

SERVICES AGREEMENT

BETWEEN

ONTARIO CLEAN WATER AGENCY

A N D

THE CORPORATION OF THE MUNICIPALITY OF CASSELMAN

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SERVICES AGREEMENT

THIS AGREEMENT effective as of the 1st day of January, 2025 (the “Effective Date”),

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.

(“OCWA”)

A N D

THE CORPORATION OF THE MUNICIPALITY OF CASSELMAN

(the “Client”)

RECITALS

- (a) OCWA is in the business of providing management, operations and maintenance services for water and wastewater facilities.
- (b) The Client is the owner of the Casselman water treatment facility, water distribution system, wastewater treatment facility and wastewater collection system, more particularly described in Schedule A (the “Facilities”).
- (c) The Client wishes to retain the services of OCWA to operate and maintain the Facilities in accordance with the provisions of this agreement (the “Agreement”).
- (d) The Client and OCWA (collectively, the “Parties” and each a “Party”) are entering this Agreement to set out their respective rights and obligations with respect to the management, operation and maintenance of the Facilities.
- (e) The Council of the Client on the ____ day of _____, 2024 passed By-Law No. _____ authorizing the Client to enter into this Agreement.

NOW THEREFORE in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration the receipt and sufficiency of which is hereby irrevocably acknowledged, the Client and OCWA agree as follows:

ARTICLE 1 - INTERPRETATION

Section 1.1 - Definitions

In this Agreement, definitions are set out in Schedule B, or within applicable provisions as indicated.

ARTICLE 2 - RESPONSIBILITIES OF OCWA

Section 2.1 - Retention of OCWA

- (a) The Client retains OCWA to provide management, operation and maintenance services, as described in Schedule C to this Agreement, in respect of the Facilities (the “Services”).
- (b) The Client acknowledges and agrees that for the purposes of Section 449 of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, OCWA is an agent of the Client.

Section 2.2 - Performance of Services

- (a) OCWA shall deliver the Services in compliance with all applicable Environmental Laws, except as described in Paragraphs 2.2(b) and (c) below and in any of the following circumstances:
 - (i) the Client not making the Major Maintenance Expenditures and/or not undertaking the Capital Projects reasonably recommended by OCWA as per Section 4.6 and Section 4.7 herein;
 - (ii) failure of the Client to meet its responsibilities specified in this Agreement;
 - (iii) failure of any equipment at the Facilities, unless the failure is due to OCWA’s negligence;
 - (iv) the water transmitted to the water treatment Facilities for treatment contains contaminants or pathogens which cannot be treated or removed by the Facilities treatment processes;
 - (v) the quantity or quality of water transmitted to the water treatment Facilities exceeds the Facilities’ design or operating capacity;
 - (vi) the wastewater transmitted to the wastewater treatment Facilities for treatment contains contaminants or other substances which cannot be treated or removed by the Facilities treatment processes;

- (vii) the wastewater transmitted to the wastewater treatment Facilities for treatment does not meet the requirements of the Client's sewer use by-law or any Environmental Law;
- (viii) the quantity or quality of wastewater transmitted to the wastewater treatment Facilities exceeds the Facilities' design or operating capacity;
- (b) OCWA may temporarily cease to provide or reduce the level of provision of Services in the event of an emergency, a breakdown or any Uncontrollable Circumstance. OCWA shall, when practicable, try to give the Client reasonable advance notice of any such occurrence.
- (c) Notwithstanding any other provision of this Agreement, delay in the performance of, or a failure to perform any term of this Agreement by OCWA, shall not constitute default under this Agreement or give rise to any claim for damages suffered by the Client if and to the extent caused by occurrences or circumstances beyond the reasonable control of OCWA (an "Uncontrollable Circumstance"), including but not limited to any circumstances set out in Paragraph 2.2(a), decrees of government, acts of God (including but not limited to hurricanes, tornadoes, floods and other weather disturbances), sabotage, strikes, lockouts and other industrial disturbances, supply chain interruptions, global economic turbulence, insurrections, war, civil disturbances, pandemics, riots, explosions, fire and acts of third parties.
- (d) The Client recognizes that in an emergency situation or where an Uncontrollable Circumstance exists, OCWA's primary concern will be to use all reasonable efforts to maintain the Facilities in compliance with Environmental Laws and that OCWA may be required to correct a deficiency or deal with the emergency situation without obtaining the Client's prior approval. Should such a situation arise, OCWA shall advise the Client as soon as reasonably possible and shall provide as much information as possible to the Client and will work with the Client to ensure the emergency situation is appropriately addressed.

Section 2.3 - OCWA as Independent Contractor

In performing the Services, OCWA shall be acting as an independent contractor and only to the extent and for the specific purposes expressly set forth herein. Neither OCWA nor its employees, agents or subcontractors shall be subject to the direction and control of the Client, except as expressly provided in this Agreement.

Section 2.4 - Authorized Representatives

Each of OCWA and the Client shall be entitled to designate in writing to the other, one or more individuals who shall be authorized to represent it in connection with the day-to-day administration of the provisions of this Agreement (the "Authorized Representative(s)"). Each of the Parties shall be entitled to rely on the acts and approvals given by the other Party's

Authorized Representative until such time as it receives a written notification of change of the other Party's Authorized Representative.

Section 2.5 - Indemnification of the Client

- (a) OCWA shall exonerate, indemnify and hold harmless the Client, its directors, officers, employees and agents from and against Claims which may be suffered or incurred by, accrue against or be charged to or recoverable from the Client to the extent that such Claim is solely attributed to OCWA's negligence or willful misconduct when performing the Services, except where such Claim is due to an Uncontrollable Circumstance or to a condition of the Facilities which existed prior to OCWA's commencement of the Services (a "Pre-existing Condition"), including but not limited to those listed in Schedule F. Such Pre-existing Conditions shall be the ongoing responsibility of the Client. OCWA, in providing these Services, is not responsible, accountable or liable, in any way, for Pre-existing Conditions, either directly or indirectly.
- (b) The Client shall be deemed to hold the provisions of this Section 2.5 that are for the benefit of the Client's directors, officers, employees and agents in trust for such directors, officers, employees and agents as third party beneficiaries under this Agreement.
- (c) Notwithstanding Paragraph 2.5(a) above, OCWA shall not be liable in respect of any Claim to the extent the Claim is covered by the Insurance.
- (d) Claims by the Client for indemnification from OCWA will follow the Indemnification Process as described in Schedule B.

Section 2.6 - Waiver of Consequential Damages

In no event shall the Parties be liable to each other, and each Party specifically waives as against the other, any and all claims for consequential, incidental, indirect, special or punitive damages resulting in any way from performance or non-performance of this Agreement, whether such damages are characterized as arising under breach of contract or warranty, tort (including negligence), fault, strict liability, indemnity, or other theory of legal liability.

Section 2.7 - Insurance

- (a) OCWA shall maintain, subject to reasonable availability, insurance coverage as described in Schedule E to this Agreement (the "Insurance") and the Client shall be an additional insured under the Commercial General Liability and Contractor's Pollution Liability insurance. The Client acknowledges that, given the unpredictability of the insurance market, deductibles and coverage limits may not be available (or may not be reasonably priced) from year to year. Insurance coverage is reviewed annually and the Client will be notified if there is a change in coverage or price increase.
- (b) The Client specifically recognizes and agrees that neither OCWA nor the Crown bears any responsibility for the Pre-existing Condition(s) of the Facilities. As such, OCWA is

not required to obtain insurance for this purpose and the Client has or will obtain its own insurance.

- (c) The Client shall be responsible for securing its own insurance for any other operations with which it is involved that are not part of the Services. The Client acknowledges that OCWA's Commercial General Liability, Contractor's Pollution Liability insurance and Cybersecurity insurance shall not extend to cover any claims, exposure or liability beyond those directly linked to the provision of Services by OCWA staff. The Client further acknowledges that it will have no recourse under OCWA's Commercial General Liability, Contractor's Pollution Liability and Cybersecurity insurance for any operations that do not form part of the Services.
- (d) In the event of a claim under the Insurance, the payment of deductibles is as specified in Schedule E.
- (e) No later than thirty (30) days following the Effective Date of this Agreement, the Client will provide certificates of insurance for its property and boiler and machinery insurance policies to OCWA. The insurance coverage for both policies should be on a full replacement cost basis. OCWA will be named as the loss payee on both policies, where available.
- (f) The policies of insurance obtained by the Client in subsection 2.7(e) shall be primary, notwithstanding other insurance obtained and maintained by OCWA.

ARTICLE 3 - RESPONSIBILITIES OF THE CLIENT

Section 3.1 - Obligations of the Client

- (a) The Client has the full power and authority to enter into and perform its obligations under this Agreement.
- (b) The Client has passed all necessary By-Laws and has obtained all necessary Authorizations to enable it to enter into and perform its obligations under this Agreement and to operate the Facilities, (including, without limitation, any Authorizations required from the Local Planning Appeal Tribunal and the Ministry of the Environment, Conservation and Parks (MECP)), and the Authorizations are in good standing.
- (c) The Client has provided OCWA with a true copy of each of the Authorizations referred to in Paragraph 3.1(b) above prior to the date of this Agreement, including a certified copy of each municipal By-Law required to authorize the Client to enter into and perform its obligations under this Agreement.
- (d) As the owner of the Facilities, the Client is fully aware of its responsibilities and obligations regarding the operation and maintenance of the Facilities under Applicable Laws, including without limitation its responsibilities under the *Safe Drinking Water Act*,

2002 (the “SDWA”), the *Ontario Water Resources Act* and the *Occupational Health and Safety Act* (the “OHSA”) and their regulations.

- (e) The Client confirms that there are no Pre-existing Conditions existing at the Facilities which would affect OCWA’s ability to operate the Facilities in compliance with the terms of this Agreement and Applicable Laws, other than what is listed in Schedule F. The Client acknowledges and agrees that the Client shall be responsible for addressing such Pre-existing Conditions.
- (f) The Client confirms that as of the date of execution of this Agreement, to the best of the Client’s knowledge, the Facilities are in compliance with all Applicable Laws.
- (g) The Client is not aware of the presence of any designated substances as defined under the *Occupational Health and Safety Act* (the “OHSA”) at the Facilities. The Client acknowledges and agrees that it is responsible for dealing with the designated substances (including but not limited to asbestos and lead) in accordance with the OHSA and its regulations and to notify OCWA of the location of any designated substances in the Facilities.
- (h) The Client will provide OCWA annually by June 1st of each year the replacement value of the facilities described in Appendix A.
- (i) The Client will maintain its own Cybersecurity insurance policy to cover the Client’s SCADA, PLC and related operational technologies and systems.
- (j) The Client shall inform OCWA immediately in writing if the Client’s financial system has been compromised through a cyberattack or data breach which may impact OCWA’s service account. The Client shall also inform OCWA immediately in writing if the Client’s information technologies or operational technologies have been compromised through a cyberattack or other breach which may impact OCWA’s assets or operations.

Section 3.2 - Covenants of the Client

The Client hereby covenants the following for the benefit of OCWA:

- (a) The Client agrees to promptly pay all amounts owing to OCWA under this Agreement as they become due, including any interest charges on late payments as determined under Section 4.9.
- (b) The Client agrees to promptly provide OCWA with any information relating to the Facilities which could have a bearing on the provision of Services by OCWA, including but not limited to any engineering report prepared in respect of the Facilities, any Authorization or amendment to any Authorization, as well as any governmental notice or order relating to the Facilities.

- (c) The Client agrees to commit the necessary resources to appropriately address and comply with any such reports, Authorizations, notices or orders.
- (d) The Client shall repair, maintain and keep in a good working state, in accordance with good engineering practices and the standards reasonably applicable to an owner of a like facility, all water works that belong to or are under the control of the Client and that distribute water from the Facilities.
- (e) The Client shall repair, maintain and keep in a good working state, in accordance with good engineering practices and the standards reasonably applicable to an owner of a like Facility, all wastewater works that belong to or are under the control of the Client and that collect and transmit wastewater to the Facilities.
- (f) The Client agrees to promptly commit the necessary resources to appropriately address any health and safety issues identified by OCWA which are the responsibility of the Client.
- (g) The Client shall take reasonable steps to ensure that wastewater transmitted to the Facilities complies with the Client's sewer use by-law and any Environmental Laws. If requested by OCWA, the Client shall provide OCWA with copies of the Client's inspection reports (sewer usage, cross-connections, sump pump connections), if available.
- (h) The Client shall inform OCWA if the Facility is to accept septage or leachate. The Client shall provide OCWA with a report of a professional engineer indicating that the Facility is capable of handling such additional Loadings. The Client shall provide OCWA with a list of haulers from which OCWA is to accept septage or leachate at the Facility. OCWA shall not be responsible for any operational impacts caused by the septage or leachate. The Client shall be fully responsible for any additional costs incurred as a result of the acceptance of septage or leachate at the Facility.

Section 3.3 - Exoneration and Indemnification of OCWA

- (a) Subject to Paragraph 3.3(c) below, the Client shall exonerate, indemnify and hold harmless OCWA, its directors, officers, employees and agents and His Majesty the King in Right of Ontario, as represented by the Minister of the Environment, Conservation and Parks and all directors, officers, employees and agents of the Ministry of the Environment, Conservation and Parks (collectively referred to as the "Indemnified Parties") from and against any and all Claims which may be suffered or incurred by, accrue against, or be charged to or recoverable from any one or more of the Indemnified Parties that is solely attributed to the Client's negligence or willful misconduct.
- (b) OCWA shall be deemed to hold the provisions of this Article 3 that are for the benefit of OCWA's directors, officers, employees and agents and the other Indemnified Parties as defined above, in trust for all such Indemnified Parties as third party beneficiaries under this Agreement.

- (c) Claims by OCWA for indemnification from the Client will follow the Indemnification Process as described in Schedule B.
- (d) Notwithstanding Paragraph 3.3(a) above, the Client shall not be liable in respect of any Claim:
 - (i) to the extent that such Claim is covered by the Insurance; however, the Client shall be responsible for any deduction or self-insured retention amount in accordance with Schedule E; and
 - (ii) to the extent that such Claim is caused solely by OCWA's negligence or willful misconduct in providing the Services.

ARTICLE 4 - TERM, PAYMENT FOR SERVICES AND OTHER CHARGES

Section 4.1 - Initial Term of Agreement

This Agreement shall start on the Effective Date of January 1, 2025 and shall continue in effect for an initial term of three (3) years, ending on December 31, 2027 (the "Initial Term") and then may be renewed for three (3) additional one (1) year terms (each a "Renewal Term") upon agreement between the Parties, subject to Sections 4.3 and 6.1 of this Agreement.

Section 4.2 - Annual Price for the Initial Term

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 Initial Term as described in Schedule D.

Section 4.3 - The Annual Price in Renewal Terms

The Annual Price for any Renewal Term will be as agreed between the Client and OCWA. If the Parties cannot agree on the Annual Price for any Renewal Term within six (6) months of the beginning of the last Year of either the Initial Term or the Renewal Term, as the case may be (the "Current Term"), then this Agreement will be terminated twelve (12) months after the last day of the Current Term unless the Parties mutually agree to extend the term of the Agreement. During this twelve (12) month period or mutually agreed upon extension period, the Client shall pay the Annual Price paid for the last Year of the Current Term, plus an adjustment for inflation calculated as described in Schedule D, pro-rated over that period.

Section 4.4 - Payment of the Annual Price

The Client shall pay OCWA the Annual Price for each Year of the Initial Term or any Current Term, in twelve (12) equal monthly payments, in advance, on the first day of each month. The first payment shall be due and payable on January 1, 2025. Payment shall be made by the Client by pre-authorized bank debit from a bank account designated by the Client.

Section 4.5 - Items Not Included in the Annual Price

The Annual Price, as further described in Schedule D, for each Year of the Initial Term and any Renewal Term, covers all charges for the Services, but does not include any charges for the following:

- (a) any Capital Projects (as defined in Paragraph 4.7(a) below) or costs resulting from any failure of the Client to implement reasonably recommended Major Maintenance Expenditures;
- (b) overtime and call-ins costs which shall be billed at the rates set out in Schedule D;
- (c) costs for locates above 20 per month during regular business hours and for all locates required after-hours as per Schedule D;
- (d) costs for the operation of curbstops above 10 per year during regular business hours and for all services required after-hours. Additional service calls shall be billed as per rates set out in Schedule D;
- (e) costs or charges for services resulting from a Change in Applicable Laws;
- (f) costs for grounds maintenance include grass cutting and snow removal;
- (g) Unexpected Expenses (as defined in Paragraph 4.8(a) below);
- (h) Hydro/Utility costs;
- (i) charges for any Optional Services that are provided by OCWA to the Client;
- (j) costs and charges associated with providing and/or maintaining continuous monitoring technology (SCADA technology) used in respect of the Facility;
- (k) increases in OCWA labour rates in Year Two and subsequent years due to events outside of OCWA's control such as wage increases in new collective agreements between the provincial government and the labour unions governing OCWA's employees.
- (l) Client owned SCADA, PLC and related control equipment maintenance including regular cyber security assessments

Section 4.6 - Major Maintenance Expenditures

- (a) "Major Maintenance Expenditures" means the charges for all non-routine, non-repetitive activities, repair or replacement of machinery or equipment required for the continuity of operations, safety, and operating performance of the Facilities that are necessary to prevent or correct a failure of any component of the equipment which is not included as part of Routine Maintenance including labour charges, together with the Service Fee or fixed fee basis.
- (b) No later than October 31st of each Year this Agreement is in force, or a date as the Parties may agree in writing, OCWA will provide the Client with rolling six (6)-year

recommendations for Major Maintenance Expenditures required for the long-term operation of the Facilities. The Client's written approval of the estimate or revised estimate, authorizes OCWA to incur the Major Maintenance Expenditures included in the estimate (the "Approved Major Maintenance Expenditures").

- (c) OCWA will invoice the Client for the Approved Major Maintenance Expenditures together with supporting documentation and the Client shall pay the invoice within thirty (30) days of the date of invoice.

Section 4.7 - Capital Projects

- (a) "Capital Projects" means changes and improvements to the Facilities which include the installation of new technology, improvements to the efficiency, performance and operation of the Facilities, replacement of major pieces of equipment, structural modifications to the Facilities and the construction and commissioning of new Facilities.
- (b) During the term of this Agreement, the Client may request OCWA to undertake Capital Projects for the Client. The terms and conditions of such Capital Projects including the fee shall be negotiated by OCWA and the Client.
- (c) OCWA and the Client agree that a shared savings program can be evaluated for shared expenditure and shared savings for both parties for system improvements during the term of the Agreement. If OCWA is investing, it is expected that the OCWA repayment be implemented before the shared savings program begins for both parties.
- (d) OCWA may provide pricing for Capital Projects under a lump sum amount or on a time and material basis.

Section 4.8 - Unexpected Expenses

- (a) "Unexpected Expenses" means unanticipated expenditures or additional costs due to supply chain issues or unexpected inflationary increases and include Major Maintenance Expenditures in addition to the Approved Major Maintenance Expenditures, that OCWA reasonably incurs in order to address a Change in Applicable Laws, any Uncontrollable Circumstance, any work required by regulatory order (e.g. MECP or MOL) or identified through an inspection (e.g. ESA, MECP, MOL) that is not solely the result of OCWA's negligence in performing the Services or any other emergency situation, together with the Service Fee.
- (b) In the event that OCWA is required to incur Unexpected Expenses, the prior approval of the Client with respect to those Unexpected Expenses will be required only if time permits. Within ten (10) days of incurring the Unexpected Expenses, OCWA will provide the Client with a report detailing the reasons the Unexpected Expenses were incurred.

- (c) Any Unexpected Expenses will be invoiced to the Client together with appropriate supporting documentation, and the Client shall pay the invoice within thirty (30) days of the date of the invoice.

Section 4.9 - Interest on Late Payments

- (a) **Monthly Payment of Annual Fee.** If the Client's monthly payment of the Annual Fee is not available in OCWA's designated bank account on the agreed to date of payment, OCWA will notify the Client that the funds were not available. Interest will be charged to the Client starting from the day after the payment was due in the account. Interest shall be paid at a rate determined by the Minister of Finance, from time to time, as payable on overdue accounts, in accordance with the Lieutenant Governor in Council under s.10(4) of the *Financial Administration Act*, R.S.O. 1990, c.F.12, plus any banking charges and an administrative fee.
- (b) **Other Invoices.** Invoices, other than for the monthly payment set out in Section 4.8(a) above, shall be paid no later than thirty (30) days from the date of the invoice and interest shall begin to accrue one (1) day after the payment is due.

Section 4.10 - Partial Payment of Disputed Invoices

If the Client disputes any portion of an invoice, the Client shall pay to OCWA the undisputed portion of the invoice by the due date set out herein and provide OCWA with written notice of such dispute by the due date. Failure to provide such written notice of any such dispute will act as a waiver of any defence or justification for failing to pay the full amount of the invoice by the due date. Within ten (10) days of resolution of the disputed amount, the Client shall pay to OCWA all amounts determined to be payable to OCWA, plus interest in accordance with Section 4.9(a).

Section 4.11 - Hydro Costs/Utility Costs

OCWA is not responsible for paying any Hydro/Utility Costs in respect of the Facilities. The Client shall pay all Hydro/Utility Costs.

Section 4.12 - Optional Services

- (a) If requested by the Client, OCWA may provide Optional Services to the Client by Change Order as set out in Schedule G, provided that the Client and OCWA agree in writing to the specific scope of work required.
- (b) 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 as described in Schedule D.

- (c) Once OCWA has agreed to provide Optional Services to the Client, the Optional Services shall be subject to the terms and conditions of this Agreement, with any necessary changes having been made.
- (d) The labour and mileage rates described in Schedule D will be reviewed annually by OCWA and may be subject to change.

Section 4.13 - Changes to the Agreement

- (a) A Change to the Agreement may be carried out after execution of this Agreement by Change Order. A Change Order shall be based upon agreement between the Parties and shall be reflected in a Change Order Form.
- (b) The Parties shall execute a Change Order Form, which shall be substantially in the form found in Schedule G which will state their agreement upon all of the following:
 - (i) the services to be provided;
 - (ii) fees for the services provided under the Change Order;
 - (iii) the extent of the adjustment to the maintenance and operating schedule, if any;
 - (iv) the extent of any adjustments to the Annual Price, if any; and
 - (v) all other effects that the change has on the provisions of this Agreement.

ARTICLE 5 - DISPUTE RESOLUTION

Section 5.1 - Mediation

- (a) If a dispute arises between the Client and OCWA which cannot be resolved within a reasonable time, then the issue shall be referred to a mediator.
- (b) The fees and expenses of the mediator shall be divided equally between the Parties.
- (c) Involvement in mediation is on a without prejudice basis and does not preclude and is not a bar to either Party pursuing whatever legal remedies may be available, including litigation.

ARTICLE 6 - TERMINATION

Section 6.1 - Termination of Agreement

- (a) At least one (1) calendar year before the expiry of the Current Term, the Client shall notify OCWA in writing whether it wishes to terminate or renew this Agreement at the end of the Current Term. However, OCWA reserves the right to decline to renew the Agreement by notifying the Client in writing of its decision to decline, within thirty (30) days of receipt of the Client's written request to renew.

- (b) During the Initial Term or any Renewal Term, this Agreement may only be terminated by either the Client or OCWA by giving at least thirty (30) days' notice in writing to the other Party if:
 - (i) there has been a material breach of the Agreement;
 - (ii) the Party complaining of the breach has given written notice of the breach to the other Party; and
 - (iii) the other Party does not correct the breach within thirty (30) days of receiving the notice.
- (c) If either Party disputes the existence of a breach or that the breach is material, then the dispute may be referred to mediation under Section 5.1 of this Agreement.

Section 6.2 - Early Termination

If this Agreement is terminated for any reason prior to the expiry of the Current Term, then the Client shall pay OCWA for all Services provided up to the date of termination, as well as any costs relating to the early termination, including but not limited to demobilization and severance costs (in accordance with the collective agreements between OCWA and its employees); the costs associated with the removal of remote monitoring and control systems installed by OCWA; the costs of cancelling agreements with suppliers and subcontractors; as well as any previously incurred Major Maintenance Expenditures, costs related to Capital Projects, Unexpected Expenses and Optional Services.

Section 6.3 - Inventory Count of Consumables/Supplies

OCWA and the Client will conduct an inventory count of consumables/supplies at the Facilities on the first day of the Initial Term or as soon as the Parties may agree. If OCWA no longer operates the Facilities at termination of this Agreement, OCWA shall either:

- (a) ensure that there is the same amount of consumables/supplies at the Facilities on the date of termination as there was on the first day of the Initial Term; or
- (b) reimburse the Client for any shortfall.

If the amount of consumables/supplies at the Facilities on the date of termination exceeds the amount on the first day of the Initial Term, the Client will either reimburse OCWA for any excess or OCWA may take possession of any excess, as OCWA may determine.

Section 6.4 - Final Settlement

If OCWA ceases to operate the Facilities, there shall be a final settlement of all accounts with respect to the Annual Price and any other expenses incurred by OCWA and amounts owing

by or to the Client under this Agreement, no later than ninety (90) days after OCWA ceases to provide the Services or thirty (30) days after OCWA has provided the Client with a final invoice, whichever comes later.

Section 6.5 - Transfer of Operations

Upon the termination of this Agreement, OCWA will return the following to the Client:

- (a) OCWA will provide electronic PDF records of all electronic logbook entries and any hard copy logbooks, based on the applicable record retention requirements.
- (b) The original operations manuals that were provided by the Client to OCWA at the commencement of the Services with all updates to the expiry date of the Agreement.
- (c) A list of emergency phone numbers from the contingency plan binders used by OCWA staff in respect of the Facilities.
- (d) Maintenance and repair summary of equipment at the Facilities in electronic format including the Facility identifier or name, order number, description and log comments.
- (e) Summary of equipment registry data will be transferred in Excel format including the following data fields including the 10-digit equipment number, description, and, if available, manufacture, model, serial, specification data, and purchase or install date.
- (f) OCWA will provide standard Operational Plan(s) paid for or provided by the Client, however, OCWA does not provide any processes to the Client with regard to the operation and maintenance of the Facility upon transfer of operations. OCWA disclaims any and all liability regarding the use of any standard written documentation after termination or expiration of the Agreement.

Section 6.6 - Restrictions on Recruitment of OCWA's Employees

During the term of this Agreement and for one (1) year following the termination of this Agreement, the Client shall not solicit or recruit any employee of OCWA, nor induce any OCWA employee to leave his or her employ to work at the Facilities, unless mutually agreed to in writing by the Client and OCWA.

ARTICLE 7 - GENERAL

Section 7.1 - Ownership of Technology

The Client acknowledges and agrees that in providing the Services, OCWA may utilize certain technology developed by or for OCWA, for example, OCWA's WMMS, Outpost 5 and/or PDM (the "Technology"). The Client further agrees that use of the Technology by

OCWA with respect to the Facilities does not in any way give the Client any ownership or licensing rights in or to the Intellectual Property Rights to the Technology unless otherwise agreed to in writing between the Parties. For greater certainty, nothing in this Section 7.1 shall be interpreted as requiring OCWA to provide the Client with the Technology and any upgrades or other similar technology in respect of the Facilities as part of the Annual Price.

Section 7.2 - Agreement to Govern

If there is any inconsistency between the main body of this Agreement and any Schedule to this Agreement, then the provision in the main body of this Agreement shall govern.

Section 7.3 - Entire Agreement

This Agreement constitutes the entire agreement between the Client and OCWA with respect to the subject matter hereof and cancels and supersedes any prior understandings, undertakings, representations, warranties, terms, conditions and agreements, whether collateral, express, implied or statutory, between the Client and OCWA with respect thereto.

Section 7.4 - Amendments and Waivers

No amendment to this Agreement will be valid or binding unless it is in writing and duly executed by both of the Parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless it is in writing and signed by the Party purporting to give such waiver and, unless otherwise provided, will be limited to the specific breach waived.

Section 7.5 - Successors and Assigns

This Agreement shall operate to the benefit of and be binding upon, the Parties hereto and their successors and assigns. This Agreement may be assigned in the discretion of either Party.

Section 7.6 - Survival

All outstanding payment obligations, and the confidentiality obligation under Section 7.11, shall survive indefinitely the termination of this Agreement.

Section 7.7 - Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and everything else in this Agreement shall continue in full force and effect.

Section 7.8 - Notices

- (a) All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to be properly given if hand-delivered, sent by email, sent by confirmed facsimile or by registered mail postage prepaid, return receipt requested, or by courier, to

the Parties at their respective addresses as set forth below, or to such other addresses as the Parties may advise by like notice. Such notices if sent by email, registered mail or courier shall be deemed to have been given when received.

- (i) if to the Client:
Municipality of Casselman
751 St-Jean Street
Casselman, ON K0A 1M0
Telephone: 613-764-3139
Email: ppbeauchamp@casselman.ca
Attention: Pierre-Paul Beauchamp, Public Works Director
- (ii) if to OCWA:
OCWA
20 Bennett Street, Suite 200
Carleton Place, ON K7C 4J9
Telephone: 613-329-9408
Email: ahennesy@ocwa.com
Attention: Aimée Hennessy, Business Development Manager

- (b) A Party to this Agreement may change its address for the purpose of this Section by giving the other Party notice of such change of address in the manner provided in this Section.

Section 7.9 - Counterparts

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

Section 7.10 - Freedom of Information

The Parties understand that this Agreement and any materials or information provided to OCWA through the performance of the Services may be subject to disclosure under the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended, or as otherwise required by law.

Section 7.11 - Confidentiality

The Parties shall strictly maintain confidential and secure all material and information provided, directly or indirectly, by the other Party pursuant to this Agreement. Subject to relevant legislation related to freedom of information or the protection of privacy and any other laws, neither Party shall directly or indirectly disclose to any person, either during or following the term of this Agreement, any such material or information provided to it by the other Party without first obtaining the written consent of the Party who provided such material or information, allowing such disclosure.

Section 7.12 - Change in Circumstance

- (a) In the event that there is a change in circumstances or condition that is not covered under the terms of this Agreement, such as supply chain disruptions, global and national economic turbulence including, without limitation, a Change in Applicable Laws or change in the scope of services provided (a “Change in Circumstance”), then the Party asserting the occurrence of such Change in Circumstance shall give written notice to the other Party, and the written notice shall contain:
- (i) details of the Change in Circumstance;
 - (ii) details of the inadequacy of this Agreement; and
 - (iii) a proposal for an amending agreement to remedy the Change in Circumstance.
- (b) The Parties shall negotiate in good faith any amendments to this Agreement necessary to give effect to or comply with the Change, including any adjustments to the Annual Price or the Services to be provided, which shall be effected as of the date of the Change. If the Parties dispute the existence of a Change, or the recommendation proposed to rectify the Change or the terms and provisions of any amendment to the Agreement, then either Party may refer the dispute to mediation under Article 5, Dispute Resolution.

IN WITNESS WHEREOF the Parties have duly executed this Agreement.

ONTARIO CLEAN WATER AGENCY

Date of Signing

By: _____
Richard Junkin, VP Operations

Date of Signing

By: _____
Natalie Peers, VP Finance

**THE CORPORATION OF THE
MUNICIPALITY OF CASSELMAN**

Date of Signing

By: _____
Yves Morrisette, CAO

SCHEDULE A - The Facilities

Part 1. Description of the Facilities

For the purposes of this Agreement, the description of the Facilities is set out in the following document(s):

Water

Casselman Water Treatment Facility
Drinking Water Licence No.: 173-101
DWL Issue Date: February 4, 2021
Address: 832 Laval Street, Casselman, ON

Drinking Water Works Permit Number: 173-201
DWWP Issue Date: February 4, 2021

Wastewater

Casselman Wastewater Treatment Facility
Environmental Compliance Approval Number: 0246-CUXTCB
ECA Issue Date: September 20, 2024
Address: Lot 7, 8, 9 & 10, Concession 6, Casselman, ON

Casselman Sewage Collection System
CLI-ECA Number: 173-W601
CLI-ECA Issue Date: September 29, 2022

SCHEDULE B - Definitions

In this Agreement, the following terms are defined below or in the section in which they first appear:

“Agreement” means this agreement together with Schedules A, B, C, D, E, F, and G attached hereto and all amendments made hereto by written agreement between OCWA and the Client.

“Annual Price” is defined in Section 1 under Schedule D of this Agreement.

“Applicable Laws” means any and all statutes, by-laws, regulations, permits, approvals, standards, guidelines, certificates of approval, licences, judgments, orders, injunctions, authorizations, directives, whether federal, provincial or municipal including, but not limited to all laws relating to occupational health and safety matters, fire prevention and protection, health protection and promotion, land use planning, environment, Building Code, or workers’ compensation matters and includes Environmental Laws.

“Approved Major Maintenance Expenditures” is defined in Paragraph 4.6(b) of this Agreement.

“Asset(s)” is defined in Schedule A.

“Authorizations” means any by-laws, licences, certificates of approval, permits, consents and other authorizations or approvals required under Applicable Laws from time to time in order to operate the Facilities.

“Authorized Representative(s)” is defined in Section 2.4 of this Agreement.

“Business Days” means a day other than a Saturday, Sunday or statutory holiday in Ontario.

“Business Hours” means the hours between 7:30 a.m. and 3:30 p.m. on a Business Day.

“Capital Projects” is defined in Section 4.7(a) of this Agreement.

“Change in Applicable Laws” means the enactment, adoption, promulgation, modification, issuance, repeal or amendment of any Applicable Laws that occur after the date this Agreement is executed by both Parties.

“Change Order” means the document shown in Schedule G describing the changes to the Agreement agreed to by both parties.

“Chemical Costs” is defined in Schedule D-5.

“Claim” means any claim, fine, penalty, liability, damages, loss and judgments (including but not limited to, costs and expenses incidental thereto).

“Consolidated Linear Infrastructure” or **“CLI”** means the consolidation of (1) all of a Client’s sewage works into a single ECA or (2) all of a Client’s stormwater management works into a single ECA.

“CPI Adjustment” means the percentage difference between the Statistics Canada Consumer Price Index, All Items (Ontario) (“CPI”) during July of the previous Year as compared to the CPI of July of the current Year.

“Current Term” is defined in Section 4.3.

“Crown” means His Majesty the King in Right of Ontario.

“Drinking Water Quality Management Standard (DWQMS)” means the standard that sets out the minimum requirements for the operation of a drinking water system.

“Effective Date” is defined on Page 1 of this Agreement.

“Environmental Compliance Approval” or **“ECA”** is defined in Schedule A.

“Environmental Laws” means, any and all statutes, by-laws, regulations, permits, approvals, certificates of approval, licences, judgments, orders, judicial decisions, injunctions, and authorizations related to environmental matters or occupational health and safety and which are applicable to the operation of water and wastewater treatment facilities.

“ESA” means the Electrical Safety Authority.

“Facilities” is defined in Paragraph (b) of the Recitals to this Agreement and further described in Schedule A.

“Hydro Costs” means hydroelectricity costs due to the operation and maintenance of the Facilities.

“Indemnification Process” means the procedures a Party is required to follow to obtain indemnification:

- (a) upon receipt of a Claim, or notice of claim, the Indemnified Party shall immediately forward such Claim or notice of Claim to the Indemnifying Party;
- (b) if requested by the Indemnifying Party, the Indemnified Party shall provide all documentation relating to the Claim or notice of Claim;
- (c) the Indemnified Party shall take such steps necessary to protect its right to defend such Claim or notice of Claim and shall assign such right to the Indemnifying Party including any subrogation rights;

- (d) the Indemnifying Party shall not settle any Claim, or notice of Claim without the prior written consent of the Indemnified Party; and
- (e) the Indemnified Party shall have the right to take-over the defence of any Claim, or notice of Claim and the Indemnifying Party shall fully co-operate with such action.

“Indemnified Parties” is defined in Paragraph 3.3(a) of this Agreement.

“Indemnifying Party” means the Party responsible for dealing with any Claims and paying out any Claims.

“Initial Term” is defined in Section 4.1 of this Agreement.

“Insurable Value” is the value of the Facility(ies) based on replacement cost as described in Schedule E and submitted by June 1st in advance of the next year.

“Insurance” is defined in Paragraph 2.7(a) and further described in Schedule E.

“Intellectual Property Rights” means any copyright, trademark, patent, registered design, design right, topography right, service mark, application to register any of the aforementioned rights, trade secret, rights in unpatented know-how, right of confidence and any other intellectual or industrial property rights of any nature whatsoever in any part of the world.

“Locate (s)” means the identification and marking on the ground the location of the Client’s core underground water and wastewater infrastructure at the Facility, made with regard to a proposed excavation or dig and based on a written document containing information respecting the location of Client’s underground infrastructure provided by the Client and relied upon by OCWA. See Schedule D for financial charges

“Major Maintenance Expenditures” is defined in Paragraph 4.6(a) of this Agreement.

“MECP” means the (Ontario) Ministry of the Environment, Conservation and Parks.

“MOL” means the (Ontario) Ministry of Labour.

“OHSA” means the *Occupational Health and Safety Act*, R.S.O. 1990, c. O.1.

“Operational Plan(s)” means standard written documentation developed to establish policy and objectives with regard to quality.

“Optional Services” means any services not included in the Annual Price that the Client and OCWA agree in writing to designate as “Optional Services” subject to Section 4.12.

“Outpost 5” means a remote monitoring and control system designed and constructed by OCWA and its consultants for the purpose of monitoring and controlling processes at water treatment facilities and their related parts.

“Overall Responsible Operator” means the person who will act as the overall responsible operator pursuant to Section 23 of O. Reg. 128/04 under the *Safe Drinking Water Act, 2002* (the “SDWA”) and Section 15 of O. Reg. 129/04 under the *Ontario Water Resources Act* (the “OWRA”) in respect of the Facilities.

“OWRA” means the *Ontario Water Resources Act*, R.S.O. 1990.

“Parties” is defined in Paragraph (d) of the Recitals to the Agreement.

“PDM” or **“Process Data Management”** means technology that allows process data to be entered into a format that can be viewed, manipulated and retrieved in the form of customized reports.

“PLC” means Programmable Logic Controller

“Pre-existing Condition” is defined in Section 2.5 of this Agreement.

“Renewal Term” is defined in Section 4.1 of this Agreement.

“Routine Maintenance” means regular and/or repetitive activities recommended by the equipment or facility manufacturer or practices of a prudent operator to maintain the reasonably expected service life of the equipment and components thereof and includes preventative maintenance.

“SCADA” means Supervisory Control and Data Acquisition.

“SDWA” means the *Safe Drinking Water Act, 2002*, S.O. 2002 c.32.

“Service Fee” is defined and described in Schedule D.

“Services” is defined in Section 2.1 of this Agreement.

“Technology” is defined in Section 7.1 of this Agreement.

“Uncontrollable Circumstance” is defined in Paragraph 2.2(c) of this Agreement.

“Unexpected Expenses” is defined in Paragraph 4.8(a) of this Agreement.

“Utility Costs” means the costs of natural gas used in the operation of the Facilities.

“WMMS” or **“Work Management Maintenance System”** means a computer program used to determine a program of preventive maintenance activities for equipment in a facility based on a risk analysis that considers factors such as equipment life expectancy, present value and replacement cost.

SCHEDULE C - The Services

Part 1 - Services included in the Annual Price

OCWA will provide the following services:

1. Staffing

- (a) certified operator(s) to attend at the Facilities as required under normal operating conditions on Business Days and during Business Hours and supply other personnel as may be necessary to operate, maintain and manage the Facilities under normal operating conditions in compliance with the requirements of Applicable Laws, terms of an Agreement, including management, operation, routine maintenance, administration and reporting;
- (b) supply a certified operator(s), who will be on call 24 hours per day, 365 days per year to respond to emergency conditions in respect of the operation of the Facilities, any such response to be charged to the Client in accordance with Schedule D herein or by way of an annual set amount;
- (c) provide all necessary training and continuing education for staff to ensure the continued operation of the Facilities, in accordance with all Applicable Laws;
- (d) provide an Overall Responsible Operator for the Facilities.

2. Regulatory Reporting

- (a) prepare and submit all reports to the Client and the MECP respecting the operation and maintenance of the Facilities as required by the MECP or any other regulatory agency or body having jurisdiction at the time of the Agreement;
- (b) review any inspection reports prepared by the MECP in respect of the Facilities and, subject to any approvals of the Client, either correct or negotiate with the MECP amendments to a deficiency;
- (c) report to the Client and the MECP non-compliance with a regulatory requirement;
- (d) maintain Drinking Water Quality Management System plan.

3. Other Reporting

- (a) Prepare and submit to the Client a monthly operational report within thirty (30) days of the completion of each month;

- (b) Prepare and submit to the Client annually a rolling six (6)-year recommendations for Major Maintenance Expenditures and Capital Projects by October 31st of each year of the contract.

4. Meetings

- (a) Meet with the Client on as needed to discuss facility operations;
- (b) Meet with the Client annually to review of operations, maintenance, compliance and capital for the year
- (c) Conduct facility tours as requested by the client.

5. Operations Manuals

- (a) recommend to the Client, any section in the operating manuals that should be modified/changed to ensure that the operating manuals reflect the actual or revised approach to operating the Facilities; which recommendations may require third party assistance.

6. Initial Inventory

- (a) develop and maintain an inventory of the Client's original equipment tools and attractables in place as of the effective date of the Agreement;
- (b) develop inventory of critical spare parts.

7. Change In Laws

- (a) notify the Client of any modifications or changes to the Services or the Facilities required to comply with any Change in Laws and subject to Client approval make the required modifications or changes at an additional cost.

8. Facility Emergency Preparedness

- (a) prepare and revise, as necessary, an Emergency Plan for the Facilities consistent with the requirements of the Applicable Laws and the Client's Emergency Plans;
- (b) establish procedures for managing foreseeable emergencies or abnormal conditions affecting the Facilities.

9. General

- (a) good housekeeping to maintain a safe work environment;
- (b) provide security at the Facilities by maintaining the existing fences and gates and locking same and notifying the Client of the need for any repairs;
- (c) provide mobile communications services.

10. Water Treatment Operations and Maintenance

Specific Task	Frequency
Manage, operate, administer, and maintain the treatment system to achieve water quality in accordance with applicable Ontario Regulations and Operational Plan	Continuous
Act as the Accredited Operating Authority	Continuous
Provide 24-hour on-call coverage of the facilities and respond to emergency situations such as line leaks and breaks, spills, hydro interruptions, and process and equipment failure	Continuous
Monitor SCADA system for plant operations, process control, and after-hour emergencies	Minimum 72 hr. review
Monitor raw water as per provincial regulations and report any problems	Minimum 72 hr. review
Check operating facilities	As required
Check water processing equipment including disinfection addition systems. Check dosages and adjust as necessary	As required
Check continuous chlorine residual analyzers, calibrate as necessary to ensure compliance with log removal and CT requirements	Regular Visit
Maintain daily log of site activities	Regular Visit
Collect all samples required under facility license and Reg.170/03 for raw, treated, and distribution water	As Required
Monitor water quality and make adjustments as required	Continuous
Monitor reservoirs (tanks) and system pressures	Continuous
Check sites for security	As Required
Isolate and tag out any unsafe or improperly operating piece of equipment and make repairs as necessary	As Required
Calibrate online analyzers to standards	As Required
Complete basic maintenance work orders issued by the computerized OCWA WMS including routine lubrication program	Continuous
Flushing hydrants in the distribution system	Semi-annually or as required
Take daily reading and input into process data collection system for submission to MOECC	Continuous
Arrange and accept chemical deliveries	As Required
Operate standby generators under load conditions	Monthly
Provide notification to appropriate regulatory agency and Village of any issues with abnormal operational performance, AWQI's, discharge criteria, overflows, and/or worker safety	As Required
Act as Village representative with regulatory agencies	As Required

Specific Task	Frequency
Contingency response manual review and upgrading	Annually
Review operations manual and enhance standard operating procedures	Every 2 years
Provide staffing to meet Overall Responsible Operator and Operator-in-Charge requirements	Continuous
DWQMS ongoing Emergency Management System requirements	Continuous

11. Water Distribution Operations and Maintenance

Specific Task	Frequency
Act as ORO and supervise the system in accordance with Ontario Regulations 128/04. As such, provide 24-hour contingency availability coverage of the facilities and respond to emergency situations such as waterline leaks and breaks, spills, hydro interruptions, and equipment failure	Continuous
Open and exercise main distribution valves	As needed
Open, exercise, and flush water hydrants, make minor repairs and paint where necessary, and winterize each fall	Annually
Inspect distribution system visually for major leaks, and collect samples and monitor chlorine residual	Weekly
Maintain compliance with the requirements of the SDWA and its regulations including sampling, notification of adverse samples, and corrective actions	Continuous
Monitor leak detection by visual inspection of levels and pressures	Daily
Complete OCWA's internal operational data forms for statistical input into PDM	As Required
Inspection of all lifting, safety equipment	Annually
Calibration of gas detectors	Bi-Annually
Maintain logbook entries	As Required
Review and updating of operations manuals	Annually
Operation of Curbstop (on/off service)	10 per year

12. Wastewater Treatment and Lagoon Operations and Maintenance

Specific Task	Frequency
Act as Overall Responsible Operator and Supervise the System in accordance with Ontario Regulations 129/04. As such, provide 24-hour contingency availability coverage	Continuous
Inspect process control equipment to ensure proper operation of wastewater treatment lagoons, pumps, blowers, and aeration systems	Daily
Operate pump controls and valve controls for pumping of process streams	Weekly

Specific Task	Frequency
Hose down walls and channels and floats in wet well	As required
Record and analyze wastewater flow and wastewater flow calculations	Daily
Perform routine in house wastewater tests and compliance waste water tests	Daily Weekly
On a routine basis, complete the daily operating forms for statistics for computer input into Process Data Collection system for submission to Municipality and MECP	Monthly
Calculate, record, and analyze the amount of wastewater treated, the daily flows, monthly flows, pumping station running hours, and diesel running hours and amount of chemical used	As required
Ensure that daily operations comply with and fulfill the requirements of the ECA and other legal documents	Continuous
Monitor discharges as per provisions of ECA	As Required
Maintain inventory of equipment and Tools	Annually
Maintain logbook entries	Daily
Review and updating of Operations manuals	Annually
Complete routine inspections	As Required
Record process water and wastewater flow calculations	Scheduled as
Collect all samples in house and regulated and perform routine wastewater tests	per ECA
Inspect lift stations, check pumps, level controllers and operations	Weekly
Complete the daily operating forms for statistics for computer input into PDM in order to ensure a proper monitoring of plant flows and process for wastewater treatment for submission to Municipality and MECP	Monthly
Complete all basic maintenance work orders issued by the OCWA work management system	Regular visit
Check plant for security	Regular visit
Operate standby diesel generator	Monthly
Facility Emergency Plan including contingency response preparation	Ongoing

13. Wastewater Collection Operations and Maintenance

Specific Task	Frequency
Act as Overall Responsible Operator and Supervise the System in accordance with Ontario Regulations 129/04. As such, provide 24-hour contingency availability coverage	Continuous
Complete all basic maintenance work orders issued by OCWA work management system	Regular Visit
Inspection of collection system and process and monitor wastewater collection system for infiltration, illegal connections and illegal discharge of contaminants to system	As Required
Inspect condition of wet wells	Monthly
Perform manhole inspection (22)	Bi-annually
Perform collection system flushing on 50% of the system	Annually

Specific Task	Frequency
Check pumps at pump stations	Weekly
Facility Emergency Plan including contingency response preparation	Ongoing
Inspect equipment at pumping stations and force mains to ensure proper operation of bar screens, pumps, and standby power	Regular Visit
Maintain logbook entries	Regular Visit
Log pump readings on operational forms	Regular Visit
Calibrate equipment in accordance with the current Facility's Certificate of Approval (ECA)	Annually
Enhancements to operations manual with standard operating procedures	Ongoing

Part 2 - Optional Services (To Be Provided at the Request of the Client)

OCWA may provide additional services to the Client including but not limited to the Optional Services set out below:

1. Operation Related Services

- (a) operation manual updates;
- (b) water meter installation/replacement/reading;
- (c) water service disconnect and reconnect;
- (d) new water service installation or connection inspection;
- (e) camera services on well/well level monitoring;
- (f) clearwell cleaning;
- (g) back flow prevention measures;
- (h) Calibration of flow meters;
- (i) Curb stop/valve repairs.

2. Capital Projects Plans

- (a) prepare a detailed Capital Projects Plan for the facility(ies).

3. Watermain Services

- (a) water infrastructure Locates above monthly allocation;
- (b) contract repair for watermain breaks including road restoration;
- (c) inspection of repaired water pipes;
- (d) thawing water pipes;
- (e) new watermain commissioning;
- (f) watermain swabbing;
- (g) intake inspection;
- (h) repairs to curbstops/secondary valves;
- (i) leak detection;
- (j) chamber inspections, monitoring.

4. Engineering Services

- (a) engineering services;
- (b) provide assistance and/or complete applicable funding applications;
- (c) financial plans for water infrastructure.
- (d) capital Project execution including value engineering, equipment pre-selection, and plant commissioning;
- (e) water tower and in-ground concrete reservoirs assessments and upgrades (including painting and repairs);
- (f) initial condition inspection and surveys;
- (g) aeration system retrofits;
- (h) lagoon rehabilitation.

5. Hydrant Services

- (a) hydrant flow testing;
- (b) hydrant repairs;
- (c) painting hydrants.

6. Capital Delivery and Energy Services

- (a) project management
- (b) consultant selection
- (c) equipment pre-selection
- (d) design peer reviews
- (e) value engineering
- (f) contract administration
- (g) commissioning
- (h) O&M manual preparation
- (i) regular reporting to funding agencies for federal and provincial projects
- (j) desktop review and analysis of energy data and processes
- (k) complete energy and process audits of facilities

7. Process Optimization Services

- (a) process expertise (trials, automation, chemical/ infrastructure changes)
- (b) process Equipment Support
- (c) process reviews and Technical Support for Value Engineering Activities
- (d) technology reviews
- (e) operational Troubleshooting Support in Commissioning
- (f) support of Municipal transitions Peer Review

8. Innovation & Technology Services

- (a) review Emerging Technologies
- (b) identify new Technology Opportunities/Needs

- (c) coordinate Pilot Testing Opportunities
- (d) alternative Delivery Models

SCHEDULE D - The Annual Price And Other Charges and Adjustments

1. Annual Price for the Initial 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 Initial Term in the following amounts (the “Annual Price”):

- (i) For Year One from January 1 through to December 31, 2025 inclusive:

Facility	Total
Casselman Water	\$434,372
Casselman Distribution	\$114,402
Casselman Wastewater	\$240,353
Total for all projects	\$789,127

- (ii) For Year Two for the period January 1 to December 31, and subsequent Years: \$789,127 plus the CPI Adjustment at a minimum of 2%, 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.

2. Payment of the Annual Price

In Year One of the Initial Term, the monthly payment of the Annual Price shall be \$65,760.58.

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 to be adjusted on an annual basis with written notification to client:

- (a) Labour rates on Business Days, Monday to Friday, (7:00 – 15:30) shall be billed at \$75.00/hour/person for an operator or mechanic, \$85.00/hour/person for a supervisor or O&M team lead and \$100.00/hour/person for a senior operations manager, or safety process and compliance technician;
- (b) Labour rates on statutory holidays shall be billed at \$112.50/hour/person for operator or mechanic; \$127.50/hour/person for a supervisor or O&M team lead and \$150.00/hour/person for a senior operations manager, or safety process and compliance technician, with a minimum eight (8) hour charge;

- (c) Labour rates at all other times (after hours and on weekends) shall be billed at \$112.50/hour/person for operator or mechanic; \$127.50/hour/person for a supervisor or O&M team lead and \$150.00/hour/person for a senior operations manager, or safety process and compliance technician, 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;
- (e) Costs for Optional Services provided by OCWA staff (i.e. engineering services, project management, SCADA, innovation technology, process optimization, asset management services, Locates, and CLI services) will be based on OCWA's technical services hourly rate schedule. This rate schedule will be set by OCWA at the beginning of each calendar year and will be reviewed by the Client as part of the Optional Services approval process.

4. Service Fee

“**Service Fee**” means an additional fee of **15%** charged to the Client when OCWA purchases materials, supplies, equipment, hires contractor's services or performs any of the above Optional Services on behalf of the Client.

5. Adjustments for Chemical Costs

- (a) OCWA's initial Annual Price is calculated based upon an estimate of the annual cost of chemicals used in the operation of the facilities (the “Chemical Costs”) in the amount of \$127,250 for water treatment and \$50,000 for wastewater treatment (Current Annual Chemical Cost). However, due to the uncertainty of chemical rates, adjustments may have to be made for Chemical Costs increases/decreases as follows:
 - (i) If there is an increase over the annual CPI adjustment in total annual Chemical Costs over the Current Annual Chemical Cost in any Year of the Agreement, then the Client shall pay OCWA the entire amount of the increase over and above the Annual Price.
 - (ii) If there is a decrease in total annual Chemical Costs over the Current Annual Chemical Cost in any Year of the Agreement, then the Client shall be compensated by OCWA for the entire amount of the decrease.
- (b) The calculations for the purpose of this section will take place as soon as it is reasonably possible after OCWA determines the annual Chemical Costs for the year. At the end of each year of this Agreement, OCWA shall deliver an account to the Client. If the Client owes monies to OCWA under this section, then an invoice for that amount will be sent to the Client. If OCWA owes monies to the Client, then a credit will be applied to the Client's account.
- (c) Should the decrease in total annual Chemical Costs be a direct result of an investment by OCWA, then there shall be no credit under (b) above, until such time as OCWA's investment is fully recovered.

6. Locate Services

- (a) OCWA's Annual Price includes an allotment of 20 locates per month during regular business hours.
- (b) Locates services above the allotment or required outside of regular business hours shall be billed at a minimum of 30 minutes at the rates set out in section 3 above.

7. Operation of Curbstops

- (a) OCWA's Annual Price includes an allotment of 10 service calls for the operation of curbstops per year during regular business hours.
- (b) A service call means the operation of the curbstop to turn the water service on or off and should take no longer than 30 minutes. A service call lasting longer in duration may become a locate service.
- (c) Locates services above the allotment or required outside of regular business hours shall be billed at a minimum of 30 minutes at the rates set out in section 3 above.

SCHEDULE E - Insurance

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 2024; subject to change on an annual basis.

Contractor's Pollution Liability Insurance

Coverage: 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 Contractor's Pollution Liability. \$10,000,000 aggregate.

Deductible: \$50,000 for the year 2024; subject to change on an annual basis.

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 negligent acts errors or omissions OCWA is legally responsible, and arising out of the conduct of OCWA's profession.

Limit: \$5,000,000 per loss on a Claims Made basis for Professional Liability Insurance and including \$5,000,000 Aggregate.

Deductible: \$50,000 for the year 2024; subject to change on an annual basis.

Cyber Liability Insurance

OCWA to provide evidence of coverage by way of a letter, noting coverage for expenses incurred by OCWA consequential to a cyber event or privacy breach.

SCHEDULE F - List of Pre-Existing Conditions

As per Paragraph 3.1(e) of this Agreement, the following Pre-existing Conditions have been identified:

1. The design of the water treatment facility limits the facilities ability to treat the raw water coming into the facility due to the source water quality.
2. Sewage Pumping Stations #1 has experienced overflows causing the basement to flood due to the lack of overflow outlet into the receiving stream. The Municipality has plans to address this in upcoming upgrades to the station.
3. There remain valves and hydrants in poor condition that require repair or replacement that may affect OCWA's ability to control a main break. OCWA has included repairs/replacement in the Major Maintenance forecast for each year of the Term of the Services Agreement.

SCHEDULE G – Change Order Form

Ontario Clean Water Agency
Agence Ontarienne Des Eaux

Change Order Form

Change Being Requested			
Name of Change:			
Ontario Clean Water Agency (OCWA)	Per: _____ Name: _____ Title: _____	Date (YYYY/MM/DD):	
Client	Per: _____ Name: _____ Title: _____	Date (YYYY/MM/DD):	
Adjustment			
Check Appropriate Type of Change			
Apply (Y/N)	Type of Change:		
	Adjustment to Annual Price		
	Change to Service		
	Impact		
Adjustment to Annual Price			
Description – Attach Additional Documentation if Required			
Change in Services			
Description – Attach Additional Documentation if Required			
Cost Breakdown for Change in Services			
Item	Quantity	One-time Cost	Annual Cost
	Total Cost:		