

**THE CORPORATION OF THE TOWNSHIP OF ESSA
COMMITTEE OF THE WHOLE MEETING
WEDNESDAY, OCTOBER 4, 2023
6:00 p.m.**

AGENDA

Members of the public wishing to attend can do so by attending in person to the Council Chambers in the Administration Centre located at 5786 County Road 21, Utopia.

1. OPENING OF MEETING BY THE MAYOR

The Township of Essa acknowledges that we are situated on the traditional land of the Anishinaabeg, Huron-Wendat and the Tiononati people. We are dedicated to honouring Indigenous history and culture and committed to moving forward in the spirit of reconciliation and respect with all First Nation, Métis and Inuit people.

2. DISCLOSURE OF PECUNIARY INTEREST

3. DELEGATIONS / PRESENTATIONS / PUBLIC MEETINGS

a. Presentation

Stevenson Memorial Hospital Foundation

Mary Thomas, CEO

Re: Donation from Essa Golf Tournament

STAFF REPORTS

4. PLANNING AND DEVELOPMENT

5. PARKS AND RECREATION / COMMUNITY SERVICES

6. FIRE AND EMERGENCY SERVICES

7. PUBLIC WORKS

- p. 1 a. **Staff Report PW017-23 submitted by the Manager of Public Works/Deputy CAO, re: Winter Sand Tender Results.**

Recommendation: **BE IT RESOLVED THAT** Staff Report PW017-23 be received; and **THAT** the tender received from **JOHN EEK & SON LTD.** for the purchase, mixing and stacking of winter sand in the amount of **\$ 224,250.00** plus H.S.T be accepted as per Township specifications.

8. FINANCE

- p. 3 a. Staff Report TR011-23 submitted by the Manager of Finance, re: Budget to Actuals Update as of September 29, 2023.

Recommendation: **BE IT RESOLVED THAT** Staff Report TR011-23 be received.

9. CLERKS / BY-LAW ENFORCEMENT / IT

10. CHIEF ADMINISTRATIVE OFFICER (C.A.O.)

- p. 6 a. Staff Report CAO021-23 submitted by the Chief Administrative Officer, re: Strategic Plan 2022-2026.

Recommendation: **BE IT RESOLVED THAT** Staff Report CAO021-23 be received;
and

THAT Council endorse the enclosed Strategic Plan with the understanding that the strategic actions can be added to.

- p. 22 b. Staff Report CAO022-23 submitted by the Chief Administrative Officer, re: OCWA Contract Extension - 2024-2026.

Recommendation: **BE IT RESOLVED THAT** Staff Report CAO022-23 be received;
and

THAT Council authorize a contract amendment for the renewal of the Operations and Maintenance Services Agreement for Water and Wastewater Infrastructure in Essa Township with the Ontario Clean Water Agency (OCWA) to extend the existing contract by 3 years through until December 31, 2026, at an increase as described in the Amending Agreement.

11. OTHER BUSINESS

12. ADJOURNMENT

Recommendation: **BE IT RESOLVED THAT** this meeting of Committee of the Whole of the Township of Essa adjourn at _____ p.m., to meet again on the 18th day of October 2023 at 6:00 p.m.



7a

TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: PW017-23
DATE: October 4th, 2023
TO: Committee of the Whole
FROM: Michael Mikael – Manager of Public Works/Deputy CAO
SUBJECT: Winter Sand Tender Results

RECOMMENDATION

That Staff Report PW017-23 be received; and

That the tender received from **JOHN EEK & SON LTD.** for the purchase, mixing and stacking of winter sand in the amount of **\$ 224,250.00** plus H.S.T be accepted as per the Township specifications.

BACKGROUND

The Tender document was posted on the Biddingo website on September 11th, 2023 and closed on September 25th, 2023

COMMENTS AND CONSIDERATIONS

There was a total of 3 bids received. The 3 bids are summarized below:

	Bidder	Total Tender
1.	JAMES DICK CONSTRUCTION LIMITED.	\$236,210.00
2.	DUIVENVOORDEN HAULAGE LTD.	\$232,050.00
3.	JOHN EEK & SON LTD.	\$224,250.00

7a

FINANCIAL IMPACT

Council approved **\$290,000.00** in the 2023 Roads Maintenance Operating Budget. There is approximately **\$121,251.00** remaining in this account. The Winter Sand Tender amount is always split over two fiscal budget years which is 2023-2024 in this case, additional required funds will be allocated into the 2024 Roads Maintenance Operating Budget.



Manager of Finance

SUMMARY / OPTIONS

Council may

1. Take no action
2. Award the tender to **JOHN EEK & SON LTD.** in the amount of **\$224,250.00** plus H.S.T
3. Do not award the tender to **JOHN EEK & SON LTD** and select another bidder to complete the work based on reasons to be specified by Council

CONCLUSION

Staff recommends that **option 2** be approved. Given that this is the low bid, and the Township has not had any previous problems with this supplier.

Respectfully submitted,



Michael Mikael, P.Eng
Manager of Public Works/Deputy CAO

Reviewed by,



Colleen Healey-Dowdall, RPP
Chief Administrative Officer

8a



TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: TR011-23
DATE: October 4, 2023
TO: Committee of the Whole
FROM: Deborah Dollmaier, Manager of Finance
SUBJECT: Budget to Actuals Update as of September 29, 2023

RECOMMENDATION

That Staff Report TR011-23 be received.

BACKGROUND

As part of the regular reporting requested by Council, this report highlights the operational activities for the third financial quarter of 2023.

COMMENTS AND CONSIDERATIONS

The Attachment Q3 Variance Report summarizes the operating budget of each Department showing the net total which summarizes all three major sections:

- **Cost Centre Expenses** – Each department has the expense broken down by cost centres. The expenses for the cost centres are categorized into the groupings which include:
 - Salaries/Wages Expense
 - Benefits Expense
 - Operating Expense – these amounts include current operations funding capital
 - Utilities
 - Repairs and Maintenance
 - Fleet Expense
 - Miscellaneous Expense

- **Cost Centre Revenues** – For the departments that generate revenues, each will have a revenue cost centre. The revenues are categorized into the groupings which include:
 - Grants
 - Fees & Fines Revenue
 - Sale of Utilities
 - License and/Permits
 - Interest Revenue
 - Other/ Miscellaneous Revenue
 - Internal Revenue – these are DC and Reserve amounts to fund capital

- **Net Total** – this is the difference between the expenses and revenues for the department or sub-department. If the amount is positive the expenses are greater than the revenues; whereas if the value is negative, the revenues are greater than the expenses.

The Columns of the Budget to Actuals include;

- **Annual Budget** – the approved budget amount.
- **Q3 Actual Cost** – The actuals as of September 29th.
- **Q3 Budget**- 75% of the approved budget amount.
- **Variance Over/Under** – the difference between the Q3 Actual Cost versus the Q3 Budget amounts recorded. If the amount is negative, the actuals are less than the budgeted amount. If positive, the actuals are more than what was budgeted.
- **Percentage Variance** – the difference between the annual budgeted amount and the YTD actual amount expressed as a percentage.

The Attachment Q3 Variance Report also contains a listing of the 2023 approved Capital Projects. Included for each capital by department is the 2023 approved budget amount, the actual costs incurred as of September 29th, and a percentage variance of the difference between budgeted and actual costs.

FINANCIAL IMPACT

For the reporting period, the expected Percentage Variance between the Annual Budget and Q3 Actuals should be roughly 75%, meaning only 75% of the budget should have been expended or earned (revenues). A review of the performance of the budget by staff has not revealed any concerns.

SUMMARY/OPTIONS

Council may:

1. Take no further action.
2. Receive the Budget to Actuals as of September 29th, as circulated.

CONCLUSION

Option #2 is recommended.

Respectfully submitted:

Reviewed by:



Deborah Dollmaier
 Manager of Finance



Colleen Healey-Dowdall
 Chief Administrative Officer

Appendix A – Q3 Variance Report



TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: CAO021-23
DATE: October 4, 2023
TO: Committee of the Whole
FROM: Colleen Healey-Dowdall, Chief Administrative Officer
SUBJECT: Strategic Plan 2022-2026

RECOMMENDATION

That Staff Report CAO021-23 be received; and

That Council endorse the enclosed Strategic Plan with the understanding that the strategic actions can be added to.

BACKGROUND

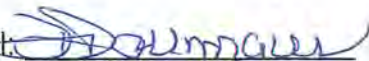
Staff and Council have worked to developing a Strategic Plan to carry Council through this term, to focus energy and effort towards prioritized goals and objectives.

COMMENTS AND CONSIDERATIONS

The final version of the Strategic Plan is complete, and staff is seeking Council endorsement. This will also serve as a reminder to Council as Council begins budget deliberations.

FINANCIAL IMPACT

No direct impact (prepared in-house).

Manager of Finance Approval: 

SUMMARY/OPTIONS

Council may:

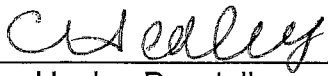
1. Take no further action.
2. Endorse the Strategic Plan and its strategic actions and priorities.
3. Recommend changes to the Strategic Plan for the municipality.

10a

CONCLUSION

Option #2 is recommended.

Respectfully submitted:



Colleen Healey-Dowdall
CAO

Attachments:
Strategic Plan 2022-2026



Council Strategic Plan

2022-2026

The 2022 – 2026 Essa Strategic Plan aligns strategic priorities, people, processes and technologies to deliver on commitments during this term of Council.

10a



Essa's Vision...Where Town and County Meet

Essa's Mission...Essa Township will be a place where town and country meet in a safe and healthy environment to serve you with a responsible plan going forward.

Essa Council 2022-2026



Mayor - Sandie Macdonald



Deputy Mayor - Michael Smith



Councillor Ward 1 - Pieter Kiezebrink



Councillor Ward 2 - Henry Sander



Councillor Ward 3 - Liana Maltby

10a

Priorities of Council:

- Schools
- Internet
- Safe Streets
- Financial Sustainability
- Solid Infrastructure
- Environmental Stewardship
- Protection of Farmland
- Affordable Housing
- Reasonable Tax Rates
- Smooth Roads
- Smart Growth

The purpose of this Strategic Plan is to align priorities through leadership and collaboration, to provide for engagement and to establish Goals and Objectives.

Framework of the Municipality

Essa lies directly southwest of the City of Barrie and is roughly 100 kilometres north of Toronto (north of Toronto following Highway 400). Essa encompasses a large geographic area - it is bordered by County Road 90 to the north (Barrie is located at the east end of County Road 90), County Road 27 to the east (containing the village of Thornton), Highway 89 to the south (the town of Alliston lies on this route), and County Road 15 to the west.

The municipality contains the three "primary" (relative to Essa), communities of Angus, Baxter and Thornton, and as well, some smaller hamlets nestled amongst agricultural lands and natural features not the least of which is the Nottawasaga River. As well, Canada's largest Canadian Forces training base, CFB Borden, is located inside Essa Township and alongside the town of Angus. Angus is a fully serviced and complete community containing all land uses and providing convenience to residents.

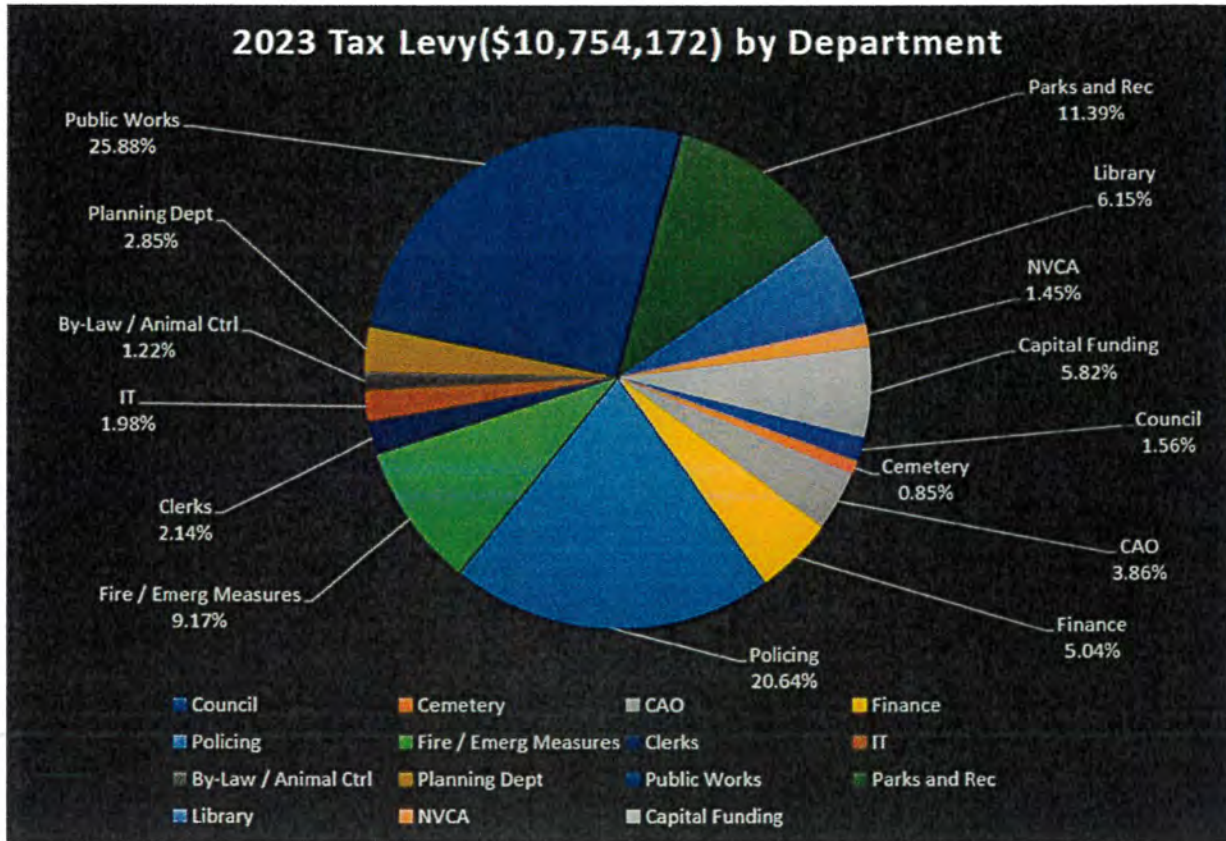
Other major, local employers (besides CFB Borden) include DECAST (a precast concrete manufacturing plant), Phoenix Building Components, Georgian Waste Services Inc., Road Readie Paving, Walker Drilling Ltd., Nobleton Truck Centre Ltd., Landshark Drilling, Alliance Agri-turf, FS/Cargill, White Veal Meat Packers and HJV Equipment.

Essa Township provides residents with the opportunity to enjoy living a rural lifestyle with the convenience of urban amenities. The Township is unique in its location and is truly a place "Where Town and Country Meet". It is home to beautiful rivers, picturesque landscapes, and provides convenient access to major cities. Essa provides a great place to live and work.

The Township has seen significant growth over the last 16 years: from 17,600 persons in 2006 to 21,083 in 2016 (Statistics Canada). Between 2006 and 2016, the Township was growing by approx. 348 persons per year whereas between 2016 and 2022 the population grew by approx. 377 persons per year – the 2023 population is estimated to be 22,214. Data from Statistics Canada suggests that between 2016 and 2021, growth in Essa far exceeded the average growth in the County of Simcoe.

Essa contains approximately 250 km of roads, most of which are paved with a total value of approximately \$163 Million including all components; 16 bridges valued at approximately \$50 Million; and an administrative building, roads garage, 2 arenas and 2 firehalls all valued at approximately \$50 Million.

Essa has one of the lowest tax rates in Simcoe County. Based on Municipal Property Assessment Corporation data, the taxes collected on the median home in Essa are approximately \$3,000 per household (2023).



The Strategic Plan identifies Council priorities and harnesses the initiatives of plans in place to undertake to deliver actions so that the Township can continue to improve upon its success, making it a great place to live, and can continue with sustainable long-range financial planning.

Plans (already) in place in the municipality:

- Departmental Plans
- Budget
- Asset Management Plan
- Bridge Assessment
- Development Charges Background Study
- Water and Wastewater Financial Plan
- Infrastructure Master Plan

Departmental Overviews

Planning Department

Planning Departments review applications for and provide recommendations to Council on Zoning By-law Amendments, Official Plan Amendments and Site Plan Control. The department spearheads the enforcement of the Zoning By-law and administers applications for severances and minor variances through the Committee of Adjustment.

Scheduled for 2023 and 2024 are an Official Plan Update by the local municipality, a Municipal Comprehensive Review (MCR) inclusive of settlement boundary expansions by the upper tier level of government, the County of Simcoe, and Provincial Bill 23 implementation actions.

Essa is currently threatened with a loss of agricultural lands due to development, contamination of its natural resources and a potential gap in information and capability if duties are downloaded by the province. Alternatively, it may have more control over its growth pattern and the direction of growth and settlement expansion.

The current Council has mixed feelings concerning higher densities in settlement areas, in part due to concerns for parking. Higher densities, to-date, have led to cars parking on streets giving cause for concern for safety on these streets. Council is generally in favour of mixed-use developments and attracting investment to Essa.

Building Department

The Essa Building Department is tasked with the enforcement of the Ontario Building Code as well as municipal by-laws by managing building permit applications, inspections, and various other matters. The department has been working to modernize its processes, to go paperless and to streamline functions.

A recent project, beginning in 2022, has been to create a program to facilitate Additional Residential Units. Council is supportive of increasing fees if it leads to faster turn-around times.

Parks and Recreation Department

The Parks and Recreation Department is responsible for the provision and ongoing upkeep of over 28 parks throughout the Township, including 9 soccer fields, 7 baseball diamonds, 3 splashpads, 1 skatepark, 4 tennis courts, 4 fishing parks, and 4 covered outdoor rinks, of which include lights, boards, glass, and a sport court surface. The department has recently undertaken to cut grass through in-house means and this has led to space challenges for the parking of fleet.

The department is striving to improve relations with community groups and promote on-line bookings. In 2023, Staff began to undertake public consultations to collect ideas for new programs. Council is very much in favour of increasing recreational programming (depending on the cost) to serve all ages.

Fire & Emergency Services

The Essa Fire Department operates out of 2 stations: Station 1 (Thornton) and Station 2 (Angus). Emergency response numbers fluctuate year-to-year but for the most part, Essa Fire responds to anywhere between 450-500 calls each year which includes responding to mutual aid calls to assist neighbouring departments.

The department is supported by dedicated volunteers but whose daytime availability is limited. Training requirements put a strain on resources.

Essa is proud of its Superior Tanker Shuttle Accreditation which helps to lower home insurance costs for residents.

Council, in 2023, has started on a new Fire Master Plan and plans to construct a new firehall in Angus to replace Station 2.

Finance Department

Responsible for the overall management of the municipality's financial affairs and to provide financial leadership to Council and the Corporation to ensure long-term financial sustainability. Growth in the municipality continues to put pressure on costs and the municipality is always striving to seek out additional funding sources.

The current Council is committed to the municipal Asset Management Plan and an annual contribution of 3.7% from the municipal budget.

Public Works Department

The Public Works Department maintains all municipal roads, bridges, sidewalks, water, sewer, and storm services within the Township limits. The department is also responsible for maintaining the Township's Engineering Standards and infrastructure planning such as capacity allocation of municipal water and sewer.

Council adopted an Infrastructure Master Plan in 2022 and initiated an Environmental Assessment of the Angus water system in 2023 with the intent to commence construction on an expansion in 2024 – scheduled for completion in 2025 at a cost of approx. \$15M.

Council intends to initiate an Environmental Assessment for the Angus wastewater treatment system soon thereafter, in 2025.

Clerks/By-law Enforcement/IT Department

The Clerk's Department is responsible for the statutory duties of the Municipal Clerk in accordance with the Municipal Act and as well, enforcement of by-laws. The department maintains communications for the municipality as a whole. In recent years, the department has increased outreach to the public in new and updated formats including the Alertable App. This is in keeping with the current Council's desire for increased communications overall.

By-law enforcement demands have been increasing as the municipality grows, and as well, issues are becoming increasingly complex. Often complaints cross departmental functions and jurisdictions, and stem from larger societal problems.

Council is somewhat interested in a Ward/Poll Boundary Review but struggles with the cost since municipal resources are scarce. Council, over time, would like to move to a paperless system (Council agendas and minutes) and modernize elections. Streaming of Council meetings, to increase access to Council decisions and for accountability, may also be on the horizon.

Again, the current Council is very much mindful of revamped communications.

Library

The Angus branch is a joint-use facility with the local high school, with approximately 10,000 sq. ft., while the Thornton Branch is approximately 3,000 sq. ft., including a community meeting room. The Library has many partnerships and special programs. Staff is constantly exploring new opportunities. Challenges include crowding, parking, internet and older building systems.

Chief Administrative Officer

The CAO's Department is responsible for overseeing all aspects of the municipality including effective planning for the organization, administration and operations, and ensuring that all legal requirements are met. While Essa has exceptional staff, attraction and retention for positions continues to be a challenge due in part to external factors such as the economic climate, inflation, cost of hydro, heat, utilities, fuel and the overall cost of living.

10a

Council Concerns and Priorities

In general, the municipality is tasked with provincial cutbacks, the cost of aging infrastructure and aging buildings which staff and resources are outgrowing. The municipality has begun to research new software solutions, new means to attract and retain staff and partner with those around. Council has indicated to Staff that if new funding were to be secured, or presumably additional funding, then such funds should be put towards infrastructure investment.

Township staff led a strategic planning session with the new term of Council in December 2022. Council was asked a series of questions, and answers were ranked using a survey and voting online tool. Staff consolidated rankings along with already identified strengths, weaknesses, opportunities and threats. Based on the findings, it would seem clear that **Council's priorities are roads, retention of staff, infrastructure, recreational programming and communications.**

Road Safety and Road Improvements



Goal: Develop a safe, sustainable, connected, and accessible transportation network in Essa Township.

Objectives:

- Install traffic calming measures throughout the municipality.
- Install crosswalk measures in walkable neighbourhoods.
- Install intersection improvements throughout the municipality.
- Review parking and no-parking zones in the municipality.
- Review speed limits applicable to roads.
- Review data collected on incidents and collisions on roadways.
- Pave all roads in the Township.
- Implement Automated Speed Enforcement (photo radar).
- Better accommodate mobility needs.
- Encourage active transportation as a mode of travel.
- Carry out specific street improvements.
- Improve on traffic management and circulation around schools.

Infrastructure



Goal: Identify and implement expansions to the municipal water and wastewater servicing systems in Angus that minimize impacts to both the natural and social environments and are both technically feasible and economically sensible.

Objectives:

- Complete Environmental Assessments for water and wastewater projects in Angus.
- Permit housing and growth to continue to meet targets in accordance with an established Servicing Policy.
- Align with partners and programs that will facilitate projects moving forward at minimal cost to taxpayers at large.

Retention of Staff



Goal: Attract and retain qualified staff to provide for consistency and a high level of customer service.

Objectives:

- Boost recruitment management with resources.
- Consider an improvement benefits package.
- Continue to ensure equity with other rural municipalities in the region.
- Continue to support staff with opportunities for continued learning and professional development.
- Host employee functions such as service awards and holiday functions.

Recreational Programming



Goal: Improve opportunities for people of all ages to stay active and involved in their community.

Objectives:

- Increase programming staff to propose new program ideas and to promote and organize opportunities in varying locations throughout the municipality.
- Establish partnerships wherein new programs are marketed to Essa residents at minimal cost to the municipality.
- Provide new green space and areas where public space can be utilized for people's enjoyment.
- Increase trails and parks within Essa and improve on parks and facilities.

Communications



Goal: Improve community engagement through enhanced communications, maintaining a high quality of customer service.

Objectives:

- Refresh the Township's website as necessary, ensure information is easily accessible.

- Optimize procedures and processes with the public in mind.
- Make use of web-tools to facilitate completing applications, payments and the transfer of information.
- Reduce printed paper.
- Use the 'Alertable App' and other forms of social media to promote public meetings and community events.
- Prepare additional on-line newsletters in addition to the traditional static newsletter.
- Create a citizen-centred culture amongst employees.
- Encourage public participation particularly in the preparation of plans for the municipality and engage citizens.
- Support charitable community groups with meeting space.
- Improve on internet opportunities throughout the municipality.
- Increase volunteerism.

Summary

The most-supported concerns of Council are “Retention of Staff”, “Infrastructure”, “Road Safety” and “Road Improvements”. While each concern identified by Council should be considered in further detail, the results of the strategic planning poll conducted in the winter of 2022/23 show significant concern for retaining existing Township Staff and supporting the infrastructure, particularly roads, within the Township.

Council was also presented options of potential improvements that they might like to see implemented for this term of Council, with the option to add others. The most-prioritized improvements included repairing potholes and improving roads, followed by improving pedestrian crosswalks and providing for traffic calming.

Also high on Council’s wish list is that of “Recreational Programming” for all ages and improved “Communications”; and of course, Council’s goals and objectives cannot be met without a stable staff complement.

Going forward, Council should continue to review its Goals and Objectives annually. Budget deliberations provide staff and Council an opportunity to recap on progress made, and on future priorities.

This Strategic Planning document was made possible by the Planning Department of the municipality. Special thanks to Sam Haniff, Manager of Planning, Oliver Ward, Senior Policy Planner and Owen Curnew, Senior Development Planner.

Colleen Healey-Dowdall, CAO



TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: CAO022-23
DATE: October 4, 2023
TO: Committee of the Whole
FROM: Colleen Healey-Dowdall, Chief Administrative Officer
SUBJECT: OCWA Agreement, 2024 – 2026

RECOMMENDATION

That Staff Report CAO022-23 be received; and

That Council authorize a contract amendment for the renewal of the Operations and Maintenance Services Agreement for Water and Wastewater Infrastructure in Essa Township with the Ontario Clean Water Agency (OCWA) to extend the existing contract by 3 years through until December 31, 2026, at an increase as described in the Amending Agreement.

BACKGROUND

The Township and OCWA entered into an agreement effective January 1, 2017, concerning the operation and maintenance of Essa's water and wastewater systems; and later extended this agreement from January 1, 2022, to December 31, 2023.

Staff now recommends that the Township further amend the agreement another additional time (the second amendment) to extend the agreement through until December 31, 2026, in accordance with the terms as specified in OCWA's attached correspondence and proposed "Second Amending Agreement", also attached to this report. Council may also wish to refer to CAO Report CAO057-21.

COMMENTS AND CONSIDERATION

The terms which OCWA proposes, can be summed up as follows:

Time Period	Terms/Cost
January 1, 2024 – December 31, 2024	\$1,188,327.19 = Year 1 Annual Price + commodity fee

January 1, 2025 – December 31, 2025	\$1,188,327.19 + 2% or CPI (whichever is greater) = Year 2 Annual Price + insurance adjustment + commodity adjustment by CPI + possible price adjustment
January 1, 2026 – December 31, 2026	Year 2 Annual Price + 2% or CPI (whichever is greater) = Year 3 Annual Price + insurance adjustment + commodity adjustment by CPI + possible price adjustment

FINANCIAL IMPACT

The cost of the OCWA operating budget (water and sewer) in 2022 and 2023 is as follow:

2022 - \$1,177,183.

2023 - \$1,165,026.

Note that \$35,000 for biosolids [sludge haulage] was moved to the major maintenance budget in 2022.

The proposed cost for 2024 is: \$1,188,327.19.

Manager of Finance Approval: 

SUMMARY/OPTIONS

Council may:

1. Take no further action.
2. Authorize a contract amendment for the renewal of the Operations and Maintenance Services Agreement for Water and Wastewater Infrastructure in Essa Township with the Ontario Clean Water Agency (OCWA) to extend the existing contract by 3 years through until December 31, 2026, at an increase as described in the Amending Agreement.
3. Direct staff in another manner.

CONCLUSION

Option #2 is recommended.

Respectfully submitted:



Colleen Healey-Dowdall
CAO

Attachments:

OCWA's Proposal Letter/Amending Agreement

By-law

Report CAO057-21

OCWA correspondence of the 2023 Proposed Capital

106



ONTARIO CLEAN WATER AGENCY
AGENCE ONTARIENNE DES EAUX

30 Spence Avenue
Midhurst, Ontario L9X 0P2
Tel: 705-429-2525
www.ocwa.com

September 25th 2023

Township of Essa
5786 County Road 21
Utopia, ON, L0M 1T0
Attention: Colleen Healey- Dowdall, CAO
Michael Mikael, Manager of Public Works/Deputy CAO

Dear Mrs. Healey –Dowdall and Mr. Mikael,

Thank you for the opportunity to submit a contract amendment for the renewal of our operations and maintenance services agreement for your water and wastewater infrastructure. Renewing our agreement is an opportunity to review our partnership, bring forward best practices, and commit to meeting future challenges together. The Ontario Clean Water Agency (OCWA) and the Township of Essa have built a great partnership. Through our many years working together, we have provided cost-effective water and wastewater treatment services for your residents while protecting the environment and your long-term interests.

The current Services Agreement between the Township and OCWA expires on December 31st, 2023. Going forward, OCWA would be honoured to continue our active role as your trusted provider and partner. OCWA will continue to earn your trust by demonstrating value for service through good governance, transparent processes, open communications and accountable decision making.

The Annual Price is based on our experience and history of operating and maintaining the Township's water and wastewater systems. OCWA has adjusted the annual operating for 2024 by only 2% to \$1,188,327.19 which reflects market increases to consumables, labour, supplies and equipment. OCWA would like to note we will continue to work with our support services to look for opportunities for optimization in an effort to mitigate increases wherever possible.

We have provided a draft Contract Amendment for your review and approval. Should the Township approve the renewal as proposed, we will prepare the final copy of the Contract Amendment for execution of signatures. We thank you for your continued trust in OCWA and look forward to working with you for many years to come.

Sincerely,

A handwritten signature in cursive script that reads "Natalie Baker".

Natalie Baker
Business Development Manager

25

SECOND AMENDING AGREEMENT

THIS AMENDING AGREEMENT made as of the _____ day of _____, 20__.

B E T W E E N

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

(referred to in this Amending Agreement as “OCWA”)

A N D

THE CORPORATION OF THE TOWNSHIP OF ESSA

(referred to in this Amending Agreement as “the Client”)

(Each a “Party” and together, “the Parties”)

BACKGROUND TO THIS SECOND AMENDING AGREEMENT

WHEREAS the Client and OCWA entered into an agreement effective **January 1st 2017** concerning the operation and maintenance of the Client’s Facilities (the “Existing Agreement”) attached as Appendix A to this Second Amending Agreement;

AND WHEREAS the Client and OCWA entered into an amending agreement effective **January 1st 2022** concerning the operation and maintenance of the Client’s Facilities (the “Existing Agreement”) attached as Appendix B to this Second Amending Agreement;

AND WHEREAS the Client and OCWA have agreed to amend the Agreement, as described below;

AND WHEREAS the Council of the Client passed By-Law No. ____ on the _____ day of _____ 20__ authorizing the Client to enter into this Second Amending Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained in this Amending Agreement and other good and valuable consideration, the sufficiency of which is hereby

irrevocably acknowledged, the Client and OCWA agree to the following amendments to the Existing Agreement:

1. Any capitalized terms not defined herein shall have the meaning ascribed to such term in the Existing Agreement.

2. *Section 4.1 of the Existing Agreement is hereby deleted and replaced with the following:*

“Section 4.1 – Initial Term of Agreement

“This Agreement shall start on the Effective Date *January 1st 2024* and shall continue in effect for a term of three (3) years, ending on *December 31st 2026*(the “Renewal Term”) and then may be renewed for successive three (3)-year terms (each a “Renewal Term”) upon agreement between the Parties, subject to Sections 4.3 and 6.1 of this Agreement.”

3. *Schedule D – The Annual Price and Other Charges of the Existing Agreement is hereby deleted and replaced with a new “Schedule D”, which is attached to this Agreement:*

SCHEDULE D - The Annual Price And Other Charges

1. **Annual Price for the Renewal Term**

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

- (i) For Year One from January 1st through to December 31st inclusive: **\$1,188,327.19.**
- (ii) For Year Two and subsequent Years: **\$1,188,327.19** plus an Adjustment of 2% or CPI whatever is more, plus an adjustment for maintaining the Insurance which is renewed annually by OCWA. The CPI Adjustment shall be calculated as soon as necessary information is available from Statistics Canada. In Year Two of the Agreement, the CPI Adjustment shall be added to the Annual Price for Year One of the Agreement and for subsequent Years, on a cumulative basis.”
- (iii) As the market for commodities such as chemicals continues to be uncertain, OCWA proposes to share the risk of pricing with the Township. OCWA will guarantee the price of chemicals for the first year using the base volumes

(litres/kgs) from 2023.

A base year price and a base volume will be established at the start of the contract and be adjusted annually to reflect the CPI adjustment. At year two, a price adjustment may be needed should the price per unit and/or volume for chemicals change by more than 5% from the base year price.

2. Payment of the Annual Price

In Year One of the Initial Term, the monthly payment of the Annual Price shall be \$99,027.26.

3. Optional Services

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

- (a) Labour rates on Business Days, Monday to Friday, (0730 to 1600) shall be billed at \$90.00/hour/person for an operations manager and assistant operations manager, and \$65.00/hour/person for an operator or mechanic;
- (b) Labour rates on statutory holidays shall be billed at \$132.50/hour/person for an operations manager and assistant operations manager, and \$87.50/hour/person for an operator or mechanic, with a minimum eight (8) hour charge;
- (c) Labour rates at all other times (after hours and on weekends) shall be billed at \$132.50/hour/person for an operations manager and assistant operations manager, and \$87.50/hour/person for an operator or mechanic, with a minimum four (4) hour charge;
- (d) Costs for parts, equipment and supplies, and outside labour charges (i.e., contractors), used by OCWA staff to provide the Optional Services shall be billed to the Client, and the Client will pay such costs together with a Service Fee.

4. Service Fee

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

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

10b

4. **Schedule E –Insurance of the Existing Agreement** is hereby deleted and replaced with a new “Schedule E”, which is attached to this Agreement:

SCHEDULE E - Insurance

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

Property Insurance

Insured Perils: All Risks of direct physical loss or damage (including Flood and Earthquake) occurring during the term of this policy, except as hereinafter excluded.

Policy Limits:

- Replacement Value
- Extra expenses
- Expediting expenses

Insurable Values: Please report facilities’ value based on Replacement Cost. (Subject to Annual Review by the Client.)

Deductibles: Earthquake – *Scheduled Facilities and Locations in Earthquake Zones*
Up to 3% of the value of the property insured subject to a minimum of \$100,000

Flood – *Facilities and Locations in 100 year Flood Zones*
Up to 2% of the value of the property insured, subject to a minimum amount of \$100,000.

Flood - *All Other Facilities*
Up to 2% of the value of the property insured, subject to a minimum amount of \$60,000.

Water Damage – Up to \$130,000

Sewer back-up – Up to 2% of the value of the property insured, subject to a minimum amount of \$100,000.

Portable Generators – 3% of the value of the property insured, subject to a minimum amount of \$25,000.

Installations, Hook Liability or Portable Water Treatment Facility - \$27,500.

29

Testing & Commissioning - \$27,500

All Other Losses:

<u>Deductible for 2023</u>	<u>Facility & Location Insurable Value</u>
\$23,500	With total value up to \$10,000,000
\$24,500	With total value from \$10,000,000 under \$25,000,000
\$29,500	With total value over \$25,000,000 and at or under \$75,000,000
\$50,000	with total value over \$75,000,000

The above is subject to change on an annual basis.

Where the Client's property is repaired or replaced, the Client will pay the deductible. Where OCWA's property is repaired or replaced, OCWA will pay the deductible. In cases where both the Client's and OCWA's property is repaired or replaced, the deductible will be paid by both the Client and OCWA *pro rata* in accordance with the total loss.

Property Insured: Property of every kind and description as declared except as excluded under the "Property Excluded" section of the policy.

Boiler & Machinery Insurance

Coverage: Sudden & Accidental Breakdown of a Pressure, Mechanical, Electrical Object including Production Machinery as defined under the policy. Coverage applies to the loss of the "Object" itself and for loss to other insured property directly damaged by the "Accident", except as excluded under the policy.

Limit: **Maximum** \$100,000,000 per Accident.

Deductibles: \$5,000 for Property Damage per Accident for the year 2023; subject to changes on an annual basis.

Where the Client's property is repaired or replaced, the Client will pay the deductible. Where OCWA's property is repaired or replaced, OCWA will pay the deductible. In cases where both the Client's and OCWA's property is repaired or replaced, the deductible will be paid by both the Client and OCWA *pro rata* in accordance with the total loss.

Automobile Insurance

Coverage: Automobile Liability for OCWA owned or leased vehicles.

Limit: \$5,000,000 per Occurrence

Commercial General Liability Insurance

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

Limit: \$5,000,000 per Occurrence.

Deductible: \$50,000 for the year 2023; subject to change on an annual basis.

Contractor's Pollution Liability/Professional Liability Insurance

Coverage: Professional Liability: To pay on behalf of OCWA sums which OCWA shall become legally obligated to pay as damages and/or claims expense as a result of claims made first against OCWA, and reported to the insurer, in writing during the policy period, automatic extended reporting period (90 days), and by reason of any negligent act, error or omission in professional services rendered or that should have been rendered by OCWA, or by any person for whose acts errors or omissions OCWA is legally responsible, and arising out of the conduct of OCWA's profession.

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

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

Limit: \$5,000,000 per loss on a Claim Made basis for Professional Liability Insurance

Deductible: \$50,000 for the year 2023; subject to change on an annual basis.

IN WITNESS WHEREOF the Parties have duly executed this Amending Agreement.

ONTARIO CLEAN WATER AGENCY

Date of Signing

By:
(Authorized Signing Officer)

Date of Signing

By:
(Authorized Signing Officer)

**THE CORPORATION OF THE TOWNSHIP
OF ESSA**

Date of Signing

By:
(Authorized Signing Officer)

Date of Signing

By:
(Authorized Signing Officer)

106

THE CORPORATION OF THE TOWNSHIP OF ESSA

BY-LAW 2023 -

A By-law authorizing the Corporation of the Township of Essa (the "Municipality") to enter into an amending agreement with the Ontario Clean Water Agency (OCWA) with respect to the maintenance and operation of the municipal sewage and water works systems (the "Works").

WHEREAS under the *Ontario Water Resources Act*, R.S.O. 1990, Chapter 0.41 and the *Municipal Act*, SO 2001, Chapter M45, the Council of a Municipality may by By-law authorize the Municipality to enter into an agreement with OCWA for the operation and maintenance of waterworks and sewage systems for the Municipality; and

WHEREAS the Municipality wishes to enter into an agreement with OCWA providing for the operation, supervision, control, maintenance, repair, administration, and insuring by OCWA of the Works which are owned by the Municipality; and

WHEREAS the Municipality proposes to raise money to reimburse OCWA for its costs in the operation, supervision, control, maintenance, repair, administration and insuring of the Works by the imposition of a sewage service rate and water service rate.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF ESSA ENACTS AS FOLLOWS:

1. The Municipality is hereby authorized to enter into an amending agreement, in the form annexed hereto as Schedule "A", with OCWA for the operation, supervision, control, maintenance, repair, administration and insuring by OCWA of the Works owned by the Municipality as described in such agreement.
2. The Mayor and the Clerk are hereby authorized to execute the said amending agreement, a copy of which is attached hereto as Schedule "A" and forming part of this By-law and any other documents necessary to carry out the intention of the parties.
3. The cost to be incurred by OCWA and payable by the Municipality pursuant to such agreement shall be raised by Sewage Service Rate By-law and Water Service Rate By-law passed by the Municipality from time to time.
4. This By-law shall come into force and take effect when it is finally passed and when it is executed by OCWA.

READ A FIRST, AND TAKEN AS READ A SECOND AND THIRD TIME AND FINALLY PASSED on this the 4th day of October, 2023.

Sandie Macdonald, Mayor

33

Lisa Lehr, Manager of Legislative Services/Clerk



TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: CAO057-21
DATE: December 15, 2021
TO: Committee of the Whole
FROM: Colleen Healey-Dowdall, Chief Administrative Officer
SUBJECT: OCWA Agreement, 2022 and 2023

COPY

RECOMMENDATION

That Staff Report CAO057-21 be received; and

That Council consider to continue their service agreement with the Ontario Clean Water Agency (OCWA) for a period of 2 years to expire December 31st, 2023, for the operation and maintenance of the Township's water and wastewater treatment and distribution systems, and adopt a by-law authorizing the Mayor and Clerk to execute the agreement attached to this report.

BACKGROUND

OCWA operates the municipal water and wastewater systems in Essa which means that they operate 3 drinking water treatment systems, 1 wastewater treatment facility and all associated distribution and collections systems.

Since the nineties, they have provided Essa with this service in order to ensure compliant and cost-effective systems. Their contract aims to address the following:

- Protect the public and environment and to provide good asset stewardship.
- Compliance excellence [Essa has a 100% inspection rating for 2020 from the Ministry of Environment, Conservation and Parks (MECP)].
- Risk management.

The existing contract with OCWA extends from January 1st, 2017 to December 31st, 2021. Their Report and Proposal of October, 2021 describes that they have engaged in capital repairs, swabbing of water lines, repairs of hydrant leaks, construction of storage garage, procurement of a disk filter for the Angus Wastewater Treatment Plant (WWTP), rebuilds of equipment such as aeration blowers, installation of a new blower, identification of faults in an aeration tank, rebuilding of pumps upgrading of monitoring and detection software and cleaning of reservoirs.

COPY

COMMENTS AND CONSIDERATION

OCWA has provided the municipality with a proposal to continue their services, to operate and maintain water and wastewater facilities, for a new term of two (2) years effective January 1st, 2022 until December 31st, 2023 and if both parties agree prior to the end of December 31st, 2023, the agreement may be extended for a successive three (3) year term.

The existing pricing for the current OCWA service agreement is as follows:

2017:	\$968,700 (year 1 of existing contract)
2018 - 2021:	For year 2 and subsequent years: \$986,700 plus CPI adjustment, plus an adjustment for maintaining insurance which is renewed annually by OCWA – each building on the year before
2021 Specific:	\$1,030,730

The new contract with OCWA will be an increase of \$146,453 to recognize the following:

- The increased cost of chemicals which are now at least 5% higher than the last base year of 2017. Note that OCWA did not raise their cost for chemicals over the past 5 years.
- Added costs for new systems such as the Baxter Water Treatment Plant.
- Rising insurance rates.
- PPE cost increases.
- The need for additional staff [Essa will benefit from $\frac{3}{4}$ of a new person (OCWA staff)].

Note that OCWA will not charge CPI inflation in 2022 and municipal staff is attempting to minimize their involvement in administering contracts for major maintenance and capital items.

As well note that the 2023 cost is subject to insurance increases and the biosolid disposal fee of \$35,000 will be moved to the major maintenance budget for improved accounting.

FINANCIAL IMPACT

The new contract with OCWA will cost the municipality \$1,177,183 in 2022 and approximately \$1,165,026.66 in 2023 (2% more after the biosolid is shifted to the major maintenance budget to better capture/report on costs). The proposed 2022 rate is \$146,453 over the 2021 rate. OCWA will be involved in major maintenance and capital projects in 2022 at a cost of \$456,000 for water projects and \$411,000 for wastewater projects not including the 2021 disk filter replacement project on-going at the Angus Wastewater Treatment Plant.

35

Overall, combined, the total 2022 OCWA budget is proposed to be approximately \$80,000 less than in 2021 since the Manager of Public Works/Engineering Services has found efficiencies to the benefit of ratepayers.

Manager of Finance Approval: _____

SUMMARY/OPTIONS

Council may:

1. Enter into a contract with OCWA for a period of 2 years for the operation and maintenance of the Township's water and wastewater treatment and distribution systems and adopt a by-law authorizing the Mayor and Clerk to execute the agreement.
2. Enter into a contract with OCWA for a period of 5 years for the operation and maintenance of the Township's water and wastewater treatment and distribution systems and adopt a by-law authorizing the Mayor and Clerk to execute the agreement.
3. Direct as Council deems appropriate.

CONCLUSION

Option #1 is recommended. A 2-year term will allow staff the opportunity to continue to seek savings moving forward. For example, the Township's insurer is willing to consider adding facilities and risk elements to the Township's insurance policy, however, OCWA has insurance for a much broader scope across Ontario.

Respectfully submitted:



Colleen Healey-Dowdall
CAO

Attachments:

OCWA's Renewal Proposal/Agreement

106

Michael Mikael

From: Natalie Baker <NBaker@ocwa.com>
Sent: Monday, October 31, 2022 10:54 AM
To: Michael Mikael; Ian Kemp
Cc: Kristen Tilotta; Debbie Dollmaier; Vanessa Kupch
Subject: RE: 2023 proposed capital

Good Morning Michael,

As per the contract amendment, the increase for 2023 was set at 2% for inflation. It was also outlined that the biosolids cap in the agreement would be removed in 2023, so a decrease on the wastewater operating budget of \$35,000.

The 2023 operating budget is as follows:

Water = \$617,523.80
Wastewater = \$547,502.86
Total = \$1,165,026.66

To answer your also point below with regards to sludge haulage. The recommendation in the MM/Capital plan has increased because the sludge operating cap of \$35,000 has been removed from our agreement.

Please let me know if you have any further questions or concerns.

Thank you,

Natalie

From: Michael Mikael <mmikael@essatownship.on.ca>
Sent: October-31-22 10:06 AM
To: Ian Kemp <IKemp@ocwa.com>
Cc: Natalie Baker <NBaker@ocwa.com>; Kristen Tilotta <KTilotta@ocwa.com>; Debbie Dollmaier <ddollmaier@essatownship.on.ca>; Vanessa Kupch <vkupch@essatownship.on.ca>
Subject: RE: 2023 proposed capital
Importance: High

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning everyone,

I have reviewed the attachment and we are proposing the following as per the attachment:

- Deferring \$400,000 Pump Station #1 upgrades & Bar Screen Upgrade until this is investigated
- Deferring \$65,000 to integrate all Angus well sites
- I am looking for a firm number with respect to the Angus WWC Sewer repair on Brentwood based on meeting with Ian few weeks ago
- Please include a budget line item for OCWA Staff responding to resident inquiries, perhaps \$20,000 ??, moving forward we will require tracking these numbers

37