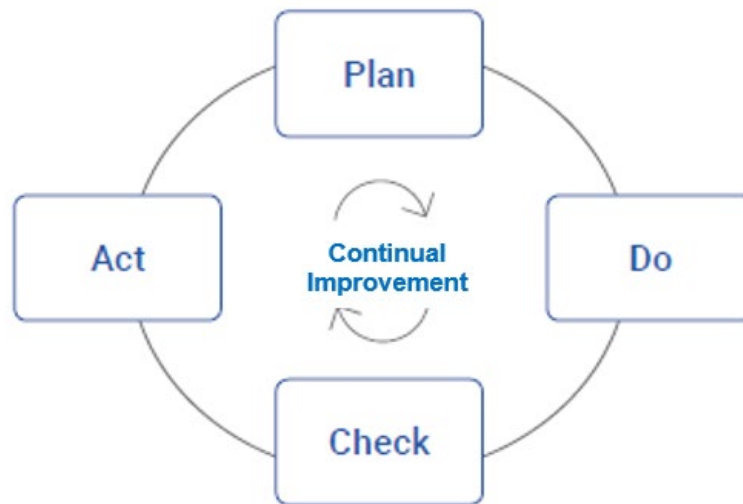
It is important to note that action items should not be construed as compliance failures, but rather an action to be undertaken which will improve the LHPWSS's overall performance.

Action items are the result of the "Plan-Do-Check-Act" continual improvement process. The identification of action items is a critical component of continual improvement and an essential element of management systems. The identification of action items should be seen as a positive element, as this drive's continual improvement.

A key concept of the Plan-Do-Check-Act continual improvement process (Figure 1) is that it does not require nor expect 100% conformance but promotes an environment of

continual improvement by identifying shortfalls, implementing corrective and preventive measures, and setting objectives and targets for improvement.

Figure 1: Plan-Do-Check-Act Continual Improvement Process



The following summarizes the thirty-seven (37) new approved action items that have been added to the EMS/QMS action-item tracking system during Q2 2026:

- Ten (10) new action items were added as part of the Management of Change process completed on April 08, 2026, related to the release of the updated DWQMS version 3, dated February 2026.
- Eight (8) new action items were added as part of the Management of Change process completed on June 02, 2026, for the new LHPWSS connection to Melrose (Middlesex Centre) through the new KM3 chamber (Komoka Mt. Brydges Monitoring Station #3).
- Three (3) new action items were added as part of the Management of Change process completed on June 11, 2026, for the removal of the old roto-dip alum feeders and flash mixers following the coagulation system upgrade at the Water Treatment Plant (WTP).
- Sixteen (16) new action items were added as part of an EMS internal audit conducted on April 22 - May 22, 2026.

As of August 24, 2026, there are currently thirty-four (34) open action items in the LHPWSS tracking system. All action items are prioritized and addressed using a risk-based approach, and deadlines established given reasonable timeframes and resources that are available. Board of Management staff are pleased with the

performance of the corrective and preventive action process and have no concerns with the number of open action items.

Conclusion

The Internal Audits and frequent Management Review meetings continue to effectively identify and manage system deficiencies. The EMS/QMS for the LHPWSS continues to be suitable, adequate, and effective. Activities by OCWA continue to address the need for change, and the management systems are being revised and refined as required.

Prepared by: Jennifer Levitt
Compliance Coordinator

Erin McLeod, CET
Quality Assurance & Compliance Manager

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

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

Attachments: [Appendix A](#) - EMS Internal Audit Summary Report (April 22 - May 22, 2026)
[Appendix B](#) - QMS Internal Audit Summary Report (June 22-23, 2026)
[Appendix C](#) - Management Review Meeting Minutes (June 15, 2026)

Appendix A: EMS Internal Audit Summary Report (April 22 - May 22, 2026)

Audit Purpose:

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

Non-conformances and opportunities for improvement are listed below.

Auditor Qualifications:

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

Methodology:

The Internal Audit was conducted as outlined in procedure LH-ADMIN-1200 Internal Audit. The internal audit was comprised of a conformance review of the facilities and limited to the operation of the water supply system by the contracted operating authority, Ontario Clean Water Agency (OCWA), since the last Internal Audit conducted May 12 and 14, 2025.

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

Findings:

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

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

Definitions:

- A non-conformance (NC) is a non-fulfilment of an ISO14001 requirement.
- An opportunity for improvement (OFI) describes a requirement that can be more effectively addressed.

Sites Visited:

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

Interviews Conducted:

- J.Muller - Top Management, OCWA
- C.Sigurdson - Safety, Process and Compliance Manager, OCWA
- D.Rodrigues - Senior Operations Manager, OCWA
- R. Lieber - Senior Operations Manager, OCWA
- A.Henry - Top Management, RWS
- E.McLeod - Quality Assurance and Compliance Manager, RWS

SUMMARY OF FINDINGS

Positive Findings

The 'Workday' training system (OCWA) is being introduced in 2026 to make it easier to track training information. Remote Worker Software (RWS) is also being rolled out to improve safety by enhancing remote worker communication. Security upgrades are underway to better protect facilities and reduce risks. At the same time, plant Wi-Fi is being improved. These updates help systems run more reliably and support better communication and safety.

The recent MECP inspection of the WTP resulted in a 100% rating with no non-compliances, demonstrating strong regulatory compliance and effective system management.

Staff demonstrate good awareness of environmental responsibilities, supported by regular training and accessible procedures.

Non-Conformances (NC)

10.2 Nonconformity and Corrective Action

NC#1 - The 10-year fuel distributor inspection is overdue, preventing tank refilling until TSSA approval is obtained; tanks remain usable but cannot be replenished. Pressure testing is scheduled for May 14, 2026, with results pending submission to TSSA.

Opportunities for Improvement (OFIs)

7.3 Awareness

OFI #1 - During the audit, the entrance to the sodium hypochlorite storage room (Exeter Hensall PS) did not clearly identify the presence of a corrosive hazardous chemical. There is an opportunity to improve awareness by providing clear room-level hazard identification so that personnel and responders are informed of chemical hazards prior to entry, in alignment with WHMIS principals.

7.4.3 External Communication

OFI #2 - A neighbour noise complaint related to the WTP gate alarm was received by RWS on April 02, 2026 and addressed on April 07, 2026; however, the complaint was not formally documented in accordance with the Complaints procedure (LH-ADMIN-1000). There is an opportunity to reinforce staff awareness of the Complaints procedure. It is noted that the complaint was formally documented during the audit.

OFI #3 - The LH ADMIN 1000 Complaints Procedure does not define the criteria for determining when an EMS/QMS complaint is considered “significant,” and there is an opportunity to clearly establish significance criteria to support consistent escalation decisions.

7.5.3 Control of documented information

OFI # 5 - There is an opportunity to update HCP-3 Emergency Contact & Essential Suppliers & Services List for 2026 staff changes (e.g., M.MacKenzie – OCWA).

8.1 Operational Planning and Control

OFI # 6 - For the OCWA Tap Changers on Transformers project (OCWA #HURMM-05-2025), the LF-ADMIN-2301 Project Checklist was not completed, preventing confirmation of whether the project was classified as major or minor. In addition, Management of Change applicability and completion of the LF-ADMIN-2302 Risk Assessment could not be confirmed, even though the project generated hazardous waste (waste oil). There is an opportunity to further strengthen EMS/QMS project controls.

OFI # 7 - A minor caustic soda leak was observed at a pipe fitting (WTP chlorine scrubber building), with residue and temporary containment indicating recurring seepage. Maintenance staff noted the condition had been addressed previously but were not aware it had re-occurred, and no work order was identified to track the issue.

There is an opportunity to improve inspection, monitoring, and communication related to chemical leaks. It is noted this was corrected during the audit period.

OFI # 8 - There is an opportunity to improve spill response preparedness by reviewing the placement of spill kits to ensure they are readily accessible near external chemical filling areas (e.g. Alum and Sodium Hydroxide refilling areas – spill kit is inside and up a stairway).

OFI # 9 - There is an opportunity to enhance worker health, safety, and spill response preparedness by evaluating the need for an eyewash station in the generator building, where diesel fuel and batteries are present at the WTP.

OFI # 10 - Sandblasting activities are identified in the Environmental Aspects & Impacts Assessment; however, the handling and disposal of spent sandblasting media are not clearly defined or documented. There is an opportunity to clarify and formalize waste management practices for sandblasting activities.

8.2 Emergency Preparedness and Response

OFI # 11 - There is an opportunity to confirm the operational effectiveness of the bypass valve at the Arva Pumping Station for emergency preparedness purposes.

OFI # 12 – ‘CanManage’ is identified as the designated location for Safety Data Sheet (SDS) access, QR-based SDS access was not available in locations such as the security trailer, where first responders may require immediate chemical safety information. There is an opportunity to provide QR-based access in this location to improve accessibility and operational readiness.

9.1.2 Evaluation of Compliance

OFI # 13 - There is an opportunity to document the 2025-26 MECP inspection as an env. compliance audit on the Legal Register (under SDWA and associated regs).

OFI # 14 - There is an opportunity to document the Dec. 2025 env. compliance audit (related to Safe Handling and Transport of Dangerous Goods) on the Legal Register.

9.2.2 Internal Audit Program

OFI # 15 - On the audit schedule, consider prioritizing 1 item from the Legal Register that is currently overdue for auditing (e.g. O.Reg. 209/01 Elevating Devices).

OFI # 16 - In the internal audit reports or procedure, consider defining/clarifying how an “observation” differs from an OFI.

Appendix B: QMS Internal Audit Summary Report (June 22-23, 2026)

Audit Purpose:

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

Non-conformances and opportunities for improvement are listed below.

Auditor Qualifications:

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

Methodology:

The Internal Audit was conducted as outlined in QMS Procedure LH-ADMIN-1200 (Internal Audit) and was comprised of a conformance review of the facilities and limited to the operation of the water supply system by the contracted operating authority, Ontario Clean Water Agency (OCWA), since the last Internal Audit conducted June 23 and 25, 2025.

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

Findings:

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

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

Definitions:

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

Areas Visited:

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

Interviews Conducted:

- Regional Manager, OCWA
- Overall Responsible Operator (ORO) and Senior Operations Manager, OCWA
- Senior Operations Manager, Maintenance, OCWA
- Safety, Process and Compliance (SPC) Manager, QMS Representative, OCWA
- Quality Assurance & Compliance Manager, Huron Erie Water

Summary of Findings

Positive Findings

- Positive Attitude Toward Audits – OCWA staff are cooperative, well-prepared, and transparent during audits.
- OCWA staff actively participate in preventative maintenance activities, helping to reduce downtime and extend asset life.
- Competency is supported by valid certifications and ongoing training. Training records are well-maintained and reflect a commitment to continuous professional development.
- Continual improvement was evident through completed, active, and newly approved capital projects, along with operational and maintenance enhancements aimed at improving reliability, safety, and process performance. The 2025 Internal Audit was completed in June, with three action items remaining open and being tracked. Overall, staff demonstrated a proactive approach to maintaining and improving the drinking water system, with no significant maintenance or staffing concerns identified.

Non-Conformances (NCs)

No non-conformances were noted during the internal audit.

Opportunities for Improvement (OFIs)

Element 5 - Document and Records Control

OFI#1: LH-ADMIN-200 Document & Records Control does not reference hard copy SDS (only digital). There is a hardcopy SDS for Chlorine Gas inside the Chlorine Building at KMBPS. There is an opportunity to update LH-ADMIN-200 Document & Records Control to reference hardcopy SDS.

OFI#2: Several controlled documents contain unresolved draft marked up comments/revisions from previous review cycles (2017, 2018, and 2021) despite the documents being formally approved and in use. Examples include LH-PROC-1401 *Hydrogen Peroxide Handling and Transport* and the following Emergency SOPs: HSOP-1-02 *Contamination of Raw Water* (2018), HSOP-1-04 *Unchlorinated Filtered Water* (2018), HSOP-2-07 *Obstruction of Raw Water Intake* (2018), and HSOP-2-03 *Pipeline Break or Reservoir Failure* (2021). Consider reviewing and accepting the revisions.

OFI#3: LF-ADMIN-2052 Drinking Water Performance Criteria v9.0, dated May 29, 2025 used in the WTP laboratory is not the most recent version (v10.0, dated July 09, 2025). It is noted that the difference between v9.0 and 10.0 is formatting (e.g. formatted to fit on one page instead of two).

OFI#4: Two of the eight documents in the security trailer were not the most current versions [e.g. HSOP-2-05, v7.0 (most recent is v8.0, dated May 20, 2026 and HMC-7, v6.0 (most recent is v7.0 dated February 06, 2026)]. There is an opportunity to update these documents.

Element 7 – Risk Assessment

OFI#5: The DWQMS requires that the OA ‘verify, at least once every calendar year, the currency of the information and the validity of the assumptions’ and that ‘the risks are assessed at least once every thirty-six months,’ which are separate requirements under Element 7. While comprehensive risk assessments were completed every thirty-six months, there is an opportunity to improve documentation to clearly demonstrate that the annual verification requirement has been met in each calendar year.

OFI#6: Consider formalizing the identification and assessment of third-party land use activities (e.g., agricultural operations-manure storage, chemical storage) near transmission drinking water infrastructure within the DWQMS risk framework to ensure potential water quality risks are consistently evaluated and documented.

OFI#7: The QMS Risk Assessment & Outcomes includes numerical scoring for likelihood, severity, and detectability however the scoring is not defined/referenced

within this document. There is an opportunity to include reference to the risk scoring within LH-ADMIN-2400 Hazard Analysis (Risk Assessment) & Critical Control Points to improve transparency of the process.

Element 10 - Competencies

OFI#8: Two Drinking Water Operator Certificates posted on the WTP gallery wall were expired (February and May 2026). The two Operators had valid Certificates available which were subsequently posted/corrected during the audit period.

Element 13 - Essential Supplies and Services

OFI#9: Safety and emergency equipment suppliers/vendors are not currently included in the HCP-3 Emergency Contact & Essential Suppliers & Services List. Consideration should be given to determining whether safety equipment providers/vendors meet the criteria of essential suppliers/services.

Element 15 - Infrastructure Maintenance, Rehabilitation and Renewal

OFI#10: For Asset 600820 (Chlorine Gas Sensor) the most recent external calibration was completed on January 14, 2026, with the next calibration scheduled for July 7, 2026, approximately six months later. However, the associated PM work order is generated in February 2026, which does not align with the calibration interval service dates. There is an opportunity to review the PM scheduling to ensure work order generation alignment.

Element 16 - Sampling, Testing and Monitoring

OFI#11: LF-ADMIN-2050 Weekly Sample Plan.xls specifies that MECP Drinking Water Surveillance Program (DWSP) samples collected on Mondays include three raw water samples; however, review of Certificate of Analysis/Chain of Custody (L26356) indicates that samples were submitted for both treated and raw water, which does not align with the sampling plan. There is an opportunity to review and align the sampling plan with current DWSP requirements.

OFI#12: On March 13, 2026, a WaterTrax alert identified a discrepancy between raw and filtered (overgrown) coliform results, which OCWA confirmed was caused by a bottle mix-up during sampling. Although follow-up sampling resolved the issue, it is expected that staff will consistently adhere to established sampling. There is an opportunity to complete a corrective action form to formally document and address the discrepancy.

OFI#13: In LH-ADMIN-2070 HAB Monitoring, Reporting and Sampling Plan, Table 1 identifies notification requirements but does not clearly specify whether notifications to

the MECP should be directed to the local district office, the Spills Action Centre (SAC), or both. Consider revising the table to clearly define the appropriate notification contacts.

Element 17 - Measurement and Recording Equipment Calibration and Maintenance

OFI#14: No evidence was identified of a scheduled third-party annual calibration for Asset 600657 – Turbidity Meter (Filter 4). Consider evaluating and documenting the need for third-party calibration.

OFI#15: The work orders for 600227 (WTP -Temperature/Dissolved Oxygen Analyzer) identifies a monthly internal verification and a quarterly internal calibration. Annual external calibrations are also performed; however, these activities are currently documented under the quarterly calibration work order rather than being tracked through a separate annual work order. There is an opportunity to revise the work order structure for this asset.

OFI#16: Two new portable chlorine analyzers (assets 365937, 365935) did not have annual calibration work orders in Maximo. There is an opportunity to confirm that calibration requirements are being applied consistently and in accordance with manufacturer's recommendations.

Appendix C: Management Review Meeting Minutes (June 15, 2026)

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

Date: June 15, 2026

Time: 10:00am

Location: Virtual – Microsoft Teams

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

Regrets: Billy Haklander (RWS)

N.B.: Management Review meetings are held in a combined format for both the Lake Huron Primary Water Supply System (LHPWSS) and the Elgin Area Primary Water Supply System (EAPWSS).

-----Meeting Notes-----

1. Review and Approval of Previous Meeting Minutes (March 31, 2026)

The minutes from the previous meeting (March 31, 2026) are posted to SharePoint. Minutes circulated to comment. No concerns are noted and documents are approved.

2. Results of Board Meetings

Huron Board Meeting (June 4, 2026)

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

Elgin Board Meeting (June 4, 2026)

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

Huron Erie Water comment - No questions or comments on these relevant reports received as part of the meeting. The Director has received feedback from some Board members that they are exceedingly pleased with overall performance, management systems, reporting etc. A comment at the meeting was that the lack of comments and questions is a result of trust in the management of the water system.

3. Environmental and Quality Policy

No changes required to the current Policies. EAPWSS and LHPWSS Policies both signed June 27, 2024 (effective date June 01, 2023).

Huron Erie Water comment – New branding (Huron Erie Water) information will be updated for EMS/QMS during Q4, 2026.

Refer to agenda package for detailed information.

4. Incidents of Adverse Drinking Water Tests

LHPWSS - None since June 2025

EAPWSS - Three (3) Adverse Water Quality Incidents (AWQI) were reported for sodium on Jan. 12, 2026. Three (3) samples collected on Jan. 6, 2026 from the Water Treatment Plant (WTP) treated water, the Fruitridge Surge Facility, and the Elgin Terminal Reservoir Valve House exceeded the sodium reporting threshold of 20 mg/L. Following the receipt of the AWQI reports the operating authority adjusted the treatment processes including the carbon dioxide (CO₂) and sodium hydroxide (NaOH) dosing. Resamples were collected on Jan. 13 and Jan. 15, 2026 from the three (3) sampling locations. All resample results were below the 20 mg/L reporting threshold, and no further action was required. A [Sodium in Drinking Water Factsheet](#) was updated on the website. A Corrective Action Form (CAF) was completed to review the incident (Mar. 30, 2026).

5. EMS Internal Audit – LHPWSS (April 22 – May 22, 2026)

One non-conformance (NC) and fifteen (15) opportunities for improvement (OFI's) were identified as part of the audit. The action items were discussed and approved.

Refer to agenda package for detailed information.

6. EMS Internal Audit – EAPWSS (May 11 – May 22, 2026)

One non-conformance (NC) and twelve (12) opportunities for improvement (OFI's) were identified as part of the audit. The action items were discussed and approved.

OCWA comment – Regarding the one non-compliance, the action item work is on track to meet requirements by June 30, 2026.

Refer to agenda package for detailed information.

7. Environmental Objectives, Targets and Programs

The status of the environmental objectives related to electricity consumption, chemical consumption, and process water use were discussed. Updates to the environmental programs were reviewed. Refer to the agenda package for detailed information.

EAPWSS

Electricity Efficiency:

- A notable increase in winter 2026 was observed.
- Potential contributing factors include operational changes during the backwash/UV project and commissioning of new backwash pumps, which may have caused frequent starts/stops and increased energy use.
- There was higher high-lift pump runtime (~6.5% increase) in 2025.
- Equipment runtime analysis helped identify these drivers and will be shared for further review.

Chemical Efficiency:

- Elgin has seen a significant increase in chemical use in 2024–2025.
- The main drivers are increased CO₂ and sodium hydroxide use, tied to lowering pH for optimization of coagulation and then raising it again for corrosion control.
- Other chemicals (e.g. alum) remained stable and are not major contributors.
- Chemical use peaked around ~110 kg/ML, but decreased to 96.9 kg/ML in winter 2026 after adjustments to CO₂ and caustic dosing.

LHPWSS

Electricity Efficiency:

- LHPWSS is performing very well, significantly exceeding the reduction target set in 2023 (over ~25 kWh/ML), largely due to the high lift pump upgrade.
- A small spike was observed in winter 2026; further analysis (e.g., SCADA runtime data for major equipment) will be used to investigate the cause.

- Overall trend remains strong and highly positive.

Chemical Efficiency:

- The trend is inconsistent and lacks clear seasonal patterns.
- Expected improvements from the new coagulation/alum dosing system (implemented in 2024–2025) have not been clearly observed.
- Despite variability, usage remains generally below target with a flat overall trend.
- Further optimization efforts and upcoming projects (e.g., polymer dosing strategy) may help improve performance going forward.

Process Water:

- LHPWSS process water use (e.g., service water, backwash water) has increased over the past year, and the cause is currently unclear.
- Possible reasons include more frequent backwashing or tank cleanout activities within the plant.
- This trend will need further review to determine what is driving the higher internal water use.

OCWA comments - Increased process water use was likely due to filter media top-up work at the end of 2025 and early 2026. This required additional backwashing to bring filters back online, which temporarily drove up water use.

Huron Erie Water comments -

- Overall, a strong positive result, to be monitored through 2027.
- A new Water Supply Agreement with City of London may shift flows from Elgin to Huron, potentially impacting energy efficiency; this should be tracked.
- Operations should maximize terminal reservoir use to manage flow changes and reduce peaking, especially with future demand increases.
- Suggested assigning the incoming intern to analyze chemical consumption drivers (e.g., turbidity, manganese, dissolved oxygen) to better understand variability. This analysis would be valuable given the large amount of data and limited staff time.

Refer to agenda package for detailed information.

8. Environmental Performance – Monitoring and Measurement Results 2025 Energy Reporting

LHPWSS

- In 2025, the system produced more water and used slightly more electricity and natural gas, resulting in higher total greenhouse gas emissions (GHG).
- When normalized for water production, electricity intensity improved, meaning the system is operating more efficiently year over year despite higher overall usage.
- Natural gas use was slightly higher in 2025, but still lower overall than the 2016 baseline.

Huron Erie Water comments -

- The large increase in reported GHG emissions is mainly due to updated emissions factors from Environment and Climate Change Canada (ECCC), not actual operational changes.
- Electricity emission factors increased ~26% from 2024 to 2025 and are expected to rise another ~55% in 2026, which will further impact reported emissions.
- Natural gas emission factors remained unchanged from 2023-2026, confirming electricity factors are the main driver. Overall, the increase reflects changes in reporting methodology, not a significant increase in actual emissions output.
- GHG calculations are highly affected by external factors like changes in electricity generation and updates to emissions factors by ECCC.

EAPWSS

- Treated water volume, electricity use, and natural gas use all increased from the previous year, resulting in higher total greenhouse gas emissions (GHG).
- Despite higher electricity use, electricity intensity improved, indicating greater operational efficiency.
- Natural gas use is trending downward compared to the 2017 baseline.
- The rise in GHG emissions is primarily due to external emissions factor changes, not major increases in actual energy use.

Refer to agenda package for detailed information.

9. Compliance Obligations Update

May 15, 2026 - Technical Standard and Safety Authority (TSSA) published [Revision 1 to the Boilers and Pressure Vessels Code Adoption Document \(CAD\)](#), which was originally issued in June 2025. As per TSSA's announcement, the revision corrects

errors and does not involve technical changes. The effective date for Revision 1 is June 15, 2026.

ISO14001:2026

The new 2026 version of the ISO14001 standard was published in April 2026, replacing the 2015 version. There is a three (3) year deadline to transition to the new standard (i.e. by end of April 2029). The details of the new standard are still being reviewed.

Action: Staff will conduct a gap analysis and develop an action plan to transition to the new ISO14001:2026.

New Accreditation Bodies

May 1, 2026 – Ministry of the Environment, Conservation and Parks (MECP) has notified drinking water systems that effective May 1, 2026 there are changes to the DWQMS accreditation program. There are now three (3) Accreditation Bodies designated to administer programs for the accreditation of operating authorities.

- AET Group Inc. (AET)
- Intertek Testing Services NA Ltd. (Intertek)
- NSF International Strategic Registration Canada Company (NSF-ISR)

Action: Before Aug. 1, 2026 operating authorities are required to notify their existing Accreditation Body in writing that they plan to continue to use their service under the terms of an existing contract, or they must submit an application to another Accreditation Body.

Potential Impacts: OCWA has a contract with Intertek until Dec. 31, 2026. OCWA corporate compliance group will provide the notification as all their systems are under one agreement. Renewal or consideration to tender is being evaluated for 2027. It is possible that in future the operating authority may have separate contracts with different agencies for DWQMS accreditation and ISO14001 certification.

Municipal Inspection Program Improvements

April 28, 2026 - MECP has notified of changes taking effect for the 2026-27 municipal inspection process. Changes include updates related to best management practices (BMPs), the focused inspection protocol and the inspection risk rating.

- BMPs will no longer be part of the inspection process. DWQMS will be the primary mechanism for implementation and oversight of BMPs.
- There is an updated focused inspection protocol, which concentrates on high-risk activities and will no longer assess low risk or administrative requirements. These will be assessed in detailed inspections that are conducted every 5 years for well-performing systems.
- The inspection rating / risk evaluation process has been modernized to align ratings with Ontario's Risk Framework and to update risk assessment based on current technical knowledge. There is minimal deviation in the final inspection ratings with the new methodology. Performance scores will be focused on human

health. Environment and administrative scores will still be assessed and actions required as needed, but they will not be reported to the public.

Reminder from the Ministry about technical guidance documents that were recently published:

- New - [Technical bulletin: Adverse drinking water test results — reporting requirements and exemptions](#)
- Updated - [Filtration processes technical bulletin](#)
- Updated - [Drinking water testing requirements for laboratories](#)

OCWA comment - Under the new inspection methodology, the number of questions is significantly reduced, meaning each non-compliance may carry more weight. This could potentially lower overall inspection ratings, even if performance has not changed. The most recent inspection still achieved a 100% score, so no impact was seen in that case, but it is something to monitor going forward.

Ontario Notices – Environmental Registry of Ontario (ERO)

ERO No. 025-1345: Amendments to Fuel Oil Code Adoption Document (CAD) 2025

Type: Policy Decision

Source: Technical Standard and Safety Authority (TSSA)

Date Posted: April 6, 2025

Comments Due: NA

Summary:

This amendment to the Fuel Oil Code Adoption Document (CAD) revokes and replaces the previous amendment (2021). This Fuel Oil CAD amendment adopts the new CSA Standard B139 Series-24 “Installation Code for Oil Burning Equipment” published January 2024.

TSSA’s website update indicates the effective date is June 2, 2026.

Potential Impacts: Changes to the Code may trigger upgrades to the WTP generator fuel systems.

ERO No. 026-0301: Proposed amendments to the Water and Wastewater Public Corporations Act, 2025 and consequential amendment to the Safe Drinking Water Act, 2002

Type: Act Proposal

Source: Ministry of Municipal Affairs and Housing (MMAH)

Date Posted: March 30, 2026

Comments Due: May 14, 2026 (Closed)

Summary: MMAH is proposing amendments to guarantee public sector ownership, help ensure contracts and employees that move to a corporation transfer uninterrupted; and prohibit the transfer of long-term debt from municipalities to a Water and Wastewater

Public Corporation as well as consequential legislative amendment to the *Safe Drinking Water Act, 2002*.

ERO No. 026-0419: Invitation to Municipalities to register potential interest in implementing a Water and Wastewater Public Corporation model

Type: Policy Proposal

Source: MMAH

Date Posted: April 15, 2026

Comments Due: August 13, 2026

Summary: MMAH is inviting municipalities with a potential interest in locally implementing the water and wastewater public corporation service delivery model to make a submission expressing their interest. This input will help the Ministry understand levels of interest, needs, readiness and potential next steps to support future expansion of the model.

Potential Impacts:

A previous legal opinion noted that the Water and Wastewater Public Corporations Act would not apply to our circumstances, as the Act only applies to lower-tier municipalities. The City of London and the City of St. Thomas are not designated lower-tier municipalities and would require changes to the Act to be applicable. The lower tier municipalities would be required to apply for consideration. As each of the municipalities, including London and St. Thomas, have an undivided interest and ownership of the system it would require all municipalities to consent.

10. Effectiveness of the Risk Assessment Process (QMS)

- Risk assessments for both systems underwent the 36-month risk assessment review last year (June 2025), which included significant updates. Since then, over the past year the risk assessment has been reviewed for accuracy as a result of action items that have been identified.
- At LHPWSS, an action item identified the possible need to identify reservoir leaks as a critical control point. The risk assessment was reviewed and it was determined that clarification within the procedure was necessary. This actual hazard as a result of the leak could be contamination and therefore is covered under low chlorine and not the leak itself being a critical control point.
- At EAPWSS, an action item identified to review the risk value of a fluoride exceedance event since the sample location was modified to provide consistent readings. It was determined that the risk is still present due to the fluoride dosing strategy and there may be further opportunities for improvement with that. A business case has been submitted to address improvement opportunities with the dosing strategy.
- Minor revision will be completed in 2026 to include the risk value criteria.

11. Results of Emergency Response Testing

The following have been tested:

- EMC-4 Spill Reporting and EMC-5 Injury to Worker, HMC-4 and HMC-5 were reviewed and tested on Sept 23, 2025. No action items were identified during the review.
- Critical Shortage of Staff, Power failure and Spill Reporting will be reviewed and tested in 2026.

12. Operational Plan Currency, Content and Updates (QMS)

The Operational Plan has been updated several times over the last year. Some key updates have been:

- Update Raw Water Characteristics
- Update organizational structure of Huron Erie Water and OCWA to include new positions
- Update references to Admin Procedure 1700 (Contractor and Suppliers) and 1800 (Sign in) which were modified to reflect the implementation of OnLocation
- The Huron Operational Plan also had modifications to reflect the Powder Activated Carbon (PAC) and alum system changes and most recently the Melrose connection to the system.

13. Staff Suggestions / Deferred Items

Staff suggestions are reviewed annually as part of EMS/QMS, with a high volume (28) received in 2024 after actively soliciting feedback. Many ideas were considered valuable but deferred due to competing priorities. This review aims to determine which items should be advanced, reprioritized, or retained for future consideration to ensure they are not overlooked.

Refer to the agenda package for details.

14. Communications from Interested Parties

Hawk Cliff Newsletter – 2025

EAPWSS plays a key environmental leadership role by supporting the Hawk Cliff Raptor Banding Station, a long-standing migration monitoring program operating since 1969 that has banded more than 117,000 raptors to date. By enabling property access essential to migration research, wildlife-health studies, and public education activities, it helps advance regional biodiversity conservation and community environmental stewardship. The banding station's needs for safe access, communication, and collaboration are integrated into the EMS. This partnership reflects a strong commitment

to environmental responsibility and underscores the positive regional impact the system continues to make.

Huron Erie Water comments – This partnership has recently expanded to include Birds Canada, which has installed a radio transmitter/receiver on the Elgin plant communications tower. This equipment tracks tagged birds migrating through the region that originates across North America. Currently, no direct updates are provided, but the data is accessible through an online portal.

Kettle Creek Conservation Authority

The Kettle Creek Conservation Authority, in its capacity as the Source Protection Authority, has requested the City of London that the EAPWSS be provided with the monitoring reports for the W12A landfill site on an annual basis.

Huron Erie Water comments – To add to communications from Interested Parties, we have been contacted by Chippewas of the Thames First Nation, and a meeting will be held to discuss the Lake Huron Water System and the new transmission pipeline project. The First Nation is conducting a feasibility study for system upgrades, which may include a potential future connection to the Lake Huron system.

15. Changes that could affect the QMS

The Lake Erie Harmful Algal Bloom (HAB) 2026 early season projection was discussed. There is a predicted moderate bloom this year. Current projections (as of May 30, 2026) indicate a moderate bloom (severity 3.5–5), slightly higher than recent years. Final severity will depend on precipitation levels through July. This is mainly relevant for EAPWSS, while LHPWSS has not historically experienced significant HAB impacts.

Refer to the agenda package for detailed information.

16. Management of Change

Checklists were completed for the following changes, with action items approved for addition to the tracking sheet.

- Release of DWQMS version 3.0
- New LHPWSS connection to Middlesex Centre (KM3 Melrose)
- New EAPWSS connection to St. Thomas (South Edgeware Booster Station (SEBS))
- Huron coagulation upgrade, removal of flash mixers and rotodip feeders

Refer to the agenda package for detailed information.

17. Corrective Action Forms (CAFs)

CAFs were completed for the following incidents, with action items approved for addition to the tracking sheet.

- Elgin Sodium AWQI (Jan. 12, 2026)
- Elgin Raw Water Temperature Inaccurate Readings (Jan. 26, 2026)
- Elgin RMF Effluent Total Chlorine Residual Exceedance (Feb. 26, 2026)

Refer to the agenda package for detailed information.

18. Overall Decision on the suitability, adequacy and effectiveness of the EMS/QMS

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

- Overall focus remains on driving continual improvement across both systems.
- Audit programs are successfully identifying NCs and OFIs.
- Support of OCWA and RWS leadership.
- Received positive feedback from the Board with the performance of Management Systems.
- With respect to meeting environmental objectives and targets LHPWSS is performing well, particularly in energy efficiency.
- EAPWSS has opportunities for optimization, especially in chemical efficiency.

Huron Erie Comments

- The Board is very pleased with how the systems are administered and how risk management principles are integrated to minimize environmental impacts and ensure appropriate water quality.
- There is strong integration across risk assessment, opportunities and business cases, EMS/QMS, and incident and emergency management, forming a comprehensive and coordinated approach.
- The organization is receiving significant national attention for this integrated model, particularly its risk-based approach and demonstrated successes.
- Interest is growing from utilities across Canada including Calgary, Edmonton, Regina, Winnipeg, Saskatoon, Halifax, Abbotsford, and the Capital Regional District (Victoria) seeking to better understand the approach and potentially replicate it.
- Overall, this represents very positive feedback, reflecting strong performance and leadership across the utility.

OCWA comment - The growing national interest highlights that the investment in the team and that EMS/QMS are delivering strong results. This requires significant effort and progress is clearly being made and recognized across Canada.

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

End of Meeting

Next Meeting – September 09, 2026 – 9:00am

Board of Management Report

Subject: Quarterly Operating Financial Status – 2nd Quarter 2026

Overview:

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

Recommendation

That the Board of Management for the Lake Huron Water Supply System receives this report regarding the Operating Financial Status Report for the period of April 1 to June 30, 2026, noting that this report is unaudited and subject to adjustments including the preparation of the financial statements and completion of the annual audit.

Previous and Related Reports

June 4, 2026 Quarterly Operating Financial Status – 1st Quarter 2026

Background

At the request of the Board of Management, a Financial Status Report is provided on a quarterly basis for information. The financial status provides a high-level summary overview of incurred expenditures and revenues on a cash-flow basis and is compared to the approved operating budget of the water supply system. All expenditures and revenues provided in this Financial Status Report are unaudited and may include accrued expenses from a previous or future fiscal year and/or unaccrued expenses related to a future fiscal year.

A high-level summary of incurred expenses and revenues for the water supply system is attached to this report as Appendix A for the second quarter 2026 (April 1 to June 30) as well as a comparative accumulation of expensed for the year to date.

Note: The reported expenditures and revenues may be subject to adjustments, including but not limited to corrections and entries required for the preparation of financial statements and completion of the annual audit.

Discussion

For the information and reference of the Board, the following highlights of the attached summary provides a brief explanation of notable deviations from the approved budget and/or clarifications of the financial summary:

- Contracted Operating Services in the summary report reflects the total direct operating costs of the contracted operation of the water treatment and transmission system, as well as other related contracted services.
- Contracted Administrative Services in the summary report reflects the fees paid to the City of London. Expenditures have decreased from the same period in 2025 due to Board staff assuming Purchasing duties from the City of London's finance group.
- Electricity expenditures include the purchase of energy and related energy management service charges for the water system. The reported energy cost was higher than the same period of the previous year due to increased energy commodity costs and corresponding water volumes supplied to the benefiting communities.
- Salaries, wages, and benefits expenditures include all direct labour costs for administrative staff including benefits. Variations over the same period in 2025 are attributed to annual salary adjustments, and additional staff added in the 2026 budget.
- Administration and Other Expenses relates to various overhead operating expenses, including subscriptions and memberships, bank charges and interest, and office supplies. The costs to date are marginally higher than 2025 largely due to increases in property tax rates.
- Vehicles and Equipment expenditures include costs associated with vehicles, computers, and office equipment for administrative staff. 2026 expenditures are currently higher than 2025 largely due to higher contract charges, computer services and additional travel for project management and related undertakings.
- Purchased Services and Professional Fees relate to allowances for ad hoc professional consulting and legal services, security services telephone charges, network, and SCADA (Supervisory Control and Data Acquisition) maintenance, printing services, and pipeline locate costs. Costs for 2026 are higher than 2025 due to legal matters, including the review of legal agreements and policies, as well as the creation new purchasing template documents.

- Debt Principal and Interest payments occur twice per year; in the first and third quarter.
- Contributions to the Reserve Funds occur at the end of the fiscal year (fourth quarter) as part of the year-end process and in preparation for the year-end audit, where the actual contributions are the total remaining revenue in excess of expenditures. Accordingly, the amount of the anticipated contribution will be adjusted to reflect the additional revenue and expenses incurred and may be subject to further adjustment as a result of the completion of the year-end financial statements and audit.

Prepared by: Archana Gagnier
Manager, Finance and Procurement

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

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

Attachments: Operating Financial Status Summary – 2nd Quarter 2026

Quarterly Financial Summary Report

Lake Huron Water Supply System
2nd Quarter 2026 (April 1 to June 30)

(\$,000's)

	Approved 2026 Budget	Q2 - 2026	2026 Year to Date	Year To Date Variance	2025 Year To Date
Total Revenue	30,198	7,547	14,443	15,755	13,655
<u>Expenditures:</u>					
Contracted Operating Services	8,704	2,213	4,442	4,262	4,341
Contracted Administrative Services	213	79	157	56	172
Electricity	3,250	902	2,007	1,243	1,798
Salaries, Wages, Benefits	1,636	464	738	898	592
Administration and Other Expenditures	555	47	267	288	225
Vehicles and Equipment	257	28	99	158	83
Purchased Services & Professional Fees	1,595	151	746	849	653
Debt Principle Payments	44	0	44	0	966
Interest on Long-Term Debt	1	0	1	0	12
Contributions to Reserve Funds	13,942	0	0	13,942	0
Total Expenditures	30,197	3,884	8,501	21,696	8,843

Board of Management Report

Subject: Capital Status Report

Overview:

- This report shows the current fiscal year's status of all capital projects.
- Nine capital projects are recommended to be closed with a net surplus funding in the approximate amount of **\$1,311,325** recommended to be released to the Reserve Funds.

Recommendation

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

- a) The Board **CLOSE** projects **LH1107** SCADA-PLC Software Upgrade, **LH1260** Flash Mixer Update, **LH1317** Distressed Pipe Replacement, **LH2049** Office Expansion, **LH2050** Master Water Plan Update, **LH2058** Low Lift Check & Butterfly, **LH2068** Remote Site Generator, **LH2072** Plant Seagull Control and **LH2088** Acoustic Fibre Optic System with surplus funding in the approximate amount of **\$1,311,325** be released to the Reserve Funds.
- b) The Board **RECEIVE** this report for information.

Previous and Related Reports

March 5, 2026 Capital Status Report

Background

The Capital Project Status Report, attached for the Board's information, provides a brief overview of the status of current capital projects for the Lake Huron Primary Water Supply System. This report is provided for the general information of the Board.

The status report is divided into four categories of projects, namely:

1. **Ongoing Projects:** This section provides a summary list of all projects which are funded by the Board through the Capital Budget, and which are currently in-progress. Board funded projects are typically for the replacement or upgrade of existing assets, the construction of new assets, or engineering studies and assessments, as approved by the Board.

Under the terms of the Service Agreement with the contracted operating authority, the Board is also required to pay for some maintenance/repair activities. The benchmark used in the operating contract is that if the value of the material and any contracted labour is over \$30,000 (indexed annually to inflation from the start of the contract), the project is considered Capital Maintenance and the contracted operating authority would fund the first \$30,000 (indexed), with the balance funded by the Board. Accordingly, the Board maintains an annual “fund” within the Board’s capital budget to pay for these projects as they arise.

- 2. a) Completed Projects - Release Surplus to Reserve Funds:** This section provides a summary list of all projects which are presently completed and do not require additional funds from that budgeted. Should the Board approve the closure of the listed projects, it is the recommendation of staff to release the surplus funds, if any, to the appropriate Reserve Fund.

b) Completed Projects – Reduce Authorized Debt: In the case where the project is funded through the issuance of a debenture, should the Board approve the closure of the listed project, it is the recommendation of staff to reduce the previously authorized but unissued debt for the project(s).

- 3. Completed Projects - Additional Funding Required:** This section provides a summary list of all projects which are presently completed but require additional funds from that originally approved by the Board. Should the Board approve the closure of the listed projects, it is the recommendation of staff to provide the required additional funding from the Board’s Reserve Fund.

Discussion

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

1. Ongoing Capital Projects

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH1229	Security Upgrades	\$1,403,000	\$1,269,416	Ongoing
LH1243	McGillivray Electrical Upgrade	\$11,887,175	\$11,974,508	Warranty Period
LH1251	PAC Feed -Transfer Pump System	\$1,800,000	\$241,939	Ongoing
LH1261	PLC Replacements	\$3,065,000	\$105,269	Ongoing
LH1274	SCADA Control Modifications	\$100,000	\$2,160	Ongoing

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH1277	IT Asset Replacement Program	\$916,000	\$745,516	Ongoing
LH1279	Cyber Intrusion Detection	\$185,000	\$0	Ongoing
LH131623	2023 Annual Maintenance	\$125,000	\$102,682	Ongoing
LH131625	2025 Annual Maintenance	\$125,000	\$77,260	Ongoing
LH131626	2026 Annual Maintenance	\$125,000	\$77,357	Ongoing
LH1352	Arva Reservoir Structural Repairs	\$2,050,000	\$41,686	Ongoing
LH1353	WTP- Administrative Building Extension	\$19,250,000	\$1,933,511	Ongoing
LH1388	Coagulation Optimization Study	\$50,000	\$0	Ongoing
LH1408	Oneida Transmission Pipeline	\$26,800,000	\$3,580,895	Ongoing
LH1900	Record Drawings- Documents	\$491,000	\$406,953	Ongoing
LH2036	Roof Drain Replacement	\$150,000	\$154,314	Ongoing
LH2038	Chamber Flood Prevention/Rehab	\$450,000	\$327,535	Ongoing
LH2045	Monitoring Station Controls Up	\$275,000	\$192,885	Ongoing
LH2046	Asset Condition Field Assessment	\$210,000	\$94,790	Ongoing
LH2048	De-Chlorination at Remote Stations	\$125,000	\$46,909	Ongoing
LH2051	Service Water Study	\$120,000	\$11,544	Ongoing
LH2052	McGillivray Building Renovations	\$300,000	\$0	Ongoing
LH2053	Climate Change Resiliency Assessment	\$240,000	\$19,409	Ongoing
LH2054	Treatment Plant Surge System	\$175,000	\$23,049	Ongoing
LH2055	Beach Chamber Valve Replacement	\$400,000	\$143,346	Ongoing

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH2057	High Lift Discharge Flow Meter	\$400,000	\$167,261	Warranty Period
LH2059	Raw Water Valve & Actuator Replacement	\$350,000	\$39,884	Ongoing
LH2060	Operations & Maintenance Procurement Advisory Services	\$250,000	\$18,661	Ongoing
LH2061	Asset Management Plan Updates	\$250,000	\$0	Ongoing
LH2062	Plant Wi-Fi Upgrade & Replacement	\$620,000	\$1,292	Ongoing
LH2063	Pipeline Alignment Survey	\$60,000	\$0	Ongoing
LH2064	McGillivray Discharge Flow	\$245,000	\$82,865	Warranty Period
LH2065	Chlorine Line Replacement	\$250,000	\$106,108	Ongoing
LH2066	Filter Effluent Valve Actuator	\$335,000	\$188,651	Ongoing
LH2067	Caustic Soda System Upgrades	\$155,000	\$12,450	Ongoing
LH2069	Plant Interior Lighting	\$70,000	\$32,903	Ongoing
LH2070	Roof Replacements - Phase 3	\$575,000	\$494,908	Warranty Period
LH2071	McGillivray Inlet Check Valve	\$340,000	\$0	Ongoing
LH2073	Emergency Exit Lights	\$65,000	\$29,044	Ongoing
LH2074	Overhead Vehicle Door	\$125,000	\$44,687	Ongoing
LH2075	Intake Chlorine Line	\$950,000	\$0	Ongoing
LH2076	KB1 MCC Component Upgrades	\$100,000	\$3,507	Ongoing
LH2077	Arva Valve House Door	\$15,000	\$12,756	Warranty Period
LH2078	Polymer System Upgrades	\$1,845,000	\$14,157	Ongoing

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH2080	RMF Sludge Pump Panel Upgrades	\$250,000	\$0	Ongoing
LH2081	1996 Steel Pipeline B Assessment	\$675,000	\$0	Ongoing
LH2082	Service Water Pipe Replacement - Phase 2	\$100,000	\$51,208	Ongoing
LH2083	Interconnect Chamber Protection Program	\$75,000	\$0	Ongoing
LH2084	Backwash Conduit Victaulic Coupling Replacement	\$75,000	\$0	Ongoing
LH2085	Remote Site Cellular Back-Up	\$100,000	\$0	Ongoing
LH2086	Arva Terminal Reservoir Washdown Line	\$175,000	\$0	Ongoing
LH2087	Arva Valve Chamber Safety Railings	\$75,000	\$0	Ongoing
LH3035	Filter Backwash Sequence	\$60,000	\$0	Ongoing

Total \$79,402,175 \$22,873,276

2.a) Completed Projects – Release Surplus to Reserve Funds \$1,311,325

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH1107	SCADA/PLC - Software Upgrade	\$500,000	\$451,590	Completed
LH1260	Flash Mixer Update	\$1,437,000	\$1,234,877	Completed
LH1317	Distressed Pipe Replacement	\$3,200,000	\$2,449,457	Completed
LH2049	Office Expansion	\$100,000	\$89,562	Completed
LH2050	Master Water Plan Update	\$235,000	\$183,092	Completed

PROJECT NO.	PROJECT	APPROVED BUDGET	EXPENDED TO DATE *	STATUS
LH2058	Low Lift Check & Butterfly	\$370,000	\$326,976	Completed
LH2068	Remote Site Generator	\$130,000	\$19,098	Completed
LH2072	Plant Seagull Control	\$50,000	\$38,905	Completed
LH2088	Acoustic Fibre Optic System	\$325,000	\$242,118	Completed
TOTAL		\$6,347,000	\$5,035,675	

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

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

3. Completed Projects – Additional Funding Required

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

* Expended as of July 31, 2026

Market Conditions

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

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

Prepared by: Yale Li
Budget and Finance Analyst

Submitted by: Archana Gagnier
Manager, Finance & Procurement

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

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

Board of Management Report

Subject: 2027 Operating & Capital Budgets

Overview:

- The proposed water rate charged to the benefiting municipalities for 2027 is 62.83 cents (\$0.6283) per cubic meter; a 5% increase in the rate charged in 2026 to benefiting municipalities consistent with the Financial Plan approved by the Board in March 2023.
- Cost projections presented in the 2027 budget include the anticipated operating costs for the water utility within the current term with the contracted operating authority, the Ontario Clean Water Agency, which ends December 31, 2027.
- Projected financial requirements beyond 2027 may be subject to change once the Master Water Plan, Asset Management Plan and associated projections and recommendations are incorporated into an updated Financial Plan and approved by the Board in 2028.

Recommendation

That, on the recommendation of the Chief Administrative Officer, the following actions be taken by the Board of Management for the Lake Huron Water Supply System with regard to the 2027 Operating and Capital Budgets:

- a) The Board **APPROVE** the 2027 Operating Budget in the total amount of \$30,182,533 as attached to this report.
- b) The Board **APPROVE** the 2027 Capital Budget in the total amount of \$6,795,000 as attached to this report.
- c) The Board **APPROVE** the 2027 rate for water of \$0.6283 per cubic meter.
- d) The Board **RECEIVE** the 2028 to 2036 Capital Forecast for information; and,
- e) The Board **RECEIVE** the 2025 to 2031 Volume and Financial Analysis for information.

Previous and Related Reports

None

Discussion

2027 Water Rate

It is proposed in this budget that the water rate for the wholesale of water to the benefiting municipalities be set at \$0.6283 per cubic meter (62.83¢ per cubic meter). In responding to regulatory, operational, growth and inflationary pressures, this proposed 2027 rate represents a 5% increase from the current rate charged in 2026.

The rate proposed for the 2027 budget is consistent the projected rate increase previously reported to the Board in the Financial Plan approved in March 2023.

2027 Budget Volume

Projecting for the current rate of population and water demand growth within the benefiting municipalities, as well as anticipated impacts of development, industry and water conservation initiatives, the proposed 2027 treated water volume included in the budget of 54,127,527 cubic meters represents a 7.9% increase compared with the 2026 approved budgeted volume, and approximately 6.8% higher than the anticipated 2026 actual supplied volumes by year-end.

Approved 2026 budget volume	50,171,846 m ³
Anticipated 2026 year-end volume	50,689,135 m ³
Proposed 2027 budget volume	54,127,527 m ³

The long-term volume projections for the regional water systems have been re-evaluated in preparation for the 2027 budget and revised to incorporate changes in consumption trends within the City of London. Supplied volumes to the other benefiting municipalities continue to remain stable, with low to moderate long-term annual growth in consumption rates.

Water demand projections and anticipated capital works are reviewed annually as part of the budget development process to ensure capital investments are appropriately coordinated and timed. The long-term volume projections identified in the Master Water Plan have been incorporated into the current financial model. These projections include the supply of water to the Oneida Nation of the Thames anticipated to begin in mid-2027.

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

Operating Costs

The two largest individual operating costs for the water supply system are the contract costs for the operation and maintenance of the water supply system, and the purchase of electricity for the system. The 2027 budgeted operating costs are approximately \$14.124 million, reflecting a net 18.5% projected increase compared to the 2026 budget, and consists of approximately \$4.000 million in energy costs versus \$10.124 million in contracted operating services. While ongoing energy saving initiatives implemented at the facilities are translating to decreased energy consumption overall, the corresponding commodity costs and total energy charges have both increased as supplied water volumes increase.

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

The Board has previously received and accepted an energy, conservation and pump optimization study report which reviewed possible cost saving and efficiency measures related to the procurement and usage of electrical energy and the associated pumping strategy for the system. The proposed 2027 Capital Budget and forecasted capital plan continues to incorporate energy efficiency projects and other opportunities, where feasible, with further energy efficiency projects to be considered in future and evaluated using the water system's risk/opportunity analysis and business case process.

Administration and Other Expenses

The Administration and Other Expenditures projected for the 2027 budget of approximately \$4.632 Million represents a \$376,000 net increase over the 2026 budget. This net change is due to numerous changes to the water supply system, including:

- **Management & Administrative Personnel:** projections for personnel costs have been adjusted as a result of increases reflective of Collective Agreements and cost of living. The budget also includes the addition of one new full-time position and one temporary position (½ FTE's and ½ temporary each shared with the Elgin Area Water System) to address the increased workload due to business needs and undertaking of duties previously purchased from the City of London and third-party vendors.

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

Process Optimization

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

The 2024 Water Quality Facility Plan outlines recommended several process efficiency improvements to address treatment challenges which will restrict process efficacy in future as process flows increase to meet regional demands. Leveraging in-house resources and the use of partnerships with the Natural Sciences and Research Council of Canada (NSERC), Industrial Research Chair at the University of Toronto, as well as partnerships with the universities of Western Ontario and Waterloo, have allowed staff to reduce the associated operational costs without impacting the optimization program.

Administrative Staffing Plan

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

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

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

Proposed 2027 Capital Budget

The proposed 2027 Capital Budget incorporates several projects to address capital improvements and critical reinvestment in the water supply system's assets, as well as regulatory requirements, ongoing and proposed Board initiatives. Project specific summaries are provided in [Appendix A](#) of this report for the Board's information.

In the development of the 2027 Capital Budget, a business case is created for each project which outlines the scope of the issue that needs to be addressed, options which can reasonably be considered, capital and operating cost estimates and implications, and the identification of project interdependencies. The business case process is linked with the water system's Customer Level of Service framework and Risk Mitigation strategy to better prioritize and direct funds in a more strategic fashion and in consideration of financial constraints which may be experienced.

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

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

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

Lifecycle Projects (Maintain Level of Service)

Proposed projects in the 2027 Capital Budget which primarily address maintaining the system's level of service are:

- McGillivray Pumps, Valves and Piping Upgrades
- Roof Drain Replacement
- Plant Interior Lighting – Phase 2
- Service Water Pipe Replacement – Phase 2
- Proactive Transmission Pipe Repair Program
- Treated Water Sample Line Replacement
- Scout Valve Turner and Control Replacement
- Financial Plan Update
- Programmable Logic Controller Replacements
- Chlorine Line Replacement Program
- Roof Replacements – Phase 3
- Filter Gallery Sky Light Replacement
- Low Lift Sump Pump and Piping Replacement
- Filter Backwash Valve Replacement
- Sludge Pump Upgrade

In addition to the above-noted capital projects, the 2027 Capital Budget includes LH1316 Annual Maintenance which funds, in part, maintenance and repair projects undertaken by the contracted operating authority, the Ontario Clean Water Agency.

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

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

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

Proposed projects in the 2027 Capital Budget for which the primary driver is service improvement are:

- Chamber Flood Prevention/Rehab
- Security Risk Assessment and Threat Vulnerability
- Emergency Generator Diesel Tank Replacement
- Roof Fall Protection
- Emergency Exit Lights Replacement
- Advanced Treatment Feasibility Study
- Remote Infrastructure Safety Upgrades
- Master Plan Addendum

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

Master Plan

The Master Plan, most recently updated and approved by the Board in 2025, is largely used for growth management. The Plan primarily assesses and anticipates necessary changes needed in the system to address growth in the communities currently serviced by the water system, as well as anticipate the addition of new communities.

The Master Plan is updated at least every five years and provides a 30+ year projection of asset investment needs. As a result of a partial shift in water supply to London from the Elgin Area Water Supply System to the Lake Huron Water Supply System, it is likely that the recently approved Master Plan will require an amendment to address the anticipated changes in volume projections for the region.

Asset Management Plan

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

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

The update to the Asset Management Plan is underway and is expected to be complete in mid-2027 and will be used for the next update to the Financial Plan in 2028 as well as future budget projections.

Financial Plan

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

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

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

Within the forecast period, the Capital Plan currently anticipates the expansion of the Terminal Reservoir by 2035 to balance plant flow requirements in support of the increased supply to region, as well as the continued replacement of the remaining high lift pumps at the water treatment plant and the McGillivray Reservoir and Booster Station. The recommendations outlined in the Master Water Plan is anticipated to have an impact on the long-term financial requirements to address growth-related projects and confirm the timing of needed investments.

Staff continue to be satisfied that the issue of generational equity can be addressed within a reasonable timeframe; however, it is likely that short-term investments required to support growth-related projects will likely require significantly more use of Capital Reserves rather than debentures in order to limit long-term financial implications to the benefiting municipalities.

Capital Plan & Forecast

Several capital projects are projected beyond the 2027 Capital Budget year, which will have an impact on the financial forecast and future water rates for the water system. As previously noted, staff undertake a business case assessment for each project in support of budget approval to confirm the costs, timing, and priority of the project, consistent with our Customer Level of Service framework and Risk Mitigation strategy.

The projected capital plan (2028 to 2036) includes an allocation for anticipated systemic-related but unspecified asset investments starting in 2028 (identified as “*AMP Investments*”). This reflects the age-related projections previously included in the approved 2022 Asset Management Plan. As condition, performance, and risk assessments are completed, business cases are undertaken to identify and prioritize the expenditures and replace these “*AMP Investments*” allocations in the long-term plan. For the time being, and for planning purposes only, these “*AMP Investments*” placeholders are included in the capital projections beyond the proposed budget to accommodate likely future investments and impacts to the corresponding Reserve Funds.

The projected capital plan (2028 to 2036) also includes an allocation for anticipated systemic but unspecified asset investments starting in 2028 (identified as “*Future Projects*”). This includes projects related to improving process efficiency and projects to address treatment challenges which may restrict process efficacy in future as recommended in the 2024 Water Quality Facility Plan that is detailed in a separate report before the Board. Business cases for these specific projects will be completed for the purposes of Budget approval to identify and prioritize the expenditures and replace these “*Future Projects*” allocations in the long-term capital plan. For the time being, and for planning purposes only, these “*Future Projects*” placeholders are included in the capital projections beyond the proposed budget to accommodate likely future investments and impacts to the corresponding Reserve Funds.

Volume and Financial Analysis

Included in the budget package is a projection of annual volumes and finances beyond 2027 and provides a summary analysis of one option for rate increases and the use of debt (if any) where a debenture is identified in the Reserve Fund Continuity Schedules. This projection has incorporated the principles and recommendations from the approved Financial Plan but has been adjusted to reflect the current anticipated volume projections and corresponding revenues.

The projected operating expenses beyond 2027 utilize the contracted operating costs of the amended operating agreement with the Ontario Clean Water Agency. The projected operating expenses further assume that the future cost of operating the system is consistent with the current operating agreement which ends on December 31, 2027.

Significant changes in contracted operating costs that may occur after January 1, 2028, including the cost and availability of chemicals and consumables for the water treatment processes, may have a considerable impact on future operating costs. Best efforts were made to anticipate current market instability due to international trade negotiations and relations, and further adjustments to future cost projections may be required if circumstances change significantly.

In addition, energy expenditures projected beyond 2027 have assumed a reasonable escalation of costs, tied to the anticipated annual volumes projected and consequential savings from various efficiency-related investments. At this time, the water system is well positioned to mitigate energy related risks and take advantage of cost savings where available.

As identified in the approved 2023 Financial Plan, staff are projecting a 5.0% annual increase in the rate beyond the 2027 budget.

Reserve Funds

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

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

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

Debentures

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

- Debt authorized in 2012 for the Huron Transmission Pipeline Twinning (LH1305) in the amount of \$4 million was partially issued in 2015 (\$1.665 million) with payments beginning in 2016 (1.9% for a 10-year term) and further debt issued in 2017 (\$0.4 million) with payments beginning in September 2017 (2.48% for a 10-year term)

Acknowledgement

The preparation of the 2027 Operating and Capital budgets were undertaken by the Regional Water Division staff, with the assistance by the City of London Financial Services.

Submitted by: Archana Gagnier,
Manager, Finance & Procurement

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

Andrew J. Henry, P.Eng.,
Director, Regional Water

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

Attachments: Appendix A – 2027 Capital Project Summary
2027 Operating & Capital Budgets, and Nine-Year Capital Forecast

Appendix A – 2027 Proposed Capital Project Summaries

Lifecycle Projects (Maintain Level of Service)

McGillivray Pumps, Valves & Piping Upgrades: The pumps, valves and piping upgrades at the McGillivray Booster Pumping Station are original to the facility, are in poor condition and in need of upgrades. With the McGillivray Electrical and HVAC project complete this project will replace valves and piping in the facility, with pump replacements to be completed in a future year.

LH1261 PLC Replacements (multi-year program): Programmable Logic Controllers (PLCs) control and monitor vital plant equipment. Many of the existing controllers and supporting hardware are no longer supported and require replacement. The bulk of the project is to replace the PLCs associated with electrical switchgear and generators that have reached the end of their useful life over a 3-year period that started in 2025. The specialized nature of these controllers and control system makes it difficult to seek local support and source spare parts in case of a catastrophic failure. PLCs are critical to the operation of all power systems at the plant could possibly result in an unplanned plant shutdown for an extended period if not replaced in a timely fashion.

LH2036 Roof Drain Replacement (multi-year program): The cast iron drains throughout the facility are original to plant construction and are starting to show signs of blockage and leakage due to the extent of corrosion and age-related deterioration. This project will replace drains throughout the facility over an 8-year period with 2029 anticipated to be the final year of the program.

LH2065 Chlorine Line Replacement Program (multi-year project): Due to the age of the infrastructure, the PVC chlorine lines throughout the plant have become brittle over time and are reaching the end of their useful life as they are original to plant construction. Chlorine lines are integral to plant operation and necessary to ensure compliance with provincial regulation. If a chlorine line were to fail, it would result in an unplanned plant shutdown and, depending on the severity of the leak, would pose a health and safety threat to plant staff. This project will replace the chlorine lines throughout the facility over a three-year period starting in 2025.

LH2069 Interior Lighting – Phase 2 (multi-year project): Much of the interior lighting in the water treatment plants continue to be energy intensive incandescent and metal halide fixtures. This produces dim work areas and consumes significantly more energy than modern fixtures. This project replaces the existing interior fixtures with LED equipped lighting and motion sensors (where warranted). This project will take place over a five-year period that started in 2025.

LH2070 Roof Replacements – Phase 3 (multi-year project): This project is to replace various roofs on the water treatment plant as prioritized by a previously completed inspection report. Some sections of roofs are currently leaking which, if not addressed, will result in further damage to buildings and interior infrastructure. This project will take place over a three-year period that started in 2025.

LH1272 Service Water Pipe Replacement - Phase 2 (multi-year project): The service water piping provides water to several critical process and services throughout the plant is original to plant construction and is at end-of-life showing signs of corrosion and weeping. This phase of the project will take place over a four-year period starting in 2026.

Filter Gallery Sky Light Replacement: This project is to replace the sky lights in the filter gallery that are original to plant construction and are leaking.

Proactive Transmission Pipe Repair Program: As a result of the condition assessment and the accumulation of subsequent data from the Acoustic Fibre Optic Monitoring System within the 1200mm high pressure transmission pipeline, as well as the updated results of the predictive model for the deterioration of the transmission pipeline, this program replaces high-risk pipe segments on a systemic and as-needed basis. This program is projected such that budget is available to replace two pipe segments should the need arise.

Low Lift Sump Pump and Piping Replacement: This project is to replace the sump pumps and associated piping in the low lift building that are end of life to ensure that the equipment in this area of the low lift building is protected from possible flooding.

Treated Water Sample Line Replacement: This project is to replace the treated water sample line that is clogged with precipitate resulting in insufficient flow to the lab for required contractual and compliance sample testing related to pH control.

Filter Backwash Valve Replacement: The backwash valves are nearing end of life and are leaking. This project will replace the backwash valves to ensure reliable operation of the backwash system by preventing leaking of backwash water into adjacent filters.

Scout Valve Turner and Control Replacement: The valve turner on the Scout all terrain vehicle that is used to open and close valves on the transmission system is failing and the outdated software to record valve data is no longer supported. This project is to replace the valve turner and associated controls.

Sludge Pump Upgrade: This project is to replace the north and south clarifier sludge pumps that are original to construction and no longer serviceable, with parts no longer readily available. During cleanouts and heavy sludge events these secondary pumps are critical for sludge removal and de-watering of the of clarifiers.

Financial Plan Update: Every five years the regional water system undertakes a comprehensive review of financial policies and funding requirements to ensure the long-term sustainability of the regional water system. The Financial Plan incorporates the identified operational needs of the water system with the investments identified in the latest versions of the Asset Management Plan (systemic replacement and rehabilitation) and Master Water Plan (growth-related projects).

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

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

LH2073 Emergency Exit Lights Replacement (multi-year project): This project is to upgrade the emergency exits lights throughout the facilities to meet current regulations. This project will take place over a five-year period that started in 2025.

Security Risk Assessment and Threat Vulnerability: A security audit and threat risk vulnerability assessment was completed over 10 years ago. This new audit will identify current risks and vulnerabilities to employees, contractors, assets and facilities and determine if current security practices appropriately mitigate risks or recommend best practices to lessen them.

Advanced Treatment Feasibility Study: This feasibility study will investigate advanced treatment technologies to address disinfection constraints, filter capacity and taste and odour events management as recommended in the Water Quality Facility Plan. Each process will be investigated individually while identifying treatment solutions that may address more than one of the on-going challenges facing the plant and flagged by the Plan. This study will ensure future projected demands are met while remaining in compliance with Ministry regulations.

Emergency Generator Diesel Tank Replacement: The Technical Standards and Safety Authority (TSSA) regulate the approvals necessary to fill the three underground diesel tanks. As the current tanks no longer meet TSSA regulations, the underground tanks will be removed and replaced with new above ground tanks to ensure the ability to receive diesel fuel deliveries.

Remote Infrastructure Safety Upgrades: Current parking at some remote infrastructure locations do not allow for Ministry of Transportation (MTO) Book 7 short-term duration stop requirements to be met. This project is to construct appropriate measures to ensure that all the remote infrastructure sites align with the MTO Book 7 guidelines and show the Utility's due diligence in protecting workers.

Roof Fall Protection: This project is to install rails and guarding on the roof of the plant and secondary sites to comply with current safety legislation.

Master Plan Addendum: Anticipated increases in water volumes supplied to the City of London have resulted in the need to update the 2025 Master Plan flow projections and corresponding capital project forecast.



Lake Huron

Primary Water Supply System

**2027 Operating and Capital Budgets
and Nine Year Capital Forecast**

October 1, 2026

Lake Huron Primary Water Supply System 2027 Budget

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**2027 Budget
Revenue and Expenditure Summary
(\$000's)**

	2026 Approved Budget	2027 Proposed Budget	Incr (Decr)	% Budget Incr (Decr)	2026 Year End Projection
Revenue					
Volume Revenues ⁽¹⁾	30,023	34,008	3,985	13.3%	30,331
Other Revenues ⁽⁴⁾	175	175	0	0.0%	82
Total Revenue	30,198	34,183	3,985	13.2%	30,413
Expenditures					
Operating Costs ⁽²⁾	11,954	14,124	2,170	18.2%	13,129
Administration & Other Expenditures	4,256	4,632	376	8.8%	4,102
Debt Principal Repayments ⁽³⁾	44	45	1	2.3%	44
Interest on Long Term Debt ⁽³⁾	2	0	(2)	(100.0%)	2
Contribution to Reserve Funds	13,942	15,381	1,439	10.3%	13,136
Total Expenditures	30,198	34,183	3,985	13.2%	30,412

* subject to rounding

Notes:

(1) A budget volume increase is anticipated in 2027. Rates per m3 are proposed to increase by 5%.

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

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

(4) A one-time buy-in charge is invoiced to Oneida Nation of the Thames per the Water Supply Agreement and the Board's New Connection Policy was on the 2024 Budget but has been deferred to 2026

**Lake Huron Primary Water Supply System
2027 Budget
Administration & Other Expenditures
(\$000's)**

	2026 Approved Budget	2027 Proposed Budget	Incr (Decr)	% Budget Incr (Decr)	2026 Year End Projection
Management & Administrative Personnel	1,635	1,749	114	7.0%	1,496
Support and Overhead Costs ⁽¹⁾	213	219	6	2.8%	315
Payment in Lieu of Taxes	340	360	20	5.9%	325
Insurance (Property, Director & Officers, General Liab)	973	1,030	57	5.9%	947
Financial/Office Expenses ⁽²⁾	320	428	108	33.8%	283
Process Optimization	75	75	0	0.0%	75
Information Technology Maintenance ⁽³⁾	237	267	30	12.7%	183
Purchased Services (Legal, Consulting, Locates etc)	463	503	40	8.6%	434
Total Administration & Other Expenditures	4,256	4,632	376	8.8%	4,058

* subject to rounding

Notes:

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

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

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

Lake Huron Primary Water Supply System
2027 Budget
2027 Capital Plan with Forecast for 2028 to 2036
(\$000's)

#	Description	Project Total	Prior Years Budget	2026 Approved Budget	2027 Proposed Budget	Forecast				
						2028	2029	2030	2031	2032 to 2036
LH1016	Huron Safety Rail Replacement	700	700							
LH1107	SCADA/PLC - Software Review/Upgrade	500	500							
LH1229	Security Upgrades	1,403	1,253	150						
LH1243	McGillivray Electrical Upgrades	11,887	11,887							
LH1250	McGillivray Pumps & Valves Refurbishment	5,167			1,325			3,842		
LH1251	PAC Feed/Transfer Pump System Replacement	1,800	1,300	500						
LH1260	Coagulant System Upgrade	1,437	1,437							
LH1261	PLC Replacements	3,315	2,790	275	250					
LH1267	Plant Interior Person Door Replacement	100	100							
LH1272	Service Water Pipe Replacement	125	125							
LH1273	(PS3) Exeter-Hensall Pump Control Upgrades	100	100							
LH1274	SCADA Control Modifications	100	100							
LH1277	IT Asset Replacement Program	916	716	200						
LH1279	Cyber Intrusion Detection System	185	10	175						
LH1280	Arva Reservoir Expansion	85,000							5,000	80,000
LH1316 xx	Annual Maintenance ⁽¹⁾	2,750	1,375	125	125	125	125	125	125	625
LH1317	Distressed Pipe Replacement	3,200	2,850	350						
LH1352	Arva Reservoir Structural Repairs	2,050	2,050							
LH1353	WTP - Admin Bldg Ext and Site Redevelopment	19,250	18,250	1,000						
LH1380	Clarifier Upgrades	465	465							
LH1388	Coagulation Optimization Study	50	50							
LH1408	Oneida Transmission Pipeline	26,800	26,800							
LH1426	WTP Storage and UV	4,000	4,000							
LH1900	Record Drawings and Documents	491	491							
LH1901	Water Quality Facility Plan	540	290					250		
LH2036	Roof Drain Replacement	225	125	25	25	25	25			
LH2038	Chamber Flood Prevention/Rehab	550	350	100	100					
LH2042	Pipeline-A Double Isolation Valve	1,247	1,247							
LH2045	Monitoring Station Controls Upgrades	275	275							
LH2046	Asset Condition Field Assessment	210	210							
LH2047	Electric Vehicle Charging Stations	10	10							
LH2048	De-chlorination at Remote Stations	125	125							
LH2049	Office Expansion	100	100							
LH2050	Master Water Plan Update	385	235				150			
LH2051	Service Water Study	120	120							

Lake Huron Primary Water Supply System
2027 Budget
2027 Capital Plan with Forecast for 2028 to 2036
(\$000's)

#	Description	Project Total	Prior Years Budget	2026 Approved Budget	2027 Proposed Budget	Forecast				
						2028	2029	2030	2031	2032 to 2036
LH2052	McGillivray Building Renovations	300	50	250						
LH2053	Climate Change Resiliency Assessment	240	240							
LH2054	Treatment Plant Surge System Rehabilitation	175	175							
LH2055	Beach Chamber Valve Replacement	400	400							
LH2057	High Lift Discharge Flow Meter Replacements	400	400							
LH2058	Low Lift Check & Butterfly Valve Replacements	370	370							
LH2059	Raw Water Valve & Actuator Replacement	350	350							
LH2060	Operations & Maintenance Procurement Services	250	250							
LH2061	Asset Management Plan Update	250		250						
LH2062	Plant Wi-Fi Upgrade & Replacement	620	620							
LH2063	Pipeline Alignment Survey	60	60							
LH2064	McGillivray Discharge Flow Meter Replacement	245	245							
LH2065	Chlorine Line Replacement Program	375	125	125	125					
LH2066	Filter Effluent Valve Actuator Replacements	335	335							
LH2067	Caustic Soda System Upgrades	155	155							
LH2068	Remote Site Generator Connections - Phase 2	130	65	65						
LH2069	Plant Interior Lighting Program - Phase 2	175	35	35	35	35	35			
LH2070	Roof Replacements - Phase 3	815	335	240	240					
LH2071	McGillivray Inlet Check Valve Replacement	340	340							
LH2072	Plant Seagull Control	50	50							
LH2073	Emergency Exit Lights Replacement	155	35	30	30	30	30			
LH2074	Overhead Vehicle Door Replacement - Phase 2	125	65	60						
LH2075	Intake Chlorine Line Replacement	950	100	850						
LH2076	KB1 MCC Component Upgrades	100	100							
LH2077	Arva Valve House Door Rehabilitation	15	15							
LH2078	Polymer System Upgrades	1,845	145	1,700						
LH2079	Division Vehicle	21	21							
LH2080	RMF Sludge Pump Panel Upgrades	250		250						
LH2081	1996 Steel Pipeline B Assessment	675		675						
LH2082	Service Water Pipe Replacement - Phase 2	400		100	100	100	100			
LH2083	Interconnect Chamber Protection Program	75		75						
LH2084	Backwash Conduit Victaulic Coupling Replacement	75		75						
LH2085	Remote Site Cellular Back-up	100		100						
LH2086	Arva Terminal Reservoir Washdown Line	175	69	175						
LH2087	Arva Valve Chamber Safety Railings	75		75						

**Lake Huron Primary Water Supply System
2027 Budget
2027 Capital Plan with Forecast for 2028 to 2036
(\$000's)**

#	Description	Project Total	Prior Years Budget	2026 Approved Budget	2027 Proposed Budget	Forecast				
						2028	2029	2030	2031	2032 to 2036
LH2088	Acoustic Fibre Optic System Upgrade	325		325						
LH3035	Backwash Sequence Compliance	60		60						
<i>Proposed</i>	Security Risk Assessment and Threat Vulnerability				95					
<i>Proposed</i>	Filter Gallery Sky Light Replacement				300					
<i>Proposed</i>	Annual Proactive Transmission Pipe Repair Program				1,050		1,000		1,050	2,050
<i>Proposed</i>	Advanced Treatment Feasibility Study				500					
<i>Proposed</i>	Low Lift Sump Pump and Piping Replacement				250					
<i>Proposed</i>	Treated Water Sample Line Replacement				175					
<i>Proposed</i>	Filter Backwash Valve replacement				225					
<i>Proposed</i>	Scout Valve Turner and Control Replacement				50					
<i>Proposed</i>	Sludge Pump Upgrade				160					
<i>Proposed</i>	Emergency Generator Diesel Tank Replacement				650					
<i>Proposed</i>	Remote Infrastructure Safety Upgrades				160					
<i>Proposed</i>	Roof Fall Protection				650					
<i>Proposed</i>	Master Plan Addendum				125					
<i>Proposed</i>	Financial Plan Update				50				50	
	Future Projects <i>(allowance for planning purposes)</i>	32,155				318	5,287	5,400	5,400	15,750
	AMP Investments <i>(allowance for planning purposes)</i>	20,379				2,030	2,652	1,709	1,545	12,443
		-								
Huron Capital & Forecast		\$ 239,568	\$ 85,517	\$ 8,415	\$ 6,795	\$ 2,663	\$ 9,404	\$ 11,326	\$ 13,170	\$ 110,868

* subject to rounding

Notes:

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

Lake Huron Primary Water Supply System
2027 Budget
Capital Plan Sources of Financing
(\$000's)

Funding Source	2025 Actual	2026 Approved Budget	2027 Proposed Budget	2028	2029	2030	2031
Asset Replacement Reserve Fund	2,996	5,840	5,054	2,632	9,223	11,076	8,133
New Capital Reserve Fund	999	17,505	1,741	31	181	250	5,038
Emergency Reserve Fund	-	-	-	-	-	-	-
Debenture	-	-	-	-	-	-	-
Other Funding Sources	-	-	-	-	-	-	-
Total Capital Funding	\$ 3,995	\$ 23,345	\$ 6,795	\$ 2,663	\$ 9,404	\$ 11,326	\$ 13,170

* subject to rounding

**Lake Huron Primary Water Supply System
2027 Budget
Asset Replacement Reserve Fund Analysis and Continuity Schedule
(\$000's)**

Asset Replacement Reserve Fund (1)	Actual	Approved Budget	Proposed Budget	Projected			
	2025	2026	2027	2028	2029	2030	2031
Reserve Fund Opening Balance	15,664	19,134	7,566	7,584	7,570	7,533	7,518
Sources:							
Current Year Operating Contributions	5,612	5,074	4,800	2,300	8,700	10,300	7,100
Other Contributions ⁽⁴⁾		962					
Transfer from Capital Reserve Fund							
Net Interest Earnings ⁽²⁾	854	284	272	317	486	761	1,055
Total Sources	\$ 22,130	\$ 25,454	\$ 12,638	\$ 10,201	\$ 16,756	\$ 18,594	\$ 15,673
Uses:							
Total Lifecycle Capital Projects - Current	2,996	5,840	5,054	2,632	9,223	11,076	8,133
Less: Other Funding Sources	-	-	-	-	-	-	-
Less: Debenture Requirement							
Net Current Year Fund Draws ⁽³⁾	2,996	5,840	5,054	2,632	9,223	11,076	8,133
Prior Years Capital Expenditures - Unspent		12,048					
Total Uses	\$ 2,996	\$ 17,888	\$ 5,054	\$ 2,632	\$ 9,223	\$ 11,076	\$ 8,133
Reserve Fund Ending Balance	\$ 19,134	\$ 7,566	\$ 7,584	\$ 7,570	\$ 7,533	\$ 7,518	\$ 7,541

* subject to rounding

Notes:

- (1) The Asset Replacement Reserve Fund was established in 2008 to fund projects of a lifecycle nature to maintain existing levels of service and has an average annual target ending balance of \$7.5M.
- (2) Projected net interest earnings based on an average rate of anticipated sources and uses of funds.
- (3) Drawdowns are based on full/committed capital needs and not intended to project the actual cash flow of funds being utilized in a particular year.
- (4) A buy-in charge is to be invoiced to Oneida Nation of the Thames per the Water Supply Agreement and the Board's New Connection Policy in 2026, not 2024 as originally anticipated

**Lake Huron Primary Water Supply System
2027 Budget
New Capital Reserve Fund Analysis and Continuity Schedule
(\$000's)**

Capital Reserve Fund (1)	Actual	Approved Budget	Proposed Budget	Projected			
	2025	2026	2027	2028	2029	2030	2031
Reserve Fund Opening Balance	33,837	40,017	28,212	38,356	55,045	67,310	79,972
Sources:							
Current Year Operating Contributions	6,770	8,869	10,581	14,923	10,123	10,025	14,902
North Middlesex Loan	186	93	93	93	93	93	93
Net Interest Earnings ⁽²⁾	1,816	837	1,211	1,704	2,231	2,794	3,378
Total Sources	\$ 42,609	\$ 49,816	\$ 40,097	\$ 55,076	\$ 67,492	\$ 80,222	\$ 98,345
Uses:							
Total System Improvement & Growth Projects	999	17,505	1,741	31	181	250	5,038
Less: Other Funding Sources	-	-	-	-	-	-	-
Less: Debenture Requirement	-	-	-	-	-	-	-
Net Current Year Fund Draws ⁽³⁾	999	17,505	1,741	31	181	250	5,038
Prior Years Capital Expenditures ⁽³⁾	1,593	4,099	-	-	-	-	-
Total Uses	\$ 2,592	\$ 21,604	\$ 1,741	\$ 31	\$ 181	\$ 250	\$ 5,038
Reserve Fund Ending Balance	\$ 40,017	\$ 28,212	\$ 38,356	\$ 55,045	\$ 67,310	\$ 79,972	\$ 93,308

* subject to rounding

Notes:

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

**Lake Huron Primary Water Supply System
2027 Budget
Emergency Reserve Fund Analysis and Continuity Schedule
(\$000's)**

Emergency Reserve Fund (1)	Actual	Approved Budget	Proposed Budget	Projected			
	2025	2026	2027	2028	2029	2030	2031
Reserve Fund Opening Balance	5,489	5,758	5,960	6,169	6,385	6,608	6,839
Sources:							
Current Year Operating Contributions	-	-	-	-	-	-	-
Net Interest Earnings ⁽²⁾	269	202	209	216	223	231	239
Total Sources	\$ 5,758	\$ 5,960	\$ 6,169	\$ 6,385	\$ 6,608	\$ 6,839	\$ 7,078
Uses:							
Current Year Capital Expenditures ⁽³⁾							
Prior Years Capital Expenditures ⁽³⁾							
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Reserve Fund Ending Balance	\$ 5,758	\$ 5,960	\$ 6,169	\$ 6,385	\$ 6,608	\$ 6,839	\$ 7,078

* subject to rounding

Notes:

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

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

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

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

Factors	Actual	Approved Budget		Proposed Budget	Projected			
	2025	2026	2026 (Projected)	2027	2028	2029	2030	2031
Rate Increase ⁽¹⁾	5.0%	4.5%		5.0%	5.0%	5.0%	4.5%	4.0%
Total Volume m ³	49,927,337	50,171,846	50,689,135	54,127,527	54,583,705	55,039,303	55,494,851	55,950,603
Total Water Rate \$/m ³	0.5726	0.5984	0.5984	0.6283	0.6598	0.6928	0.7240	0.7529
Volume Revenues	28,588	30,023	30,331	34,008	36,014	38,131	40,176	42,127
Other Revenue	1,697	175	82	175	175	175	175	175
Total Revenue	\$ 30,285	\$ 30,198	\$ 30,413	\$ 34,183	\$ 36,189	\$ 38,306	\$ 40,351	\$ 42,302
Operating Expenses ⁽²⁾	12,853	11,954	13,129	14,124	14,235	14,631	15,039	15,170
Administrative Expenses	4,074	4,256	4,102	4,632	4,732	4,851	4,987	5,129
Debt Servicing Costs ⁽³⁾	976	45	45	45	-	-	-	-
Total Operating & Administrative Expenses	\$ 17,903	\$ 16,255	\$ 17,276	\$ 18,801	\$ 18,967	\$ 19,482	\$ 20,026	\$ 20,299
Asset Replacement Reserve Fund Contributions	5,612	5,074	5,074	4,800	2,300	8,700	10,300	7,100
Capital Reserve Fund Contributions	6,770	8,869	8,063	10,581	14,923	10,123	10,025	14,902
Emergency Reserve Fund Contributions	-	-	-	-	-	-	-	-
Total Expenses	\$ 30,285	\$ 30,198	\$ 30,413	\$ 34,183	\$ 36,189	\$ 38,305	\$ 40,351	\$ 42,302

* subject to rounding

Notes:

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

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

(3) Debentures:

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

Board of Management Report

Subject: Dispute Resolution Procedure

Overview:

- The Transfer Order issued by Ontario in 2000 included a dispute resolution process limited to either binding arbitration, in the case of a rate increase of more than 10%, or an application to the Ontario Municipal Board.
- The Board enacted a by-law in 2008 which established an escalation process for resolving disputes, starting with meetings between the parties, escalating through mediation before an application to the Ontario Municipal Board or other tribunal or court having jurisdiction.
- The proposed resolution process includes the option of alternative dispute resolution and other non-adversarial processes, including restorative peacemaking.

Recommendation

That the Board of Management for the Lake Huron Water Supply System take the following actions with regard to the resolution of disputes among the benefiting municipalities in relation to the treatment and supply of drinking water:

1. That the proposed Dispute Resolution By-law for the Lake Huron Primary Water Supply System, as attached to this report, **BE ACCEPTED IN PRINCIPLE**; and,
2. The Board of Management for the Lake Huron Primary Water Supply System **DIRECT** staff to circulate this report and the proposed draft Dispute Resolution by-law to the Oneida Nation of the Thames and the benefiting municipal members for their respective review and comment.

Previous and Related Reports

December 11, 2008 Dispute Resolution Process

October. 9, 2008 Dispute Resolution Process

Background

The Transfer Order issued by the Province of Ontario, transferring ownership of the Lake Huron Primary Water Supply System to the benefiting municipalities and establishing the Board of Management, included an initial dispute resolution process but limited the application of the process to either a system rate increase of more than ten percent (10%) with resolution of the dispute by binding arbitration, and for all other

matters, any benefiting municipality may apply to the Ontario Municipal Board as provided by the *Municipal Water and Sewage Systems Transfer Act, 1997*.

The Transfer Order allows for these, and other management arrangements established by the Transfer Order, to be changed upon unanimous consent of the Board Members.

On December 11, 2008, the Board of Management for the Lake Huron Water Supply System unanimously authorized a Dispute Resolution Process and enacted by by-law. The basic principles established in the 2008 process utilize a systematic escalation procedure:

- The Chief Administrative Officers correspond and meet to resolve
- If resolution is not achieved, a meeting of the Board of Management is convened to resolve
- If resolution is not achieved, the matter proceeds to mediation
- If resolution is not reached, the matter proceeds to the Ontario Municipal Board.

The process implemented in 2008 ensured that all reasonable attempts were made to resolve a dispute among the benefiting municipalities with regard to the treatment and supply of drinking water by the Lake Huron Water Supply System, and any related management and administration processes, prior to proceeding to the Ontario Municipal Board.

In principle, the dispute resolution process may be used for the resolution of drinking water related issues between the water supply system and a municipality (or municipalities), or between two or more municipalities.

The dispute resolution process has never been utilized since implementation.

Discussion

It is prudent for the regional water supply system to periodically review and, if applicable, update policies and procedures to ensure the policies and procedures continue to be reasonable, incorporate changes in legislation, and are relevant to the evolving circumstances of the system's operations and management.

The Dispute Resolution Process established in 2008, replacing the limited process contained within the Transfer Order, included non-judicial negotiations and mediation before proceeding to formal hearings within a judicial framework.

The *Municipal Water and Sewage Systems Transfer Act, 1997*, the Transfer Order issued in 2000, and the 2008 Dispute Resolution Process all included references to an application to the Ontario Municipal Board for the resolution of disputes. Since that time, the Ontario Municipal Board has ceased to exist as of April 2018 and has transitioned to

the Ontario Land Tribunal. With the current restricted scope of the Ontario Land Tribunal, a matter arising to a dispute among the benefiting communities of the Lake Huron Primary Water Supply System is unlikely to fall within the limited jurisdiction of the Ontario Land Tribunal.

The proposed Dispute Resolution Process, attached to this report for the information and reference of the Board, continues to emphasize the use of non-judicial and non-adversarial approaches to the resolution of disputes prior to proceeding to judicial or other formal proceedings.

At the discretion of the disputing parties, the non-judicial and non-adversarial approaches may include alternative dispute resolution or Restorative Peacemaking Circles. Restorative Peacemaking is a consensus-based mechanism focusing on repairing harm, rebuilding relationships, and fostering community harmony rather than utilizing semi-formal or judicial approaches which tend to be adversarial, hierarchy-driven frameworks.

To the extent possible, as much effort as reasonably possible by the disputing parties should be made to resolve the issue using a non-adversarial process which tends to result in mutually beneficial conclusions. Notwithstanding, it is recognized that discussions and mediation may require the involvement of a federal and/or provincial Ministry where treaty issues have arisen.

An overview of the proposed resolution process is outlined in Appendix A, attached to this report.

The current draft Dispute Resolution by-law has been reviewed by the Board's solicitor for legal applicability and consistency; however, the municipalities and Oneida Nation of the Thames, all of which benefit from the Lake Huron Primary Water Supply System, have not been formally consulted.

The use of the Board's Dispute Resolution process is an obligation of the Water Supply Agreements entered into between the Board and the benefiting communities. Accordingly, it is the recommendation of staff that the current draft of the policy be circulated to the Oneida Nation of the Thames and the benefiting municipalities for their respective review and comment.

It is specifically noted that circulation of this proposed resolution process is not considered "Consultation with First Nations" as may be required by treaties entered into between First Nations and the Crown.

Conclusion

The proposed Dispute Resolution Process emphasizes and supports a non-adversarial framework and emphasizes the co-design of a mutually acceptable solution to disputes, including alternative dispute resolution and restorative peacemaking.

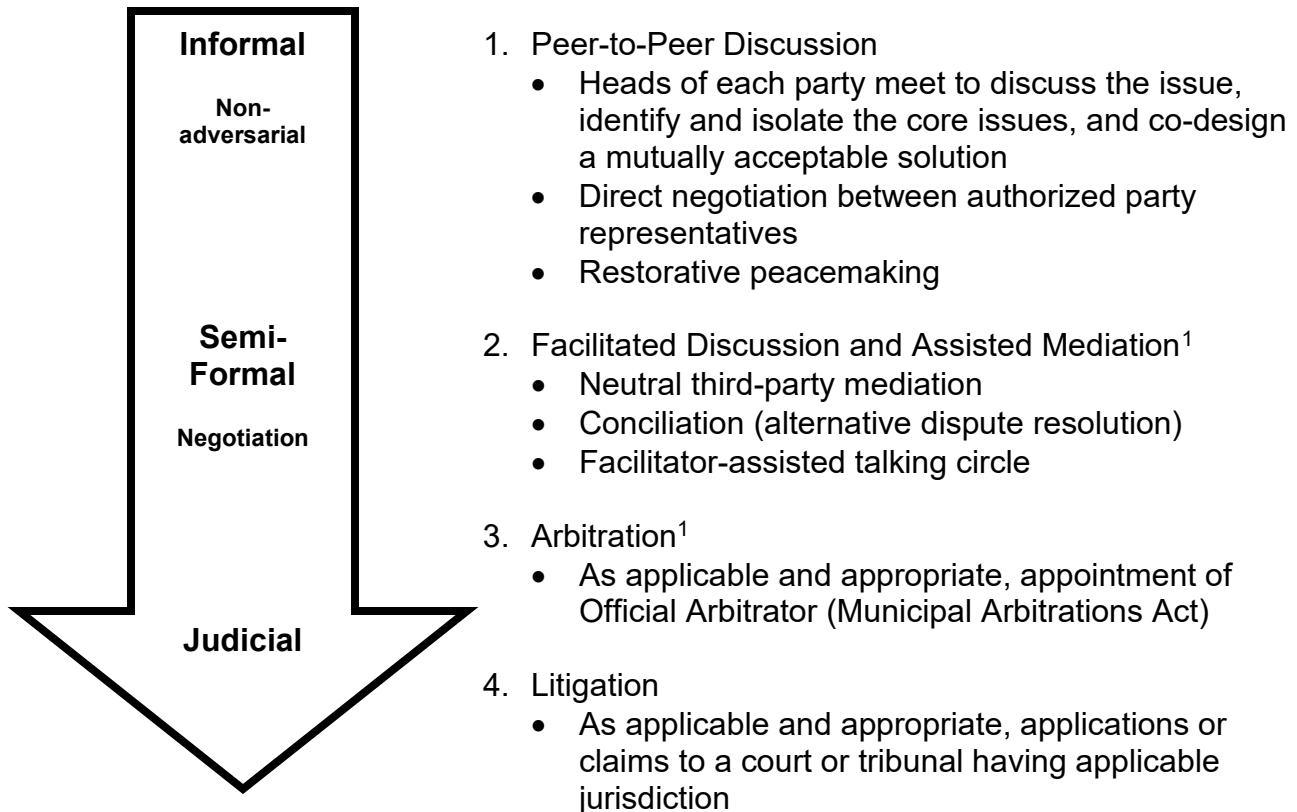
Previous references to the Ontario Municipal Board or other tribunals have been removed as applicable.

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

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

Attachments: Appendix A: Resolution Process Summary
Dispute Resolution By-Law (Draft)

APPENDIX A: Resolution Process Summary



¹ May require tripartite engagement involving federal or provincial ministries where treaty or national issues arise

By-Law No. xxx – 2026

A by-law relating to the resolution of disputes among the benefiting communities supplied by the Lake Huron Primary Water Supply System.

WHEREAS the Joint Board of Management for the Lake Huron Primary Water Supply System was established pursuant to a Transfer Order Lake Huron Area W1/1998 issued by the Minister of the Environment effective September 15, 2000, pursuant to the *Municipal Water and Sewage transfer Act, 1997*;

AND WHEREAS a dispute resolution process was established by the Joint Board of Management for the Lake Huron Primary Water Supply System by unanimous consent on December 11, 2008;

AND WHEREAS it is deemed expedient to alter the process for the resolution of disputes among the benefiting municipalities and communities supplied by the Lake Huron Primary Water Supply system;

NOW THEREFOR the Joint Board of Management for the Lake Huron Primary Water Supply system enacts as follows:

1. DEFINITIONS

In this by-law, unless the context otherwise requires:

- “CAO” refers to the positions of Administrator, City Manager, Chief Executive Officer or Chief Administrative Officer of a Community, or their designate, and/or the Chief Administrative Officer of the Lake Huron Primary Water Supply System or their designate.
- “Community” refers to a Municipality or First Nation community which is normally and regularly supplied potable drinking water by the Lake Huron Primary Water Supply System.
- “LHPWSS” refers to the Lake Huron Primary Water Supply System.
- “Board” refers to the Joint Board of Management for the Lake Huron Primary Water Supply System.

2. AVAILABILITY OF DISPUTE RESOLUTION

If a dispute arises among the Communities, or between a Community or Communities and the LHPWSS, with respect to issues involving and within the jurisdiction of the LHPWSS, a Community may request that the dispute be resolved by this Dispute Resolution process. The Dispute Resolution process must be followed prior to seeking resolution by application to a court or tribunal of applicable jurisdiction.

3. NON-JUDICIAL AND NON-ADVERSARIAL

This process is intended to support and promote a non-judicial resolution process, emphasizing and favouring a non-adversarial approach, until such time as it may be submitted to a court or tribunal of applicable jurisdiction for resolution by formal hearing.

4. STAGE 1: PEER-TO-PEER DISCUSSION

CAO to Negotiate a Resolution

- 4.1 The CAO of the initiating Community (“initiating CAO”) shall provide in writing an outline of the issue(s) and understanding(s), along with a summary of previous attempts by staff to resolve the issue, to the CAO of the LHPWSS and, if the dispute is between two or more Communities, the CAO of the other Community(s) (“responding CAO(s)”).

In the case where the LHPWSS is initiating the Dispute Resolution Process, the CAO of the LHPWSS shall provide in writing an outline of the issue(s) and understanding(s), along with a summary of previous attempts by staff to resolve the issue, to the CAO of the responding Community(s) (“responding CAO(s)”).

- 4.2 Within fifteen (15) business days of receipt of the correspondence from the initiating CAO, the responding CAO(s) will respond in writing outlining a response to the issue(s) and understanding(s) provided.
- 4.3 If the response provided is not considered acceptable by the initiating CAO, a meeting will be convened between the respective CAOs and relevant staff to discuss the issue, identify and isolate the core issues, and co-design a mutually acceptable solution.
- 4.3.1 In lieu of a meeting between the respective CAOs, each Community may appoint an authorized representative to negotiate on the CAO’s behalf.
- 4.4 If the CAO meeting resolves the issue, the resolution shall be rendered in writing.
- 4.5 If the CAO meeting does not resolve the issue, the issue shall proceed to Stage 2 for resolution.

Alternative Dispute Resolution

- 4.6 In lieu of the process outlined in clause 4.1 through 4.5 above, the disputing parties may agree to attempt to resolve the dispute through alternative dispute resolution, restorative peacemaking circles, or similar frameworks.
- 4.7 If a resolution is not achieved following the alternative framework used in clause 4.6 above, the issue shall proceed to Stage 2 for resolution.

5. STAGE 2: FACILITATED DISCUSSION AND MEDIATION

- 5.1 Should the dispute failed to be resolved through peer-to-peer discussions, the Council of the initiating Community may, by resolution or direction of Council, submit the dispute for mediation after the Council of the initiating Community has duly considered all submissions and relevant information that was provided as part of Stage 1 pertaining to the dispute.
- 5.2 A mediator will be appointed acceptable to the CAOs of the initiating Community and responding Community. If the CAOs are unable to agree upon the appointment of a mediator within ten (10) business days from the date of the resolution submitting the dispute for mediation noted in Section 4, then each CAO will nominate three (3) acceptable mediators. Each CAO may reject one (1) nominee of the other CAO, and the dispute mediator shall be chosen at random from the remaining choices. (e.g. name drawn from a hat)
- 5.3 Conduct of Mediation
- (a) Within fifteen (15) business days following his or her appointment, the mediator shall fix a time and place in the area of jurisdiction of the Communities for the purpose of conducting the mediation. The mediator shall submit the final mediation report to the parties within forty-five (45) business days from the date of the first mediation meeting.
- (b) All relevant documents will be submitted to the mediator for consideration.
- (c) The mediation event may be attended by the Representatives of the LHPWSS, and/or the relevant staff of the Communities involved in the dispute.
- (d) The Representatives of the LHPWSS and the Communities shall keep all communications and information forming parts of the mediation in confidence save and except a settlement agreement for the purpose of enforcing same.
- (e) Any agreement reached as the result of the mediation event shall be reduced to writing and entered into public record of the respective Communities.
- (f) In the event that the dispute is not resolved by mediation and proceeds to Stage 3 (Litigation), the Representatives of the LHPWSS or the Communities will not call the mediator as a witness for any purpose and will not seek access to any

documents prepared or delivered to the mediator in connection with the mediation, including any records or notes of the mediator. Statements made by any person and documents produced in the mediation not otherwise discoverable shall not be subject to disclosure through discovery or any other process and shall not be admissible into evidence in any context for any purpose.

6. STAGE 3: ARBITRATION – DISPUTE BETWEEN MUNICIPALITIES

- 6.1 For disputes between LHPWSS and/or Communities falling under the jurisdiction of the *Municipal Act*, following the receipt of a mediation report submitted to the parties by the appointed mediator concluding that the dispute remains unresolved, a Community or the LHPWSS may submit the issue to an Arbitrator in accordance with the *Municipal Arbitrations Act*.

7. STAGE 4: LITIGATION

- 7.1 Following the receipt of a mediation report submitted to the parties by the appointed mediator concluding that the dispute remains unresolved, a Community or the LHPWSS may apply to a Court of applicable jurisdiction to resolve any dispute that arises with respect to the issues involving the LHPWSS, as provided for by subsection 6(4) of the *Municipal Water and Sewage Systems Transfer Act*.

8. Disclosure

There will be complete and honest disclosure by all Communities to the other(s), to the LHPWSS, and to the mediator, if appointed, of all information and documents relevant to the dispute.

9. Cost

All direct costs of a Community in the preparation and negotiation of a resolution shall be borne by that Community. Common costs with respect to negotiation and mediation of the dispute, such as the costs associated with the mediator, shall be equally shared by the disputing parties which may include the LHPWSS.

10. Timelines

The timelines presented within this Policy are intended to be a guide and shall be relaxed in the event of unusual circumstances (e.g. unavailability of a critical participant or unforeseeable circumstances), with the agreement of the disputing parties, acting reasonably.

11. First Nations

This Dispute Resolution by-law and the procedures outlined herein shall not be construed as Consultation with First Nations as may be required by treaty or agreement between First Nations and the Crown.

12. Status of By-Law

This by-law replaces and supersedes all previous Dispute Resolution by-laws and shall come into force and effect on ____, 2026.

PASSED in Open session on ____, 2026.

First Reading –

Second Reading –

Third Reading –

DRAFT

Board of Management Report

Subject: LH1408 Oneida Nation of the Thames Water Transmission Pipeline – Project Construction Update

Overview:

- This report is intended to provide a general project construction status update for the Oneida Nation of the Thames Water Transmission Pipeline.
- This report is also intended to provide insights in the future schedule and activities that will be undertaken in regard to the remainder of the construction activity.

Recommendation

That, on the recommendation of the Chief Administrative Officer, the Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report for information regarding the ongoing construction of the Oneida Nation of the Thames Water Transmission Pipeline.

Previous and Related Reports

June 6, 2024	Oneida Nation of the Thames Transmission Pipeline – Connection to LHPWSS – Project Update
June 5, 2025	LH1408 Oneida Nation of the Thames Water Transmission Pipeline – Project Update
March 5, 2026	LH1408 Oneida Nation of the Thames Water Transmission Pipeline – Tender Award and Extension of Construction Services

Background

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

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

The design of the transmission system connection progressed from preliminary design to detailed design and to tendering to award over the last three years, in coordination with the on-settlement works by others. In May of 2026 construction officially commenced with the low bid contractor, L82 Construction Ltd., with an anticipated completion date in late spring 2027.

A separate, on-settlement project to address water distribution system improvements within Oneida Nation is being undertaken by Oneida Nation and their engineering consultant, First Nations Engineering Services Ltd. Coordination of the Oneida Nation of the Thames Water Transmission Pipeline project (off-settlement) with the on-settlement distribution system upgrades are crucial to the effective delivery of the overall project, and oversight is being provided by Colliers Project Leaders for Indigenous Services Canada.

Discussion

Board staff, our Consultant, Stantec, and our Contractor, L82 Construction Ltd., have been working diligently together since May 2026 on the construction of the Oneida Nation of the Thames Water Transmission Pipeline project (off-settlement work). Our consultant provides full-time site supervision of the transmission pipeline construction; Huron Erie Water staff are frequently monitoring the project progress through site visits and are providing weekly project progress updates to all parties. Additionally, bi-weekly progress meetings are being held between the Contractor, Consultant and Huron Erie Water Staff to discuss construction-related activities, construction developments, as well as provide a two-week outlook for upcoming work.

Huron Erie Water staff, our consultant, Colliers Project Leaders, First Nations Engineering Services Ltd., and Indigenous Services Canada, have monthly progress meetings to discuss each independent on-settlement and off-settlement construction project to ensure proper communication and coordination to effectively deliver a final completed project for this crucial undertaking.

Open Trench Watermain Installation

To date, approximately 6.1 km of watermain has been installed through open trench construction methods. The transmission pipeline installation has been completed on Falconbridge Road and is progressing along Longwoods Road.

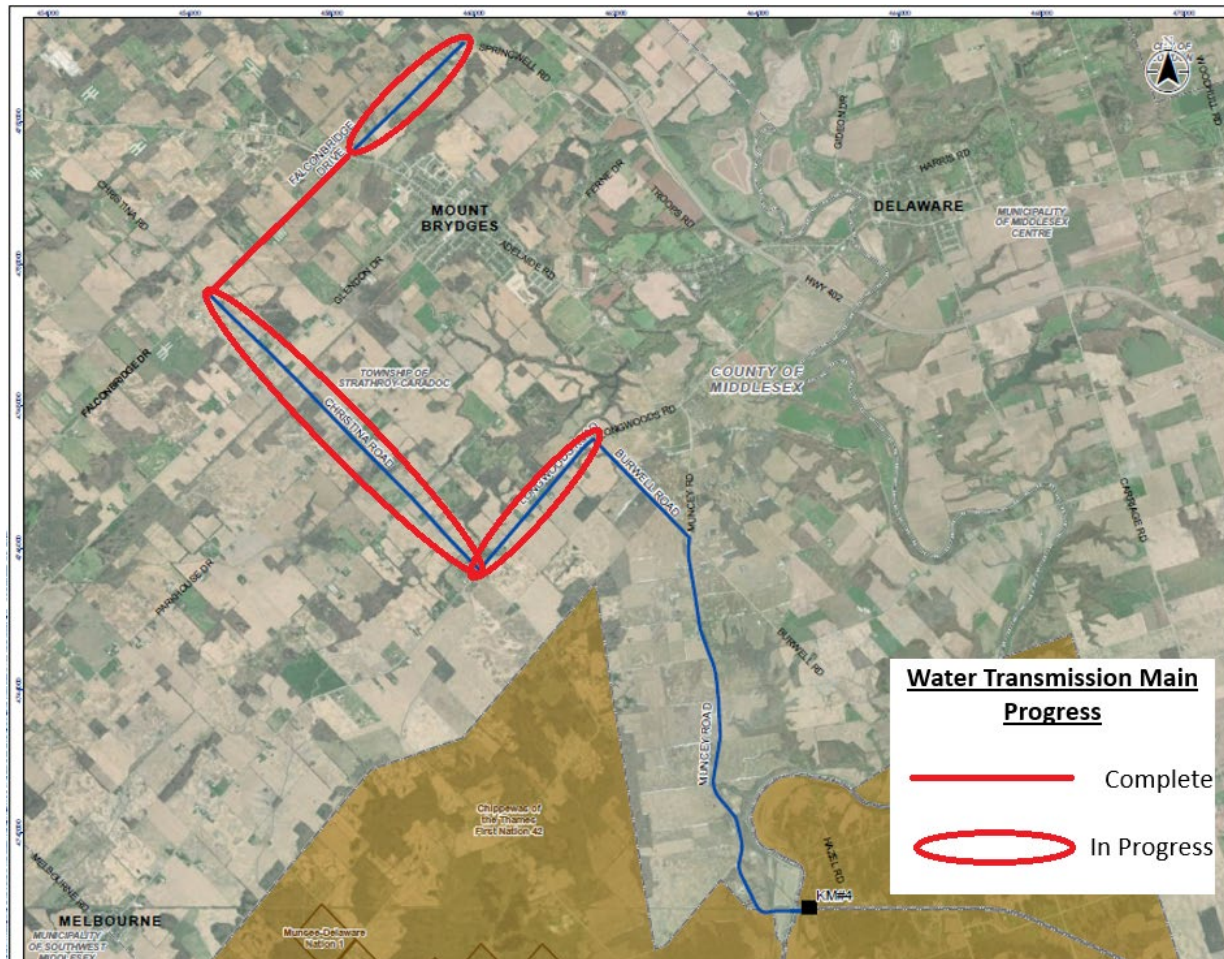
Horizontal Directional Drill (HDD) Watermain Installation

To date, approximately 0.5 km of watermain has been installed through Horizontal Directional Drilling (HDD) methods. This has occurred along Falconbridge and Christina Roads, in areas that involve drainage crossings, gas pipeline crossings, and other areas where open trench construction was not feasible.

Komoka-Mount Brydges Transmission Main #4 Station (KM#4) Pressure Reducing Valve (PRV) Building

Concrete foundation work is scheduled to start in mid-September. This building and PRV station are the terminus of the off-settlement construction component, aside from a short run of 300 mm watermain that will be constructed to tie in to the on-settlement construction work that will feed the water distribution system of the Oneida First Nation of the Thames.

Construction of work progress is depicted below, in red, as it relates to the overall project scope. Photos of open trench and HDD are included in Appendix A.



Fibre Optic Conflicts

During construction along Falconbridge Road, the contractor encountered a location conflict between the designed and approved watermain location and that of unanticipated fibre optic cable. The cable was found to be in the location of the approved water transmission main as designed. As best as can be determined, this fibre optic cable was installed sometime in 2023. During the design of the transmission pipeline, and with multiple locate requests from our consultant along with dialogue between our consultant and Strathroy-Caradoc, the fibre optic cable location was not identified.

This resulted in a field design change that required the water transmission main to be relocated closer to the edge of the road. In doing so, the construction activities negatively impacted a lane of Falconbridge Road, requiring unanticipated road restoration along the approximately 5 km length.

As a result of this, an additional investigation of the fibre optic cable was undertaken by our consultant to determine if any other unknown impacts were going to be encountered. It was found that several other locations of the water transmission main route did have conflicts. Our consultant has been reworking the design and coordinating with the contractor to minimize the financial impact of these conflicts.

Fortunately, so far, these additional unanticipated costs have been minimized and contained within the construction contract contingency.

Project Financial Status (as of August 31, 2026)

EXPENDITURE	FORECAST	INCURRED
Preliminary Design	\$99,882	\$99,882
Detailed Design, tendering and engineering construction services	\$2,554,268	\$1,116,179
Construction	\$24,145,850	\$3,802,305
Other Fees and Charges	\$0	\$17,183
Total	\$26,800,000	\$5,035,549
Approved Budget	\$26,800,000	

Conclusion

This crucial construction project has been progressing well despite encountering a few unanticipated conflicts in the field. To date, construction activities remain on schedule and within budget. This can be attributed to continual, and frequent, coordination of Huron Erie Water staff, our consultant, and the contractor. In addition, frequent progress updates between Huron Erie Water staff, our consultant, Colliers Project Leaders, First Nations Engineering Services Ltd., and Indigenous Services Canada, have been occurring so that at the when our off-settlement construction work is completed, the on-settlement construction work is ready to connect and receive water from the Lake Huron Primary Water Supply System.

Prepared by: Scott Koshowski, P. Eng.
Environmental Services Engineer, Huron Erie Water

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

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

Attachments: Appendix 'A' – Construction Photos of Water Transmission Main Installation

APPENDIX A – Construction Photos

Open Trench Construction



Trench box for open cut watermain installation on Falconbridge Road



Preparation to install watermain below a gas line



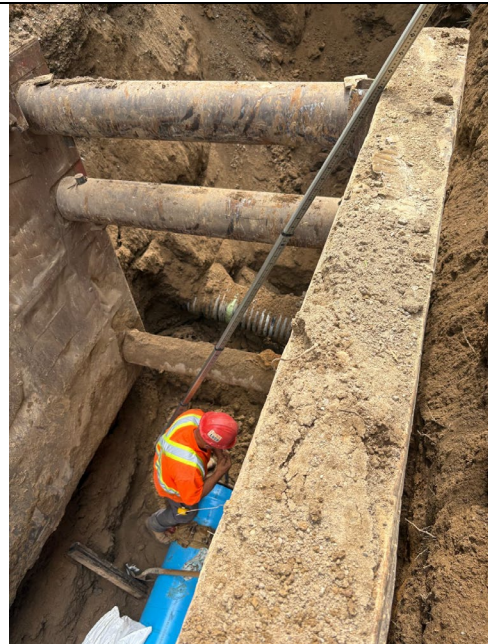
Open cut watermain installation along Falconbridge Road



Gate valves and Tee connection prepared for installation



ARV saddle with Denso tape ready for installation



Watermain installation using trench box to minimize excavation width



Open cut watermain installation in progress



Watermain pipe prepared for installation

Horizontal Directional Drill Construction.



Traffic control for Horizontal Directional Drill work on Christina Road



Watermain being pulled on Christina Road



Receiving pit trench box and protected excavation



Sending pit excavation with barriers



HDD pipe being pressure tested prior to installation



Trenchless pipe installed ready for connection



Receiving pit and sloped trench on Longwoods Road



Connection sleeve installed and restrained

Board of Management Report

Subject: Appointment of Members and Alternate Members to the Board of Management

Overview:

- The number of Members appointed to the Board of Management may be altered by the Board where municipal restructuring and amalgamation has occurred, or when a new community connects to the Lake Huron Primary Water Supply System.
- The Lake Huron Primary Water Supply System will complete a new connection to the Oneida Nation of the Thames and begin supplying the First Nation by mid-2027.
- The recommended addition of a Board Member appointed by the Oneida Nation of the Thames and the related adjustment to weighted votes is consistent with the Transfer Order and current Appointment By-law.

Recommendation

That the Board of Management for the Lake Huron Water Supply System take the following actions with regard to the appointment of Members and Alternate Members to the Board of Management:

1. That the proposed by-law, being a by-law relating to the resolution of disputes among the benefiting communities supplied by the Lake Huron Primary Water Supply System, as attached to this report, **BE ACCEPTED** and the by-law introduced at the October 1, 2026 meeting of the Board of Management for approval; and,
2. This report **BE RECEIVED** for information.

Previous and Related Reports

None

Background

Transfer Order **Lake Huron Area W1/1998** was issued by the Minister of the Environment for Ontario pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*, effective September 15, 2000, which, in part, established the Board of Management for the Lake Huron Primary Water Supply System. The Transfer Order further stipulates that the Board may alter the appointment of members to the Board in

the event of municipal restructuring or additional water systems being connected to the Lake Huron Primary Water Supply System.

The Board of Management last updated the by-law pertaining to the appointment of Members and Alternate Members to the Board in 2006 with the completion of the pipeline connection and initiation of water supply to the Municipality of Strathroy-Caradoc.

Discussion

Oneida Nation of the Thames

The Lake Huron Primary Water Supply System is in the process of constructing a transmission pipeline which will supply the Oneida Nation of the Thames settlement southwest of London. The pipeline construction and supply of water is being undertaken at the request of the Oneida Nation of the Thames and undertaken concurrently with water distribution system upgrades being undertaken by the First Nation to facilitate the supply from the regional water system, as well as needed infrastructure for the community. Construction of the transmission pipeline is expected to be completed by mid-2027.

Consistent with the Transfer Order and past practices of the Board of Management, staff recommend the consideration of a new by-law which alters the number of members and alternate members appointed to the Board of Management to include a member and alternate member appointed by the Oneida Nation of the Thames.

Note: *Where applicable, and for the purpose of this report and the proposed by-law relating to the appointment of Members and Alternate Members to the Board of Management, references to Municipalities and/or the Oneida Nation of the Thames settlement may be generally referred to as “communities”.*

Membership and Weighted Votes

To optimally balance the number of appointed members of the board and voting, the Board currently uses a weighted vote system with the following principles:

- The number of votes that appointees from a single community is roughly proportional to the volume of water supplied to that appointing community on an average annual basis.
- The number of votes by members appointed by London must be at least a simple majority and should not exceed 60% of the total number of votes on the Board.
- Quorum is based on the number of members appointed to the Board, in accordance with the Transfer Order and the Procedural By-law.

The current structure of the Board, and the corresponding percentage of water supply to the appointing municipality, is shown in **Appendix A – Existing Apportionment of Members** attached to this report for the reference of the Board.

Upon review of current appointments and supplied volumes, and with consideration of anticipated volumes to be supplied to the Oneida Nation of the Thames based on their current water consumption within the settlement, it is the recommendation of staff that the number of appointed Members and weighting of the votes be altered as outlined in **Appendix B – Proposed Apportionment of Members**, attached to this report for the reference of the Board.

An analysis of supplied water volumes was undertaken and while there were some minor year-over-year variations in specific proportionality, there remained enough consistency among the communities to support the number of members and the weight of votes recommended.

It was further noted that:

- The weight of votes for the Municipality of North Middlesex is currently over-allocated and disproportionate to their water supply,
- The weight of votes for the Municipality of Lambton Shores and the Municipality of South Huron, respectively, are currently under-allocated and disproportionate to their water supply,
- The weight of votes for the Municipality of Middlesex Centre is marginally under-allocated and disproportionate to their water supply.

The proposed member appointment and weighted of votes as outlined in Appendix B incorporates the addition of a member appointed by the Oneida Nation of the Thames and addresses the disproportionality of weighted votes currently within the Board structure.

While the use of weighted votes becomes significant when the Board is deliberating on a highly divisive or contested issue, it is specifically noted for the Board's information and reference that nearly every decision of the Board since inception has been made by consensus. To the knowledge of staff, a recorded vote where vote weighting is paramount has only been used twice since 2000.

Members and Alternate Members

Consistent with the Transfer Order and the current by-law, for each Member appointed to the Board of Management a community may appoint an Alternate Member. Both the appointed Member and Alternate Member may participate in meetings of the Board of Management; however, an Alternate Member may only vote in the absence of a Member appointed by the same community.

Consistent with the Transfer Order and Ontario Law, Members and Alternate Members must act in the best interest of the water system as a whole and may not act solely in the best interest of the individual community which appointed them.

Members and Alternate Members appointed to the Board of Management serve at the pleasure of the Council of the appointing community, and for such a term as deemed appropriate or as altered by direction (via resolution or by-law) of the Council of the appointing community.

Conclusion

The addition of one (1) Member and one (1) Alternate Member to the Board of Management, appointed by the Oneida Nation of the Thames as outlined in this report is consistent with the Transfer Order and past practices of the Board of Management. In addition, the adjustment of the weighting of the votes to maintain the proportionality of the total number of votes and limitations established in the principles for the makeup of the Board.

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

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

Attachments: Appendix A - Existing Apportionment of Members
Appendix B - Proposed Apportionment of Members
Appendix C – Proposed By-Law: Apportionment of Members and
Alternate Members of the Board

Appendix A - Existing Apportionment of Members

Appointing Community	# of Members	# of Votes (each)	Total Votes	% by Vote	5-Yr Ave. Volume	% by Volume
London	4	4	16	59.3%	39,402,393	82.5%
Middlesex Centre	1	1	1	3.7%	849,857	1.8%
North Middlesex	1	3	3	11.1%	1,454,933	3.0%
Lambton Shores	1	1	1	3.7%	1,577,238	3.3%
Bluewater	1	1	1	3.7%	636,386	1.3%
South Huron	1	1	1	3.7%	1,342,490	2.8%
Lucan-Biddulph	1	1	1	3.7%	406,108	0.9%
Strathroy-Caradoc	1	3	3	11.1%	2,065,485	4.3%
TOTAL	11		27		47,734,889	

Appendix B – Proposed Apportionment of Members

Appointing Community	# of Members	# of Votes (each)	Total Votes	% by Vote	5-Yr Ave. Volume	% by Volume
London	4	5	20	58.8%	39,402,393	82.0%
Middlesex Centre	1	2	2	5.9%	849,857	1.8%
North Middlesex	1	2	2	5.9%	1,454,933	3.0%
Lambton Shores	1	2	2	5.9%	1,577,238	3.3%
Bluewater	1	1	1	2.9%	636,386	1.3%
South Huron	1	2	2	5.9%	1,342,490	2.8%
Lucan-Biddulph	1	1	1	2.9%	406,108	0.8%
Strathroy-Caradoc	1	3	3	8.8%	2,065,485	4.3%
Oneida	1	1	1	2.9%	333,764	0.7%
TOTAL	12		34		48,068,653	

Appendix C – Proposed By-Law: Apportionment of Members and Alternate Members of the Board

A by-law relating to the appointment of Members and Alternate Members to the Joint Board of Management for the Lake Huron Primary Water Supply System.

WHEREAS the Joint Board of Management for the Lake Huron Primary Water Supply System was established pursuant to a Transfer Order issued under the Municipal Water and Sewage transfer Act, 1997;

AND WHEREAS the Transfer Order provided that the composition of the Board of Management could be altered as determined by the Board of Management;

AND WHEREAS it is deemed expedient to alter the composition of the Board of Management as herein provided;

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

Definitions

1.0 In this By-law, unless the context otherwise requires:

“Board of Management” means the Joint Board of Management for the Lake Huron Primary Water Supply System;

“Board Member” means a person appointed by the Council of a benefiting municipality or appointed by the Chief and Council of a benefiting First Nation of the Lake Huron Water Primary Supply in accordance with this By-law;

“Alternate Board Member” means a person appointed by the Council of a benefiting municipality or appointed by the Chief and Council of a benefiting First Nation of the Lake Huron Primary Water Supply system in accordance with this By-law.

Composition of the Board of Management

2.1 APPOINTMENT OF BOARD MEMBERS

The Board of Management shall be comprised of up to twelve (12) Members:

- (a) The Council of the Corporation of the City of London may appoint up to four (4) Board Members with each Board Member having five (5) votes;
- (b) The Council of the Corporation of the Municipality of North Middlesex may appoint one (1) Board Member having two (2) votes;
- (c) The Council of the Corporation of the Municipality of Strathroy-Caradoc may appoint one (1) Board Member having three (3) votes;
- (d) The Council of the Corporation of the Municipality of Middlesex Centre may appoint one (1) Board Member having two (2) votes;
- (e) The Council of the Corporation of the Municipality of Lambton Shores may appoint one (1) Board Member having two (2) votes;
- (f) The Council of the Corporation of the Municipality of Bluewater may appoint one (1) Board Member having one (1) vote;
- (g) The Council of the Corporation of the Municipality of South Huron may appoint one (1) Board Member having two (2) votes;
- (h) The Council of the Corporation of the Municipality of Lucan-Biddulph may appoint one (1) Board Member having one (1) vote; and,
- (i) The Chief and Council of the Oneida Nation of the Thames may appoint one (1) Board Member having one (1) vote.

2.2 APPOINTMENT OF ALTERNATE MEMBERS

- (a) For each Board Member appointed by a municipal Council or by the Chief and Council of a First Nation, as applicable, the respective Council may appoint one (1) Alternate Board Member.
- (b) An Alternate Board Member is entitled to attend and participate in all meetings and functions of the Board but may only vote in the absence of the Board Member appointed by the respective Council.

2.3 TERM

Board Members and Alternate Members will serve at the pleasure of the appointing municipal Council(s), or the Chief and Council of a First Nation, as applicable.

2.4 REMUNERATION AND EXPENSES

Board Members and/or Alternate Members will not receive any remuneration. In accordance with the Travel and Business Expenses Policy, Board Members and/or Alternate Members may receive reimbursement of direct expenses incurred by the Member or Alternate Member in the performance of their duties as a Member or Alternate Member that is not otherwise reimbursed by their appointing Council.

2.5 EFFECTIVE DATE

This by-law comes into force and effect on November 15, 2026, and by-law 1.3 (March 2006) is hereby rescinded.

Enacted in open session this 1st day of October 2026.

Board Chair

Board Secretary

First Reading –

Second Reading –

Third Reading –

Board of Management Report

Subject: LH2055 – Beach Chamber Valve Replacement Project

Overview:

- The inability to isolate and control the flow of raw water from Lake Huron into the surge well at the low lift pump station requires the replacement of the gate valve be completed with extra diving operations.
- The unanticipated increased in diving efforts requires a \$120,000 increase in project budget.

Recommendation

That the Board of Management for the Lake Huron Water Supply System take the following actions with regard to the Beach Chamber Valve Replacement project:

1. The Board of Management for the Lake Huron Water Supply System **INCREASE** the project budget by \$120,000 for a total approved budget of \$520,000; it being noted that the funds will be provided from the Asset Replacement Reserve Fund; and,
2. The Board of Management for the Lake Huron Water Supply System **RECEIVE** this report for information.

Previous and Related Reports

October 3, 2024 2025 Operating and Capital Budgets

Background

The gate valve on the intake is original to plant construction and is contained within a chamber located on the beach next to the treatment plant on the raw water intake pipe prior to the low lift building. This gate valve allows the water treatment plant to be isolated from Lake Huron. Over time, the gate valve has severely corroded and has seized in the open position.

The isolation valve is currently inoperable. Because the gate valve is seized in the open position, the plant cannot be isolated from the lake, limiting operations and maintenance activities. Project LH20255 was approved by the Board within the 2025 Capital Budget and will replace the existing gate valve and associated appurtenances.

Discussion

At the time of budget approval, it was anticipated that the gate valve could be replaced with two days of diving effort to install the new gate valve. After a detailed condition assessment was undertaken as part of the first phase of the project, it was determined that two additional days of diving efforts are required. Prior to the inspection of the gate valve, it was assumed the existing frame could be reused, therefore, two additional days of diving efforts are required to bolt a new gate frame to the concrete beach chamber.

The requirement for additional diving efforts will surpass the currently approved budget and an increase of \$120,000.00 in the project budget is requested. Costs incurred to date include the consultant's condition assessment and the pre-purchase of the new gate valve. The remaining budget will include all construction activities by the contractor and diving efforts by the sub-contractor.

Anticipated Operating and Service Impacts

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

Disposal of Assets

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

Project Financial Status

EXPENDITURE	FORECAST	INCURRED
Preliminary Design	\$55,000.00	\$40,237.00
Detailed Design	\$0	\$0
Construction Administration	\$0	\$0
Construction	\$465,000.00	\$103,109.00
Other Fees and Charges	\$0	\$0
Total	\$520,000.00	\$143,346.00
Approved Budget	\$400,000.00	
Budget Surplus / Deficit	\$0	

Conclusion

Due to the previously unknown field conditions of the gate valve prior to the approval of the 2025 Operating and Capital Budgets, additional diving efforts are required to replace the gate valve that allows for isolation of the plant from Lake Huron. Board Staff are requesting a budget increase of \$120,000 to complete the replacement of the gate valve through diving operations.

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

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

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

By-Law No. 6 - 2026

A by-law relating to the appointment of Members and Alternate Members to the Joint Board of Management for the Lake Huron Primary Water Supply System.

WHEREAS the Joint Board of Management for the Lake Huron Primary Water Supply System was established pursuant to a Transfer Order issued under the Municipal Water and Sewage transfer Act, 1997;

AND WHEREAS the Transfer Order provided that the composition of the Board of Management could be altered as determined by the Board of Management;

AND WHEREAS it is deemed expedient to alter the composition of the Board of Management as herein provided;

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

Definitions

1.0 In this By-law, unless the context otherwise requires:

“Board of Management” means the Joint Board of Management for the Lake Huron Primary Water Supply System;

“Board Member” means a person appointed by the Council of a benefiting municipality or appointed by the Chief and Council of a benefiting First Nation of the Lake Huron Water Primary Supply in accordance with this By-law;

“Alternate Board Member” means a person appointed by the Council of a benefiting municipality or appointed by the Chief and Council of a benefiting First Nation of the Lake Huron Primary Water Supply system in accordance with this By-law.

Composition of the Board of Management

2.1 APPOINTMENT OF BOARD MEMBERS

The Board of Management shall be comprised of up to twelve (12) Members:

- (a) The Council of the Corporation of the City of London may appoint up to four (4) Board Members with each Board Member having five (5) votes;

- (b) The Council of the Corporation of the Municipality of North Middlesex may appoint one (1) Board Member having two (2) votes;
- (c) The Council of the Corporation of the Municipality of Strathroy-Caradoc may appoint one (1) Board Member having three (3) votes;
- (d) The Council of the Corporation of the Municipality of Middlesex Centre may appoint one (1) Board Member having two (2) votes;
- (e) The Council of the Corporation of the Municipality of Lambton Shores may appoint one (1) Board Member having two (2) votes;
- (f) The Council of the Corporation of the Municipality of Bluewater may appoint one (1) Board Member having one (1) vote;
- (g) The Council of the Corporation of the Municipality of South Huron may appoint one (1) Board Member having two (2) votes;
- (h) The Council of the Corporation of the Municipality of Lucan-Biddulph may appoint one (1) Board Member having one (1) vote; and,
- (i) The Chief and Council of the Oneida Nation of the Thames may appoint one (1) Board Member having one (1) vote.

2.2 APPOINTMENT OF ALTERNATE MEMBERS

- (a) For each Board Member appointed by a municipal Council or by the Chief and Council of a First Nation, as applicable, the respective Council may appoint one (1) Alternate Board Member.
- (b) An Alternate Board Member is entitled to attend and participate in all meetings and functions of the Board but may only vote in the absence of the Board Member appointed by the respective Council.

2.3 TERM

Board Members and Alternate Members will serve at the pleasure of the appointing municipal Council(s), or the Chief and Council of a First Nation, as applicable.

2.4 REMUNERATION AND EXPENSES

Board Members and/or Alternate Members will not receive any remuneration. In accordance with the Travel and Business Expenses Policy, Board Members and/or Alternate Members may receive reimbursement of direct expenses incurred by the Member or Alternate Member in the performance of their duties as a Member or Alternate Member that is not otherwise reimbursed by their appointing Council.

2.5 EFFECTIVE DATE

This by-law comes into force and effect on November 15, 2026, and by-law 1.3 (March 2006) is hereby rescinded.

Enacted in open session this 1st day of October 2026.

Board Chair

Board Secretary

First Reading –

Second Reading –

Third Reading –