



**THE CORPORATION OF THE MUNICIPALITY OF LAMBTON SHORES
Grand Bend and Area Joint Sewage Board
AGENDA**

Meeting #: 02-2017
Date: Friday, April 28, 2017
Time: 9:30 a.m.
Location: South Huron Town Hall - Carling Room, Exeter

Pages

1. Call to Order
2. Declaration of Pecuniary Interest
3. Agenda Approval
4. Minutes of Previous Meeting
 - 4.1 February 3, 2017 Minutes 3 - 5
5. Correspondence
6. Presentations
 - 6.1 Mollard Line Forcemain Assessment - Preliminary Design Study
GM BluePlan Engineering
Brad Bunke, P. Eng
Matthew Hartfiel, P. Eng.
7. Staff Reports
 - 7.1 Report STB 01-2017 - Grand Bend Sewage Treatment Facility Open House 6 - 7

RECOMMENDATION:

THAT Report STB 01-2017 regarding the "Grand Bend Sewage Treatment Facility Open House" be received

7.2 Report STB 02-2017 - 2017 First Quarter Operations Report

8 - 13

RECOMMENDATION:

THAT Report STB 02-2017 regarding the “2017 First Quarter Operations Report” be received; and

THAT the attached quarterly report format be adopted as a standard report to be presented to the Board on a quarterly basis.

7.3 Report STB 03-2017 - Grand Bend Area Joint Sewage Board Procedural By-law

14 - 76

RECOMMENDATION:

THAT Report STB 03-2017 regarding “Grand Bend Area Joint Sewage Board Procedural By-law” be received.

8. New Business

9. Adjournment



THE MUNICIPALITY OF
LAMBTON SHORES

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THE CORPORATION OF THE MUNICIPALITY OF LAMBTON SHORES

Grand Bend and Area Joint Sewage Board

MINUTES

Friday, February 3, 2017 - 9:30 a.m.

Members Present: Chair, Tom Tomes, South Huron
Member Maureen Cole, South Huron
Member Marissa Vaughan, South Huron
Member Mayor Doug Cook, Lambton Shores
Member Dave Maguire, Lambton Shores
Member Gerry Rupke, Lambton Shores

Staff Present: Steve McAuley, Director of Community Services, Lambton Shores
Don Giberson, Environmental Services Director, South Huron
Jackie Mason, Administrative Assistant, Lambton Shores

1. Call to Order

Chair Tomes called the meeting to order at 9:30 p.m.

2. Declaration of Pecuniary Interest

The Chair asked members to declare any pecuniary interest that they might have with the business itemized on the agenda and none were declared.

3. Agenda Approval

17-0203-01 Moved By: Member Cook

Seconded By: Member Rupke

THAT the agenda for the February 3, 2017 meeting of the Grand Bend and Area Joint Sewage Board as presented be adopted.

Carried

4. Minutes of Previous Meeting

4.1 Grand Bend and Area Joint Sewage Board Meeting - November 4, 2016

17-0203-02

Moved By: Member Cook

Seconded By: Member Maguire

THAT the minutes of the Grand Bend and Area Joint Sewage Board meeting held the 4th day of November, 2017 as presented be adopted.

Carried

5. Correspondence

There was no correspondence received.

6. Staff Reports

6.1 Report DCS 05-2017 - 2016 Sewage Flows and Draft Year End

Steve McAuley, Director of Community Services for Lambton Shores spoke to this report, clarifying that the flow rates for Grand Cove Estates do not reflect actual outputs as the meter was dis-functional but has since been repaired.

Mr. McAuley also stated that currently, the treatment plant is running at half capacity.

17-0203-03

Moved By: Member Cook

Seconded By: Member Maguire

THAT Report DCS 05-2017 regarding "2016 Sewage Flows and Draft Year End" be received.

Carried

6.2 Report DCS 06-2017 - 2017 Board Meeting Dates

A discussion was held regarding the proposed meeting dates for the Board, with two dates being changed as follows:

Change May 5, 2017 to April 28, 2017

Change August 4, 2017 to July 28, 2017.

17-0203-04

Moved By: Member Maguire

Seconded By: Member Rupke

THAT Report DCS 06-2017 regarding "2017 Board Meeting Dates" be received and;

THAT the Joint Sewage Board meets on the following dates:

April 28, 2017

July 28, 2017

September 22, 2017

November 24, 2017.

Carried

17-0203-05

Moved By: Member Vaughan

Seconded By: Member Cook

THAT an Open House at the Grand Bend Sewage Treatment Plant be scheduled for Thursday, June 15, 2017; and

THAT staff report back to the Board regarding the inclusion of school tours on June 15, 2017.

Carried

6.3 Report DCS 07-2017 - Joint Sewage Board Agreement Review

A discussion was held regarding the actions to be taken by the Board to ensure compliance with the Joint Sewage Board Agreement.

Steve McAuley, Director of Community Services for Lambton Shores stated that draft copies of the following By-law and Policy will be circulated for review at the next meeting:

1. Procedural By-law
2. Quarterly Report

Policy

17-0203-06

Moved By: Member Maguire

Seconded By: Member Cook

THAT Report DCS 07-2017 regarding the "Joint Sewage Board Agreement Review" be received.

Carried

7. New Business

A response letter has been received regarding the compensation request for the Allen Line.

An engineer has been retained to prepare options to repair the forced main. Information will be reported to the Board once completed.

The Board Members requested that ECA reports and deficiency lists be presented to the Board on a quarterly basis.

8. Adjournment

17-0203-07

Moved By: Member Maguire

Seconded By: Member Cook

THAT the February 3, 2017 Grand Bend and Area Joint Sewage Board meeting adjourn at 10.46 a.m.

Carried

Grand Bend Area Joint Sewage Board

Report STB 01-2017

Meeting Date: April 28, 2017

TO: Chair Tomes and Members of the Board
FROM: Steve McAuley, Direct of Community Services Lambton Shores
RE: Grand Bend Sewage Treatment Facility Open House
RECOMMENDATION:

THAT Report STB 01-2017 regarding the “Grand Bend Sewage Treatment Facility Open House” be received

SUMMARY

This reports summarizes the plans that are proposed for the upcoming open house at the Grand Bend Sewage Treatment Facility on June 15, 2017

BACKGROUND

The Board has expressed a desire to host an event at the Grand Bend Sewage Treatment Facility to showcase the facility to the public and staff. At the Board meeting held on February 3, 2017, the Board agreed to hold the event on June 15, 2017.

In addition to the event, the Board directed staff to include school class tours where possible. To this end, staff have been working with the Ausable Bayfield Conservation Authority (ABCA) to invite school classes to attend the plant on the morning the June 15th. We have targeted grade 7 & 8 as this type of experience fits within their curriculum. Classes from Grand Bend Public and Bosanquet Central schools were booked to attend. Bosanquet has recently indicated they are not available on that particular day; and as such we are working on an alternate date for them. We will contact South Huron and see if any classes are interested as well. At this point we are suggesting that three (3) classes would be the maximum number of schools we could tour through in the morning. The first group would arrive at approximately 9:30am and each group would take about one hour to finish with 15 minutes between each group for loading and unloading. Once at the plant, each class will be split into two groups, with one group being introduced to the natural wetland environment by ABCA staff, while the other group is given guided tour of the plant by operations staff.

The open house portion of the day is proposed to be scheduled to start at 2:00pm and run until 5:30pm. These times should give people enough flexibility to attend the plant, particularly staff from South Huron and Lambton Shores who may want to attend at the end of the day. Staff are proposing a “drop-in style” format for the day. The ABCA staff have generously offered to participate all day and provide tours and information regarding the wetlands. The operations staff form CH2M, as well as staff from Lambton Shores and South Huron will also be available at the plant for the duration of the open

house. In order to ensure the safety of our guests, guided tours of the plant will be held with groups of 10-15 people at a time. We have discussed the safety aspects of the event with our operations group and they have stipulated that all guests in the plant will require closed-toed shoes and safety glasses. All our notices and advertising for the event will include the requirement regarding footwear. Safety glasses will be made available for use by the public while they are touring the plant. Areas that are not to be accessed by the public will be clearly roped off.

In addition to snacks and refreshments, media material will be made available in the board room that will show photos of various construction stages of the plant, information regarding the Envision Award and general wastewater information.

At this point we are not planning on sending out individual invitations to the event. Staff will send out notices to interested parties and individuals in an attempt to garner interest in the event, but we do not have an official "guest list" planned.

ALTERNATIVES TO CONSIDER

No other alternatives to this report are being presented. The Board could direct staff on any of the aspects for the open house.

RECOMMENDED ACTIONS

THAT Report STB 01-2017 regarding the "Grand Bend Sewage Treatment Facility Open House" be received

FINANCIAL IMPACT

With a casual open house such as this, cost will be minimal and can be covered through the 2017 operating budget.

CONSULTATION

ABCA
South Huron

Grand Bend Area Joint Sewage Board

Report STB 02-2017

Meeting Date: April 28, 2017

TO: Chair Tomes and Members of the Board

FROM: Steve McAuley, Director of Community Services, Lambton Shores

RE: 2017 First Quarter Operations Report

RECOMMENDATION:

THAT Report STB 02-2017 regarding the “2017 First Quarter Operations Report” be received; and

THAT the attached quarterly report format be adopted as a standard report to be presented to the Board on a quarterly basis.

SUMMARY

This report is a summary of the operations for the first quarter of 2017 for the Grand Bend Sewage Treatment Facility.

BACKGROUND

Attached is the first quarter operations report for the Grand Bend Sewage Treatment Facility up to March 31, 2017. The report includes year-to-date financial summary, a summary of flows experienced over that time and a summary of the monthly average effluent quality testing results.

Year-to-date financials show no areas of concerns. As this is the first quarter of the fiscal year, many budget items remain unused or only slightly utilized. As the year progress, remaining budget will be utilized.

The flow data attached shows flows from the various contributors to the system. In addition, the flow split between South Huron and Lambton Shores is shown for reference. It should be noted that the final division of costs is calculated based on the annual flows, the split shown is for reference only.

The effluent testing shows the plant to be operating well within in compliance limits for all parameters with the exception of Ammonia. In many cases the objective limits, are being met. Ammonia is removed from wastewater at the Grand Bend Plant through a process known as nitrification. This process requires nitrifying bacteria to break the ammonia down into other components, the most notable being Nitrogen gas which is released into the atmosphere. Nitrifying bacteria require temperatures above

approximately 4°C to survive, and will die when temperatures approach 0°C. Temperatures above 10°C are required to promote the growth of Nitrifying Bacteria.

Up until the end of December, 2016, PS2 had been pumping to the lagoons in order to reduce the pressure on the forcemain. This required the plant to pull sewage from the lagoons in order to treat it. This operation resulted in the temperature in the treatment train dropping to as low as 1°C which in essence killed the nitrifying bacteria. On December 23rd, staff made some pipe modifications that allowed the sewage from PS2 to be pumped directly to the plant via the lagoon transfer pump. This raised the temperature in treatment train to approximately 8°C, however this temperature is still too low to establish the required colonies of nitrifying bacteria that will reduce ammonia.

Staff have consulted with the operators of the plant and are of the opinion that once the temperatures in the treatment train get above 10°C bacteria growth should start to occur and nitrification will start. The MOECC has been notified of the exceedances and both the Operators and the staff have talked to our MOECC representative regarding the situation at the plant. Once the nitrifying colonies are established, the operators and staff are confident that temperatures will stay high enough through the winter months to sustain the colonies.

In terms of the general plant construction, the following are the major outstanding deficiencies that the staff and contractor are working through:

Mixers

Since the start of the plant, the mixers that are in anoxic zones of the treatment train have not functioned properly. The mixers continually tripped on overload, many times in only a few hours. Resetting the mixers would restart them for a short time. After much investigation regarding all facets of the operation, the mixer manufacturer has agreed to replace the mixers with larger units. These units have been ordered for some time and delivery is expected in the next two (2) months. In total five mixers are to be replaced.

RAS Pumps

Three of the Return Activated Sludge pumps have experienced failure due to what is called a coil-to-coil short circuit. The Manufacturer has agreed to replace the pumps, however they are indicating that the power supply to the pumps should be assessed to rule out any outside factors that may have caused such a short. Staff is working with the contractor to undertake power monitoring for this purpose.

Painting

The painting of the clarifier equipment in the north tank required repainting. The original paint failed in both tanks. The South tank was repainted as it was not in service, however, the North tank could not be taken out of service in the fall. This work will be

done once the effluent parameters have stabilized and the operators are confident they can transfer the operation to the other tank.

In addition to the above there are some minor outstanding issues that staff is working through. These are minor in nature and will be addressed as the weather improves. In order to assure the deficiencies are addressed, Lambton Shores is currently has a holdback of \$42,739.00 against the outstanding works.

ALTERNATIVES TO CONSIDER

None, this report is information only.

RECOMMENDED ACTIONS

THAT Report STB 02-2017 regarding the “2017 First Quarter Operations Report” be received

FINANCIAL IMPACT

None

CONSULTATION

CH2M – System Operators

GRAND BEND AREA JOINT SEWAGE OPERATIONS

2017 YTD

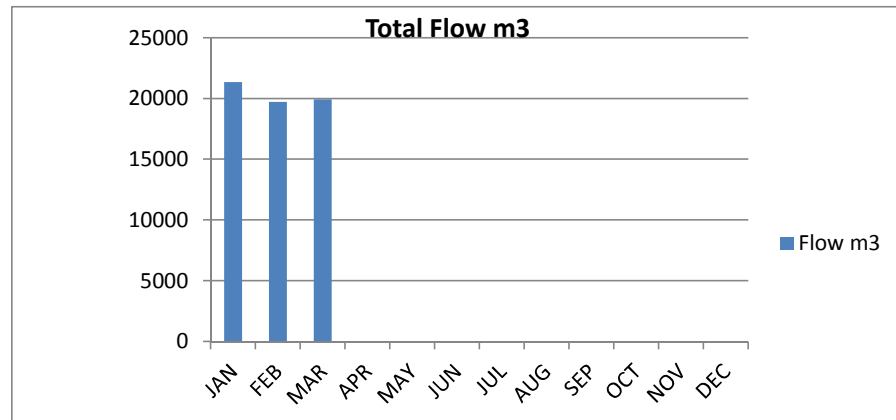
Statement for the period ending March 31, 2017

		2017 BUDGET	2017 DRAFT YTD	AVAILABLE	% USED
	OWNER CONTRIBUTION				
4-410-175-4500	LAMBTON SHORES CONTRIBUTION	233,155.11	58,288.78	174,866.33	25.00%
4-410-175-4501	SOUTH HURON CONTRIBUTION	190,655.58	47,663.90	142,991.68	25.00%
	TOTAL REVENUE	423,810.69	105,952.68	317,858.01	25.00%
	ADMINISTRATIVE AND GOVERNANCE				
4-410-175-5100	GENERAL ADMINISTRATION CHARGE STF	3,784.20		3,784.20	0.00%
4-410-176-5100	GENERAL ADMINISTRATION CHARGE PS2				
4-410-175-5160	INSURANCE STF	16,423.47	2,860.20	13,563.27	17.42%
4-410-176-5160	INSURANCE PS2 & FORCEMAIN	1,592.96		1,592.96	0.00%
4-410-175-5155	AUDIT	7,200.00		7,200.00	0.00%
4-410-175-5156	ACCOUNTING SERVICES	2,040.00		2,040.00	0.00%
4-410-175-5170	IT	500.00	120.59	379.41	24.12%
4-410-175-5104	SCADA SUPPORT STF	2,000.00		2,000.00	0.00%
4-410-176-5104	SCADA SUPPORT PS2				
4-410-175-5103	ENGINEERING STF	2,000.00		2,000.00	0.00%
4-410-176-5103	ENGINEERING PS2				
4-410-175-5150	LEGAL	1,000.00		1,000.00	0.00%
4-410-175-5910	CAPITAL REPLACEMENT RESERVE				
4-410-175-5210	TAXES STF	77,966.76		77,966.76	0.00%
4-410-176-5210	TAXES PS2	1,749.30		1,749.30	0.00%
		116,256.69	2,980.79	113,275.90	2.56%
	FIXED MTC & OPERATIONAL COSTS				
4-410-175-5125	TELEPHONE STF	2,000.00	220.57	1,779.43	11.03%
4-410-176-5125	TELEPHONE PS2		1,171.05	(1,171.05)	0.00%
4-410-175-5126	COMPUTER EXPENSE	500.00		500.00	0.00%
4-410-175-5140	BUILDING REPAIRS & MAINTENANCE STF	20,000.00	4,859.55	15,140.45	24.30%
4-410-176-5140	BUILDING REPAIRS & MAINTENANCE PS2				
4-410-175-5175	GROUNDS MAINTENANCE	3,000.00		3,000.00	0.00%
4-410-175-5141	ANNUAL PREVENTIVE MAINTENACE	10,176.00	2,543.97	7,632.03	25.00%
4-410-175-5176	WETLAND PEST CONTROL	1,000.00		1,000.00	0.00%
		36,676.00	8,795.14	27,880.86	23.98%
	(RELATED TO FLOWS)				
4-410-175-5101	OMI ADMINISTRATIVE COSTS STF	32,646.00	8,161.58	24,484.42	25.00%
4-410-176-5101	OMI ADMINISTRATIVE COSTS PS2				
4-410-175-5102	OPERATOR WAGES STF	95,469.00	23,867.24	71,601.76	25.00%
4-410-176-5102	OPERATOR WAGES PS2				
4-410-175-5122	ELECTRICAL COSTS STF	60,000.00	22,346.34	37,653.66	37.24%
4-410-176-5122	ELECTRICAL COSTS PS2	13,000.00	1,890.40	11,109.60	14.54%
4-410-175-5123	UNION GAS STF	7,000.00	7,925.13	(925.13)	113.22%
4-410-175-5121	WATER STF	5,000.00	3,398.88	1,601.12	67.98%
4-410-176-5121	WATER PS2	1,000.00	40.80	959.20	4.08%
4-410-175-5180	CHEMICALS	42,892.00	10,722.94	32,169.06	25.00%
4-410-175-5410	LABORATORY SAMPLING	13,871.00	3,549.10	10,321.90	25.59%
		270,878.00	81,902.41	188,975.59	30.24%
	TOTAL EXPENSE	423,810.69	93,678.34	330,132.35	22.10%
	GRAND TOTAL		(12,274.34)	12,274.34	0.00%

Grand Bend Area Joint Sewage Board
Summary of System Flows


MONTH	OAKWOOD m3	POG\Motor Plex m3	GRAND COVE m3	HC PLAYHOUSE m3	PINERY m3	PS2 m3	Plant m3
	Monthly Flow	Monthly Flow	Monthly Flow	Monthly Flow	Monthly Flow	Monthly Flow	Monthly Flow
Dec 31/16							
JAN	1524	1091	12430	120	117	21363	21950
FEB	1430	954	5888	144	109	19725	23300
MAR	1337	796	7210	188	40	19944	21062
APR	0	0	0	0	0	0	0
MAY	0	0	0	0	0	0	0
JUN	0	0	0	0	0	0	0
JUL	0	0	0	0	0	0	0
AUG	0	0	0	0	0	0	0
SEP	0	0	0	0	0	0	0
OCT	0	0	0	0	0	0	0
NOV	0	0	0	0	0	0	0
DEC	0	0	0	0	0	0	0
Total to Date	4291	2841	25528	452	266	61032	66312

<u>Flow Split to date m3</u>		
Plant		
Lambton Shores	28186	46%
South Huron	33112	54%
	<hr/>	
	61298	
PS2		
Lambton Shores	31213	51%
South Huron	29819	49%
	<hr/>	
	61032	



Grand Bend Sewage Treatment Plant						
2017 Final Effluent Average Monthly Testing Results						
Parameter Month	CBOD5 mg/L	T. S. S. mg/L	Total P mg/L	Total Ammonia mg/L	E-Coli Per 100ml	pH Grab
January	7.5	4.5	0.15	19.53	2	7.23
February	5.3	4.8	0.10	23.93	2	6.86
March	5.2	2.8	0.05	27.40	2	7.16
April						
May						
June						
July						
August						
September						
October						
November						
December						
Effluent Objectives	5.0	5.0	0.10	2.0	NA	6.5-9.0
Effluent Limits	10.0	10.0	0.15	4.0	100	6.0-9.5

Note:

 Denotes results within Effluent Limits

Grand Bend Area Joint Sewage Board

Report STB 03-2017

Meeting Date: April 28, 2017

TO: Chair Tomes and Members of the Board

FROM: Steve McAuley, Director of Community Services, Lambton Shores

RE: Grand Bend Area Joint Sewage Board Procedural By-law

RECOMMENDATION:

THAT Report STB 03-2017 regarding “Grand Bend Area Joint Sewage Board Procedural By-law” be received.

SUMMARY

The Tri-Party Agreement identifies the requirement for the Board to pass a procedural By-law to govern the operation of the Board. This report introduces the By-law for the Boards review.

BACKGROUND

Section 8 of the Tri-Party Agreement states, in part, the following:

The Joint Sewage Board shall pass a Procedural By-law governing the procedural matters relating to the Joint Swage Board as required under Section 238 of the Municipal Act, 2001.

While the Tri-Party Agreement stipulates many of the requirements of the board such as Board composition, number of meetings and voting, the particulars of the operation of the meeting along with other matters such as meeting agenda, notice requirements etc., are required to be set out in a Procedural By-law.

The attached draft procedural by-law was developed using the following three (3) documents as guidance and examples:

Lambton Shores Procedural By-law 14 of 2017
South Huron Procedural By-law 79-2015
The Tri-Party Agreement

The draft By-law includes many references to the Tri-Party Agreement, as this agreement contains the guiding principles that the Board operates under. As noted in the By-law, in the case of a conflict or discrepancy between the Tri-Party Agreement and the Procedural By-law, the Tri-Party Agreement will take precedence. In addition to the By-law, the Tri- Party Agreement is attached for the Board’s reference.

The By-law attached is being presented to the Board in a draft form. While it is certainly possible that Members will feel comfortable with the proposed draft as presented, it is also understood that Members may wish more time to review the document in its entirety.

Staff is available to answer questions at the Board meeting. If Members wish to defer approval, they are encouraged to send questions or comments to the author prior to the next meeting where a final version can be presented, along with a summary of comments received.

ALTERNATIVES TO CONSIDER

None, the Board is required to have a Procedural By-law

RECOMMENDED ACTIONS

Staff recommends that the draft by-law be received for discussion. If the Joint Board is comfortable with the contents the by-law could be approved, or it could be deferred to the next meeting to allow for more dialogue or changes before approval.

FINANCIAL IMPACT

None

CONSULTATION

Lambton Shores staff
South Huron staff

THE CORPORATION OF THE MUNICIPALITY OF LAMBTON SHORES

BY-LAW 34 OF 2014

Being a By-law to authorize an Agreement between the Corporation of the Municipality of Lambton Shores and The Corporation of the Municipality of South Huron and The Corporation of the Municipality of Bluewater

WHEREAS: The Municipalities of Lambton Shores, South Huron and Bluewater recognize the cumulative benefit to their respective communities of working together and investing jointly in the development and operation of a single wastewater treatment facility;

AND WHEREAS: An agreement has been drafted that outlined the terms and conditions under which the costs, capacity and ownership would be shared;

AND WHEREAS: It is deemed appropriate for the Municipality to authorize the Mayor and Clerk to sign the necessary agreement;

NOW THEREFORE the Council of the Corporation of the Municipality of Lambton Shores enacts as follows:

1. The Mayor and Clerk are authorized to execute on behalf of the Corporation an agreement between the Municipality of Lambton Shores and The Corporation of the Municipality of South Huron and The Corporation of the Municipality of Bluewater, a copy of which is attached to this by-law as "Schedule A", and to affix to the agreement the Corporate Seal of the Corporation of the Municipality of Lambton Shores;
2. This By-law comes into force and effect upon being finally passed.

Read a FIRST and SECOND time this 3rd day of April, 2014.

READ A THIRD TIME AND FINALLY PASSED THIS 3th DAY OF April, 2014.


MAYOR – Bill Weber


CLERK – Carol McKenzie



THE CORPORATION OF THE MUNICIPALITY OF SOUTH HURON

BY-LAW #22-2014

Being a by-law to authorize entering into an agreement between The Municipality of South Huron, The Municipality of Lambton Shores and the Municipality of Bluewater for the operation of the sewage treatment facility.

WHEREAS Section 9 of the *Municipal Act 2001, S.O. 2001*, as amended, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority; and

WHEREAS Section 11(1) of the *Municipal Act 2001, S.O. 2001*, as amended, provides that municipalities may provide any service or thing that the municipality considers necessary or desirable for the public, and

WHEREAS Section 11(3) of the *Municipal Act 2001, S.O. 2001*, that municipalities may pass by-laws respecting public utilities; and


WHEREAS Council of The Corporation of the Municipality of South Huron deems it desirable to enter into an agreement with the Municipality of Lambton Shores and the Municipality of Bluewater to jointly invest in the development of a single wastewater treatment facility and shared assets that will meet the needs of their communities now and in the future, and which will in turn allow them to protect the environment of the Lake Huron shoreline and Lake Huron;

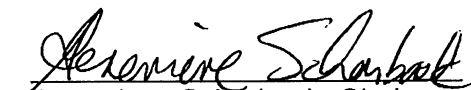
NOW THEREFORE BE IT RESOLVED THAT the Council of The Corporation of the Municipality of South Huron enacts as follows:

1. THAT the Council of the Corporation of the Municipality of South Huron hereby adopts the Operating Agreement between the Municipality of South Huron, the Municipality of Lambton Shores and the Municipality of Bluewater, identified as Schedule "A", attached hereto, and forming an integral part of this by-law.
2. THAT the Mayor and Clerk are hereby authorized to sign the Operating Agreement on behalf of the Municipality of South Huron.
3. THAT this By-Law takes effect upon the date of final passing.

Read a first and second time this 7th day of April, 2014.

Read a third and final time this 7th day of April, 2014.


George Robertson, Mayor


Genevieve Scharback, Clerk



THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER

BY-LAW NUMBER 37-2014

Being a by-law to authorize the Corporation of the Municipality of Bluewater to enter into an Agreement with the Municipality of Lambton Shores and the Municipality of South Huron, executing a tri-party agreement regarding The Grand Bend Sewage Treatment Facility

WHEREAS Sections 8 to 11 inclusive of the *Municipal Act, S.O. 2001, c.25* as amended, authorizes a municipality to enact by-laws and to enter into agreements for the purposes of the municipality;

AND WHEREAS the Municipality of Bluewater has participated in this project throughout the completion of the sanitary servicing master plan, completion of the environmental study report, and has a contingent interest in the New Facility

AND WHEREAS the Parties have determined that it is in their mutual interest to construct and operate a sewage treatment plant to be constructed in two or more phases and upgrade a main pumping station;

AND WHEREAS the Council of the Municipality of Bluewater are desirable to enter into such Agreement;

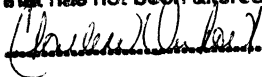
NOW THEREFORE the Council of the Corporation of the Municipality of Bluewater enacts as follows:

1. That the Mayor and Clerk be authorized to sign the Agreement on behalf of the Municipality;
2. That the Agreement shall be attached to this by-law as "Schedule A to By-law Number 37-2014";
3. That this by-law shall come into effect on its passing.

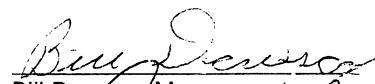
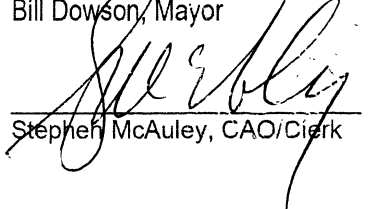
Read a first and second time this 7th day of April, 2014.

Read a third and finally passed this 7th day of April, 2014.

I hereby certify that this is a true and accurate copy of the original document that has not been altered in any way.


.....

CHARLENE OVERHOLT
DEPUTY CLERK
MUNICIPALITY OF BLUEWATER
A COMMISSIONER, ETC.
IN THE COUNTY OF HURON


Bill Dowson, Mayor

Stephen McAuley, CAO/Clerk

THIS AGREEMENT made this day of March, 2014

B E T W E E N:

THE CORPORATION OF THE MUNICIPALITY OF LAMBTON SHORES

(Hereinafter referred to as "Lambton Shores")

OF THE FIRST PART

- and -

THE CORPORATION OF THE MUNICIPALITY OF SOUTH HURON

(Hereinafter referred to as "South Huron")

OF THE SECOND PART

- and -

THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER

(Hereinafter referred to as "Bluewater")

OF THE THIRD PART

WHEREAS the municipalities of Lambton Shores, South Huron and Bluewater recognize the cumulative benefit to their respective communities of working together and investing jointly in the development of a single wastewater treatment facility and shared assets (the "New Facility") that will meet the needs of their communities now and in the future, and which will in turn allow them to protect the environment of the Lake Huron shoreline and Lake Huron itself;

AND WHEREAS the municipality of Bluewater has participated in this project throughout the completion of the sanitary servicing master plan, completion of the environmental study report, and has a contingent interest in the New Facility;

AND WHEREAS the Parties have determined that it is in their mutual interest to construct and operate a sewage treatment plant to be constructed in two or more phases and

upgrade a main pumping station;

AND WHEREAS the initial capital costs, plant capacity and joint ownership of the New Facility are to be initially shared by the two Participating Municipalities on the basis of their share of the plant's capacity, namely Lambton Shores 64.7% and South Huron 35.3%;

AND WHEREAS Bluewater may elect to participate in the New Facility in accordance with the terms of this Agreement;

AND WHEREAS the Parties wish to establish a separate and distinct joint municipal service board to govern the management of the System as defined herein;

AND WHEREAS South Huron and Lambton Shores have jointly owned the existing sewage treatment plant in accordance with the Transfer Order dated February 2, 2000 (the "Transfer Order");

AND WHEREAS the Parties' representatives on the Joint Municipal Service Board shall act in the best interests of the entire System and not only in the best interests of the Party that appointed them;

NOW THEREFORE, in consideration of payment of the sum of TEN DOLLARS (\$10.00) paid by each of the Parties hereto to the other, the receipt and sufficiency of which is hereby acknowledged and for other good and valuable consideration and mutual covenants set out below, the Parties agree as follows:

1. Definitions

- (a) "Administering Municipality" or "Administering Authority" means the Party to whom the responsibilities of day to day management and administration have been assigned.
- (b) "Bluewater Option" shall have the meaning ascribed thereto in Section 59 herein.

- (c) "Grand Bend Area Joint Sewage Board", herein after known as the "Joint Sewage Board", shall have the meaning ascribed thereto in Section 2 herein.
- (d) "Existing Facility" means:
 - (i) a four (4) cell sewage stabilization pond and three hundred and five (305) meters of three hundred and fifty (350) millimeter diameter forcemain, located on Part of Lot 6, River Ausable Concession, Township of Stephen;
 - (ii) Main Sewage Pumping Station which includes three (3) sewage centrifugal pumps, two hundred (200) millimeter diameter flow meter, a diesel generator set, and a 8.5 cubic meter surge tank;
 - (iii) two thousand nine hundred and twenty (2920) meters of three hundred and fifty (350) millimeter diameter forcemain from the pumping station along Highway 81 and Concession Road No. 22 to the waste stabilization pond; and
 - (iv) all associated appurtenances and controls.
- (e) "New Facility" means:
 - (i) a tertiary mechanical treatment facility located on Part of Lot 6, River Ausable Concession, Township of Stephen, now the Municipality of South Huron;
 - (ii) Upgraded Main Sewage Pumping Station which includes three (3) sewage centrifugal pumps, two hundred (200) millimeter diameter flow meter, a diesel generator set, and a 8.5 cubic meter surge tank;
 - (iii) two thousand nine hundred and twenty (2920) meters of three hundred and fifty (350) millimeter diameter forcemain from the pumping station along Huron County Road 81 and Concession Road No. 22 (Mollard Line) to the mechanical sewage treatment facility; and
 - (iv) all associated appurtenances and controls.

- (f) "Operating Agent" means a third party, or otherwise agreed upon, operating agent who may be appointed from time to time.
- (g) "Participating Municipality" or "Participating Municipalities" means:
 - (i) Lambton Shores;
 - (ii) South Huron;
 - (iii) Any Party that has passed a by-law or resolution unconditionally committing to fund the construction or purchase of capacity in the New Facility or any expansion to the New Facility. For clarity, committing to fund the construction or purchase of capacity in the New Facility or any expansion to the New Facility shall mean the acceptance of a tender or the entrance into a binding agreement relating to such construction or purchase of capacity in the New Facility;
 - (iv) Any Party that owns capacity in the New Facility; and/or
 - (v) Any Party that is contributing flows to the mechanical sewage treatment facility that forms part of the New Facility.
- (h) "Regulatory Directive" means any Order or a letter from the Province of Ontario or any other regulatory authority directing the Sewage Plant Board, the Administering Municipality, the Administering Authority or the Parties to take certain actions in connection with the System.
- (i) "System" means the Existing Facility, the New Facility and any new shared collection systems related thereto as contemplated in sections 36-39, inclusive.
- (j) "Transfer Order" means the Transfer Order dated February 7, 2000 from the Ministry of the Environment granting the ownership of the Existing Facility to Lambton Shores and South Huron.

2. Joint Sewage Board

Pursuant to subsection 202 of the *Municipal Act, 2001*, the Parties have established or intend to establish a separate and distinct Joint Municipal Service Board, to be known as the Grand Bend Area Joint Sewage Board (the "Joint Sewage Board") composed of three (3) **voting** members from each Participating Municipality. Prior to Bluewater

becoming a Participating Municipality, the Joint Sewage Board may invite Bluewater to participate in Joint Sewage Board meetings at the invitation of the Joint Sewage Board. If Bluewater becomes a Participating Municipality then the Parties consent to such changes as may be required to give effect to Bluewater's participation on the Joint Sewage Board, and if required the Parties shall establish a new Joint Board in order to include Bluewater as a Participating Municipality in the Joint Sewage Board.

3. Purpose of this Agreement

The Parties hereby provide for those matters which, in their opinion, are necessary to establish one comprehensive agreement that governs all matters relating to the New Facility including but not limited to the construction and operation of the New Facility and the collection systems that will facilitate the Parties' ability to access the New Facility.

4. Delegation of Control and Management

Subject to Section 2, the Parties hereby confer responsibility for the control and management of the System upon the Joint Sewage Board, pursuant to Section 202 of the *Municipal Act, 2001*.

5. Capital Contribution of the Parties

The Parties hereby acknowledge that the grants and funding from other levels of Government shall be insufficient to fund all the construction costs for the New Facility. To the extent that the grants and other funding from other levels of government are insufficient to pay for the costs of the New Facility, the Participating Municipalities hereby agree to be responsible for the balance of the construction costs of the New Facility based on the following proportions:

- I. For the New Facility works associated with the mechanical sewage treatment facility:
 - (a) Lambton Shores shall fund 64.7% of the balance of the construction costs for the New Facility;
 - (b) South Huron shall fund 35.3% of the balance of the construction costs for the New Facility; and

II. For the New Facility works associated with the main pumping station, forcemain, and appurtenances:

- (a) Lambton Shores shall fund 50.0% of the balance of the construction costs for the New Facility;
- (b) South Huron shall fund 50.0% of the balance of the construction costs for the New Facility; and

The Participating Municipalities shall be responsible for remitting their contributions to the construction costs for the New Facility at the time these costs are due and payable for the New Facility. The Parties hereby acknowledge that the proportions set out in this Section 5 are to be amended from time to time in accordance with and to give effect to this Agreement.

6. Allocation of Initial Capacity for New Facility

The Participating Municipalities hereby agree that sewage treatment capacity at the mechanical sewage treatment facility which forms a part of the New Facility initially shall be allocated among the Participating Municipalities based on the Participating Municipalities' initial capital contributions set out in Section 5.1. herein

7. Agency

The Joint Sewage Board shall be the agent of the Participating Municipalities for all actions taken within the Joint Sewage Board's scope of authority. The Joint Sewage Board shall not otherwise be the agent of the Parties.

8. Procedural By-Law

The Joint Sewage Board shall pass a Procedural By-Law governing the procedural matters relating to the Joint Sewage Board as required under Section 238 of the Municipal Act, 2001. The Procedural By-Law may supplement the terms set out in this Agreement but shall confirm the following points:

- (a) The term of office of a Joint Sewage Board Member shall be in accordance with Section 196 of the Municipal Act;

- (b) Members may be re-appointed and the term of each Joint Sewage Board Member continues until his or her successor has been appointed, provided the Member remains an elected official. For clarity, a Joint Sewage Board Member shall be an elected official;
- (c) Each Participating Municipality will appoint Joint Sewage Board Members as often as necessary to ensure that vacancies are minimized and that the function of the Joint Sewage Board will be facilitated;
- (d) A Participating Municipality may revoke the appointment of any Joint Sewage Board Member appointed by it for such reasons as it considers advisable, but may not leave any such position vacant for more than fifteen (15) days;
- (e) The quorum for any meeting of the Joint Sewage Board shall be not less than three quarters of all voting members;
- (f) An alternate member appointed by a Participating Municipality may attend a meeting in place of any Joint Sewage Board Member appointed by that Participating Municipality;
- (g) No member is eligible for remuneration by the Joint Sewage Board;
- (h) The Joint Sewage Board will appoint a Chair and Secretary for the calendar year at its first meeting in that year. Typically the Chair and Secretary positions will rotate every two (2) years between the Participating Municipalities provided that the Chair and the Secretary of the Joint Sewage Board shall not be occupied by appointees of a single municipality in any year;
- (i) The Joint Sewage Board will meet not less than once in any three (3) month calendar period, at the call of the Chair, with no less than fourteen (14) days' notice, or at any other time with the consent of all Joint Sewage Board Members. The Participating Municipalities shall have the right to call a Meeting of the Joint Sewage Board by providing written notice of the meeting to each of the other Participating Municipalities. The requisite notice for all meetings shall include a summary of the

business to be transacted at the meeting. The summary of the business to be transacted at the meeting shall be sufficient for all Participating Municipalities to determine the business that will be addressed at the meeting, failing which the business transacted at the meeting shall be null and void unless otherwise agreed by the Participating Municipalities;

(j) Meetings of the Joint Sewage Board shall be conducted in accordance with the Procedural By-Law, except as set out in this Agreement or as required by law;

(k) Minutes of all meetings shall be circulated without any of the Participating Municipalities reviewing the content of the Minutes prior to distribution. Any objections to the content of the Minutes shall be noted by the objecting Participating Municipality at the following meeting; and

(l) Each Joint Sewage Board Member that has been appointed by a Participating Municipality shall have one vote with respect to any question.

9. Duties of the Joint Sewage Board

The Joint Sewage Board shall be responsible for the management and control of the New Facility and the System, subject only to the duties specifically delegated to the Administering Municipality or the Administering Authority. Without limiting the above, the Joint Sewage Board shall be responsible for:

- a. Obtaining approvals;
- b. Contracting for services;
- c. Entering into agreements with individuals, corporations and governments;
- d. Operating bank accounts and completing other transactions;
- e. Approval of all operational policies for the New Facility;
- f. Approval of all Budgets and rates;
- g. Receive and review all Ministry correspondence and reports on the New Facility;
- h. Receive information and review and provide guidance on claims and potential claims or other serious occurrences relating to the New Facility and the System;
and

- i. Appointment of the Administering Municipality, the Administering Authority and Operator by the Joint Sewage Board.

Unless an agreement is within the Administering Municipality's or the Administering Authority's scope of authority, all agreements for the New Facility and the System shall be signed by the Chair of the Joint Sewage Board upon authorization by resolution of the Joint Sewage Board. The Parties acknowledge that there is an existing operating agreement with OMI that relates to the Existing Facility and the Parties contemplate that OMI will operate the New Facility. The said agreement includes other Lambton Shores sewage facilities that OMI operates. When the term of the said agreement expires, unless otherwise agreed by the Parties, a separate agreement will be negotiated for the Existing Facility and/ or the New Facility by the Joint Sewage Board. For clarity, the approval of any tenders for any expansion of the New Facility shall not be approved by the Joint Sewage Board. The role of the Joint Sewage Board is to consider and recommend to the Participating Municipalities', or if applicable the Parties' municipal Councils, to accept or reject the tenders. Such tenders must be approved by all municipal Councils of the Parties that will be contributing to the costs of any expansion of the New Facility. For clarity, the Administering Municipality shall be designated as the party authorized to enter into any contract with the entity that submits the successful proposal for the tender.

10. Appointment of Administering Authority and Administering Municipality

The Participating Municipalities hereby appoint Lambton Shores as the initial Administering Municipality. The Administering Municipality may, at any time, be removed and replaced by one of the other Participating Municipalities or an independent Administering Authority by a majority vote of members of the Joint Sewage Board, or by an Order of the OMB. In the event of an OMB Order replacing the Administering Municipality, the new Administering Municipality or Administering Authority, as the case may be, cannot be replaced by a vote of the Joint Sewage Board within three (3) years of the date of the said Order unless the Administering Municipality is in default under this Agreement and has failed to cure such default within a reasonable time of receiving a default notice from one or more of the Participating Municipalities.

11. Duties of the Administering Municipality or the Administering Authority

The Administering Municipality or the Administering Authority may execute agreements on behalf of the Joint Sewage Board that are within its authority under this section.

Unless otherwise agreed by the parties, the administrative functions are as follows:

- (a) keeping separate books, records and accounts;
- (b) liaison with Ministry of the Environment staff on matters of compliance;
- (c) liaison with the Operating Agent;
- (d) negotiating agreements with the Operating Agent, subject to the approval of the Joint Sewage Board;
- (e) preparing annual Capital Budgets, annual Operating Budgets, and all other Budgets;
- (f) making payments to the Operating Agent;
- (g) making payments on any provincial capital debt and other financing payments;
- (h) raising capital financing;
- (i) invoicing the Parties for amounts payable by the Parties under this Agreement, including work undertaken under the direction of the Joint Sewage Board;
- (j) operating bank accounts for the purposes set out in this Section 11;
- (k) making day-to-day operation and maintenance decisions and implementing or providing for the implementation of those decisions, where they are not being implemented by the Operating Agent, up to a maximum value of Twenty-Five Thousand (\$25,000.00) Dollars or such greater amount that may be incurred for operation and maintenance decisions that are required pursuant to a Regulatory Directive; and
- (l) providing quarterly and annual reports to the Joint Sewage Board regarding flows and a comparison of the budgeted flows versus the actual flows.

12. Default

If Administering Municipality is in default of this Agreement, the other Parties shall have the right to provide the Administering Municipality with notice of default ("Default Notice"). The Default Notice will set out the particulars of the default and specify the actions to be undertaken to remedy the default. The remedial efforts shall be completed within 30 days of the Administering Municipality's receipt of the Default Notice or such reasonable time that may be required to remedy the default, failing which any non-defaulting Party shall have the right to make application to the Ontario Municipal Board

to replace the Administering Municipality with one of the non-defaulting Parties or an Administering Authority deemed acceptable by the Ontario Municipal Board. If the Administering Municipality is also the Operator of the System, any non-defaulting Party shall also have the right to apply to the Ontario Municipal Board for the removal of the Administering Municipality as the New Facility's Operator.

13. Auditing of Joint Sewage Board Records

The Joint Sewage Board shall direct that its Records be audited at least annually or upon the request of any of the Parties.

14. Auditing of Administering Municipality Records

The Records of the Administering Municipality and the Administering Authority which pertain to its responsibilities under this Agreement shall be audited at least annually or upon the request of any of the Parties.

15. Sewage Use By-Law

The Participating Municipalities shall cause the Joint Sewage Board to prepare a Sewage Use By-Law that will regulate the volume and type of effluents that will be discharged into the System and received by the New Facility. The Participating Municipalities shall make all reasonable efforts to agree upon a form and content of a Sewage Use By-Law that is satisfactory to the Participating Municipalities.

16. Billing and Collection

The Administering Municipality shall be responsible for invoicing the Participating Municipalities for amounts payable by the Participating Municipalities for the services provided. If amounts due to the Administering Municipality by a Participating Municipality have not been paid in full within 30 days after an invoice has been issued, the Administering Municipality may impose a charge for late payment of 1.25% of the unpaid amount, on the day after such payment is due and thereafter, at the rate of 1.25% per month on the balance, until the amount owing has been paid in full. Each Participating Municipality shall be responsible to bill and collect fees for the services provided from the New Facility and the System to individual properties within its geographic boundaries, if applicable.

17. Draft Budget

The Administering Municipality or the Administering Authority will, by September 30 of each year and in accordance with guidelines prepared by the Joint Sewage Board, prepare and submit to each Participating Municipality:

- (a) a draft Operating Budget for the next following calendar year, to be based on a three year average of the previous two years' actual Operating Costs and estimated Operating Costs for the current year;
- (b) a draft Capital Replacement and Rehabilitation Budget for that same period, and a draft five year capital budget forecast

All Budgets shall be in the form of the draft Budget set out in Schedule "A". The first draft Operating Budget shall be prepared by the consulting firm that completes the final design for the New Facility.

18. Liabilities and Expenses

Unless otherwise provided in this Agreement, all liabilities and expenses in the Joint Sewage Board's Budgets shall be shared by the Participating Municipalities in accordance with the prevailing proportionate share of allocated capacity. Liabilities shall include all claims, demands, damages, causes of action, or any other costs or expenses that may be incurred in connection with the System. Save and except as may be provided in the approved tender documents, Participating Municipalities are responsible for Liabilities in proportion to their capital contribution as contemplated in this Section. The tender documents shall provide that only those Participating Municipalities that accept in writing the successful bid shall be liable under the construction contract for the New Facility or any expansion of the New Facility.

19. Comments

Each Participating Municipality may, within thirty (30) days after receiving a draft Budget, make written comments to the Administering Municipality or the Administering Authority and the Joint Sewage Board.

20. Joint Sewage Board Approval

The Joint Sewage Board is to take all necessary steps to have the draft Budgets completed and approved by November 30 in each preceding calendar year and then

submit it to the Municipal Councils of the Participating Municipalities for approval before December 31st.

21. Budget Approval

If a Budget approved by the Joint Sewage Board for the next calendar year is not confirmed by each Participating Municipality that is contributing flows to the New Facility by January 1 of the next calendar year, the most recent Budget of that kind which has been approved by all Participating Municipalities that are contributing flows to the New Facility or the Existing Facility shall be continued, except that all amounts for income and expenses as applicable, shall be increased to reflect the actual increase in revenues or expenses based upon approved charges or Operating Agent fees, or an annual increase in the consumer price index for Ontario reported by the Statistics Canada for the most recent twelve-month period ending prior to November 1 of the year preceding the year for which the draft Budget was prepared, whichever, in the opinion of the Joint Sewage Board, is more appropriate. If the Joint Sewage Board subsequently approves the draft Budget, such approved Budget shall supersede the default new Budget. For clarity, only members of the Joint Sewage Board that represent the Participating Municipalities that are contributing flows to the New Facility shall vote on the Operating Budget.

22. Operating Budget Contents

The Operating Budget prepared and approved shall detail all items of expected revenue and expense, in accordance with accepted accounting practice and as may be required by the Joint Sewage Board.

23. Capital Replacement and Rehabilitation Budget

The Capital Replacement and Rehabilitation Budget will project capital replacement and rehabilitation expenditures in accordance with all legislative requirements and the terms of the funding for the New Facility. For clarity, only members of the Joint Sewage Board that represent the Participating Municipalities that are contributing flows to the New Facility shall vote on the Capital Replacement and Rehabilitation Budget.

24. Capital Repairs - Emergent Requirements

In the event that an urgent replacement or rehabilitation expenditure must, in the opinion of the Administering Municipality or the Administering Authority, be made during the

course of the year, that is not provided for in the Capital Replacement and Rehabilitation Budget, or an expenditure is required under a statute that is not provided for in the Operating Budget or Capital Replacement and Rehabilitation Budget, then the Joint Sewage Board or Administering Municipality or the Administering Authority may incur such expenditure and the Joint Sewage Board will recover it as an addition to the Replacement and Rehabilitation Budget in one or more subsequent years, to the extent that it is not provided for in the Capital Replacement and Rehabilitation Reserve Fund.

25. Capital Replacement and Rehabilitation Reserve Fund

A Capital Replacement and Rehabilitation Reserve Fund will be held by the Joint Sewage Board for the purpose of ensuring that sufficient funds are held to properly maintain the System. The Joint Sewage Board will hold this fund in a dedicated interest-bearing account. For clarity, only members of the Joint Sewage Board that represent the Participating Municipalities that are contributing flows to the New Facility shall vote on the Capital Replacement and Rehabilitation Reserve Fund.

26. System Capacity

The Joint Sewage Board shall, from time to time review the capacity requirements for the System and make recommendations to the Participating Municipalities to reduce or increase capacities as may be identified by that review.

27. Cost Recovery

The Joint Sewage Board may propose how to finance and recover the costs of providing new capacity to the Participating Municipalities.

28. Requirement for Optimization Study

An Optimization Study will be undertaken by the Joint Sewage Board before any expansion of the New Facility is considered. The purpose of the Optimization Study is to assess the potential for the treatment capacity of existing facilities to be increased ("re-rated"), by means of changes to procedures, equipment or other measures satisfactory to the provincial regulatory agency (MOE) ("Optimization Study").

29. Initiating an Optimization Study

The Joint Sewage Board may undertake the Optimization Study on its own initiative and shall undertake such a study at the request of a Party.

30. Cost of Optimization Study

A Party seeking expansion of the New Facility or wishing to initiate an Optimization Study shall initially be responsible for the cost of the Optimization Study, along with such other studies as may be required, in the opinion of the Joint Sewage Board, for the feasibility of optimization or expansion to be properly considered.

31. First Call on Capacity Achieved by Optimization

Each Participating Municipality shall have an opportunity to share the cost of improvements identified by an Optimization Study, (which cost shall be deemed to include the cost of the Optimization Study and related studies), to realize any additional capacity, in proportion to its prevailing proportionate share of allocated capacity in the New Facility, or in such other proportion as may be agreed to by the Participating Municipalities. For clarity, if one (1) or more of the Participating Municipalities does not wish to share in proportion to its prevailing proportionate share of allocated capacity in the New Facility, the other Participating Municipalities may pay such expenses and realize any additional capacity that is not taken by the Participating Municipality that does not wish to participate.

32. Party's Right to Fund

The Participating Municipalities shall have a period of six (6) months from the date of completion of the Optimization Study to decide whether they wish to fund the improvements identified by the Optimization Study. If one or all of the Participating Municipalities do not agree to fund the improvements identified by the Optimization Study, then such improvements may be funded by the other Parties, and the additional capacity resulting therefrom shall be allocated to those Parties in proportion to their respective funding contributions. The acquisition of capacity by any Party that is not a Participating Municipality shall be made on a fair value basis, as determined by the Joint Sewage Board, acting reasonably, and failing such a decision or should any of the Parties disagree with the decision of the Joint Sewage Board, then by the Ontario Municipal Board. The payment of fair value shall be applied or be payable as follows: (i) firstly to the costs of the Optimization Study and the improvements identified by the Optimization Study; and (ii) secondly to those Participating Municipalities that did not

wish to share in the additional capacity in accordance with the prevailing proportionate share of allocated capacity.

33. New Capacity Capital Budget

The Joint Sewage Board shall make all reasonable efforts to provide new capacity on an as-required basis and sufficiently in advance of growth as to not impede development within any Participating Municipality's respective municipal boundaries, and will establish a New Capacity Capital Budget as required for this purpose. The Joint Sewage Board may decide how to finance and recover the costs of providing new capacity.

34. Regulating Demand

No Participating Municipality will make changes or permit changes to works connected to the System that will have an adverse effect on the System or result in a larger demand being placed on the System than the System is designed to meet, and for the purposes of this section, the Joint Sewage Board may temporarily allocate and reallocate any unused capacity in the System among the Participating Municipalities as may be mutually agreed to.

35. Raising Funds for Capital Budgets

Each Participating Municipality is responsible for raising its share of the capital for the Capital Budgets.

36. Routing for Collection Systems

The Parties shall take all actions reasonably required to facilitate each Parties' access to the New Facility. Each Party shall have access to the New Facility through each other's municipal territory on terms as reasonable and cost effective as possible and on a basis that the Party providing the access is not unduly prejudiced. No fee shall be imposed by one Party on another Party for the use of a public road or right of way for access to the New Facility. The Parties acknowledge that all costs of the collection system shall be considered to determine a reasonable route for each Parties' collection system to the New Facility.

37. South Huron's Collection System

Lambton Shores and South Huron shall take all actions necessary to enable South Huron to access the New Facility via PS2 and the Forcemain of the Existing Facility, the preferred route identified through South Huron's Collection System Environmental Assessment. PS2 and the Forcemain of the Existing Facility were identified as part of the preferred route in the South Huron Collection System Environmental Assessment. Lambton Shores shall facilitate South Huron's connection to PS2 and the Forcemain. The Parties shall make reasonable efforts to avoid the acquisition of easements from private landowners to facilitate the preferred route and shall make reasonable efforts to use existing public easements and highways for the preferred route.

38. Bluewater's Collection System

South Huron and Lambton Shores shall take all actions necessary to enable Bluewater to access the New Facility via the preferred route identified through Bluewater's Collection System Environmental Assessment (or applicable process). South Huron and Lambton Shores shall have the right to participate in the Environmental Assessment (or applicable process) process that determines the preferred route for Bluewater's collection system.

39. South Huron and Bluewater Shared Infrastructure

When South Huron or Bluewater build their trunk sewer collection systems to access the New Facility, they shall provide one another with the option to oversize such collection system on an incremental cost basis. For example, when South Huron builds its trunk sewer collection system, Bluewater shall have the option to request that the pipes for the trunk sewer collection system be oversized and all incremental costs associated with oversizing the trunk sewer collection system shall be paid by Bluewater. The converse also applies. The option shall be provided in writing to one another. If the recipient fails to advise the other Party that it wishes to oversize the pipes within thirty (30) days of receiving written notice, the option shall expire unless otherwise agreed in writing by the Parties. The requirements for future replacement of the collection systems for the New Facility for South Huron and Bluewater shall be determined by a Professional Engineer based on age, condition and service life.

40. No Further Connections

Nothing in Section 37 or Section 38 shall require Lambton Shores to permit South Huron or Bluewater to connect into existing Lambton Shores pipes, infrastructure and appurtenances. South Huron and Lambton Shores acknowledge that South Huron's existing permanent connections into Lambton Shores' pipes, infrastructure and appurtenances shall, unless otherwise agreed by the Parties, remain in place and South Huron's temporary connections into Lambton Shores' pipes, infrastructure and appurtenances shall be relocated at a time to be determined by the Parties, acting reasonably.

41. Approvals for New Facility

The Participating Municipalities shall execute such documents and take such actions that are reasonably necessary to facilitate all regulatory approvals required for the New Facility, subject to the overriding duty of each Party to evaluate any Planning Applications on the basis of the merits of the Application. For clarity, nothing in this Section 41 shall fetter the discretion of any Party when evaluating a Planning Application for the New Facility in its capacity as the approval authority.

42. Allocation for Operating Costs of New Facility

The Participating Municipalities that are contributing flows to the New Facility shall determine the amount of the operating costs that are incurred for the New Facility which sum shall include all the costs set out in Part B and Part C of the Draft Budget set out in Schedule "A" (the "Operating Costs"). The Operating Costs shall be allocated among the Participating Municipalities based on flows being contributed to the New Facility. The first draft operating budget shall be prepared by the consulting firm that completes the final design for the New Facility.

43. Allocation of Ownership Costs for the New Facility

The Parties acknowledge that there are ownership costs for the New Facility that will be incurred by the Participating Municipalities whether or not the New Facility is operating. The ownership costs shall be those costs set out in Part "A" of the Draft Budget set out in Schedule "A" to this Agreement (the "Ownership Costs"). The Parties hereby agree that the Ownership Costs shall be allocated among the Participating Municipalities in accordance with the prevailing proportionate share of allocated capacity. The first draft

operating budget shall be prepared by the consulting firm that completes the final design for the New Facility.

44. Prohibited Actions

Unless otherwise determined by the Parties or by this Agreement, the Parties hereby agree as follows:

- (a) No additional municipality shall be admitted as a Participating Municipality except in accordance with this Agreement;
- (b) The interests in the New Facility set out in Sections 5 and 6 herein shall not be reallocated except in accordance with this Agreement;
- (c) A Party cannot be forced to disconnect a ratepayer from the System or re-route a ratepayer within the System, subject to any prior agreements to the contrary; and
- (d) There shall be no sale or transfer of all or part of the New Facility or the System to a non-public entity, whether by asset sale, the sale or transfer of the New Facility's capacity or the sale or transfer of any direct or indirect interest in the New Facility or the System.

45. Dispute Resolution/Arbitration

Each Party shall have the right to appeal a decision of the Joint Sewage Board or action to a full joint meeting of the Parties' Municipal Councils, subject to the exceptions noted below. Failing a resolution satisfactory to all Parties, each Party shall have the right to appeal the decision to the Ontario Municipal Board, pursuant to the Transfer Order and Section 6 of the Municipal Water Sewage and Transfer Act. Notwithstanding the above, until Bluewater becomes a Participating Municipality, Bluewater's right of appeal under this Section 45 shall not apply with respect to the following issues:

- (i) budget issues and approvals, other than budget decisions that will materially impact the long-term management of the assets constituting the New Facility; and
- (ii) capacity allocations among Participating Municipalities in the New Facility.

46. Critical Path for the New Facility

The Participating Municipalities shall consider the following actions for the purpose of the New Facility project:

- a) The Participating Municipalities shall complete and retain an engineering consultant for the purposes of final design, and tender and contract administration for the New Facility;
- b) Upon completion of final design the final project budget and tender documents shall be presented to each Participating Municipality's municipal Council on or before April 30, 2014;
- c) If approved by all Participating Municipalities, Lambton Shores shall call tenders on the basis of the approved tender documents within sixty (60) days;
- d) The Participating Municipalities shall review and, if acceptable, approve the First Budget for the New Plant (the "First Budget") which shall include components consistent with the Draft Budget set out in Schedule "A";

47. Building Permit Expenses

All work undertaken for the purpose of reviewing Plans, issuing the Building Permit for the New Facility and completing all necessary inspections (the "Review Work") shall be billed out by the Participating Municipality completing the work at a rate equal to the hourly wage of the employee plus ten (10%) per cent. The Participating Municipalities agree to collaborate and contribute to the Review Work in proportion to their respective capital contributions or as otherwise agreed. The Participating Municipalities acknowledge that South Huron shall be the main contact for the Review Work as the host municipality.

48. Parties Right to Information

The Parties acknowledge that the following information relating to the New Facility shall be fully disclosed and shared among the Parties:

- (a) Ministry Orders (MOE, Labour, etc.);
- (b) Serious Occurrence Reports;
- (c) Ministry Inspection Reports;
- (d) Monthly Flows/Capacity Calculations;
- (e) Annual Report (public document);
- (f) Correspondence re: facility operations;
- (g) Legal correspondence;
- (h) Annual Available Capacity Report;

- (i) Monthly Operator's Report;
- (j) Annual Proof of Insurance; and
- (k) Quarterly Financial Report

(the "Listed Information").

In the event that the Administering Municipality or the Joint Sewage Board receives a request for the Listed Information from any of the Parties, the Listed Information shall be delivered to the requesting party within fifteen (15) business days. If the request is vague or requires clarification, the Administering Municipality or the Joint Sewage Board shall, within fifteen (15) business days, send to the requesting party a notice for more particulars about the request. Assuming a clear request is made, the Listed Information shall be provided within the timelines contemplated herein. If the Listed Information is relevant to a decision of the Joint Sewage Board, the decision shall not be made until such time as the Listed information has been produced. The Parties shall have a further general right to all information relevant to the System. In the event a Party reasonably requires information other than the Listed Information and the provision of that information is disputed, the Parties shall have a right to appeal to the Ontario Municipal Board in accordance with Section 45.

49. Unbudgeted Costs

In the event that costs are incurred for the System that are not included in Schedule "A", the members of the Joint Sewage Board representing the Participating Municipalities that are contributing flows to the New Facility shall, acting reasonably, categorize the unbudgeted expense(s) as either an Operating Cost or an Ownership Cost and the said unbudgeted expense shall then be allocated in accordance with this Agreement.

50. Municipal Taxes

The mechanical treatment facility forming part of the System is physically located within the geographic boundaries of South Huron. The Parties acknowledge that South Huron shall levy taxes or payment in lieu of taxes as per the tax class and assessment prescribed by the Municipal Property Assessment Corporation (MPAC) on the said mechanical treatment facility. The upgraded Main Sewage Pumping Station is located within the geographic boundaries of Lambton Shores. The Parties acknowledge that

Lambton Shores shall levy taxes or payment in lieu of taxes as per the tax class and assessment prescribed by MPAC on the upgraded Main Sewage Pumping Station. All taxes for the New Facility will be incorporated in the annual budget for Ownership Costs for the New Facility and shall be allocated among the Participating Municipalities in accordance with the prevailing proportionate share of allocated capacity.

51. Payment of Invoices and Voting Privileges

The Administering Municipality shall invoice the Participating Municipalities for amounts in respect of the capital contributions in accordance with the tender documents, the grant agreements, the requirements of the project and all other liabilities and expenses to be shared among the Participating Municipalities under this Agreement. If a Participating Municipality has not remitted payment of an invoiced cost within sixty (60) days, that Participating Municipality's voting rights shall be suspended until payment is remitted.

52. Severability

All of the provisions of this Agreement are intended to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate clause hereof. Should any provision of this Agreement be adjudged unlawful or not enforceable, it shall be considered separate and severable from the Agreement and its remaining provisions as though the unlawful or unenforceable provision had not been included.

53. Entire Agreement

This Agreement supersedes and replaces all prior negotiations, memoranda, and/or agreements made between the Parties hereto, whether oral or written, and contains the entire understanding between the parties with respect to the subject matter hereof. The Parties hereby confirm that the Transfer Order shall also govern the relationship of the Parties, subject to Section 57 herein.

54. Further Assurances

The Parties hereto agree that they will do all acts and things and execute and deliver such further and other papers and documents and pass all resolutions and enact such by-laws as may be necessary and desirable or reasonably required by a Party hereto to carry out the intent and purpose of and give full effect to this Agreement and every part thereof.

55. No Assignment

This Agreement may not be assigned by one Party without the prior written consent of the other Parties, which consent may be arbitrarily withheld.

56. Compliance with Agreement and Applicable Laws

The Joint Sewage Board, the Administering Municipality and the Parties shall comply with all terms, covenants and provisions of this Agreement and, with respect to the System and the subject matter of this Agreement, and where applicable the Parties shall also comply with all applicable by-laws, statutes, regulations, ordinances and all other applicable laws. The contract with the Administering Authority shall include a provision substantially similar to this Section 56.

57. Paramountcy of this Agreement/Transfer Order/Prior Agreement

To the extent that the terms, covenants and provisions of this Agreement and the Transfer Order address the same subject matter, the provisions of this Agreement shall prevail and the corresponding provision of the Transfer Order shall not apply. Without limiting the above, in the event of any inconsistency between the provisions of the Transfer Order and this Agreement, the provisions of this Agreement shall prevail. The Parties hereby agree that the appeal rights in Section 33 of the Transfer Order and Section 6 of the Municipal Water and Sewage Transfer Act (Ontario), as amended, shall remain in place. For ease of reference, the Transfer Order is annexed hereto as Schedule "B". The Parties further acknowledge that the prior Agreement between the Parties dated July, 2010 is hereby superseded and replaced by this Agreement.

58. Due Diligence by Bluewater

Prior to the exercise of the Bluewater Option, Bluewater shall have an ongoing right to obtain all information relevant to the New Facility and any contemplated capital expansion of the New Facility from the Administering Municipality, the Administering Authority (if applicable), Lambton Shores or South Huron. Bluewater's rights shall include all information defined as Listed Information in Section 48 herein but shall not be limited to the Listed Information. South Huron and Lambton Shores shall make all reasonable efforts to accommodate Bluewater's efforts to determine whether it intends to exercise the Bluewater Option.

59. Bluewater's Option

South Huron and Lambton Shores hereby grant to Bluewater an option to become a Participating Municipality in the New Facility or any expansion of the New Facility on the terms set out in this Section 59 (the "Bluewater Option"). For clarity, the Bluewater Option shall apply only when Bluewater has not already become a Participating Municipality under Section 32 or Section 62. The Parties acknowledge that the terms under which Bluewater would become a Participating Municipality are not defined herein but it is the Parties' intention that the Bluewater Option shall be fully enforceable through this mechanism and right of appeal. The Parties acknowledge that future available capacity, if any, in the New Facility and the future costs of capacity at the New Facility cannot be anticipated as of the date of this Agreement. On or before January 1, 2044 (or January 1, 2054 if Bluewater delivers the Renewal Notice in accordance with Section 60 of this Agreement), Bluewater shall have the right but not the obligation to exercise the Bluewater Option by passing a resolution or By-Law of its municipal Council, confirming that it wishes to become a Participating Municipality, and Bluewater shall then advise the other Participating Municipalities of its request (the "Initial Notice"). The Initial Notice shall include the following information:

- (a) Bluewater's aforesaid resolution or By-Law;
- (b) Bluewater's capacity requirements for the New Facility;
- (c) Bluewater's proposed collection system and connection points to the System;
and
- (d) Bluewater's expected timelines and operational date.

Upon receipt of the Initial Notice, the Parties shall enter into negotiations to determine the financial and other terms under which Bluewater would become a Participating Municipality. Prior to undertaking expenses arising from the Initial Notice, the Joint Sewage Board shall determine, acting reasonably, the allocation of costs of these expenses among the Parties. In the event that these negotiations are unsuccessful, within six (6) months of the Initial Notice, Bluewater shall have the right but not the obligation to deliver a further notice (the "Second Notice") to Lambton Shores and South Huron confirming that it intends to appeal to the Ontario Municipal Board for the purpose of defining the terms upon which Bluewater shall become a Participating Municipality.

Notwithstanding the definition of Participating Municipality in Section 1 of this Agreement, Bluewater shall be deemed to be a Participating Municipality for the purposes of and to the limited extent of this dispute resolution, and the Parties acknowledge their intention that Bluewater shall have recourse to the Ontario Municipal Board to define the terms under which Bluewater shall become a Participating Municipality. However, the Bluewater Option shall not require any other Participating Municipality to sell its capacity in the New Facility to Bluewater. In the event that Bluewater's right of appeal to the Ontario Municipal Board (referenced in this Section 59 of this Agreement) is dismissed by the Ontario Municipal Board on jurisdictional grounds, Bluewater shall have the right to private arbitration to determine the terms under which it shall become a Participating Municipality, pursuant to Section 66 of this Agreement.

60. Limitations on the Bluewater Option and Bluewater becoming a Participating Municipality

Subject to sections 32 and 62, the Bluewater Option shall be a one-time option only. Upon Bluewater delivering the Initial Notice, Bluewater shall have no further option to become a Participating Municipality pursuant to section 59 if it does not become a Participating Municipality as a result of the process initiated by delivery of the Initial Notice. Further, the Bluewater Option shall be exercised on or before January 1, 2044, failing which it shall expire. Notwithstanding this, Bluewater shall have an option to extend the said deadline for the Bluewater Option by providing notice (the "Renewal Notice") to the Participating Municipalities on or before October 1, 2043 that it would like to retain the Bluewater Option for a further ten (10) years. In such event, the Bluewater Option shall expire at 11:59 p.m. on December 31, 2053. In any case, unless otherwise agreed to by the Parties, if Bluewater has not become a Participating Municipality by 11:59 p.m. on December 31, 2053, Bluewater shall not be permitted to become a Participating Municipality.

61. Bluewater's Right of Withdrawal

Bluewater shall have the right to withdraw the Initial Notice or the Second Notice within four (4) years after the Initial Notice has been delivered to South Huron and Lambton Shores. By withdrawing the Initial Notice and/or the Second Notice, Bluewater shall have abandoned the Bluewater Option and the Bluewater Option shall terminate.

62. Purchase and Sale of Capacity

Prior to the sale of any existing capacity of the New Facility among the Parties, an Optimization Study must determine the existing available capacity for the New Facility. The Parties shall only then have the option to purchase and sell capacity to one another. Nonetheless, the purchase and sale of capacity in the New Facility does not require the consent of all the Parties. In the event that Bluewater is not a Participating Municipality but then purchases capacity in the New Facility from South Huron or Lambton Shores, Bluewater shall become a Participating Municipality. The Parties' rights to purchase or sell capacity in accordance with this Section 62 is not intended to be enforceable by Application to the Ontario Municipal Board. Nothing in this Section 62 shall require or compel a Party that has paid for capacity in the New Facility to sell that capacity to another Party.

63. Cost Allocation for Capital Expansion

In any capital expansion of the New Facility, the Party (or Parties) that contends for additional capacity at the New Facility shall pay for the corresponding cost of any capital expansion to the New Facility on a fair value basis. A Party that is not a Participating Municipality (unless the Party is contending to be a Participating Municipality through expansion of the New Facility or other acquisition of capacity and becomes obligated to do so pursuant to this Agreement) will not be required to make any payment or contribution of any kind to the cost of any capital expansion to the New Facility. The Parties acknowledge that the future costs of capacity at the New Facility cannot be anticipated as of the date of this Agreement. In determining the fair value basis of the cost of capital expansion to the New Facility, the Parties, the Joint Sewage Board, and the Ontario Municipal Board (or other arbitrator), as applicable pursuant to this Agreement, will consider all relevant circumstances as they exist at the time of the proposed expansion, including, but without limitation, the drawing of guidance from and consideration of the Parties' intentions as to what may be the fair value basis of the cost of additional capacity at the New Facility, as set out in the following principles:

- (i) the fair value basis of the cost of additional capacity in the New Facility shall be primarily informed by the actual cost of construction of any added capacity to the New Facility;

- (ii) the fair value basis of the cost of additional capacity shall not include the value or costs of the existing land or the Existing Facility;
- (iii) cross-subsidization amongst the Parties will be avoided as a general principle and particularly in respect of the cost of capital works in the construction of the New Facility that are oversized to facilitate the future expansion of the New Facility and that would serve to unfairly benefit the Party or Parties seeking the expansion;

together with such factors as may be necessary to achieve equity between the Parties.

These principles are also intended to inform the fair value basis of the expansion of the New Facility or acquisition of capacity at the New Facility pursuant to section 32 of this Agreement, negotiations amongst the Parties pursuant to section 59 of this Agreement, as well as any determination by the Joint Sewage Board (if applicable) and the Ontario Municipal Board or arbitrator (if applicable).

Except in respect of a capital expansion pursuant to the Bluewater Option through section 59 of this Agreement, the determination of the fair value basis of the cost of capital expansion pursuant to section 63 of this Agreement will be determined by the Joint Sewage Board, acting reasonably, and failing such a decision or should any of the Parties disagree with the decision of the Joint Sewage Board, then by the Ontario Municipal Board. For clarity, the exercise of the Bluewater Option pursuant to section 59 of this Agreement requires negotiation of the Parties, and if negotiations are unsuccessful, then a determination by the Ontario Municipal Board (or other arbitrator) without first having a determination of the Joint Sewage Board.

With respect to Operating Costs of the New Facility (whether the New Facility's capacity is expanded or not), all Participating Municipalities shall share those Operating Costs based on flows being contributed to the New Facility in accordance with Section 42 herein.

64. Build Canada Grant

The Parties hereby agree that the Build Canada Grant relating to the New Facility and having project number 24617 shall be used to construct the initial construction of the New Facility and also complete upgrades to the main sewage pumping station (PS2) and to the System as set out in the Build Canada Grant Application documents. The Parties hereby agree to take such actions and provide such confirmations as may be necessary to ensure that the Build Canada Grant shall be used for the above purposes.

65. Application Remedy for Unfair Actions

The Parties acknowledge that it is their intention the affairs of the Joint Sewage Board and matters relating to the New Facility shall be conducted in a manner that is fair and reasonable to all Parties and any actions that are oppressive, unfairly prejudicial or that unfairly disregard the interests of any Party may be addressed through an Application under this Section 65. Upon Application of any Party, if the Ontario Municipal Board is satisfied that the actions of any Party or Parties have effected or threaten to effect a result that is oppressive or unfairly prejudicial to or unfairly disregards the interests of a Party to this Agreement, the Ontario Municipal Board may make an Order to rectify the actions in question. In such circumstances, the Ontario Municipal Board may make any interim or final Order that it deems necessary including without limiting the generality of the foregoing:

- (a) an Order restraining the actions that are the subject of the actions complained of in the Application;
- (b) an Order appointing a new Administering Municipality;
- (c) an Order directing any Party or Parties to take such actions that the Ontario Municipal Board deems necessary to address the conduct complained of;
- (d) an Order varying or setting aside a transaction or contract that is the subject matter of the Application;
- (e) an Order compensating an Applicant under this Section 65; and
- (f) any other Order that the Ontario Municipal Board deems necessary to address the conduct complained of.

66. Jurisdiction for Rights of Appeal

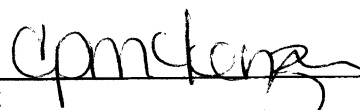
The Parties hereby acknowledge that it is their intention that the jurisdiction of the Ontario Municipal Board for any appeal rights contemplated herein are based on Section 33 of the Transfer Order, Section 6 of the Municipal Water and Sewage Transfer Act, 1997 and Section 36 of the Ontario Municipal Board Act. Should the Ontario Municipal Board or its successor not have or decline jurisdiction on any issue arising by virtue of this Agreement, then the Parties agree to refer the appeal to private arbitration in accordance with the Arbitration Act, 1991, as amended. In such an event, the Parties agree that any time limit shall not run once the application or appeal is filed with the Ontario Municipal Board (or its successor). The Parties intend for the arbitrator to arbitrate the dispute and the Parties agree that the arbitral decision and/or award will in all respects be kept and observed.

IN WITNESS WHEREOF the Parties have hereto affixed their corporate seals attested by the hands of their duly authorized officers.

THE CORPORATION OF THE MUNICIPALITY OF
LAMBTON SHORES



Mayor (seal)




Clerk
We have authority to bind the Corporation.

THE CORPORATION OF THE MUNICIPALITY OF
SOUTH HURON




Mayor (seal)



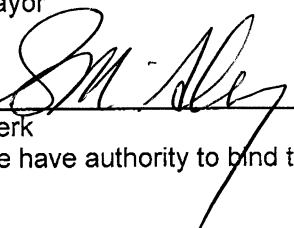
Clerk

We have authority to bind the Corporation.

THE CORPORATION OF THE MUNICIPALITY OF
BLUEWATER



Mayor (seal)



Clerk
We have authority to bind the Corporation.

SCHEDULE "A"

Grand Bend Area Sewage Treatment Facility "Draft" Expense Budget – Year One

	Total Cost	Notes
<u>PART "A" – Administrative and Governance</u>		
General Administration Charge (Third Party Contract)		
replacement value of		
Insurance		
Audit (including annual presentation to Sewage Board)		
Community Board		
Accounting Services		
Community Board		
IT (includes support, software & licensing)		
Budget		
SCADA Support		
Contractor's warranty		
Engineering		
Capital		
Legal		
Licences, membership dues and subscriptions		
Office Supplies, postage, courier, printing and copying		
Advertising (notices, reports, etc)		
Contribution to Capital Reserve (PSAB)		

TOTAL PART A COSTS

PART "B" – Fixed Maintenance & Operational Costs

1 Utilities (Not associated with treatment)

Electricity (heat, ventilation, A/C, lighting and exterior lighting)
Water consumption (Base charge, debt charge & consumption)
Telephone
(\$100.00/month for an office phone)

pager
Computer expense
(\$35.00/month)
Internet Access
(\$85.00/month)

Subtotal

2 Building Maintenance and Operating Costs

Local Municipal Service Costs
General Repairs & Maintenance
estimate
Fire/Safety (fire extinguishers & fire system)
Snow removal and winter maintenance
Grass cutting, landscaping and grounds maintenance
Parking lot maintenance (sweeping & cleaning)
Janitorial services & custodial supplies
Security (fencing, gates, etc.)
Maintenance of "green roof" on Headworks Building
Subtotal

3 Equipment Maintenance

Annual Preventive Maintenance Checks of Equipment
Maintenance of emergency diesel generator
Maintenance of "Solar PV system" on Tertiary Building

Additional maintenance cost of idling equipment
Subtotal

4 Wet Land Maintenance
Landscaping, pest control and grounds maintenance
Subtotal

TOTAL PART B COSTS

PARC "C" – Variable Operational Costs (Related to flows)
OMI Administrative and overhead costs (approx. 20%)
Wages associated with treatment process
Electrical costs associated with treatment process
Chemicals (Alum, sodium hydroxide, sodium hypochlorite)
Laboratory sampling
Subtotal

TOTAL PART C COSTS

TOTAL FIRST BUDGET COSTS

SCHEDULE "B"

Municipal Water and Sewage Transfer Act, 1997 Section 2

Transfer Order for the **GRAND BEND SEWAGE LAGOONS AND MAIN PUMPING STATION** Transfer Order Grand Bend Area #S1/1998

To: The Corporation of the Village of Grand Bend
Clerk-Treasurer, Attention: Paul Turnbull

And to: The Corporation of the Township of Stephen
CAO, Clerk-Treasurer, Attention: Laurence Brown

(the "Municipalities")

Whereas the Ontario Clean Water Agency (the "Agency") is the owner of the Grand Bend Sewage Lagoons and Main Pumping Station (the "System") described in Schedule B,

Whereas the Agency is responsible for the operation of the System;

Whereas the Ministry of the Environment (the "Ministry") (the successor to the Ministry of Environment and Energy) gave notice of the proposal to issue this Transfer Order to the Municipalities on the 15th day of July, 1998;

Whereas submissions were received and considered in the finalization of the Orders,

Pursuant to subsection 2(1) of the *Municipal Water and Sewage Transfer Act, 1997* (*MWSTA*), the works, properties and assets acquired by the Province for the purpose of the System including any other assets, liabilities, rights and obligations of the Agency, (except as provided below or in orders under section 10 or subsection 2(6) of *MWSTA*), are hereby transferred jointly to the Municipalities, effective the 1st day of February 2000.

This Transfer Order does not transfer any chattels used by the Agency in connection with the operation of the Works. The title to such chattels remains governed by the agreement under which the Works are operated from time to time.

Pursuant to subsection 2(5) of *MWSTA*, certain liabilities are not transferred, but all other liabilities and obligations of the Agency or its predecessors with respect to the System (other than the Agency's continued obligation to operate them under section 7 of *MWSTA*) are transferred jointly to the Municipalities.

Supplementary transfer orders for registration purposes confirming the transfer of the interests in land transferred by this order will be issued under subsection 2(6) of *MWASTA*.

For greater certainty, the rights and obligations of the Agency under any agreement (including those with a railway, a company that operates a pipeline, or the Government of Canada with respect to a canal or other federally-owned waterway or airport and the Agency or one of its predecessors) providing for the railway, pipeline, waterway or airport and the System crossing each other or occupying the same property, are transferred jointly to the Municipalities.

Pursuant to section 5 of *MWASTA*, this transfer order does not affect the Municipalities' obligations to make payments to the Agency.

Subject to subsection 8(3) and section 10 of *MWASTA*, the Municipality will continue to make payments on account of capital (principal and interest) to the Agency until the balance of the capital has been repaid to the Crown.

Subject to section 10 of *MWASTA*, subsequent to this transfer occurring, the Agency will issue one (or, if necessary, more) adjusting account(s) and the Municipalities shall make the payment(s) required by the account(s) to the Agency or, in the event an adjusting account shows an overpayment, the Agency shall make the required payment(s) to the Municipalities.

The management of the System will be governed by Schedule A.

Dated this 7th day of February, 2000.



Minister of the Environment

Municipal Water and Sewage Transfer Act, 1997

Schedule A

To a Transfer Order to:

The Corporation of the Village of Grand Bend, and
The Corporation of The Township of Stephen

GRAND BEND LAGOONS AND MAIN PUMPING STATION JOINT MANAGEMENT

This transfer order is subject to the following terms and conditions.

Joint Board of Management

- f) A Joint Board of Management (the "Joint Board") is hereby established to govern the management of the Grand Bend Lagoons and Collection System (the "System"), described in Schedule B.
 - a) The council of each Municipality will appoint two (2) members of council as Representatives to the Joint Board.
 - b) The council of each Municipality may appoint one (1) or more Alternative Representative(s), who in the absence of a Representative is entitled to attend meetings of the Joint Board and vote.
 - c) Representatives on the Joint Board will have no fixed term of appointment, and will serve at the pleasure of their respective municipal council.
 - d) Each Representative will have one (1) vote. Except where otherwise specified in this Schedule, the Joint Board will make decisions by simple majority votes.
 - e) Representatives will not receive any remuneration, other than for expenses. This does not prevent a member who is also a member of a municipal council or board from receiving remuneration as a municipal councillor or board member.
 - f) The Chair of the Joint Board will be selected annually by simple majority votes.
 - g) The Joint Board will meet at least semi-annually, at the call of the Chair and at any mutually convenient time at the request of any Representative.
 - h) A quorum of the Joint Board is three (3) Representatives.

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- j) If further municipalities are added to the System, or in the event of municipal restructuring, membership on the Joint Board will be altered accordingly.
- j) Representatives to the Joint Board will act in the best interest of the System as a whole and of the System users.
- k) The Joint Board will establish rules as to when meetings will be in-camera as per the appropriate legislation.

Authority

- 2. The Joint Board will have full authority and the necessary powers, within approved budgets, to manage the System on behalf of the Municipalities for the purpose of constructing, operating, repairing, and improving the System including:
 - a) obtaining approvals;
 - b) contracting for services;
 - c) entering into agreements with individuals, corporations and other governments; and
 - d) operating bank accounts and other banking transactions
- 3. Agreements entered into by the Joint Board may be executed by the Chair, or as otherwise directed by the Joint Board, on behalf of the Joint Board on behalf of the Municipalities.
- 4. The Joint Board may delegate specific administrative functions to another party, subject to such terms and conditions as the Joint Board decides from time to time.
- 5. The management arrangements specified in this Order may be changed upon unanimous consent by the Joint Board.

Effective Date

- 6. The Municipalities may appoint Representatives to the Joint Board prior to the effective date of the order, and the Joint Board may make administrative arrangements so that it is able to commence functioning on the effective date of the order.

Compliance with Approvals or Certificates of Approval

7. All Municipalities are jointly and severally responsible for compliance with Approvals or Certificates of Approval for the System.

Administering Municipality

8. Subject to any operating agreement between the Joint Board and an Operating Agent, The Corporation of the Village of Grand Bend will be the Administering Municipality, responsible for the administration of the System on behalf of the Municipalities and the Joint Board. The Administering Municipality may execute agreements on behalf of the Joint Board on behalf of the Municipalities that are within its authority under this section. In this section, Operating Agent means the Ontario Clean Water Agency, or anyone else with whom the Joint Board enters into an operating agreement, from time to time. Unless changed under the provisions of section 4, the administrative functions are:
 - a) keeping books, records and accounts;
 - b) liaison with Ministry of the Environment staff on matters of compliance;
 - c) liaison with the Operating Agent;
 - d) negotiating agreements with the Operating Agent, subject to the approval of the Joint Board;
 - e) preparing capital, operating budgets and System Rate;
 - f) billing of individual property owners in the Municipalities in accordance with the System Rate, the Township of Stephen will provide lists of their consumers for this purpose as may be required by the Administering Municipality from time to time;
 - g) receiving payments from property owners;
 - h) making payments to the Operating Agent;
 - i) making payments on any provincial capital debt and other financing payments;
 - j) raising capital financing;
 - k) preparing and keeping minutes of Joint Board meetings, and circulating in a timely manner the minutes to the Representatives;
 - l) holding reserve funds;
 - m) operating bank accounts;
 - n) making day-to-day operation and maintenance decisions and implementing or providing for the implementation of those decisions, where they are not being implemented by the Operating Agent, up to a maximum value of \$4,000.00 or any other value as determined by the Joint Board from time to time; and,
 - o) such other functions that are recommended by the Administering Municipality and approved by the Joint Board.

9. In the event of non-payment of an individual account issued to a property owner in the Township of Stephen, where the ann payment is for a period of three (3) months after the delivery of such account, the Administering Municipality will advise the Township of Stephen who will then charge back against the individual property owner as prescribed by the appropriate legislation. The Township of Stephen will then forward such amount to the Administering Municipality.
10. The records of the Joint Board and the Administering Municipality with respect to the System shall be audited on a regular basis. Municipalities and their auditors will have access to administrative and financial records related to the System upon request.

Approval of Budgets and System Rate

11. The Administering Municipality will, on an annual basis, and in accordance with guidelines prepared by the Joint Board, prepare and submit to the Joint Board:
 - a) a draft Operating Budget;
 - b) a draft Capital Replacement and Rehabilitation Budget; and
 - c) a draft System Rate
12. The draft budgets and System Rate must be submitted by the Administering Municipality to the Joint Board no later than September 30th of the year preceding the year for which the budget and System Rate is prepared, or another date specified by the Joint Board.
13. The Joint Board will review and approve each draft annual budget and System Rate and then submit them to the municipal councils for approval.
14. In the event that the Joint Board does not approve a draft annual budget or System Rate by December 1st of the year preceding the year for which the budget or the System Rate is prepared, the default budget or System Rate, as described below, will be submitted to the municipal councils as the new budget or System Rate.

Operating Budget

15. Operating Budgets will include both direct and indirect costs normally associated with operating and maintaining the System, including routine and minor replacement parts, and the costs incurred by the Administering Municipality in administering the System. Operating costs will exclude those items agreed by the Joint Board to be capital.

16. In the event that one or more municipal council does not approve a draft Operating Budget for a year prior to December 31st of the year preceding the year for which the draft Operating Budget is prepared, then the default new Operating Budget will be the Operating Budget preceding the year for which the draft Operating Budget was prepared plus the annual increase in the consumer price index for Ontario reported by Statistics Canada for the most recent twelve-month period ending prior to November 1 of the year preceding the year for which the draft Budget was prepared. If the municipal councils subsequently approve the draft Budget, such approved Budget shall supersede the default new Budget.
17. In the event that there are payments required to be made under an agreement with an Operating Agent, and the agreement provides for higher payments than would be covered by applying the annual increase in the consumer price index to the previous year's payments under the agreement with the Operating Agent or its predecessor, the default new Operating Budget will be further increased by an amount sufficient to cover the payments to the Operating Agent.

Capital Replacement and Rehabilitation Budget

18. The Capital Replacement and Rehabilitation Budget will project capital replacement and rehabilitation expenditures for the following five (5) year period.
19. In the event that one or more municipal council does not approve a draft Capital Replacement and Rehabilitation Budget for a year prior to December 31st of the year preceding the year for which the draft Capital Replacement and Rehabilitation Budget is prepared, then the default new Capital Replacement and Rehabilitation Budget will be the Capital Replacement and Rehabilitation Budget preceding the year for which the draft Capital Replacement and Rehabilitation Budget was prepared plus the annual increase in the consumer price index for Ontario reported by Statistics Canada for the most recent twelve-month period ending prior to November 1 of the year preceding the year for which the draft Budget was prepared. If the municipal councils subsequently approve the draft Budget, such approved Budget shall supersede the default new Budget.
20. In the event the Joint Board proposes a capital or other expenditure not otherwise provided for, it may arrange for one or more Municipalities to finance the expenditure and shall provide in the Joint Board's future budgets for the repayment of such financing.
21. In the event that an urgent replacement or rehabilitation expenditure has to be made during the course of the year, that is not provided for in the Capital Replacement and Rehabilitation Budget, or an expenditure is required under a

not provided for in the Operating Budget or Capital Replacement and Rehabilitation Budget, then the Joint Board or Administering Municipality may incur such expenditure and the Joint Board will recover it as an addition to the Rehabilitation and Replacement Budget in one or more subsequent years, to the extent that it is not provided for in the Capital Replacement and Rehabilitation Reserve Fund.

Capital Replacement and Rehabilitation Reserve Fund

22. A Capital Replacement and Rehabilitation Reserve Fund will be held by the Administering Municipality for the purpose of ensuring that sufficient funds are held to properly maintain the System. The Administering Municipality will hold this fund in a dedicated interest bearing account.
23. The Joint Board may collect funds for the Capital Replacement and Rehabilitation Reserve Fund through the System Rates, or in some other manner that the Joint Board may decide from time to time.

New Capacity Capital Budget

24. The Joint Board will provide new capacity on an as required basis sufficiently in advance of growth as to not impede development in any Municipality, and will establish a New Capacity Capital Budget as required for this purpose.
25. The Joint Board may decide how to finance and recover the costs of providing new capacity.
26. Prior to any capital expansion of the system, an optimization study will be undertaken for the possible re-rating and extending the capacity of the existing facilities.
27. No Municipality will make changes or permit changes to works connected to the System that will have an adverse effect on the System or result in a larger demand being placed on the System than the System is designed to meet, and for the purposes of this section, the Joint Board may, from time to time, allocate and reallocate any unused capacity in the System among the Municipalities.

System Rate

28. A System Rate that will be charged to all Municipalities will be set to pay the costs of the System, including:
 - a) the Operating Budget costs;
 - b) the Capital Replacement and Rehabilitation Budget costs;

- c) the Capital Replacement and Rehabilitation Reserve Fund costs,
 - d) the cost of repaying capital debt on the System, and,
 - e) any other costs that the Joint Board agrees to include in the System Rate.
29. In the event that one or more municipal council does not approve the draft System Rate for a year prior to December 31st of the year preceding the year for which the draft System Rate is prepared, then the default System Rate will apply, calculated by dividing the costs of the Budgets by the projected sewage flows on the same basis as used for the most recent System Rate. If the municipal council subsequently approves the draft System Rate, such approved System Rate shall supersede the default new System Rate.

Raising Funds for Capital Budgets

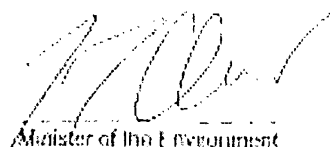
30. Each Municipality is responsible for raising its share of the capital for Capital Budgets, provided that any Municipality may agree to raise some or all of the share of another Municipality.

Budget Continuity

31. In the event that the first Operating Budget, Capital Rehabilitation and Replacement Budget, or Rates are not approved by the Joint Board within one month of the effective date of this Order, the Ontario Clean Water Agency will provide the budgets and Rates. If the original operating period is less than a calendar year, the Ontario Clean Water Agency may provide budgets and Rates for the fractional year, if the fractional year budget or Rates are not agreed to within one month of the Joint Board being established. In the event the first budgets or Rates are for a fractional year, the default budgets and Rates for the succeeding year, if necessary, will be based on the fractional year budgets and Rates being recalculated to an annualized basis.

Dispute Resolution

32. The Joint Board will develop and agree to a dispute resolution process.
33. A Municipality will attempt and fail to resolve the dispute via the agreed upon dispute resolution process, prior to applying to the Ontario Municipal Board to resolve a dispute, as provided for by subsection 6(4) of the *Municipal Water and Sewerage Transfer Act, 1997*.



Minister of the Environment

Municipal Water and Sewage Transfer Act, 1997

Schedule B

To a Transfer Order to:

**The Corporation of the Village of Grand Bend, and
The Corporation of Township Stephen**

GRAND BEND SEWAGE LAGOONS AND MAIN PUMPING STATION

1. Description of the Grand Bend Lagoons and Main Pumping Station:
 - a four (4) cell sewage stabilization pond and 305 meters of 300 millimeter diameter forcemain, located on Part of Lot 6, River Ausable Concession, Township of Stephen;

Main Sewage Pumping Station which includes three (3) sewage centrifugal pumps, 200 millimeter diameter flow meter, a diesel generator set, and a 8.5 cubic meter surge tank.
 - 2920 meters of 350 millimeter diameter forcemain from the pumping station along Highway 81 and Concession Road No. 22 to the waste stabilization pond; and
 - all associated appurtenances and controls.

Grand Bend Area Joint Sewage Board

BY-LAW 1 of 2017

A By-law to Provide for the Rules of Order and Procedure
for the Grand Bend Area Joint Sewage Board

WHEREAS Section 238(2) of *the Municipal Act, 2001, SO 2001, C 25* as amended, states that every Council and local board shall pass a procedural by-law for governing the calling, place and proceedings of meetings, and

WHEREAS Section 8 of the Tri-Party Agreement entered into by The Municipalities of Lambton Shores, South Huron and Bluewater states that the Grand Bend Area Joint Sewage Board shall pass a procedural By-law;

The Grand Bend Joint Sewage Board hereby enacts the following:

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Part 1	Definitions
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Part 1 Definitions

“Administering Municipality” shall mean the Municipality appointed under Section 10 of the Tri-Party Agreement.

“Chair” shall mean the Chair or acting Chair of The Board.

“Closed Meeting” shall mean a closed session of The Board that is not open to the public.

“Committee” shall mean a committee established by The Board.

“Meeting” shall mean any regular or special meeting of The Board, or a Committee of The Board.

“Member” shall mean a member of The Board or when referring to a Committee, a member of a Committee appointed by The Board.

“Point of Order” shall mean a concern regarding a rule of parliamentary procedure raised by a member.

“Point of personal privilege” shall mean when a member feels his or her personal reputation has been unduly injured by the words or behavior of another member.

“Presiding Officer” shall mean the Chair of The Board or if in reference to a Committee, shall mean the Chair of the Committee.

“Quorum” shall mean not less than three quarters of all members as defined in Section 8(e) of the Tri-Party Agreement.

“Recorded Vote” shall mean the recording of the name and vote of every member on a motion made.

“Secretary” shall mean a staff member from a Participating Municipality appointed by the Board as set out in Section 8(h) of the Tri-Party Agreement.

“The Board” shall mean the Grand Bend Area Joint Sewage Board

“Tri-Party Agreement” shall mean the agreement entered into by the Municipality of Lambton Shores (By-law 34 of 2014), the Municipality of South Huron (By-law #22-2014, and the Municipality of Bluewater (By-law Number 37-2014) for the operation of the Grand Bend Sewage Treatment Plant and associated works.

Part 2 General

- 2.1 This By-law shall be read in conjunction with the Tri-Party Agreement. Where there is a conflict or discrepancy between this By-law and the Tri-Party Agreement, the Tri-Party Agreement shall take precedence over this By-law.
- 2.2 The term of the Office of a Joint Sewage Board Member shall be in accordance with Section 196 of the Municipal Act.

- 2.3 Members may be re- appointed and the term of each Joint Sewage Board Member continues until his or her successor has been appointed, provided the Member remains an elected official. For clarity, a Joint Sewage Board Member shall be an elected official.
- 2.4 Each Participating Municipality will appoint Joint Sewage Board Members as often as necessary to ensure that vacancies are minimized and that the function of the Joint Sewage Board will be facilitated.
- 2.5 A Participating Municipality may revoke the appointment of any Joint Sewage Board Member appointed by it for such reasons as it considers advisable, but may not leave any such position vacant for more than fifteen (15) days.
- 2.6 An alternate member appointed by a Participating Municipality may attend a meeting in place of any Joint Sewage Board Member appointed by that Participating Municipality.
- 2.7 No member is eligible for remuneration by the Joint Sewage Board.
- 2.8 The Joint Sewage Board will appoint a Chair and Secretary for the calendar year at its first meeting in that year. Typically the Chair and Secretary positions will rotate every two (2) years between the Participating Municipalities provided that the Chair and the Secretary of the Joint Sewage Board shall not be occupied by appointees of a single municipality in any year.
- 2.9 Meetings of the Joint Sewage Board shall be conducted in accordance with the Procedural By- Law, except as set out in this Agreement or as required by law.
- 2.10 Minutes of all meetings shall be circulated without any of the Participating Municipalities reviewing the content of the Minutes prior to distribution. Any objections to the content of the Minutes shall be noted by the objecting Participating Municipality at the following meeting.
- 2.11 Each Joint Sewage Board Member that has been appointed by a Participating Municipality shall have one vote with respect to any question.
- 2.12 The rules contained in this by-law shall be observed in all proceedings of The Board and shall be the rules and regulations for the order and dispatch of business by The Board. The rules contained in this by-law shall be observed, with the necessary modifications, in every committee.
- 2.13 Those proceedings of The Board or the Committees thereof not specifically governed by the provisions of this by-law shall be regulated in accordance with Robert's Rules of Order, 11th edition.
- 2.14 Any rules or regulations contained in this by-law may be suspended with the consent of the majority of the members.

Part 3 Schedule of Meetings

- 3.1 At the last meeting of each year, the Secretary shall prepare and submit a schedule of Board meeting dates for the next year for consideration by The Board. Once approved, the schedule shall be posted on the Participating Municipalities websites.
- 3.2 The inaugural meeting of The Board after a regular municipal election shall be called by the Administering Municipality as soon as practicable after confirmation that the Participating Municipalities have appointed members to the Board, but no later than March 31 of the year following the election.
- 3.3 The Joint Sewage Board will meet not less than once in any three (3) month calendar period, at the call of the Chair, with no less than fourteen (14) days' notice, or at any other time with the consent of all Joint Sewage Board Members. The Participating Municipalities shall have the right to call a Meeting of the Joint Sewage Board by providing written notice of the meeting to each of the other Participating Municipalities. The requisite notice for all meetings shall include a summary of the business to be transacted at the meeting. The summary of the business to be transacted at the meeting shall be sufficient for all Participating Municipalities to determine the business that will be addressed at the meeting, failing which the business transacted at the meeting shall be null and void unless otherwise agreed by the Participating Municipalities
- 3.4 A minimum of fourteen (14) days' notice shall be given for any meeting of The Board as required under Section 8(i) of the Tri-Party Agreement. Notice of the meeting shall be posted on the Participating Municipalities websites, and such notice shall be deemed to be adequate notice.
- 3.5 Notice of any change in meeting schedule or cancellation of meeting shall be posted on the Administering Municipality's website.
- 3.6 Meetings shall be held at such place as determined by the Chair or by a resolution of The Board.

Part 4 Closed Meetings

- 4.1 All meetings of The Board shall be open to the public except as provided for in Section 239(2), Section 239(3) and Section 239(3.1) of the Municipal Act, 2001, SO 2001, C 25.
- 4.2 Before holding a meeting or part of a meeting that is to be closed to the public, The Board or a Committee of shall state by resolution the fact of the holding of the closed meeting and the general nature of the matter to be considered at the closed meeting.
- 4.3 Subject to subsection 4.4, a meeting shall not be closed to the public during the taking of a vote.

- 4.4 A meeting may be closed to the public during a vote if,
- (a) subsection 4.1, requires the meeting to be closed to the public; and
 - (b) the vote is for a procedural matter or for giving directions or instructions to officers, employees or agents of the municipality or persons retained by or under a contract with the municipality or local board.
- 4.5 The rules of The Board shall be observed in closed meetings so far as may be applicable.
- 4.6 After consideration of a matter in the closed session, and the report from the closed session is in the possession of The Board, any resulting action of The Board by way of resolution or by-law of The Board shall be debated and voted upon in a public session, unless the subject matter under consideration must remain confidential.
- 4.7 No member or other person attending a closed session shall without the authorization of The Board, release confidential reports or information considered at a closed meeting, or discuss the content of such reports or information with persons other than members of The Board or appropriate Participating Municipal staff members and/or agents of The Board concerned with the reports or information
- 4.8 The nature of issues proposed for consideration during the “closed” session of The Board shall be noted on the meeting’s agenda. Background information or reports will be delivered to The Board members only, and will, if possible, be delivered at the same time as the regular agenda is posted on line.

Part 5 Meeting Agenda

- 5.1 The order of the business of The Board will be:
- Call to Order
 - Declaration of Pecuniary Interest
 - Approval of the Agenda
 - Minutes of Previous Meeting
 - Correspondence
 - Staff Reports
 - New Business
 - Closed Session
 - Adjournment
- 5.2 The order of business on the agenda may be re-ordered with leave of The Board.
- 5.3 The agenda will be available to the members and the public ninety-six hours prior to the scheduled meeting at which time it will be posted on the Participating Municipalities website.

Part 6 Commencement of Meeting

- 6.1 Three quarters of the voting members shall constitute a quorum as set out in Section 8(e) of the Tri-Party Agreement.
- 6.2 As soon after the hour fixed for the meeting if a quorum is present, the meeting shall be called to order by the Chair.
- 6.3 If there is no quorum present within one half hour after the time appointed for the meeting, The Board shall stand adjourned until the date and time of the next regular or special meeting, and the Secretary shall record the name of the members present upon such adjournment.
- 6.4 In the absence of the Chair, the Secretary shall call the meeting to order 15 minutes after the hour appointed for the meeting and the members shall elect a member to preside during the meeting or until the arrival of the Chair.

Part 7 Rules of Debate and Conduct

- 7.1 The Chair shall preside over the conduct of the meeting, including the preservation of good order and decorum, ruling on points of order and deciding all questions relating to the orderly procedure of the meeting, subject to an appeal to The Board.
- 7.2 If the Chair desires to take part in the debate or for any other reason, he/she shall designate another member to serve in the place of the Chair until he/she resumes the Chairmanship of the meeting, and shall pass the gavel to the designate.
- 7.3 Before a member may speak to any matter, he/she shall first be recognized by the Chair.
- 7.4 A member shall not speak more than twice to any motion for a total of 5 minutes, unless otherwise decided by a majority vote of the members present, and the member who has made a motion shall be allowed to speak last.
- 7.5 A member may ask a concisely worded question of another member or of the Administering Authority through the Chair prior to the motion being put to a vote by the Chair in accordance with the section of this by-law pertaining to voting.
- 7.6 A member may require the motion under debate to be read at any time during the debate, but shall not interrupt a member who is speaking.
- 7.7 Only one motion to amend the main motion shall be allowed at one time.
- 7.8 If a main motion is amended more than once, the mover and seconder shall withdraw the original motion and a new motion will be presented based on the outcome of the discussion.

- 7.9 An amendment to a motion, and/or an amendment to the amendment shall not change the integral intent of the original motion.
- 7.10 A member shall not use profane or offensive words or insulting expressions.
- 7.11 A member shall not disobey the rules of the meeting or a decision of the Chair or of the members on points of order or on the interpretation of the rules of procedure.
- 7.12 A member shall not leave his/her seat or make any noise or disturbance while a vote is being taken or until the result is declared.
- 7.13 A member shall not interrupt a member who is speaking, except to raise a point of order or a question of privilege.
- 7.14 A member shall not leave the meeting when he/she does not intend to return thereto without first advising the Chair.
- 7.15 In accordance with the *Municipal Act, 2001, SO 2001, c25* requirements, the Chair shall preside over meetings so that its business can be carried out efficiently and effectively; and may eject a member or a member of the audience for improper conduct;
- 7.16 If the person apologizes, the Chair with the approval of the members may permit him/her to resume his/her seat.
- 7.17 At any time during a discussion, a member may raise a "Point of Order" to call to the attention of the Chair a breach of the Procedural By-law. The Chair shall rule on the point of order before business continues.
- 7.18 When a member feels "his" or "her" personal reputation has been unduly injured by the words or behavior of another member, he/she may call a Point of Personal Privilege, which will take precedence over all other business (except for motions to adjourn).
- 7.19 After all members have had an opportunity to speak to the issue as permitted in Section 7.4, the Chair shall call the vote.
- 7.20 Electronic Devices
- (a) In deference to the public meeting at hand, members should make every effort to refrain from sending or receiving electronic communication of a personal nature during meetings.
 - (b) Members are permitted and encouraged to use electronic devices to access electronic versions of the meeting agenda and related documents.
 - (c) Members shall not send or receive electronic communications concerning any matter before the members during a meeting.

(d) Members shall not access the internet concerning any matter before the members during a meeting except to access agenda package information

(e) No electronic devices shall be allowed in closed session meetings except those electronic devices to access electronic version of the confidential closed meeting agendas and related documents.

Part 8 Motions and Amendments

- 8.1 Motions shall be seconded before being debated or put to a vote.
- 8.2 Motions that fail to receive a seconder are not recorded in the minutes.
- 8.4 Every motion shall be deemed to be in the possession of the members for debate after it is moved and seconded, and accepted by the Chair, but may, with the permission of the members, be withdrawn at the joint request of the mover and seconder at any time before the motion is disposed of.
- 8.5 Any motion proposed to amend an agenda item recommendation or arising from the discussion shall be presented in writing to the Chair at the meeting if possible.
- 8.6 Requests for staff reports or other substantive reports will be made by motion, and include the expected delivery date.
- 8.7 When a motion is under debate, no other motion shall be in order except a motion:
 (a) to adjourn;
 (b) to table;
 (c) to put the question (to close the debate);
 (d) to postpone;
 (e) to refer; or
 (f) to amend.
- 8.8 A motion to adjourn shall:
 (a) not be amended;
 (b) not be debated;
 (c) not include qualifications or additional statements; and
 (d) always be in order, except when a member is speaking or the members are voting
- 8.9 When a motion to adjourn has been decided in the negative, no further motion to adjourn shall be made until after some subsequent proceeding has taken place.
- 8.13 A motion to table shall:
 (a) not be amended;
 (b) not be debated;
 (c) apply to the main motion and any amendments thereto under debate at the

- time when the motion to table was made;
- (d) not include qualifications or additional statements;
- (e) shall include the date at which the motion will be brought forward.

- 8.14 A motion to close the debate and call the vote shall:
- (a) not be amended;
 - (b) not be debated;
 - (c) not be introduced by a member who has already spoken to the motion or amendment under debate;
 - (d) apply to the motion or amendment under debate at the time when the motion to put the question is made;
 - (e) be moved using the words "that the question now be put" and the mover and the seconder shall not be permitted to speak to the motion to put the question.
- 8.15 A motion to postpone a matter to a certain time or date shall:
- (a) be open to debate;
 - (b) be amendable; and
 - (c) preclude amendment and debate of the preceding motion, unless the motion to postpone to a certain time is resolved in the negative, in which case the preceding motion shall be open to debate and amendment.
- 8.16 A motion to refer a matter under consideration to a committee, to the Administering Municipality or elsewhere shall:
- (a) be open to debate;
 - (b) be amendable; and
 - (c) preclude amendment or debate of the preceding motion, unless the motion to refer is resolved in the negative, in which case the preceding motion shall be open to debate and amendment.
- 8.17 A motion to amend shall:
- (a) be open to debate;
 - (b) not propose a direct negative to the main motion; and
 - (c) be relevant to the main motion.
- 8.18 A recess will be convened either by motion or at the discretion of the Chair. A motion to recess when other business is before the meeting shall specify the length of the time of the recess.

Part 9 Voting

- 9.1 Voting on the main motion and amending motions shall be conducted in the following order:
- (a) a motion to amend the main motion; and
 - (b) the main motion (as amended or not).
- 9.2 When the motion under consideration contains distinct propositions, upon the request of any member and provided a recorded vote has not been called for, the vote on each proposition shall be taken separately.

- 9.3 A motion shall be put to a vote by the Chair immediately after all members desiring to speak on the motion have spoken in accordance with section 7.4 of this by-law.
- 9.4 After a motion is put to a vote by the Chair, no member shall speak on that motion nor shall any other motion be made until after the result of the vote is announced by the Chair.
- 9.5 Every member present shall vote on every motion unless the member indicates a conflict of interest.
- 9.6 Every member who is not disqualified from voting by reason of a declared conflict of interest shall be deemed to be voting against the motion if he/she declines or abstains from voting.
- 9.7 The manner of determining the decision of the members on a motion shall not be by secret ballot or by any other method of secret voting, except where authorized by the *Municipal Act*, 2001, SO 2001, c25 as amended.
- 9.8 When putting the question to vote, the Chair shall first ask for those in favour of its adoption to raise their hands, then ask for those opposed to its adoption to raise their hands.
- 9.9 The Chair shall announce the result of every vote other than a recorded vote.
- 9.10 When there is a tie vote on any motion, it shall be deemed to have been decided in the negative.
- 9.11 A recorded vote shall be taken when called for by any member or when required by law.
- 9.12 A member may only call for a recorded vote immediately prior to or immediately after the taking of the vote only. The names of the members voting for or against a motion will not be recorded, except in accordance with this section.
- 9.13 The Chair and all members present shall vote when a recorded vote is called for, except when they have been disqualified from voting by reason of a declared conflict of interest.
- 9.14 In any vote required of all the members, the number of members constituting the membership shall be determined by excluding:
- (a) the number of members who are present at the meeting but who are excluded from voting by reason of the *Municipal Conflict of Interest Act*, R.S.O. 1990,
- 9.15 Upon the request for a recorded vote, the Secretary shall ask each member individually to announce their vote openly and shall record such vote and declare the results.

- 9.16 When a recorded vote is taken, the names of those who voted for and those who voted against the motion shall be entered in the minutes.

Part 10 Reconsideration

- 10.1 No motion for the reconsideration of any decided matter shall be permitted more than once during a 12 month period nor shall a motion to reconsider be reconsidered.
- 10.2 A motion to reconsider a decided matter shall—be introduced at the “New Business” section of the agenda when it is made at the same meeting when the original motion was decided.
- 10.3 A member may submit a notice of motion to reconsider a decided matter to the Secretary for inclusion in the next regular meeting.
- 10.4 A notice of motion to reconsider a decided matter filed with the Secretary shall not stop or delay any administrative action on the decided matter at any time before the notice of motion has been dealt with by the members
- 10.5 A notice of motion will not be considered if the required action in the motion has already occurred.
- 10.6 A motion to reconsider a decided matter shall require the approval of a Quorum of the members.
- 10.7 If a motion to reconsider is decided in the affirmative at a meeting, then consideration of the original matter shall become the next order of business.
- 10.8 No debate on a motion to reconsider a decided matter shall be permitted; however, the mover of a motion to reconsider may provide or may make a brief and concise statement outlining the reasons for proposing such reconsideration.

Part 11 Presentations and Delegations

Presentations

- 11.1 Presentations to The Board made by individuals or groups will be at the sole invitation of the Board or the Administering Municipality.

Delegations

- 11.2 Persons wanting to make a delegation on an item on an agenda shall advise the Administering Municipality no later than 12:00 the day preceding the meeting and shall submit the information to the secretary.
- 11.3 A delegate may only address The Board with respect to an item on the agenda.

- 11.4 No delegation shall be made to The Board on matters relating to litigation or potential litigation, including those matters which are before and under the jurisdiction of any court or administrative tribunals unless such matter is referred The Board by the said administrative tribunal or court.
- 11.5 No delegation shall speak on a matter that is not within the jurisdiction of The Board.
- 11.6 No delegations shall be made to notices of motion on a Board or Committee agenda. Delegates will have an opportunity to speak at a subsequent meeting where that item will be discussed.
- 11.7 Delegations shall not be permitted to appear before The Board for the sole purpose of generating publicity for an event.
- 11.8 Delegations will be recognized by the Chair, and will be required to clearly state his/her name, address and group affiliation if appropriate.
- 11.9 Delegations will be limited to speaking for a maximum duration of 3 minutes.

Part 12 Communications and Petitions

- 12.1 Every communication which deals with a matter on the agenda shall be delivered to the Secretary before 12:00 noon, seven (7) days prior to the meeting will be included in that meeting's agenda.
- 12.2 Correspondence, presentation and delegation requests intended for inclusion in a Board or Committee agenda, or otherwise considered by The Board, shall be legibly written or printed, shall be signed by at least one person giving his/her name, address and telephone number, and shall not contain any defamatory statements, allegations, inferences, impertinent, disrespectful or improper matter.
- 12.3 Correspondence, presentation and delegation requests or petitions deemed by the Administering Municipality not to comply with Section 12.2 will be returned to sender (if known) with an explanation as to why the material cannot be included in The Board agenda.

Part 14 Record of Meeting – Minutes

- 14.1 The Secretary of The Board shall record without note or comment, all resolutions, decisions and other proceedings of The Board, whether it is closed to the public or not.

- 14.2 The record required by 14.1 shall be made by,
- (a) the Secretary, or designate, in the case of a Board Meeting; or
 - (b) the *appropriate* employee, in the case of a committee meeting.
- 14.3 The minutes are the official corporate record of the proceedings, and shall consist of a record of the place and time of the meeting, the name of the Presiding Officer, a record of all members present, and the names of those absent, together with all resolutions, decisions, and other proceedings of the members.
- 14.4 At the next regularly scheduled meeting, the minutes of the previous meeting shall be considered so that any errors may be corrected and once approved, signed by the Chair and Secretary.
- 14.5 Personal statements shall only be made during Board Reports unless it is a statement made by the chair regarding the efficiency or effectiveness of conducting the meeting or on a members point of personal privilege. Written statements prepared by members will not be included in the minutes.
- 14.6 Only approved minutes will be posted on the Administering Municipality's website.

Part 15 Rules of Conduct – Board Meetings

- 15.1 The Chair shall preside over the conduct at all meetings and public participation meetings, including the order and decorum, enforcing the provisions in the Procedural By-law, ruling on point of order and deciding all questions relating to the orderly procedure of the meeting;
- 15.2 Participants will be recognized by the Chair, and will be required to clearly state his/her name, address and group affiliation if appropriate;
- 15.3 A participant will be limited to speaking for a maximum duration of 3 minutes.
- 15.4 All questions and statements will be addressed to the Chair
- 15.5 No participant may speak more than once until all wishing to speak have had an opportunity;
- 15.6 Placards or other displays that may disrupt the meeting will not be permitted in the public meeting place;
- 15.7 The Chair shall:
- a) interrupt, warn, or terminate a person's statement when the statement is too lengthy, personally directed, abusive, repetitive, or irrelevant;
 - b) request any individual to leave the meeting when that person does not observe reasonable decorum;

- c) request the assistance of law enforcement officers in the removal of a disorderly person when that person's conduct interferes with the orderly progress of the meeting;
- e) call for a recess or an adjournment to another time when the lack of public decorum so interferes with the orderly conduct of the meeting as to warrant such action;

- 15.8 Members of the public who constitute the audience at a meeting, shall not:
- address The Board without permission;
 - engage in any activity or behavior that would affect The Board deliberations.
 - make detrimental comments, or speak ill of, or malign the integrity of any staff, the public, Chair, Members of The Board.

Part 16 Enactment of By-Laws

- 16.1 By-laws shall be printed and distributed with the Agenda for the meeting at which they are to be read.
- 16.2 Every by-law shall receive 3 readings before being enacted by The Board.
- 16.3 Unless otherwise provided by law, a by-law may receive all 3 readings at the same meeting, and as part of one motion.
- 16.4 Motions for the first and third readings of by-laws shall not be amendable or debatable.
- 16.5 Amendments and debate on the content of by-laws shall be in order after a motion for the second reading of the by-laws has been duly made and seconded.
- 16.6 During the debate on the motion for the second reading of by-laws, by-laws may, by a majority vote of the members present, be referred to staff, or a committee of The Board.
- 16.7 Every by-law enacted by The Board shall be signed by the Chair and the Administering Municipality, shall show the dates of the three readings by The Board.

Part 18 Ad Hoc Committees

- 18.1 The Board may by resolution establish "Ad Hoc" committees which shall advise The Board on matters assigned or referred to them by The Board.
- 18.2 The Board shall determine the "Terms of Reference" for each committee established.
- 18.3 The Board shall appoint the members of The Board who shall serve on each committee and The Board shall determine the term of the appointment of each member.

- 18.4 The Chair shall be an ex officio member of all ad hoc committees.
- 18.5 Each committee at its first meeting shall elect a Committee Chair from amongst its members.
- 18.6 A quorum for a committee shall be the majority of those appointed to the committee by The Board.
- 18.7 The rules governing the procedure for The Board shall be observed in all committees insofar as applicable.
- 18.8 A committee which refuses or neglects to give due consideration to any matter assigned to it or before it, may by Board resolution be discharged of such responsibility.
- 18.9 Each committee is subject to the control and direction of The Board.
- 18.10 Each committee shall submit, through the Administering Municipality staff, minutes or reports with recommendations to The Board on all matters connected with their duties or matters referred to them by The Board.
- 18.11 The Administering municipality may assign a person to prepare the minutes of a committee meeting.

Part 19 Disclosure of Interest

- 19.1 Where a member, either on his or her own behalf or while acting for, by, with or through another, has any pecuniary interest, direct or indirect, in any matter and is present at a meeting of The Board at which the matter is the subject of consideration, the member,
- (a) shall, prior to any consideration of the matter at the meeting, disclose the interest and the general nature thereof;
 - (b) shall not take part in the discussion of, or vote on any question in respect of the matter; and
 - (c) shall not attempt in any way whether before, during or after the meeting to influence the voting on any such question.
- 19.2 If the meeting referred to in 19.1 is not open to the public, in addition to complying with the requirements of that section, the member shall forthwith leave the meeting or the part of the meeting during which the matter is under consideration.
- 19.3 Where the interest of a member has not been disclosed as required by section 19.1 by reason of the member's absence from the meeting referred to therein, the member shall disclose the interest and otherwise comply with section 1 at the first meeting of The Board, as the case may be, attended by the member after the meeting.

- 19.4 Every declaration of interest and the general nature thereof made under 19.1 shall, where the meeting is open to the public, be recorded in the minutes of the meeting by the Secretary
- 19.5 Every declaration of interest made under Section 19.2 but not the general nature of that interest, shall, where the meeting is not open to the public, be recorded in the minutes of the next meeting that is open to the public.
- 19.6 The failure of one or more members to comply with Section 19.1 of this by-law shall not affect the validity of the meeting in regard to the said matter.
- 19.7 Notwithstanding the provisions of Section 6.1 of this by-law, when a majority of members have disclosed an interest in accordance with section 19.1 of this by-law and the *Municipal Conflict of Interest Act*, as may be amended from time to time, the remaining number of members shall be deemed to constitute a quorum, provided such number is not less than two.

This by-law shall come into force and effect upon final passing thereof.

Read a FIRST and SECOND time this ____ day of _____, 2017.

READ A THIRD TIME AND FINALLY PASSED THIS ____ DAY of _____, 2017.

Chair – Tom Tomes

Secretary – Steve McAuley
Lambton Shores