

Tri-County Water Board of Management Agenda

May 25, 2021, 7:00 p.m.
Electronic Participation Meeting via Zoom

Due to the COVID-19 Pandemic this meeting will be held electronically. Please contact the Clerk's Department if you require an alternate format or accessible communication support or wish to receive the link to the meeting, at 519-785-0560 or by email at clerk@westelgin.net.

Pages

1. **Call to Order**

2. **Adoption of Agenda**

Recommendation:

That Tri-County Water Board hereby adopts the Agenda for May 25, 2021 as presented.

3. **Disclosure of Pecuniary Interest**

4. **Minutes**

1

Recommendation:

That minutes of the Tri-County Water Board meeting on April 27, 2021 be adopted as circulated and printed.

5. **Business Arising from Minutes**

6. **Correspondence**

6.1. **OCWA - Notification of Change in Management**

8

7. 2020 Audited Financial Statements

Recommendation:

That the Tri-County Water Board hereby receives and approves the 2020 Audited Financial Statements and the Letter of Independence as presented.

8. Call to Order

Recommendation:

That Tri-County Water Board hereby adjourn into Closed Session at _____ p.m. under Section 239(2)(f) of the *Municipal Act, R.S.O.2001*, consideration will be given to advice that is subject to solicitor-client privilege.

9. Report from Closed Session

10. Adjournment

Recommendation:

That the Tri-County Water Board hereby adjourn at _____ to reconvene on July 27, 2021 at 7:00 p.m. or at the Call of the Chair.

Tri-County Water Board of Management

Minutes

April 27, 2021, 7:00 p.m.

Electronic Participation Meeting via Zoom

Present: Allan Mayhew, Southwest Middlesex
Angela Cammaert, West Elgin
Bonnie Rowe, West Elgin
Doug Bartlett, Southwest Middlesex
Duncan McPhail, West Elgin
Ken Loveland, Dutton Dunwich
Marigay Wilkins, Southwest Middlesex
Taraesa Tellier, West Elgin
Tim Sunderland, Chatham-Kent
Bob Purcell, Chair
Mike Hentz, Dutton Dunwich

Regrets: Diane Brewer, Newbury

Staff Present: Jana Nethercott, Recording Secretary
Magda Badura, CAO/Treasurer

Also Present: Jill Bellchamber-Glazier, SWM
Kristen McGill, SWM
Cathy Case, Newbury
Mike Taylor, OCWA
Megan Garber, OCWA
Vitaly Talashok, OCWA
Dale Le Britton, OCWA
Amy Dale, Solicitor

Due to the COVID-19 Pandemic and physical distancing requirements, this meeting will be held electronically.

1. Call to Order

Chair B. Purcell called the meeting to order at 7:01 p.m.

2. Adoption of Agenda

Moved: Doug Bartlett

Seconded: Ken Loveland

That Tri-County Water Board hereby adopts the Agenda for April 27, 2021 as presented.

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

4. Minutes

Moved: Allan Mayhew

Seconded: Taraesa Tellier

That minutes of the Tri-County Water Board meeting on January 26, 2021 be adopted as circulated and printed.

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

5. Business Arising from Minutes

None.

6. Staff Reports

6.2 OCWA 2020 Annual Report for the Tri-County Drinking Water System

Presented by Megan Garber from OCWA

Moved: Mike Hentz

Seconded: Bonnie Rowe

That Tri-County Water Board hereby receives the 2020 Report for the Tri-County Drinking Water System as required under Section 11 of O'Reg 170/03

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

6.1 OCWA Annual Summary Report for Tri-County Drinking Water System - Schedule 22 of O'Reg 170/03

Presented by Megan Garber from OCWA

Moved: Duncan McPhail

Seconded: Marigay Wilkins

That Tri-County Water Board hereby receives the 2020 Summary Report for the Tri-County Drinking Water System - schedule 22 of O'Reg 170/03

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

6.3 OCWA - Tri-County Water Treatment Plant First Quarter Operations Report

Presented by Vitaly Talashok, OCWA.

Moved: Angela Cammaert

Seconded: Tim Sunderland

That Tri-County Water Board hereby receives the 2021 Tri-County Drinking Water System First Quarter Operations Report, for information purposes.

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

6.4 MECP Water Treatment Plant Inspection Report

Presented by Mike Taylor, OCWA. Tri-County Drinking Water System received 95.44% compliance and the lost percentages were for a failure of the Historian data, which has since been rectified.

Moved: Doug Bartlett

Seconded: Bonnie Rowe

That Tri-County Water Board hereby receives the Tri-County Drinking Water System Inspection Report as completed by the Ministry of the Environment, Conservation and Parks on December 15, 2020, for information purposes.

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

6.5 High Lift Pump #1 Expenditure Approval

Mike Taylor, OCWA explained the need for this increased expenditure.

Moved: Allan Mayhew

Seconded: Taraesa Tellier

That Tri-County Water Board hereby approves the expenditure of \$19,790 plus applicable fees and taxes to repair high lift pump #1, as requested by OCWA and quoted by ASL Roteq.

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

6.6 Financial as of March 31, 2021

Magda Badura presented the Financials. Currently consumption is 15% higher than 2020, it is anticipated this is a result of COVID-19 Pandemic measures.

Moved: Mike Hentz

Seconded: Tim Sunderland

That Tri-County Water Board hereby receive the Tri County Water Board Financial Report as of March 31, 2021 as presented.

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

7. New Business

Marigay Wilkins stated that SWM is currently undergoing a Modeling study of their distribution system and inquired if it would not be a good exercise for Tri-County to undertake?

Dale LeBritton of OCWA stated that this could be beneficial to proceed with a Full System (Primary and Secondary) modeling study to assist the partner municipalities.

Moved: Allan Mayhew

Seconded: Marigay Wilkins

That Tri-County Water Board hereby requests OCWA return to the Board with a report including costs on a system wide Water Distribution System Modeling of the Tri-County Water System, including the primary and secondary systems, with each Member Municipality responsible for the costs of their secondary system.

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

Mike Taylor, OCWA provided an update to the member municipalities that is has been determined that there will be no need to take the West Lorne Standpipe off line in order to complete the work planned for 2021.

8. Closed Session

Moved: Ken Loveland

Seconded: Taraesa Tellier

That Tri-County Water Board hereby adjourn into Closed Session at 8:02 p.m. under Section 239(2)(f) of the *Municipal Act*, consideration will be given to advice that is subject to solicitor-client privilege.

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

9. Report from Closed Session

Moved: Angela Cammaert

Seconded: Taraesa Tellier

That Tri-County Water Board hereby provided staff direction regarding the Schedules for the Tri-County Water Board Master Agreement; and

That Tri-County Water Board hereby provided direction to the Solicitor and staff regarding the update to the Tri-County Water Board Master Agreement.

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

10. Adjournment

Moved: Mike Hentz

Seconded: Tim Sunderland

That the Tri-County Water Board hereby adjourn at 9:08 p.m. to reconvene at 7 p.m. on May 25, 2021 or the Call of the Chair.

For (11): Allan Mayhew, Angela Cammaert, Bonnie Rowe, Doug Bartlett, Duncan McPhail, Ken Loveland, Marigay Wilkins, Taraesa Tellier, Tim Sunderland, Bob Purcell, and Mike Hentz

Absent (1): Diane Brewer

Disposition: Carried (11 to 0)

Bob Purcell, Chair

Jana Nethercott, Recording
Secretary

May 10, 2021

Good afternoon All,

Re: Notification of change in management

We are writing to notify you that after 4 years with OCWA Mike Taylor has decided to pursue another opportunity and will be leaving OCWA. Mike's last day will be May 26th.

We have started the process of filling the position. It will be posted this week and tentatively filled by the start of July. The ORO duties will continue to be managed by Team Lead Vitaliy Talashok, the management team from the Southwest Region will look after the duties of the Senior Operations Manager. I will be the lead and you can call or email me on any items and I will make sure we stay on top of capital, meetings and daily items.

Any questions please give our team a call.

Dale LeBritton – dlebritton@ocwa.com – 519-476-5898
Jackie Muller – jmuller@ocwa.com - 519-643-8660
Erica Hodges – ehodges@ocwa.com - 226-377-8700
Cindy Sigurdson – csigurdson@ocwa.com – 226-377-3563
Sam Smith – ssmith2@ocwa.com – 226-377-1540
Sam Sianas – ssianas@ocwa.com – 519-319-2233

We thank you for your continued trust in OCWA and ask for your support through this transition.

Regards,



Dale LeBritton,
Regional Hub Manager, Ontario Clean Water Agency

TRI-COUNTY WATER BOARD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

**TRI-COUNTY WATER BOARD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

-1-	Independent Auditor's Report
-3-	Statement of Financial Position
-4-	Statement of Operations and Accumulated Surplus
-5-	Statement of Cash Flows
-6-	Statement of Change in Net Financial Assets
-7- to -8-	Notes to the Financial Statements
-9-	Schedule 1 - Schedule of Tangible Capital Assets

INDEPENDENT AUDITOR'S REPORT

To the Members of Board, Ratepayers and Inhabitants of the Tri-County Water Board

Opinion

We have audited the accompanying financial statements of Tri-County Water Board (the "Board"), which comprise the Statement of Financial Position as at December 31, 2020, and Statements of Operations and Accumulated Surplus, Cash Flows and Change in Net Financial Assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tri-County Water Board as at December 31, 2020 and its financial performance and its changes in cash flows and net financial assets for the year then ended, in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

May 25, 2021
London, Canada

LICENSED PUBLIC ACCOUNTANT

TRI-COUNTY WATER BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	2020	2019
FINANCIAL ASSETS		
Due from Municipality of West Elgin - operating (note 2)	\$ 809,064	\$ 734,834
	809,064	734,834
LIABILITIES		
Accounts payable and accrued liabilities	-	24,912
	-	24,912
NET FINANCIAL ASSETS	809,064	709,922
NON FINANCIAL ASSETS		
Tangible capital assets (note 1.c) (Schedule 1)	11,633,903	12,162,237
Capital work in progress	-	47,712
	11,633,903	12,209,949
ACCUMULATED SURPLUS (note 3)	\$ 12,442,967	\$ 12,919,871

The accompanying notes are an integral part of these financial statements.

TRI-COUNTY WATER BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget 2020	Actual 2020	Actual 2019
REVENUE			
Current interest	\$ 6,000	\$ 888	\$ 14,517
Water billings	1,294,451	1,284,675	1,234,368
Other	-	17,950	-
	1,300,451	1,303,513	1,248,885
EXPENDITURES			
Amortization	-	783,545	661,944
Minor capital expenditures	352,485	160,853	55,217
OCWA contract and callouts	434,155	434,155	428,443
Operating and maintenance	460,380	401,864	422,707
	1,247,020	1,780,417	1,568,311
REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	53,431	(476,904)	(319,426)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	12,919,871	12,919,871	13,239,297
ACCUMULATED SURPLUS, END OF YEAR	\$ 12,973,302	\$ 12,442,967	\$ 12,919,871

The accompanying notes are an integral part of these financial statements.

**TRI-COUNTY WATER BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
OPERATING ACTIVITIES		
Revenue over expenditures (expenditures over revenue) (page 4)	\$ (476,904)	\$ (319,426)
Non-cash expenditures - amortization	783,545	661,944
Net change in non-cash working capital balances related to operations (A)	(99,142)	(154,528)
	207,499	187,990
INVESTING ACTIVITIES		
(Increase) decrease in capital asset and work in progress	(207,499)	(187,990)
Change in cash during the year	-	-
CASH, BEGINNING OF YEAR	-	-
CASH, END OF YEAR	\$ -	\$ -

(A) Consists of changes in and due from the Municipality of West Elgin and accounts payable and accrued liabilities

The accompanying notes are an integral part of this financial statement.

**TRI-COUNTY WATER BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
Excess of revenue over expenditures (expenditures over revenue) (page 4)	\$ (476,904)	\$ (319,426)
Amortization of tangible capital assets	783,545	661,944
Acquisition of tangible capital assets	(207,499)	(187,990)
Increase (decrease) in net financial assets	99,142	154,528
NET FINANCIAL ASSETS, BEGINNING OF YEAR	709,922	555,394
NET FINANCIAL ASSETS, END OF YEAR	\$ 809,064	\$ 709,922

The accompanying notes are an integral part of these financial statements.

**TRI-COUNTY WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The Tri-County Water Board (the Board) is a Joint Municipal Water Board in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation. On July 22, 2014, the participating municipalities entered a master agreement to control and govern the management of the Tri-County Water System (the System). The participating municipalities of the Board are the Municipalities of Dutton-Dunwich, Southwest Middlesex, Chatham-Kent, Newbury and West Elgin. The Municipality of West Elgin (the Municipality) is the Administering Municipality. The Board is currently reviewing the sub-agreements of this master agreement. The System was previously operated under a Purchase Capacity Agreement and Management Agreement which were signed in 1991 between the same parties. The Municipalities of Chatham-Kent and Newbury are billed by Southwest Middlesex based on their usage.

1. Significant accounting policies

The financial statements of the Board are prepared by management in accordance with Canadian public sector accounting standards.

a. Revenue recognition

Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government grants and transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

b. Uses of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

c. Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Infrastructure and equipment	25 years
Waterlines	75 years

**TRI-COUNTY WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. Significant accounting policies continued

d. Budget

The Board set a budget based on the accounting policies adopted previous to PSAB Handbook policy for tangible capital assets.

e. Deferred revenue

Revenue received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the Statement of Financial Position. The revenue is recognized in the Statement of Operations and Accumulated Surplus in the year in which it is used for the specified purpose.

2. Continuing operations

All banking activities are administered by the Municipality of West Elgin, on behalf of the Board's activities. The amount due from the Municipality of West Elgin represents the net working capital position between the Municipality and the Board after adding or deducting payments made to or received from the Municipality of West Elgin.

3. Accumulated surplus

The accumulated surplus is comprised of the following:

	2020	2019
Reserve for future operations	\$ 1,030,004	\$ 930,862
Invested in tangible capital assets	11,412,963	11,989,009
	\$ 12,442,967	\$ 12,919,871

4. Commitment

The Board, through the Municipality of West Elgin, has contracted with OCWA to operate and maintain the System. The annual cost for 2020 was \$434,155 (2019 - \$428,443).

5. Significant event

In March 2020, the Province of Ontario declared a state of emergency due to the COVID-19 virus. It is unclear what impact, if any, the COVID-19 virus will have on the operations of the Board. The Board and management continue to monitor the situation.

**TRI-COUNTY WATER BOARD
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

		Land	Buildings	Equipment	Waterlines	Total
COST						
Balance, beginning of year	\$	88,735	\$ 4,601,573	\$ 13,748,967	\$ 1,471,992	\$ 19,911,267
Add:						
Additions during the year		-	12,829	242,382	-	255,211
Less:						
Disposals during the year		-	-	-	-	-
Balance, end of year		88,735	4,614,402	13,991,349	1,471,992	20,166,478
ACCUMULATED AMORTIZATION						
Balance, beginning of year		-	1,417,018	5,566,572	765,440	7,749,030
Add:						
Amortization during the year		-	110,289	643,819	29,437	783,545
Less:						
Disposals during the year		-	-	-	-	-
Balance, end of year		-	1,527,307	6,210,391	794,877	8,532,575
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$	88,735	\$ 3,087,095	\$ 7,780,958	\$ 677,115	\$ 11,633,903

This schedule is provided for information purposes only.