

**Amendment One to the Agreement for Operations, Maintenance and Management Services**

THIS AMENDMENT to the Agreement (as defined below) is entered into on the \_\_\_ day of \_\_\_ 2021 (the "Amendment Effective Date"), by and between

The Corporation of the Township of North Huron (hereinafter, the "Municipality");

OF THE FIRST PART; and

Veolia Water Canada, Inc. (hereinafter, "VWC");

OF THE SECOND PART;

WHEREAS the Municipality and VWC entered into that certain Agreement for Operations, Maintenance and Management Services dated April 5, 2016, hereinafter the "Agreement"), and whereby the Municipality employed the services of VWC to operate and maintain the Municipality's water and wastewater treatment facilities and related assets, and

WHEREAS, the parties wish to amend the Agreement and to make certain changes to the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Municipality and VWC agree as follows:

1. Words and phrases underlined herein are for ease of reference only to indicate where changes were made.
2. Section 2.11 of the Agreement is deleted and replaced with the following section:

"VWC may modify the process and/or facilities to achieve the objectives of this Agreement and charge the Costs to the Maintenance and Repair Limit; provided, however,

- (i) no modification shall be without the Municipality's prior written approval, if the complete modification Cost shall be in excess of two thousand dollars (\$2,000.00); and
- (ii) in respect of Maintenance and Repairs expenditures (Y) in excess of \$2,500, VWC shall notify the Municipality in advance of incurring such expenditures, and (Z) in excess of \$5,000, VWC shall receive the Municipality's approval in writing prior to incurring such expenditures."

3. Section 2.15 of the Agreement is deleted and replaced with the following section:

"By October 1 each year VWC will provide a listing of recommended capital improvements required for the Project. VWC will not be relieved of its responsibility to perform if the recommendations are not implemented; provided, however, that capital

improvement necessary to: (i) meet effluent requirements; or (ii) meet federal, provincial or local laws, rules or regulations for the safety of persons in or about the Project; shall not be optional for the Municipality. If approved, the Municipality will make arrangements for the design and construction of said improvements.”

4. Section 4.7 of the Agreement is deleted and replaced with the following section:

“The Municipality shall provide the Project with appropriate security personnel and/or devices to protect against any losses resulting from the theft, damage, or unauthorized use of property owned by the Municipality and shall accept liability for losses of the Municipality’s property, except to the extent such losses are directly caused by the negligent acts or omissions of VWC.”

5. Section 4.12 of the Agreement is deleted and replaced with the following section:

“The Municipality shall, at its option:

- (i) provide VWC 2 bag tags per week for waste collection. VWC shall encourage recycling at the Facilities and any costs for additional waste disposal (additional bag tags) shall be covered by VWC; or
- (ii) provide VWC direct access to landfill for disposal of waste collected by VWC at the facilities, or
- (iii) pickup waste from the facilities by Municipality’s personnel.”

6. Section 5.1 of the Agreement is deleted and replaced with the following section:

“5.1 VWC’s compensation under the Agreement shall consist of an Annual Fee in the amount of \$710,973.00, exclusive of HST. The Maintenance and Repair Limit included in the Annual Fee is \$40,000. VWC will pay the first \$40,000 (or such other amount as may be agreed to in writing between the Parties), of all Maintenance and Repairs at the Facilities incurred during the then current calendar year. These costs will be tracked and reported to the Municipality monthly”

7. Section 5.3 of the Agreement is deleted in its entirety and replaced with the following:

“5.3 If there have been material changes to the Facilities or the Scope of Services, the Annual Fee shall be negotiated each year at least four (4) months prior to December 31 of each calendar year. Should the Municipality and VWC fail to agree on the Annual Fee, or if there are no material changes, the Annual Fee will be automatically increased by the yearly percentage rate of increase in the Consumer Price Index plus 0.5% (all items Ontario for the month of June), provided that the Annual Fee will in no event decrease as a result of the application of the index. (For clarity a yearly percentage change of 1% in CPI

would result in an adjustment to the Annual Fee of  $CPI+0.5\% = 1.5\%$ ) The portion of the Annual Fee attributed to the Maintenance and Repair Limit shall change by a percentage rate equal to the change in the Annual Fee.

Notwithstanding Section 5.1 or the foregoing, from June 1, 2021 until December 31, 2021 (the "Seven Month Period"), the Annual Fee will be invoiced at \$59,247.00 per month with the Maintenance and Repair Limit of \$3,333.33 per month included in the Annual Fee for the Seven Month Period, for an aggregate Annual Fee of \$710,964.00 and an aggregate Maintenance and Repair Limit of \$20,000.00 for the Seven Month Period. VWC will pay the first \$20,000.00 (or such other amount as may be agreed to in writing between the Parties), of all Maintenance and Repairs at the Facilities incurred during the Seventh Month Period. These costs will be tracked and reported to the Municipality monthly". On Jan 1, 2022, the Annual Fee will be subject to a CPI increase equal to the percentage rate of increase in the Consumer Price Index (all items from November, 2020 to May, 2021) for Ontario, plus 0.5%".

8. Section 6.2 of the Agreement is deleted and replaced with the following section:

"All other compensation to VWC is due upon receipt of VWC's invoice and payable within thirty calendar days."

9. Section 6.3 of the Agreement is deleted and replaced with the following section:

"The Municipality shall pay interest at an annual rate equal to the Bank of Canada's Prime Rate plus four percent (4.0%), said rate of interest not to exceed any limitation provided by law, on payments not paid and received within thirty calendar days of the due date, such interest being calculated from the due date of the payment. In the event the charges hereunder might exceed any limitation provided by law, such charges shall be reduced to the highest rate or amount within such limitation."

10. Section 7.1.1 of the Agreement is deleted and replaced with the following section:

"Any change in Project operations, change in personnel qualification required as a result of facility rerating, change in the number of required personnel due to facility expansion, or other cost which is a result of an Unforeseen Circumstance;"

11. Section 9.1 of the Agreement is deleted in its entirety and replaced with the following:

"9.1 The initial term of this Agreement shall end on December 31, 2026. Thereafter, the Municipality reserves the right that this Agreement may be renewed for successive terms of up to five (5) years upon mutual agreement of both parties or canceled in writing by either party no less than one hundred and twenty (120) days prior to expiration. During any term after the initial term, either party may terminate the contract with 180 days' written notice."

12. Section 9.6 of the Agreement is deleted in its entirety without replacement.

13. Section A.7 of Appendix A to the Agreement is deleted in its entirety and replaced with the following:

“A.7 “Maintenance and Repair Limit” means the total Maintenance and Repairs expenditures that VWC has included in the Annual Fee, excluding (i) Routine Maintenance, and (ii) labor costs of VWC personnel assigned to the Project (the “Assigned Personnel”).

For clarity, labor cost of VWC maintenance personnel, other than the Assigned Personnel, who provide specialized services such as, but not limited to, vibration, thermographic and electrical analyses, instrumentation maintenance and repair, is included in the Maintenance and Repair Limit.”

14. Section titled “Blyth Wastewater Collection, Treatment and Disposal System General Description of Facility” in Schedule 2.1(a) to the Agreement is deleted and replaced with the following:

“The Blyth sanitary sewer system consists of approximately 13km of gravity sanitary sewers collected at the west end of Thuell Street fitted with three (3) submersible pumps, controls and alarms, discharging to the sewage treatment plant located at the west end of North Street. The sewage treatment plant consists of bar screen and grit removal, two (2) aeration basins fitted with fine bubble diffusion and air supplied with three (3) rotary lobe compressors, a circular secondary clarifier, chlorination facilities and a tertiary multimedia filter. Phosphorous removal achieved through gravity separation using ferric chloride. Sludge is collected and thickened in a preliminary digester where it is then transferred to a sludge holding tank. Detailed description contained in ECA to 9189-A6UPSM issued February 23, 2016.”

15. Section titled “Blyth Water Supply, Treatment, and Distribution System General Description of Facility” in Schedule 2.1(a) to the Agreement is deleted and replaced with the following:

“The Blyth Water supply consists of two (2) groundwater well supplies with a combined realistic rate of 15L/S on Thuell Street, deemed non GUDI, discharging to an in-ground chlorine contact/storage facility. There are two (2) high lift pumps pumping from the reservoir to the approx.12.7km of water distribution piping during normal usage and via a diesel-powered higher capacity fire pump during unusual situations. Emergency power is supplied by a manually switched diesel powered emergency generator. A third groundwater well supply known as well 5 located on gypsy lane with rate of 20 l/s deemed non GUDI complete with Chlorination and emergency generator.”

16. Second bullet in the Section titled “General Services” in Schedule 2.1(b) to the Agreement is deleted and replaced with the following:

- “Provide water and sewer locates, water connects and disconnects as required, to a maximum of 200 per year combined. Up to a maximum of 5 locates in a single contiguous location performed within 2 consecutive hours will count as a single locate. Additional locates and service requests will be performed on an Out-of-Scope basis;”

17. In the Section titled “(ii) Wingham and Blyth Water Supply, Treatment, and Distribution System” of Schedule 2.1(b) to the Agreement add the following two bullets:

- “Provide qualified operators present in the repair of water main breaks, and other water main activities, such as installation of new water mains as required by regulations, and provide the Municipality with documentation regarding all such activities;
- Provide qualified operators to be present to provide site overview of eligible, permit approved hook-ups in the Facilities, including those parts of the Facilities located in neighbouring municipalities”

18. Second to last paragraph in the Section titled “Asset Management” in Schedule 2.1(b) to the Agreement is deleted and replaced with the following:

“Routine and predictive maintenance costs up to a single item or event cost of \$7,000 or annual aggregate cost of \$40,000 shall be considered within the scope of Services, including the cost of labour, services, materials and replacement parts, lubricants, filters, belts, and all other consumable materials.”

19. Last bullet in the Section titled “(ii) Wingham and Blyth Water Supply, Treatment, and Distribution System” in Schedule 2.1(b) to the Agreement is deleted and replaced with the following:

- Intentionally left blank “

20. At the end of Section titled “(iii) General Services” in Schedule 2.1(b) to the Agreement, a new bullet is added and it reads as follows:

- Bimonthly reading of water meters (half of all meters read on a monthly basis).  
Provide water meters as required for new services or meter replacements, coordinate water meter repairs, Installation of meters less than one 1” may be

self performed by Operator; installation of water meters 1” or larger will be subcontracted. All costs related to water meter supply, repair, replacement or installation will be billed to the Municipality “

21. At the end of Section titled “(viii) Asset Management” in Schedule 2.1(b) to the Agreement, a new paragraph is added and it reads as follows:”

- “ VWC shall assist the Municipality in the asset management of the distribution system by keeping digital records up to date by entering data on water main repairs and replacements into the Municipality’s GIS mapping system. For new water main and significant replacements the data will initially be provided by the engineer responsible for the project. “

22. The table of Schedule 2.2 to the Agreement is deleted and replaced with the following table:

	Veolia Hourly Rate	Subcontracted Costs	Unit Price
Monday through Friday – Business Hours	<u>\$65</u>		
Monday through Friday - Overtime	<u>\$95</u>		
Weekends and Holidays	<u>\$125</u>		
Operator Call-ins for Out of Scope Services (min 3 hours):	<u>\$95</u>	Cost plus VWC Markup of 13%	
Project Manager Regular Work Hours:	<u>\$90</u>		
Project Manager Regular After Hours:	<u>\$140</u>		
Professional or Skilled Trades Regular Hours:	<u>\$100</u>		

23. References to “ECA #8687-826L6Z” in Section titled “Blyth Wastewater System” in Schedule 2.3(b) to the Agreement are deleted and replaced with “ECA #9189-A6UPSM”.

24. Except as modified herein, all provisions of the Agreement remain unchanged, without novation, and shall remain in full force and effect.

25. This Amendment constitutes an amendment within the meaning of Section 1.7 of the Agreement as evidenced by the signature of duly authorized representatives of each Party.

26. In the event of a conflict or inconsistency between the provisions of the Agreement and the provisions of this Amendment, the provisions of this Amendment shall control.

All parties indicate their approval of this Amendment by their signatures below, and each party warrants that all corporate or governmental action necessary to bind the parties to the terms of this Amendment has been and will be taken.

THE CORPORATION OF THE  
TOWNSHIP OF NORTH HURON  
I have authority to bind the corporation

VEOLIA WATER CANADA, INC.  
I have authority to bind the corporation

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title: