

# RENEWAL PROPOSAL to the Town of Grand Valley for Operations and Maintenance Services of the Grand Valley Wastewater Treatment Plant

**SUBMITTED BY**  
Ontario Clean Water Agency  
2085 Hurontario Street Suite 500  
Mississauga, Ontario L5A 4G1

October 10<sup>th</sup> , 2024

October 10<sup>th</sup>, 2024

Meghan Townsend, CAO/Clerk  
Town of Grand Valley  
5 Main St N, Grand Valley, ON  
519-928-5652

Dear Ms. Townsend,

On behalf of the Ontario Clean Water Agency (OCWA), we are pleased to provide you with our proposal for the operation and maintenance of the Town's wastewater treatment plant. We value our partnership and we are proud of our long-standing commitment and service to the Town of Grand Valley (Town).

OCWA is dedicated to ensuring transparency and value in our service and pricing. We offer secure knowledge in the integrity of our operations and our comprehensive understanding of the environmental legislation. Along with best value, these are attributes that you can confidently bring to your constituents.

Please be assured that OCWA is committed to continuing our long-term partnership through active collaboration with the Town to provide sustainable environmental services for your community and to promote long-term system resiliency.

There are many benefits to continuing services with a trusted and reliable partner such as OCWA. Thank you for considering OCWA's services and we look forward to continuing a partnership that meets your needs.

Sincerely,



Natalie Baker  
Business Development Manager  
Ontario Clean Water Agency  
705.730.3480  
nbaker@ocwa.com

# STATEMENT OF CONFIDENTIALITY

## OCWA's Proposal to the Town of Grand Valley for Operations and Maintenance of Wastewater Treatment Systems

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VISION

Your  
**TRUSTED**  
**WATER PARTNER**  
For Life

MISSION

Together we deliver water and wastewater services for the health and sustainability of communities.

VALUES



**Teamwork**

We bring together our local knowledge, skills and talents and collaborate with our partners to meet the needs of the communities we serve.



**Reliability**

We provide essential services to meet or go beyond compliance standards and follow through on our commitments to each other and our partners.



**Understanding**

We listen to and collaborate with our partners to deliver solutions that meet their needs.



**Safety**

We make health, safety and wellness in our workplace and in the communities where we live and work, our number one priority.



**Transparency**

We communicate openly, honestly and authentically with each other and our partners.



**Environment**

We protect the environment through innovative solutions to strengthen the health and sustainability of the communities we serve.



**Diversity**

We embrace diverse perspectives and strive to create an equitable and inclusive environment where each of us feels respected and empowered to achieve our personal and professional goals.

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# 1 Working Together with the Town of Grand Valley

The Town of Grand Valley (Town) and the Ontario Clean Water Agency (OCWA) have built a strong partnership. For over a decade, we have provided compliant, cost-effective wastewater treatment services for your residents while protecting the environment and your long-term interests.

Throughout that time, we have diligently worked to anticipate, meet, and respond to local and regulatory influences as the Town has undergone growth and change.

Renewing our agreement is an opportunity to review our partnership, reassess best practices, and commit to meeting future challenges together. In renewing our relationship, OCWA commits to continue providing:

- Comprehensive services to protect the public and the environment, and provide good asset stewardship through our goal of continuous improvement
- Compliance excellence — as demonstrated in the 2020 detailed MECP inspection at the Grand Valley Wastewater Plant, where the facility received zero non-compliances and zero recommendations for improvement
- Capital project management, support for facility expansions, and evaluation of energy efficiency opportunities
- Healthy and safe workplaces to protect staff and manage risk
- Supporting the Town during facility upgrades by reviewing design drawings, attending consultation meetings and required construction meetings. (Emma Street, Amaranth St SPS and WWTP upgrades)

## 1.1 Valuable Resources for Grand Valley

OCWA's regional hub and cluster allocation structure provides a comprehensive approach to managing the **203 water and wastewater facilities** across nine clusters. Our Georgian Highlands Regional Hub includes the **North Highlands Cluster** which services **the Town of Grand Valley wastewater treatment plant**.

Our staffing structure ensures operations and maintenance (O&M) and emergency support is available to all facilities at all hours of the day and night. As part of the Georgian Highlands Regional Hub, the Town benefits from our full-service package and access to specialists and resources required for the effective and efficient operations, maintenance and management of your treatment systems.

OCWA's standard operations include **valuable resources and operational support systems** including:

- A stable complement of highly trained and certified O&M professionals for daily operational needs and whose duties falls within OCWA's Essential Services provision
- Experienced management and compliance team reporting locally to deal directly with facility issues on a 24-hour basis and to support capital recommendations, planning, and successful project execution
- Corporate, regional and cluster resources to support strong compliance and emergency management demonstrated in our comprehensive:
  - Quality & Environmental Management System (QEMS) that supports a record of excellence — between January 2019 and December 2023, OCWA underwent **1,623 water and wastewater system inspections by the Ministry of Environment, Conservation and Parks (MECP) resulting in zero Provincial Officer Orders**
  - Occupational Health & Safety (OH&S) program that has supported a record of excellence **with zero Ministry of Labour (MOL) orders over the past five years**
- Process Data Management (PDM) facility operating information repository, which consolidates field data, online instrumentation, and electronic receipt of lab test results for reporting, tracking and analysis
- Proven maintenance practices and asset management program for healthy, sustainable, and resilient treatment systems
- Computerized Maintenance Management System (CMMS) that tracks and reports maintenance activities, and creates predictive and preventative measures
- SCADA resources and knowledgeable staff
- Site specific contingency plans and standard operating procedures
- OCWA Emergency Response Team (OERT) is a group of skilled operators trained and equipped to respond to drinking water emergencies in Ontario. OERT provides immediate access to highly trained staff and emergency equipment, should a crisis arise. We also have resources and specialized training for wastewater emergencies

## 1.2 Partnership & Trust

OCWA's values align with those of our municipal clients including the Town of Grand Valley. While we are committed to safe, reliable and cost-effective service, we also understand the importance of transparency, accountability and building trust with clients and other stakeholders.

Being a government agency that receives no funding from the Province, OCWA is a unique hybrid that offers the best of both worlds: public sector accountability and private sector efficiencies.

### 1.2.1 OCWA's Service Excellence & Value for Municipalities

Municipal partners that have recently opted for OCWA as their Operating Authority and can **attest to the cost savings and quality service** we bring include:

Renfrew estimates annual savings of \$330,506 in having OCWA assume distribution and collection services effective January 2024 (November 2023)

Norfolk has realized savings and welcomes the increase in collaboration since partnering with OCWA in October 2021

Tay Township estimates a five-year savings of over \$700k with OCWA as their service provider (2021)

Haldimand has already realized "significant savings" since partnering with OCWA in October 2020

Ramara estimates a \$1.5M savings over 5 years from OCWA operations for the Township (2020)

Red Rock has stated that they've already saved 20-25% of the administrative costs with OCWA as their provider (2020)

Erin's independent analysis of water management costs point to OCWA saving the Town \$1.2M over five years (2018)

### 1.2.2 Recent Competitive RFPs & New Partnerships

Norfolk and Haldimand Counties managed an RFP competitive process while they both had an external provider (Veolia). Erin also posted an RFP but was managing their facilities in-house prior to OCWA winning the contract.

Ramara and Red Rock were managing their own O&M and partnered with OCWA after detailed discussions and sole sourced proposals.

In spring 2021, OCWA was awarded the contract for Norfolk County Wastewater Facilities which include Delhi, Port Rowan, Port Dover, Simcoe and Waterford treatment systems. Against three competitors, OCWA was assessed as the best value.

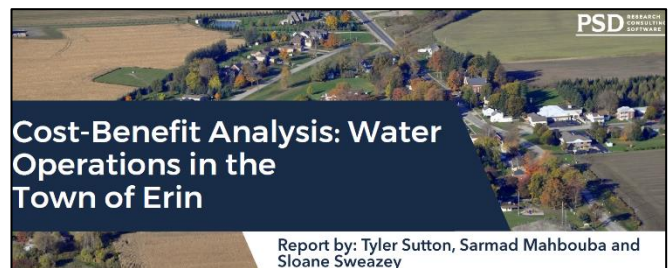
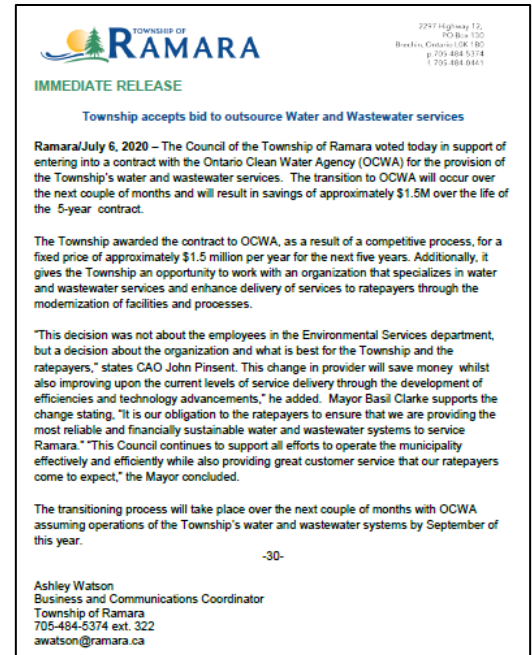


Photo caption: Ramara Media Release (first image) and Erin Cost Benefit Analysis (second image) and



<p>on s  ive  ing t of</p>	<p>Treatment plants plus hydro costs paid for the Port Rowan and Waterford facilities. Based on Ontario Clean Water Agency's submission, there will be a savings of approximately \$150,000 annually. This is based on the contract results and estimates provided from EIS staff for consumables. It should be noted the contract developed by EIS will allow for more contract oversight so the potential for further savings may be realized but is unknown at this time.</p>	
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**Screen capture from Norfolk County Council-in Committee report.**  
<https://www.norfolkcounty.ca/wp-content/uploads/2021/05/Agenda-May-11.pdf>

In March 2021, Tay Township requested emergency services from OCWA to assist following the departure of Tay's water and wastewater superintendent. Through the months of support and close collaboration with Township representatives, we were able to offer a service package along with proposed compliance, conveyance, and energy solutions.

Staff Report No. CS-2021-65 dated August 25, 2021 recommended that Council endorse OCWA's proposal to provide operation, maintenance and management of water and wastewater treatment facilities for Tay Township. Key comments from that Report include:

Since March, the Township has been well served by the management and oversight services provided by OCWA. After gaining a better understanding of the depth of services offered by OCWA, both Council and staff have expressed an interest in entering into an operations and maintenance contract with them.

Additionally, the Township of Ramara recently went through a request for proposal process in May 2020 and had only two bidders. OWCA was their preferred (and selected) choice. The report to award the contract specifically noted the number of value added services provided by OWCA that went above and beyond the services requested in their RFP.

OCWA is also an agency of the Province providing services in the spirit of the vendor of record provisions of our procurement by-law.

As highlighted throughout their proposal, OCWA offers a depth of resources including certified staff and experienced, stable management. As a Crown agency, they share our values and offer the confidence that comes with sharing operational risk with an agency of the Province.

## 2 Scope of Services

OCWA will continue to provide specific guarantees regarding performance and service delivery. OCWA warrants that:

- We will manage the operations of the facilities in an efficient and cost-effective manner
- All regulatory reports will be delivered on time
- We will comply with all Environmental Compliance Approval (ECA) and compliance criteria
- Town facilities and systems will be maintained according to manufacturer instructions and/or best industry practices
- At the end of the contract term, allowing for reasonable wear, the facilities' systems and equipment will be in the same condition as they were at the start of the term
- OCWA will provide general liability, pollution, and vehicle insurance (for OCWA vehicles)
- Operations and maintenance activities will be carried out in a safe and professional manner consistent with provincial and federal laws and regulations
- We will honour all terms and conditions of the signed operating agreement

### 2.1 Regional Hub Support and Staffing Plan

Our Georgian Highlands clients includes **16 municipalities and 12 other clients** that are industrial/commercial or governmental organizations.

Within this local clientele base, we operate, maintain and manage:

- 77 water treatment facilities
- 31 wastewater treatment facilities

We leverage our resources through dedicated personnel at each facility with additional resources from nearby projects when needed for effective management.

Our network of resources is beneficial in the event of absences, equipment breakdowns, or emergency situations.



Our Staffing Plan for the Town includes:

- A management and compliance team available on a 24-hour basis
- A large local team of professionals in the North Highlands Cluster that support the operations and maintenance of the Town's wastewater assets

OCWA is uniquely positioned through our Hub structure to provide the best value of professional services in Ontario's O&M market.

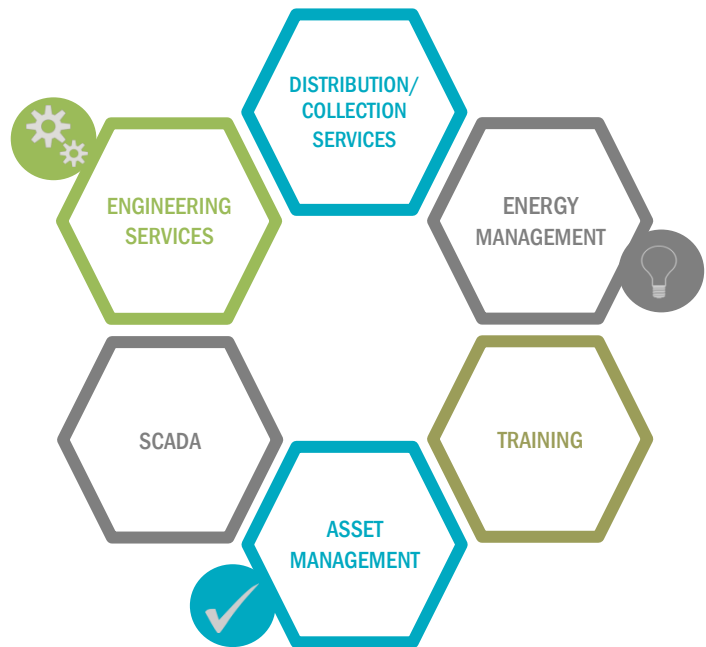
Operators are cross-trained to be conversant in a variety of operations, enabling OCWA to deploy staff where and when needed in the case of exceptional operational needs.

The North Highlands Cluster includes operator/ mechanics and process and compliance technicians that collectively bring over **100 years** of experience.

OCWA focuses on securing products and services from suppliers in neighbouring communities while providing employment, immediate response, and extra support to the community.

Our employees have robust and strong backgrounds in the various services we offer and we provide a solid base of training to maintain those skills.

An experienced team of operators, supported by corporate resource specialists, and leaders in water and wastewater quality are the backbone of the Agency.

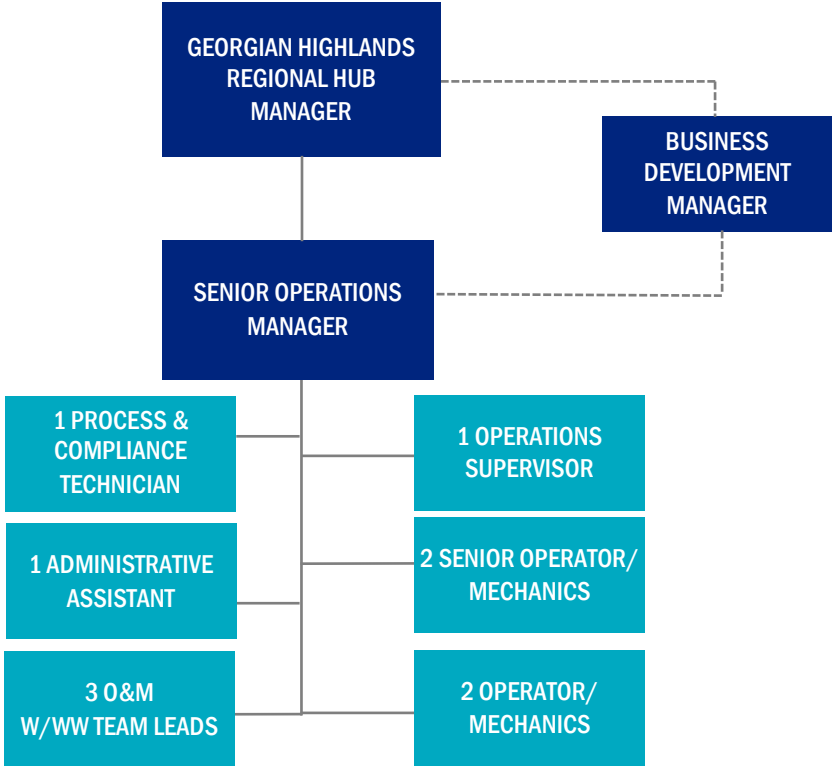


### 2.1.1 Staffing Plan for Grand Valley

OCWA's staffing plan ensures that all O&M activities and responsibilities are carried out diligently, and in compliance with regulations and guidelines. OCWA staff are available 24-hour per day, seven days per week and are able to respond to the facility as required. The Town of Grand Valley staff will also be notified in an emergency situation or as defined by the Town with OCWA. Regular operational business hours are Monday to Friday between 07:30 and 16:00 each day.

All operations staff employed by OCWA are certified operators under O.Reg 128/04 and O.Reg 129/04 with licences ranging from Operator-in-Training through to level 4 licence/certification. Operators are cross-trained within the clusters to operate a variety of facilities, enabling staff deployment where and when needed in times of exceptional operational needs.

**OCWA's North Highlands Cluster Organizational Chart**



**2.2 Regulatory Compliance**

OCWA has an exemplary compliance record dating back since the Agency's inception in 1993. Every year, hundreds of the facilities we operate undergo rigorous assessments through both internal facility audits and MECP inspections. With a focus on continually improving, action plans are created in response to any concerns or areas noted for improvement.

If our proposal is accepted, OCWA would continue to be responsible for regulatory compliance at the Town's wastewater treatment plant.

OCWA commits to maintaining knowledge of forthcoming legislation and directives from regulatory bodies working with the Town toward a common compliance goal. Compliance will be achieved by adhering to current applicable legislation.

We are proactive in the implementation of new regulation as the Province introduces them. Ensuring compliant operations in the midst of local and governmental change is challenging and with OCWA partnering in the delivery of services, you can have confidence in the environmental management of your facilities.

### 2.2.1 OCWA's Compliance Support

Each treatment process is subject to unique local and geographic variables. With our diverse facility experience, OCWA is adept at managing those variables to meet or exceed regulatory compliance. We understand the inspection process and assist facility owners in accommodating changing demands. We work with our clients to respond to challenges presented by, for example, aged system infrastructure.

Ultimately, our goal of 100% compliance requires strong operational support programs and we continue to refine our Quality & Environmental Management System (QEMS).

OCWA's operational support systems protect our owners from the risks associated with the normal operations and maintenance of wastewater infrastructure. OCWA has fully implemented environmental management systems at facilities throughout the province.

Specialists actively support operations with environmental compliance. As members of the OCWA team, process and compliance technicians (PCT) and safety and process compliance (SPC) managers are resources that ensure compliance with environmental regulatory requirements. Our training program for OCWA staff includes regulatory compliance and updates regarding our compliance program.

## 2.3 Reporting, Documentation & Meetings

Reporting services, documentation, and support for the facilities include:

- Prepare and submit all reports to the Town 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
- Review any inspection reports prepared by the MECP in respect of the facilities and, subject to any approvals of the Town, either correct or negotiate with the MECP amendments to a deficiency
- Report to the Town and the MECP non-compliance with a regulatory requirement
- Facility Emergency Plans
- Site-specific Standard Operating Procedures

### 2.3.1 Reporting

Reporting serves many purposes including meeting compliance mandates and informing clients on the performance of their facilities. Ensuring the accuracy and consistency of data year over year is critical to municipal stakeholders. Consistent and comprehensive reporting helps municipalities understand true costs, program and service benefits, and supports budgeting and future planning. OCWA will provide the Towns with our annual report to the MECP which includes the following:

**wastewater:**

- Flows (average, maximums, minimums)
- Volumes (treated, by-passed)
- Loadings and concentrations (raw and treated)
- Facility and equipment repair and maintenance details
- Complaints and other public inquiries received and action taken
- Regulatory issues: inspections, orders, and reports filed with regulators
- Unscheduled and scheduled maintenance
- Health and safety issues

OCWA'S PROPOSED REPORTING PLAN		
Report	Frequency	Submission and Date
Performance Report	Monthly	30 days after end of month
Compliance (MECP) Wastewater Performance Report (ECA's)	Annual	March 31 or as prescribed
Major Maintenance/Capital Recommendations	Annual with quarterly updates	As requested by the Town

OCWA is open to adjusting our O&M reports to suit a change in the Town's timelines.

### 2.3.2 Meetings

Formal scheduled client meetings are an important part of any partnership in order to review the status of the facilities, be brought up-to-date on any new developments, and to discuss important issues. In addition to monthly operational review meetings, we will provide on-going communication to include updates on the operation of the facilities, report on issues related to compliance, and process control.

OCWA staff are available to offer supplemental information in maintenance, energy, process and engineering to attend meetings when requested. In addition to telecommunications, electronic correspondence, and printed reports, OCWA and the

Town will continue to benefit from close communication and ad hoc face-to-face meetings. We have summarized a schedule of meetings below.

OCWA'S PROPOSED MEETING PLAN		
Meeting	Frequency	Agenda
Operations meetings	Monthly	Review of operational and maintenance activities and updates on capital work status
Council presentations	As per the Town's request	Presentation of annual report and operational updates
Facility tours	As per request	Tour for Council and administration to review the facilities or as requested by the Town

## 2.4 Customized Operations & Maintenance

While our agreement details all contractual services, the following information provides an overview of duties, management, supports, and tools that OCWA would continue to provide to the Town, including:

- Advanced electronic tools
- Facility-specific standard operating procedures that ensure asset protection, legislative requirements, and operational efficiencies are maintained
- Site specific contingency plans for all facilities owned by the Town of Grand Valley and emergency planning
- Capital project management and ongoing evaluation of energy efficiency opportunities

### 2.4.1 Advanced Electronic Tools to support O&M and Compliance

OCWA delivers enhanced practices and technology solutions to support the services we provide to our partners. Several integrated technology systems are being utilized to operate and maintain the Town systems that include:

- Process Data Management facility operating information repository which consolidates field data, online instrumentation, and electronic receipt of lab test results for reporting, tracking, and analysis
- Asset Maintenance System — OCWA maintains its own Computerized Maintenance Management System database, eliminating the need for costly technology service agreements with third-party service providers. The system helps predict future budgets and actual costs of owning equipment. It can also lead to efficiencies and cost savings by replacing high maintenance items

- Hundreds of pieces of equipment tagged and tracked using OCWA's CMMS ensuring effective preventive and breakdown maintenance plus comprehensive reporting
- A scheduled program of cleaning and inspecting

## 2.4.2 Operational Duties

The following list provides a summary of typical operational duties to be performed on a regular basis to ensure that the wastewater facility is operating according to the terms provided and within generally accepted industry standards.

- Comply with all relevant government and agency regulations and standards
- Properly handle and dispose of treatment process residuals
- Deliver to the Town monthly reports that demonstrate compliance and support future planning
- Maintain a preventative maintenance program for the system
- Provide capital and maintenance reporting to the Town
- Be available to provide for 24-hour, 7-day per week coverage at the facilities
- In addition to the operational duties described below, OCWA will perform day-to-day maintenance of the facilities in accordance with industry standards and equipment manufacturer's instructions, which will include the following:
  - Carry out a routine lubrication program including greasing and oiling as specified in the lubrication schedule
  - Perform day-to-day maintenance duties to equipment by following the preventive maintenance procedures and by checking machinery and electrical equipment when required
  - Maintain an inventory on all equipment
  - Ensure the security to the facilities by locking doors and gates

## 2.4.3 Maintenance Duties

Through timely and detailed reports, OCWA provides the Town with assurance that appropriate maintenance is being performed on equipment.

Maintenance services are based on OCWA's risk and value-based asset protection preventive methodology.

Our Maintenance Plan is developed with best practices and manufacturer suggested maintenance. Routine maintenance ensures services are maintained according to the design intent of the facilities.



Services include:

- Equipment cleaning and adjustments
- Preventive and routine maintenance tasks
- Capability of managing a spare parts inventory
- All services to maintain and update the CMMS including:
  - Inclusion of new equipment within the CMMS
  - Equipment tagging and inventory
  - Data collection and input
  - Implementation of work order management system
  - Development of reporting tools to meet operating and contract requirements
  - Maintaining hardware, software, and network for CMMS
- Reports to the Town outlining maintenance activities and results
- Annual facility inspection as needed with Town representative(s) to evaluate and document concerns such as facility conditions, safety, etc.
- A routine lubrication program including greasing and oiling as specified in the lubrication schedule
- Performance of routine maintenance duties to equipment following preventive maintenance procedures as described in the CMMS
- Maintenance of an equipment and specialized tool inventory
- Scheduling and planning of maintenance activities

### 2020-2024 MAINTENANCE HIGHLIGHTS

1045 work orders issued from 2020-2024

Of the 1045 work orders issued:

- ✓ 714 preventative maintenance work orders
- ✓ 78 Corrective maintenance work orders
- ✓ 75 Capital work orders
- ✓ 98 Operational work orders
- ✓ 55 Call backs
- ✓ 25 Emergency

#### 2.4.4 Emergency Plan

The purpose of an emergency plan is to protect public health and the environment. OCWA has been proactive in terms of the measures and procedures we implement to prevent incidents from occurring at OCWA-operated facilities. The benefit of having a tried and tested emergency plan is reduced risk for both the Town of Grand Valley and OCWA.

OCWA endeavours to work with the Town to participate with you in emergency preparation activities, and to co-ordinate our Facility Emergency Plans with the Town's emergency plan wherever possible.

#### 2.4.4.1 Emergency Preparedness

OCWA has extensive emergency planning, preparation, and response experience. We ensure contingency planning for every facility includes emergency response procedures. We also have worked with clients to assist in communicating advisories and providing potable water.

Ontario's Emergency Management Act sets clear rules for emergency planning for municipalities, ministries, and designated government agencies. Therefore, integration of the OCWA emergency plan and the emergency plans for the Town is critical.

#### 2.4.4.2 Emergency Support

OCWA's Emergency Response Team (OERT) are trained and equipped to respond to drinking water emergencies in Ontario. The Central Ontario OERT (located in Wasaga Beach) provides immediate access to highly trained staff and emergency equipment, should a crisis arise. OERT team members continue to receive intensive training and test their emergency response skills through full-scale mock emergency scenarios.

Depending on the severity of the emergency, OCWA can provide additional support through other resources.

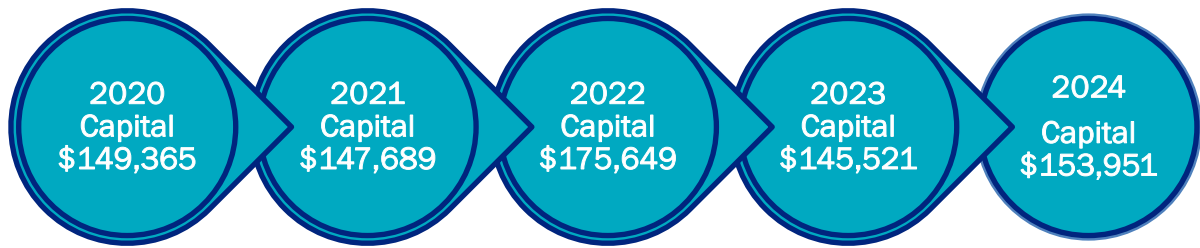
#### 2.4.5 Managing Capital Projects

Bringing attention to equipment rehabilitation and/or replacement needs is part of OCWA's commitment to the Town. On an annual basis we provide to the Town a rolling six-year Capital Plan with project cost- estimates and supporting rationales ranked according to priority. OCWA works in partnership with the Town to address deficiencies and introduce innovations with the goal of finding cost savings and efficiencies.

OCWA follows Grand Valley internal purchasing policy and obtains the required quotations for approval. By managing so much of your capital work, we help lower the number of Town staff that would be required to organize, oversee and manage these projects. OCWA's knowledge pertaining to the facility ensures that capital projects will be completed efficiently — without added complication from an outside contractor.

On behalf of the Town and in conjunction with all purchasing guidelines, OCWA has managed over **\$772,177 in capital projects since 2020.**

## Capital Project Management for the Town of Grand Valley from 2020 to 2024



### 2.5 Risk Management & Shared Liability

OCWA's proposal is based on a clear definition of the risks assumed by OCWA and the Town.

**OCWA will** efficiently manage the direct costs associated with the daily operations and maintenance of the facilities within its control and advise the Town of any unbudgeted capital repairs, seeking approval prior to undertaking the work(s) required unless in an emergency situation.

**The Town will** invest in any capital expansions or upgrades of the facilities as per regulatory requirements and assume the responsibility for capital expenditures required through changes in environmental standards.

#### 2.5.1 Shared Liability and Extensive Support

The new legislation and regulations introduced into the marketplace have an accompanying principle of a *standard of care*. All those who have oversight of water and wastewater management facilities will be held to a standard of care as defined by the MECP. Sharing those responsibilities and liabilities with an Agency of the Crown provides value for dollar for the Town.

OCWA's operational support structure is unequalled in the Province of Ontario. Professional services in many areas (i.e., instrumentation, compliance) that might be cost-prohibitive for many municipal clients are fully accessible through OCWA's comprehensive service offering. With more than 60 years of experience in the clean water business, this support structure provides reassurance to all of OCWA's clients.

## 2.6 Insurance

OCWA offers an insurance management program that provides value to our clients. It has been developed over more than 30 years and has been monitored and refined on an ongoing basis to meet industry standards.

Insurance is purchased using the buying power of the entire Agency. OCWA has interests, through contractual obligation, in over 1,000 facilities throughout Ontario for which a comprehensive insurance and risk management program is administered.

Our renewal to the current operating agreement will continue to include the following insurance coverage:

- Commercial General Liability
- Contractor's Pollution Liability/Professional Liability Insurance
- Automobile for OCWA vehicles

Cyber Liability insurance which covers first party and third-party exposures, to the extent of OCWA's liability. It is the responsibility of the Town to carry their own Cyber Liability insurance for first party and third-party coverages for exposures including all client owned electronic assets such as SCADA systems, controllers, etc.

## 3 Contract Renewal

OCWA's current contract with the Town of Grand Valley expires on December 31, 2024. Our contract with the Town is to operate, maintain, and manage the Grand Valley Wastewater Treatment Plant and Associated Infrastructure.

We would be delighted to renew our partnership with the Town and we are dedicated to creating efficiencies and reinforcing our relationship. OCWA is proposing a continued five-year partnership with the Town based on the operating terms and conditions of the current water and wastewater O&M agreement.

From an operating perspective, a five-year renewal will provide:

- Continuity of service which supports continuous improvement and a whole-system approach to operations
- Stability for extended programs, capital planning and process adjustments
- Continuity of staff to retain site-specific knowledge and build capacity
- Extended tracking of asset maintenance, process, and compliance results which support future trending and troubleshooting in unusual circumstances

- Collaborative investment on projects such as energy conservation, process optimization, and/or major maintenance
- As a cost recovery public agency, we provide affordable essential services to municipalities in a manner that recovers our costs. Included in OCWA's pricing are off-site resources required to support on-site operations.

Operational support systems and services include the following:

- Client services including reporting and business planning
- Environmental and health and safety programs (QEMS and OHSS) and emergency management systems
- Project development and optimization team support on specified initiatives
- Operating systems including the use of PDM and CMMS software
- Corporate resources in systems technology, legal, insurance, accounting, public relations, human resources, and administrative support

### 3.1 Price Proposal

OCWA is proposing an annual operating price of **\$398,907** for the continued operations and maintenance of the Grand Valley wastewater treatment plant owned by the Town of Grand Valley.

TOWN OF GRAND VALLEY WASTEWATER SERVICES	ANNUAL FEE
Operations & Maintenance Services	<b>\$398,907</b>

The price increase of \$84,749.64 from the 2024 operating budget is the result of a number of inflationary factors relating to labour, chemicals, insurance, services and supplies. **3.2 Explanation of Costs** provides an in-depth explanation of the annual cost increases that have been outlined in the table below.

Breakdown of Annual Price Increase	Amount
Labour	<b>\$33,727</b>
Chemicals	<b>\$16,007</b>
Services and Supplies	<b>\$33,862</b>
Insurance	<b>\$1,153.64</b>
<b>Total</b>	<b>\$84,749.64</b>

## 3.2 Explanation of Costs

### Labour

There has been a recognized disparity between OCWA operator and trades salaries when compared to the rest of the industry. OCWA has seen a significant increase in the turnover rate throughout operations. As a result, attraction and retention of qualified and certified operations and trades staff has been a top enterprise risk to OCWA and a strategic priority.

In order to recognize the skills and expertise of our employees, attract and retain skilled employees, and to be an employer of choice in the water and wastewater sector, OCWA has been working to find a solution to address this disparity for some time.

In 2023, with the support of OCWA's Board of Directors and the MECP, OCWA submitted a business case requesting that Treasury Board Secretariat (TBS) negotiate increases to operator and trades positions as the repeal of Bill 124 required the Employer and the Ontario Public Service Employees Union (OPSEU) to reopen collective bargaining negotiations.

Both parties identified Special Wage Adjustments and each made submissions for special wage adjustments for certain Unified Bargaining Unit classifications. Many of the classifications identified in specific ministries by the parties have experienced very significant attraction and retention challenges related directly to compensation issues. The compensation issues for the identified classifications have led to material staffing challenges, and, in certain cases, concerns around continuity of critical frontline services and services concerning public health and safety. Special wage adjustments came into effect January 1, 2024.

In May 2023, OCWA's business case to increase compensation was approved by the Management Board of Cabinet and was tabled during the negotiations between TBS and OPSEU. On January 23, 2024, after months of hard work and many conversations, OCWA was successful in its business case to increase compensation for operator and trades positions across 14 different OPSEU job classifications in OCWA.

In an effort to attract and retain highly skilled workers, OCWA also implemented the Operator Career Path which provides a clear plan for operators to advance through the Agency and encourages operators to strive for licence upgrades.

In addition to the special wage adjustment, the most recent OPSEU wage re-opener included retroactive payments for the periods of:

January 1, 2022 – 3%

January 1, 2023 – 3.5%

January 1, 2024 – 3%

The industry has been and continues to manage the impact of an aging workforce and increasing competition for labour, with municipalities of all sizes being challenged to attract, develop and retain high performing managers and staff. The strategies developed and implemented in 2024 to mitigate these challenges and provide stability to operations staff across all of OCWA, has resulted in higher labour costs. Since 2020, there has been a 33% increase to labour costs associated with the Town's operating agreement and the proposed price for 2025 reflects this increase.

### **Chemicals**

Chemicals for wastewater treatment are included in the annual price. With our regional size and volume of clients, OCWA brings economies of scale in the procurement of chemicals and other industry services. Our procurement specialists continually monitor the market price for chemicals. Every three years, OCWA revises chemical contracts through a competitive process.

Since 2020, OCWA has seen chemical prices increasing by 70% province wide due to higher transportation costs, raw materials, and supply chain issues. From 2020 to 2023 OCWA saw an increase of 56% in chemical costs for the Town of Grand Valley, with further increases into 2024 and 2025. As part of our renewal pricing, we are providing a budgetary estimate which will be reconciled to actuals at year end.

### **Services and Supplies**

Over the last term (five-years) of the operating agreement, and post COVID, we have seen a dramatic increase to supplies and equipment, including personal protective equipment, operator training, hardware, tools, equipment for routine and preventative maintenance and fleet. In order to recover our costs, OCWA's price proposal for 2025 includes cost increases to cover these items.

### **Insurance**

OCWA's Operations and Maintenance contract includes comprehensive general liability, in addition to pollution liability and fleet.

Since 2020, we have seen a steady increase in insurance premiums.. Since OCWA has favourable loss experiences, and due to market conditions and any unexpected reinsurance costs, we are anticipating a minimal increase of approximately 5% for 2025 but have seen an overall combined increase of 70% since 2020 for the Town of Grand Valley.