



JOINT BOARD OF MANAGEMENT

Thursday, July 26, 2018
9:00 AM

Kingsville Community Room
Kingsville Arena
1741 Jasperson Road, Kingsville

MINUTES OF SPECIAL MEETING

Members Present: Deputy Mayor MacDonald (Chair); Mayor Paterson, Councillors Jacobs, Hammond - Leamington
Mayor Nelson Santos (Vice-Chair); Deputy Mayor Gord Queen, Councillors Gaffan and Patterson - Kingsville
Mayor McDermott - Essex

Members Absent: Councillors Dunn and Verbeke - Leamington
Councillor Neufeld - Kingsville
Councillor Diemer - Lakeshore

**Municipal Staff
Present:**

none

**OCWA Staff
Present:**

Susan Budden - Business Development Manager

Call to Order: 9:01 am

Disclosures of Pecuniary Interest: none

Items for Consideration:

Update on the Evaluation of the Operations and Maintenance Services Agreement for the UWSS Facilities (Verbal)

The Manager provides the members of the Board with a brief update on the services agreement with OCWA. He reminds members that the current contract with OCWA will end on December 31, 2018. He notes that there are three (3) options the board can consider with approaching Operations and Maintenance (O&M) services:

1. Provide the services on our own, which would mean UWSS would be directly responsible for O&M;
2. Private company is retained for O&M services; he reviews a few options under this notation.
3. OCWA, which is a government agency.

The Manager indicates that he has done an evaluation of each of the above categories and spoken to a number of colleague that use all forms listed above. He confirms that

UWSS is not in a position to run the facilities with its own staff; the existing governance structure is not set up for provision of this service. Private companies are in the business of making money and there are only a few good private companies that would meet the criteria UWSS would need. However, any profit made by the company would be directed somewhere else and there is the potential that service/maintenance could suffer to increase profit margin. That leaves OCWA, which is the preferred option, moving forward.

The Manager reminds board members that the contract of 2014 had a clause for a possible five (5) year extension and he indicates that there were a lot of good things within that contract, such as the fixed fee. This works well for UWSS and he is hoping to expand upon this. He is looking at a possible ten (10) year contract, as that seems to be favourable among colleagues all across Ontario. OCWA is also potentially offering a capital loan, which would work better over the course of a ten (10) year contract.

OCWA's Business Development Manager then takes over from UWSS Manager and provides members with further information regarding the services agreement. She provides members with UWSS's Performance Report according to OCWA's work order management system. She notes that OCWA is hoping to increase staffing at the UWSS facility to provide better capital management, so members are assured that OCWA is maintaining all UWSS assets appropriately.

She also notes OCWA's community involvement and how this agreement will see UWSS as a standalone facility. Currently, OCWA is run under a hub format, which allows some staff members to attend other facilities that need assistance.

The Board asks the Manager if this services agreement fits in with the possible UWSS restructuring. The Manager feels that if restructuring were to take place, this O&M services contract would still work for the new entity likely only requiring a re-signing of the agreement with necessary name changes. Further it would take quite a few years for an incorporated UWSS to get everything in for taking over O&M services, if this were desired; therefore the length of this contract seems wise.

There is a brief discussion regarding the length of the new contract, but the Manager explains that ten (10) years is favourable with most facilities and this timeframe will work well with a possible capital loan infusion coming from OCWA.

The only concern is the potential hiring freeze, due to the change in government during the recent Provincial election from Liberal to Conservative, and how that could affect the contract. Business Development Manager assures members that OCWA is not affected by this hiring freeze; further staff are deemed essential and therefore there would be no stoppage of work, should a strike occur; also OCWA is initiating a succession program to allow staff members to grow and remain with OCWA.

The Board asks the Manager if legal has had a chance to review the draft agreement. The Manager notes that once a solid draft is in place it will be forwarded to legal for review.

No. UW-39-18

Moved by: Deputy Mayor Queen

Seconded by: Councillor Jacobs

That the UWSS Board receives the verbal update regarding the Evaluation of the Operations & Maintenance Services Agreement for the UWSS Facilities.

(Carried)

Report UW/21/17 dated July 19, 2018 re: Section 275 of the Municipal Act, 2001 “Lame Duck” Board.

The Manager reminds members of the Board of the election process and notes that Nomination Day is the following day. He further notes that there is a possibility of 75% of the UWSS Board not returning once the election takes place. Based on the current municipal elections candidates list for the four owner municipalities, the UWSS Manager has determined that the UWSS Joint Board of Management will likely be in a Lame Duck position.

The Manager also informs members that the first meeting following the October 22nd, 2018 election with all appointed Board members present will likely be in January 2019. He is asking the UWSS Board to delegate authority to him for the time of Nomination Day until January 2019. He further explains that there are several important projects that are currently underway, all within budget, however he would like the ability to make decisions and move forward. All updates regarding said projects will be brought forward to the board members at the monthly meetings.

No. UW-40-18

Moved by: Councillor Patterson

Seconded by: Deputy Mayor Queen

That report UW/21/18 dated July 19, 2018 re: Section 275 of the Municipal Act, 2001 “Lame Duck” is received; and

That the Union Water Supply System Joint Board of Management (UWSS Board) delegate temporary authority to the General Manager under Section 275 (6) of the Municipal Act, 2001 (the “Act”) for the purpose of restricted acts after Nomination Day (July 27, 2018) until the new UWSS Board commences on January 16, 2019.

Carried (UW/21/17)

Adjournment

No. UW-41-18

Moved by: Mayor McDermott

Seconded by: Councillor Hammond

That the meeting adjourn at 9:33 am

Carried

Date of Next Meeting: September 27, 2018

/kmj