



**AGENDA**  
**COMMITTEE OF THE WHOLE**  
**ADMINISTRATION & OPERATIONS**

**Thursday, January 23, 2025, 6:30 PM**

**Corporation of The Township of Edwardsburgh Cardinal**  
**Council Chambers, Spencerville Ontario**

The Township of Edwardsburgh Cardinal is situated on traditional territory of Indigenous peoples dating back countless generations, which is rich in history and home to many First Nations, Métis and Inuit people today.

As a Township, we have a responsibility for the stewardship of the lands on which we live, work and play, and today, this meeting place is still home to Indigenous people, and we are grateful to have the opportunity to work on and call this land home.

- 1. Call to Order – Chair, Mayor Deschamps**
- 2. Approval of Agenda**
- 3. Disclosure of Pecuniary Interest or Conflict of Interest & the General Nature Thereof**
- 4. Delegations and Presentations**
  - a. Simon Wu, Rideau St. Lawrence Distribution - Shareholders' Agreement
- 5. Consent Agenda**

Items listed under Consent Agenda are considered routine or no longer require a further discussion and are enacted in one motion. The exception to this rule is that a Member may request that one or more items be pulled for discussion and voted on separately.
- 6. Discussion Items**
- 7. Action/Information Items**
  - a. 2025 Revised Levy-Based Capital Budget Review
  - b. 2025 Draft Fire Department Budget
    1. Pumper 1
  - c. 2025 Draft Recreation and Facilities Budget
    1. Johnstown Play Structure Replacement
    2. Johnstown Pool Piping Retrofit
    3. Spencerville Arena Dehumidifier
  - d. 2025 Draft Public Works Budget

1. 2025 Capital Road Program
2. Sidewalk Capital Program
3. Roadside Mower Attachment
4. Structural Wall Repair
5. Oil Grit Separator
6. Holding Tank
7. Fleet Coordinator

**8. Councillor Inquiries/Notices of Motion**

**9. Member's Report**

**10. Question Period**

**11. Closed Session**

- a. Section 239(2)(c) A proposed or pending acquisition or disposition of land by the municipality or local board; Specifically: Approve Minutes of Closed Session dated September 9, 2024
- b. Section 239(2)(c) A proposed or pending acquisition or disposition of land by the municipality or local board; Specifically: Potential Land Acquisition Business Case

**12. Report Out of Closed Session**

**13. Adjournment**

# Summary of Proposed Changes to the USA

Based on the feedback from shareholders at the Rideau St. Lawrence AGMs, to continue growing both the regulated LDC business and non-regulated affiliated businesses, the board of directors and the executive team have been reviewing the Unanimous Shareholder Agreement. RSL collaborated with shareholder representation (CAOs of the municipal shareholders and Senior Legal Counsel of FortisOntario) to incorporate shareholder input. Below is a summary of the proposed changes to the USA:

1. **Updating Legal Names of Parties.** Certain of the parties have changed their legal name since the USA was first created. We have taken the opportunity to update those names.
2. **RSL Distribution Governance Issues.** The existing version of the USA contained certain governance requirements specific to RSL Distribution (in particular ARC requirements). In certain areas it was not clear which entity was being referred to. These Distribution requirements have been carved out and put into Schedule A. These regulatory requirements are important to highlight in the USA but having them separated should leave less ambiguity in the body of the USA.
3. **Permitted Business Activities.** We are proposing an update to make more current the definition of permitted activities for the Corporation and subsidiaries. This definition has been moved out of the body of the USA into a separate schedule (Schedule B) so that it can be more easily reviewed and updated in the future. The change in language creates more flexibility to cover off ancillary activities of the current operations but is balanced by section 4 of the USA which identifies decisions requiring specific shareholder approval.

Related to this, we are proposing granting the directors ability to acquire shares, securities or interest in another business provided such acquisition is for a business which falls within the permitted activities, as long as the cost of acquisition is less than fifteen percent (15%) of the owners' total equity.

4. **General Update to Certain More Standard Provisions.** We have updated certain non-substantive provisions to make them current and applicable (notice provisions, auditor, books and records).
5. **Formatting/Clean-up.** Lastly, in doing the updates we also did some basic clean-up to formatting, fixed some typos and removed a few provisions which are no longer applicable.

**AMENDED AND RESTATED UNANIMOUS SHAREHOLDERS' AGREEMENT**

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**AMENDED AND RESTATED  
UNANIMOUS SHAREHOLDERS' AGREEMENT**

**THIS AMENDED AND RESTATED UNANIMOUS SHAREHOLDERS' AGREEMENT (the  
“Agreement”)** is made this ● day of ● 2024

**BETWEEN:**

**RIDEAU ST. LAWRENCE HOLDINGS INC.**, a company incorporated under the laws  
of the Province of Ontario

(hereinafter referred to as the "Corporation")

**AND:**

**THE CORPORATION OF THE TOWN OF PRESCOTT**  
(formerly known as the Separated Town of Prescott)  
(hereinafter referred to as "Prescott ")

**AND:**

**THE CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**  
(formerly known as The Corporation of the Township of South Dundas)  
(hereinafter referred to as "South Dundas ")

**AND:**

**THE CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL**  
(formerly known as The Village of Cardinal)  
(hereinafter referred to as "Edwardsburgh/ Cardinal ")

**AND:**

**THE CORPORATION OF THE VILLAGE OF WESTPORT**  
(hereinafter referred to as "Westport ")

**AND:**

**FORTISONTARIO INC.** a company amalgamated under the laws of the Province of Ontario  
(formerly known as Canadian Niagara Power Company Limited)  
(hereinafter referred to as " FortisOntario ")

**WHEREAS:**

- A. The Corporation holds all of the issued and outstanding shares in the capital of three subsidiary companies (collectively, the "Subsidiaries"), namely
- Rideau St. Lawrence Distribution Inc. (hereinafter called "Distribution")
  - Rideau St. Lawrence Utilities Inc. (hereinafter called "Utilities")
  - Rideau St. Lawrence Services Inc. (hereinafter called "Services")
- B. The parties wish to enter this Agreement to define the management and operation of the Corporation, Distribution, Utilities, and Services, the rights and responsibilities of the Shareholders in regard to the Corporation, and the rights and obligations of the parties with respect to each other;

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

## 1. INTERPRETATION

**1.1. Recitals Correct.** The parties hereto confirm the validity and truth of the above noted recitals, which have the same force and effect as if repeated herein at length.

**1.2. Definitions.** In this Agreement and in any amendment hereto, unless otherwise expressly stated to the contrary, the following words and phrases shall be conclusively considered to have the following meaning:

1.2.1. "**Act**" means the *Business Corporations Act*, R.S.O. 1990, c. B.16, and any statute that may be substituted therefor, as from time to time amended, and the regulations thereto and any regulations that may be substituted therefor, as from time to time amended;

1.2.2. "**arm's length**" shall have the same meaning as that term is given in the *Income Tax Act* (Canada);

1.2.3. "**Articles of the Corporation**" means the Certificate of Incorporation of the Corporation issued under the Act and any subsequent amendments thereto;

1.2.4. "**Board of Directors**" means the board of directors of the Corporation from time to time;

1.2.5. "**Business Day**" means any day other than a Saturday, Sunday or a day which is a statutory holiday in the Province of Ontario;

1.2.6. "**Business of the Corporation**" means the businesses carried on by the Corporation and the Subsidiaries from time to time;

- 1.2.7. "**Business Plan**" means the business plan, which shall include an annual budget, of the Corporation and the Subsidiaries approved by the Directors as provided herein;
- 1.2.8. "**By-Laws**" means the by-laws of the Corporation in effect on the date of execution of the within Agreement and any subsequent additions or amendments thereto;
- 1.2.9. "**Common Shares**" means the Class A shares of the Corporation;
- 1.2.10. "**Director**" means each person elected or appointed by the Shareholders from time to time pursuant to section 2.2.
- 1.2.11. "**Directors**" means every Director;
- 1.2.12. "**Dividend Policy**" means the manner of declaring, determining the amount of and paying dividends as prescribed by Subsection 5.1.2 of this Agreement;
- 1.2.13. "**Person**" means any individual, company, corporation, partnership, firm, trust, sole proprietorship, government or governmental agency, authority or entity howsoever designated or constituted;
- 1.2.14. "**Preference Shares**" means the Class B, C, D, E, and F shares of the Corporation;
- 1.2.15. "**Prime Bank Rate**" means the commercial lending rate of interest which the Corporation's principal bankers quote as the reference rate of interest (commonly known as the "prime rate") for the purpose of determining the rate of interest that it charges to its best commercial customers for loans in Canadian funds;
- 1.2.16. "**Shareholder**" means at any time a person that is (a) a party to this Agreement that is bound by this Agreement at the time and holds one or more Shares at the time or (b) a person that becomes bound by this Agreement at any time and is bound by this Agreement at the time and holds one or more Shares at the time;
- 1.2.17. "**Shareholders**" means every Shareholder
- 1.2.18. "**Shares**" means the Common Shares, Preference Shares, and any other shares of the Corporation which may be authorized pursuant to the Articles of the Corporation.
- 1.3. **Extended Meanings.** In this Agreement, all words and personal pronouns relating thereto whether expressed in the singular or plural or in the masculine, feminine or neuter gender, shall be read and construed as referring to the number and gender of the party or parties referred to in each case as may be required and all verbs shall be construed as agreeing with the required words and pronouns.
- 1.4. **Headings.** The division of this Agreement into paragraphs, sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

- 1.5. **Calculation of Time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period in question shall end on the next Business Day.
- 1.6. **References to Legalization.** Any references herein to any law, by-law, rule, regulations, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.
- 1.7. **Entire Agreement.** This Agreement represents the entire understanding of the parties and no modifications thereof, nor additions thereto, will be binding unless in writing, having direct reference to this Agreement and executed by all parties.
- 1.8. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws in force in the Province of Ontario and shall be treated in all respects as an Ontario contract.
- 1.9. **Amendment and Restatement.** This Agreement amends and restates the unanimous shareholders' agreement dated October 31, 2000 in respect of the Corporation (the "Original USA") in its entirety as of the date hereof. All of the rights, liabilities and obligations of the parties under the Original USA arising on or prior to the date hereof continue in full force and effect, as amended and restated in accordance with the terms hereof.

## 2. **WARRANTIES AND COVENANTS**

- 2.1. **Calculation of Shares and Warranties of the Shareholders.** Each Shareholder warrants as follows:
  - 2.1.1. The Shareholders of the Corporation, as of the date of this Agreement, are Prescott, South Dundas, Edwardsburgh/Cardinal, Westport and FortisOntario. All Shareholders hold Common Shares of the Corporation.
  - 2.1.2. FortisOntario owns, or shall own, Common Shares equal to but not greater than 10% of the capital of the Corporation.
  - 2.1.3. Prescott, South Dundas, Edwardsburgh/Cardinal and Westport own, or shall own, in aggregate, the balance of the Common Shares of the Corporation, being not less than ninety per cent (90%) of the Common Shares of the capital of the Corporation.
  - 2.1.4. The Common Shares issued to the Shareholders are, or once issued, shall be, free and clear of all claims, liens and encumbrances whatsoever and no Person, has any agreement or option or right capable of becoming an agreement for the purchase of any such Shares other than pursuant to this Agreement;
  - 2.1.5. Such Shareholder has not entered into with any Person, or granted to any Person any



agreement or option or right capable of becoming an agreement for the purchase, subscription or issuance of any of the unissued Shares of the Corporation.

2.2. **Covenants of the Shareholders.** Each Shareholder acknowledges and agrees that:

2.2.1. The policies and control of the affairs of the Corporation shall be determined by a Board of Directors consisting of five (5) individuals, representing the Shareholders. The Directors of the Corporation shall from time to time appoint the Officers of the Corporation. It is agreed that each of the Shareholders shall designate one (1) individual as its designated representative, respectively, on the Board of Directors. Subject to the provisions of this Agreement, the Board of Directors shall be responsible for the oversight of, and shall monitor, the business and affairs of the Corporation, the day-to-day management of which shall be conducted by management of the Corporation.

2.2.2. The Shareholders covenant and agree that, for so long as they are shareholders of the Corporation, they shall vote their shares so as to elect the designated representative(s) of the Shareholders as Directors of the Corporation.

2.3. **Warranties of the Corporation.** The Corporation warrants that:

2.3.1. The authorized share capital of the Corporation is as follows:

An unlimited number of Class A common shares

An unlimited number of Class B preference shares

An unlimited number of Class C preference shares

An unlimited number of Class D preference shares

An unlimited number of Class E preference shares

An unlimited number of Class F preference shares

2.3.2. No person, firm or corporation has any agreement or option or right capable of becoming an agreement for the purchase, subscription or issuance of any of the unissued Shares.

### **3. OPERATION OF THE CORPORATION AND THE SUBSIDIARIES GENERALLY**

3.1. **The Business.** The parties acknowledge that the businesses which they intend for the Corporation and the Subsidiaries to carry on shall be described in Schedule B attached hereto.

3.2. **General Operation.** The parties hereto hereby agree to cause such meetings of the Corporation to be held, resolutions passed, By-laws enacted, agreements and other documents signed and things performed or done as may be required to provide for the following arrangements in connection with the operation and control of the Corporation:

3.2.1. **Board of Directors:** The affairs of the Corporation shall be managed by a Board of Directors which shall consist of five (5) individuals and which may consist of such other

persons or persons, if any, as the Shareholders may unanimously agree upon. Meetings of the Board of Directors may be called by any Director and shall be held at the head office of the Corporation or any other location as agreed upon by a quorum of Directors. Proxies shall not be used at any Board of Directors meeting.

- 3.2.2. **Quorum for a Board Meeting:** A quorum for a meeting of the Board of Directors shall be a majority of the Directors.
- 3.2.3. **Quorum for a Shareholders Meeting:** A quorum for a meeting of the Shareholders shall be a majority of the Shareholders.
- 3.2.4. **Location of Shareholders Meetings:** Meetings of Shareholders may be called by any of the Directors. Meetings of Shareholders may be held at the head office of the Corporation, or any other location as agreed upon by a quorum of Shareholders. Minutes of said meetings shall be prepared by the Corporation and the minute book(s) of the Corporation shall be kept at either the Corporation's head office or the offices of the Corporation's solicitors.
- 3.2.5. **Approval of decisions by the Board:** Each Director is authorized to exercise one (1) vote. At all meetings of the Board, every question will be decided by a majority of the votes cast on the question. Subject to the Act and this agreement, except where a ballot is demanded, voting on any question proposed for consideration at a meeting of the Board will be determined on a show of hands.
- 3.2.6. **Execution of Contracts:** All contracts and documents binding the Corporation shall require the signatures of those individuals determined by the Board of Directors from time to time.
- 3.2.7. **Approval of Share Transfer:** The Board of Directors and the Shareholders shall sanction, approve, consent to and otherwise facilitate any transfer of Shares in the capital stock of the Corporation made in compliance with, or which is required to be made by, any provision of this Agreement.
- 3.2.8. **Issue or Transfer of Shares:** Every issue or transfer of Shares will be subject to the condition that the subscriber therefor shall, if not a party, agree to be bound by the terms of this Agreement and become a party in accordance with this Agreement.
- 3.2.9. **Share Certificates:** The Board of Directors shall cause all share certificates representing Shares in the capital stock of the Corporation which at any time are issued and outstanding to bear the following legend or words similar in effect thereon:

**“The share(s) represented by this certificate are subject to the terms and conditions of a unanimous shareholders agreement, and are not transferable except in compliance with the terms and conditions of said Agreement, a copy of which is on file at the registered office of the Corporation.”**

- 3.3. **Books and Records.** Proper books of account shall be kept on behalf of the Corporation

at its premises and entries shall be made therein of all matters, terms, transactions and things as are usually written and entered into books of account in accordance with the required accounting standard as set by the Canadian Accounting governing body at that time. Any Shareholder may, at any time during usual business hours and without causing unreasonable disruption to the Corporation, cause such Shareholder's employees, agents, professional advisors or authorized representatives to review any of the books and records of the Corporation.

- 3.4. **Auditor.** The Shareholders shall appoint the auditor for the Corporation annually at a meeting of the Shareholders in accordance with section 4.1 and such auditors shall, at the fiscal year end of the Corporation prepare financial statements of the Corporation and for such purposes, they shall have access to all books of account, records and all vouchers, cheques, papers and documents of or which may relate to the Corporation, including those of the Shareholders to the extent to which such books, records, vouchers, cheques, papers and documents relate to the Corporation.
- 3.5. **Waiver of Audit.** The requirement for an audit of the Corporation for any financial year may only be waived by way of resolution of all of the Shareholders.
- 3.6. **Dividends.** Any payment of dividends by the Corporation shall be declared and paid to the Shareholders in compliance with the Dividend Policy.
- 3.7. **Financial Year End.** The financial year end of the Corporation shall be such date as may be recommended from time to time, by the auditors of the Corporation and approved by the Shareholders in accordance with section 4.1. The parties hereto acknowledge that at present, the financial year end is December 31st.

**Business Plan.** For the current financial year of the Corporation and for each and every subsequent financial year of the Corporation, the Directors, acting reasonably and in good faith and in the best interests of the Corporation, shall cause to be prepared and approved in accordance with section 4.2 a Business Plan showing, among other things, in a reasonable degree of detail the anticipated revenues, expenditures and cash flow of the Corporation and the Subsidiaries for such financial year of the Corporation. The Business Plan for any particular financial year of the Corporation shall be prepared and delivered to each Shareholder: (i) in the case of the current financial year, no more than 30 days after the date of this Agreement, and (ii) in the case of any other financial year, at least 60 days prior to the beginning of such financial year.

In the management and operation of the business, each Shareholder shall, and shall cause its designated representatives to, endeavour to the extent it is reasonable to do so to cause the Corporation and the Subsidiaries to adhere to the final Business Plan (as approved by the Directors) for a financial year and not exceed expenditures provided for therein except as permitted or approved pursuant to section 4.2.

#### 4. **MATTERS REQUIRING SPECIAL APPROVAL**

- 4.1. Without the prior written consent of Shareholders holding, in the aggregate, not less than 80% of the total number of issued Common Shares:

- 4.1.1. the Corporation shall not enter into an undertaking inconsistent with the operations of the Corporation contemplated in Schedule B;
  - 4.1.2. no proceedings for the winding-up or dissolution of the Corporation shall be taken or instituted;
  - 4.1.3. the Articles of Incorporation of the Corporation shall not be amended;
  - 4.1.4. the Corporation shall not amalgamate with another corporation or other corporations;
  - 4.1.5. the Corporation shall not be continued under the laws of another jurisdiction;
  - 4.1.6. no subsidiaries (other than the Subsidiaries) shall be created by the Corporation and the Corporation shall not acquire any shares or securities of any other corporation. Notwithstanding the above, the Corporation may, with approval of the Board of Directors, without requiring the prior written consent of the Shareholders as provided above, acquire shares, securities or interest in another business provided such acquisition is for a business which produces products or services that are related to, support or contribute to the activities which falls within the permitted business activities described in Schedule B; and; the cost of acquisition is an amount which is less than fifteen percent (15%) of the owners' total equity (as specified in the Corporation's audited consolidated financial statements from the previous fiscal year);
  - 4.1.7. no Shares shall be purchased by the Corporation except as may be provided for herein and no Shares shall be redeemed by the Corporation unless the same are required to be redeemed in accordance with the Articles of Incorporation of the Corporation and are being so redeemed;
  - 4.1.8. there shall be no change to the end of a financial year or taxation year of the Corporation;
  - 4.1.9. there shall be no change of Dividend Policy or other policy with respect to the distribution of surplus and the declaration or payment of any dividend or other distribution on any class of shares;
  - 4.1.10. the auditors of the Corporation shall not be appointed, removed or replaced except in accordance with Section 3.4 of this Agreement; and
  - 4.1.11. no property of the Corporation or any Subsidiary shall be sold, leased, exchanged or otherwise disposed of other than in the ordinary course of the Business of the Corporation or as provided in the Business Plan for the applicable fiscal year.
- 4.2. Without the approval of Directors representing Shareholders holding, in aggregate, not less than 80% of the total number of issued Common Shares:
- 4.2.1. no money shall be borrowed on the credit of the Corporation or any Subsidiary other than under a line of credit with the Corporation's bank which has been established with the approval of the Board of Directors if the debt incurred would exceed by more than twenty-five percent (25%) the debt provided for in the Business Plan for the applicable fiscal year;

- 4.2.2. no debt obligations of the Corporation or any Subsidiary shall be issued, sold or pledged, except any promissory notes, banker's acceptances or commercial letters of credit made or issued in respect of the indebtedness from time to time of the Corporation under a line of credit provided for in the Business Plan for the applicable fiscal year or approved pursuant to subparagraph 4.2.1;
- 4.2.3. no currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation or any Subsidiary, including book debts, rights, powers, franchises and undertaking, shall be charged, mortgaged, hypothecated, pledged or encumbered to secure any debt obligations or any money borrowed, or other debt or liability of the Corporation or any Subsidiary if the debt incurred would exceed by more than twenty-five percent (25%) the debt provided for in the Business Plan for the applicable fiscal year;
- 4.2.4. no property of the Corporation or any Subsidiary shall be sold, leased, exchanged or otherwise disposed of other than in the ordinary course of the Business of the Corporation or as provided in the Business Plan for the applicable fiscal year;
- 4.2.5. no agreements shall be made with any of the Shareholders not in the ordinary course of business;
- 4.2.6. no Business Plan shall be adopted or substantially amended;
- 4.2.7. the Corporation and the Subsidiaries shall not acquire all or substantially all of the assets of any other corporation or business entity or enter into any amalgamation, merger, partnership or joint venture, or other combination with any other corporation or business entity not in the ordinary course of Business of the Corporation;
- 4.2.8. the Corporation and the Subsidiaries shall not at any time incur, or enter into any commitment to make, any capital expenditure in any financial year of the Corporation or incur, or enter into commitments to make, capital expenditures if the expenditure exceeds by more than twenty-five percent (25%) the capital expenditure amount provided for in the Business Plan; and
- 4.2.9. the Corporation and the Subsidiaries shall not advance or loan money to any person who is an officer, director or employee of the Corporation or any Subsidiary.

## **5. CAPITAL REQUIREMENTS AND DIVIDEND POLICY**

### **5.1. It is agreed that:**

- 5.1.1. If at any time hereafter and from time to time capital or further capital is required for carrying on the Business of the Corporation, such capital shall be advanced by the Shareholders in proportion to their respective shareholdings of Common Shares. All Shareholder loans to the Corporation shall bear interest at the Prime Bank Rate, from time to time, per annum plus 2%, and shall be secured on the assets of the company. Repayment of Shareholder loans may only be demanded by a Shareholder upon giving sixty (60) days' written notice to the Corporation and may only be repaid if approved by the Board of Directors. All Shareholder loans may be repaid in whole or in part from

time to time on a pro rata basis in the discretion of the Board of Directors, whether or not repayment has been demanded. If a Shareholder (a “Defaulting Shareholder”) fails to advance its portion of the capital required, the other Shareholders (the “Non-Defaulting Shareholders”) may agree that one or more of them shall provide all or part of the short fall in accordance with subsection 5.1.3;

5.1.2. Unless otherwise agreed by the Shareholders in writing, the Board shall declare and the Corporation shall pay, subject to applicable law and subject to any restrictions imposed upon the payment of dividends by lenders or other third parties, on or about the last day of the third month following the annual general meeting, if at such time the Corporation has net income arising from the immediately preceding fiscal year and has retained earnings as at the end of such fiscal year, as shown on the financial statements of the Corporation for such fiscal year, out of the monies of the Corporation available for payment of dividends, cash dividends on the Common Shares equal in the aggregate to the consolidated after-tax net profit of the Corporation for such preceding fiscal year, less any reasonable reserves determined by the Board to be required for working capital or required to meet any obligations of the Corporation; and

5.1.3. If, with the consent of the Non-Defaulting Shareholders, any Shareholder advances more than its proportion of the Corporation capital requirements as provided for in paragraph 5.1.1, such Shareholder shall be deemed to have made such an advance on behalf of each Defaulting Shareholder and shall be entitled to repayment from the Defaulting Shareholder, on demand, of its proportionate share of the excess advances, together with interest at the Prime Bank Rate plus 4%, secured by a security interest in the shares of the Defaulting Shareholder. Should the Shareholders agree, the excess advance may alternatively be provided in the form of either additional equity in the Corporation or as additional debt owed by the Corporation, on such terms as the Non-Defaulting Shareholders may determine.

## **6. SUBSIDIARIES**

6.1. The Shareholders agree that it shall cause the Corporation to enter into Unanimous Shareholder Declarations with the Subsidiaries, to ensure continuing compliance with the provisions of this Agreement as it applies to the Subsidiaries. In addition to any Unanimous Shareholder Declarations, specific governance requirements for Distribution are detailed in Schedule A, attached hereto.

## **7. TRANSFER OR DISPOSAL OF SHARES**

7.1. Each Shareholder agrees that, except as expressly provided herein, it will not sell, transfer, assign, mortgage, pledge or otherwise dispose of or cease to be the holder of any Shares in the capital stock of the Corporation except with the unanimous consent in writing of all Shareholders of the Corporation, or as provided hereunder. The Corporation agrees that no other Shares of the Corporation shall be issued without the express written consent of all Shareholders.

7.2. The provisions of this Agreement shall apply mutatis mutandis to any shares into which the

Common Shares of the Corporation or any other class of shares to be issued may hereafter be converted or changed or to any shares resulting from a reclassification, subdivision or consolidation of any such shares and also to any shares of the Corporation which are received by the Shareholders as a stock dividend and to any shares or other securities of the Corporation or of a successor company thereof respectively which may be received by the Shareholders of such shares on an amalgamation, reorganization or reconstruction of the Corporation.

## **8. RIGHT OF FIRST REFUSAL**

8.1. Subject to the provisions of sections 8.3 and 9, if any Shareholder (hereinafter in this section 8.1 called the "Offeror") desires to sell all but not less than all of the Common Shares owned by it, the Offeror shall give notice (hereinafter in this section 8.1 called the "Selling Notice") to the other Shareholders (hereinafter in this section 8.1 called collectively the "Offerees" and) of its intention to do so. Such Selling Notice shall set forth the number and class of the Common Shares (hereinafter in this section 8.1 called the "Offered Shares") which the Offeror wishes to sell, the price per share at which the Offeror is prepared to sell the Offered Shares and any other terms and conditions, provided that such must not be contrary to the provisions of section 9 of this Agreement, and the proposed date of sale (hereafter called the "Sale Date"), which shall not be less than thirty (30) days nor more than sixty (60) days after the date on which the Selling Notice is given to the Offerees. In such event, unless all the Shareholders otherwise agree, the following provisions of this section 8.1 shall govern such purchase and sale:

8.1.1. the Selling Notice shall be deemed to be an offer, irrevocable within the time hereinafter specified for acceptance, by the Offeror to sell the Offered Shares to the Offerees;

8.1.2. within thirty (30) days after receipt of the Selling Notice, each Offeree may give to the Offeror a notice of acceptance which shall set forth the number of Offered Shares which such Offeree is willing to purchase from the Offeror;

8.1.3. if the Offerees accepting the offer collectively are prepared to purchase all the Offered Shares, then they shall be entitled to purchase the Offered Shares as nearly as may be in proportion to the number of Common Shares of the Corporation then held by them respectively, provided that, if any such Offeree claims less than its respective proportion, the difference in unclaimed Offered Shares shall be used to satisfy the claims of those who claim in excess of their proportions and if the claims in excess are more than sufficient to exhaust such unclaimed Offered Shares, the unclaimed Offered Shares shall be divided *pro rata* among the Offerees desiring to purchase excess shares in proportion to their holdings of Shares of the Corporation immediately prior to the delivery of the Selling Notice, but no Offeree shall be bound to purchase any Offered Shares in excess of the number which it agreed to purchase in its notice of acceptance;

8.1.4. if none of the Offerees accepts the offer or the Offerees accepting the offer collectively are not prepared to purchase all of the Offered Shares, then the Offeror may sell all of the Offered Shares to any other Person within sixty (60) days after the Sale Date at a price per security not less than and on terms and conditions not more favorable to such

Person than the price per security and the terms and conditions set forth in the Selling Notice. In the event that the Offeror does not sell the Offered Shares to such Person within such sixty (60) day period, then the provisions of this Agreement shall once again apply and so on from time to time;

8.1.5. if the Offeror has received a *bona fide* offer from a third party to purchase the Offered Shares prior to the date of the Selling Notice which it wishes to accept, then a copy of such offer shall be sent to each Offeree with the Selling Notice and the terms and conditions of sale set forth in the Selling Notice shall be the same as those set forth in such offer, and the Sale Date proposed shall not be less than thirty (30) days nor more than sixty (60) days after the date on which the Selling Notice is given to each Offeree. By delivering a Selling Notice, the Offeror represents and warrants to each other Offeree that there is no direct or indirect supplementary consideration (whether or not in the nature of a tangible or intangible asset, money property, securities or other benefits) to be received by the third party or any other Person in connection with such offer and that such offer is not made as part of or in connection with any other transaction;

8.1.6. if the Offered Shares shall not be capable, without division into fractions, of being offered to or being divided among such Offerees in the proportions above mentioned, the same shall be offered to or divided among such Offerees as nearly as may be in the proportions hereinbefore mentioned and any balance shall be offered to or divided among such Offerees or some of them in such manner as may be determined by the Board of Directors of the Corporation.

8.2. **Piggyback Rights.** Where, after compliance with the provisions of section 8.1, any group of Shareholders desires and is entitled to sell all but not less than all of the Common Shares held by them to a third party and such group holds more than fifty percent (50%) of the Common Shares, then such sale, notwithstanding the provisions of section 8.1, shall be permitted only if such third party makes an offer in writing to all other Shareholders holding Common Shares to purchase such Common Shares held by such Shareholders at the same price and upon the same terms and conditions, which written offer shall be irrevocable for forty-five (45) days following the day on which the rights of all such Shareholders under section 8.1 have been waived or expired.

8.3. If (i) an offer is made by a third party to purchase all outstanding Common Shares held by Shareholders holding more than eighty percent (80%) of the outstanding Common Shares; or (ii) an amalgamation, merger, plan of arrangement or other reorganization of the Corporation, (for greater certainty, excluding a municipal amalgamation or other restructuring), is proposed by a third party or an offer is made by a third party to purchase all or substantially all of the assets of the Corporation (collectively a "Reorganization"), all Shareholders are required to sell their Common Shares to the Offeror or approve such Reorganization, as the case may be, if such sale or Reorganization is approved by the holders of more than eighty percent (80%) of the outstanding Common Shares.

8.4. **Put Right.** If the Directors have decided in accordance with section 4.2 that the Shareholders shall make advances to the Corporation pursuant to section 5.1, any



Shareholder whose representative on the Board of Directors voted against such proposed advances may sell all but not less than all of the Common Shares held by it by giving a notice (the "Put Notice") to the other Shareholders stating that it will sell all of such Common Shares pursuant to this section 8.4, whereupon the other Shareholders shall purchase (*pro rata* in accordance with section 8.1.3, unless otherwise agreed between them), or cause the Corporation to purchase, in the sole discretion of the other Shareholders, all of such Common Shares for a cash purchase price equal to the fair market value of such Common Shares determined in accordance with section 10.4 as at the date of the Put Notice. Any transaction of purchase and sale pursuant to this section 8.4 shall be completed in accordance with the provisions of Article 9.

## **9. GENERAL SALE PROVISIONS**

- 9.1. **Sale Provisions.** Each Shareholder who hereafter sells any Shares pursuant to the provisions of this Agreement (such Shareholder being herein sometimes in this section 9 called the "Seller") shall hereby be deemed to warrant to each other Shareholder or other person who purchases such Shares (such Purchasing Shareholder or other person being herein sometimes called the "Buyer") that, at the time of Closing of the transaction of purchase and sale in question, (a) the Seller shall have good and marketable title to such Shares, and (b) the Buyer will acquire such Shares free of any encumbrance of any kind, and in addition the Seller shall hereby be deemed to agree to indemnify and save the Buyer harmless against any loss suffered by the Buyer as a result of there being any encumbrance upon or any defect in the title of the Seller to such Shares.
- 9.2. **Closing.** Each purchase and sale of Shares between Shareholders pursuant to this Agreement shall, unless otherwise expressly provided herein or otherwise agreed between the Seller and the Buyer, be closed at the offices of the solicitors of the Corporation at 10:00 a.m. on the fifteenth (15<sup>th</sup>) day after the date of the last notice given (or deemed to be given) by the Buyer or Seller, as the case may be, pursuant to the applicable sections of this Agreement.
- 9.3. **Conditions and Closing.** At the time of closing of any purchase of Shares of the Corporation as set forth in section 9.2, the Seller shall table:
- 9.3.1. a certificate or certificates representing the Shares being sold by the Seller, duly endorsed by the Seller in blank for transfer and transfers of any Shares being sold in such form as the Buyer may reasonably require;
  - 9.3.2. in the case of a sale of Shares by a person which is not a natural person, such authorizing resolutions, orders or other instruments as the solicitors for the Buyer shall reasonably consider necessary to effect and evidence a valid sale and transfer of such Shares; and
  - 9.3.3. evidence of the consent of the Shareholders and/or the Directors to the purchase of Shares in question if such consent is required by this Agreement and/or the Articles of the Corporation;

and each Buyer shall pay for such Shares by bank draft, certified cheque, wire transfer, or other means of immediately available funds. If the Seller fails to comply with the

requirements set out in this section, the Buyer shall, in addition to its other rights, including its right to specific performance, be entitled to rescind and shall have an action for damages.

- 9.4. Indebtedness of Seller to Corporation.** If, on the date of closing of any sale and purchase of Shares of the Corporation, the Seller is indebted to the Corporation in an amount recorded on the books of the Corporation and verified by the auditor of the Corporation, then unless otherwise agreed in writing between the Corporation and the Seller, each Buyer shall pay the purchase price payable therefor by it to the Corporation's solicitors, in trust, by tabling and delivering to the Corporation's solicitors, in trust, at the time of closing of such purchase and sale, the purchase price for such Shares. The Corporation's solicitor is hereby authorized by the Seller to apply the total purchase price proceeds to repayment of the indebtedness of the Seller to the Corporation. If such proceeds exceed such indebtedness, the Corporation's solicitors are hereby authorized by the Buyer to pay the excess over to the Seller at the time of closing of such purchase and sale. In the event that the Seller sells all of the Shares of the Corporation owned by it and the indebtedness of the Seller to the Corporation exceeds the proceeds of such sale, then the Seller shall at the time of closing of such purchase and sale pay the balance of such indebtedness to the Corporation to retire such indebtedness.
- 9.5. Indebtedness of Corporation to Seller.** If, on the date of closing of any sale and purchase of Shares of the Corporation, the Corporation is indebted to the Seller all of whose Shares are purchased by other Shareholders or if such Seller is the guarantor of any indebtedness of the Corporation, the Buyer or Buyers shall, at the time of closing, purchase such indebtedness at its face value or assume such guarantee in either case *pro rata* in accordance with the number of Shares purchased by it or them.
- 9.6. Agreement, Binding on Transferees.** No Shares of the Corporation shall be effectively issued, sold, assigned, transferred, disposed of or conveyed by the Corporation or a Shareholder to any Person other than a Shareholder, until the proposed transferee or purchaser executes and delivers to the parties hereto an agreement agreeing to be bound by this Agreement and any further agreement with respect to the Corporation to which the Shareholders are then, or are then required to be, parties, and unless the proposed transferee or Buyer, on becoming a party to this Agreement, would be in compliance with the provisions of this Agreement. Upon the proposed transferee or Buyer so doing, such agreements shall enure to the benefit of and be binding upon it as if it had executed and delivered, this Agreement and such other agreements.
- 9.7. Continuing Obligations.** Any Shareholder who sells to a person all of the shares of the Corporation owned by it in accordance with the terms of this Agreement, shall thereafter be released and discharged from the further performance of all of its covenants and obligations hereunder from and after the date of such sale and compliance by the transferee with section 9.6 except for any obligations under this Agreement which expressly or impliedly are to survive any such sale.

## **10. INSOLVENCY OF SHAREHOLDER**

- 10.1 If any Shareholder of the Corporation shall become insolvent or bankrupt, the other Shareholders ("Solvent Shareholders") shall have the right and option to purchase all of the

Shares in the capital of the Corporation held by such Shareholder ("Insolvent Shareholder"), in accordance with their proportionate shareholdings, at and for the fair market value of each such Share as at the date immediately preceding such insolvency or bankruptcy. Such option must be exercised by notice in writing to the Insolvent Shareholder (with a copy to the Corporation), within the one hundred and twenty (120) day period following the day upon which the Shareholders first became aware of the insolvency, or bankruptcy, as the case may be.

- 10.2 The purchase price shall be paid in equal semi-annual payments without interest over a period of 60 months with the first payment to be made on the first day of the month following the exercise of the option. Such amount may be prepaid in whole or in part at any time without notice.
- 10.3 Subject to the provisions of the Act, if within the period of one hundred and twenty (120) days set out in section 10.1 a notice in writing shall not have been given to the Insolvent Shareholder (with a copy to the Corporation) by all or any of the Solvent Shareholders setting out therein the intention of such Solvent Shareholder or Shareholders to purchase, effective immediately prior to the insolvency event, all of the Common Shares owned by the Insolvent Shareholder, then the Corporation shall have the right to redeem and repurchase such portion of the Common Shares as shall not be the subject of a purchase and sale transaction with the Solvent Shareholder(s), effective immediately prior to the insolvency event, for a cash price equal to the fair market value of the Common Shares as at the date immediately preceding the insolvency or bankruptcy of the Insolvent Shareholder.
- 10.4 For the purpose of this Section 10, the fair market value of the Shares of an Insolvent Shareholder at the relevant time shall be determined by a certified business valuator as appointed by the Board of Directors, the costs of which shall be borne by the Corporation. In the event the Board of Directors shall not have appointed a certified business valuator within thirty (30) days of the Shareholders first becoming aware of the insolvency or bankruptcy, as the case may be, then the certified business valuator shall be chosen by the auditor of the Corporation. The determination of such fair market value by such certified business valuator shall be conclusive and binding on the parties for the purposes of this section 10.
- 10.5 Any transaction of purchase and sale pursuant to this section 10 shall be completed in accordance with the provisions of Article 9 hereof but with effect and deemed completion as of the time immediately prior to the occurrence of an insolvency event.

## **11. SHAREHOLDER INDEMNITY**

- 11.1. Each Shareholder (an "Indemnifying Party") hereby agrees to indemnify, hold harmless, reimburse and defend the Corporation and the Subsidiaries and each and every other Shareholder (hereinafter in this section referred to as an "Indemnified Party") for, from and against any and all liability, loss, damage or expense (including, without limitation, reasonable legal fees and disbursements) and any claim thereof or therefor which is asserted against, imposed on, or incurred or sustained by, any Indemnified Party (regardless of the form or nature of such liability, damage, loss, expense or claim) and either:

- 11.1.1. results from, arises out of or is connected with;

- i. the nonfulfillment or breach by the Indemnifying Party of any covenant in or obligation under this Agreement; or
- ii. the negligence or misconduct of (x) the Indemnifying Party or (y) any shareholder, director, officer, employee or agent of the Indemnifying Party or (z) any affiliate (other than the Corporation or any Subsidiary) of the Indemnifying Party; or

11.1.2 arose in respect of or was incurred by the Indemnifying Party or any electricity commission or public utility commission or corporation under section 142 of the *Electricity Act, 1998* associated with such Indemnifying Party, except as expressly provided in any transfer by-laws in respect of the transfer of assets to the Corporation and its Subsidiaries ("Transfer By-Laws") passed by the Indemnifying Party.

11.2. Except as provided in any Transfer By-Laws, none of the Corporation or its Subsidiaries assumes or will be liable for any obligations or liabilities of the Shareholders or any electricity commission or public utility commission or corporation under section 142 of the *Electricity Act, 1998* associated with any of them.

## **12. NOTICES**

**Notices.** Any notices required to be given herein will be given to the parties in writing at the addresses provided below, or to such other address as the parties may hereafter substitute by written notice. Each party hereto agrees that such notices will be deemed to have been received, if sent by mail, on the fifth (5th) day following the date of mailing and, if delivered personally, by facsimile, by registered mail, by courier, or by electronic means, on the day they were delivered.

If to Corporation:	985 Industrial Road P.O. Box 699 Prescott, Ontario KOE 1T0 Attention: CEO
If to Prescott:	360 Dibble Street, P.O. Box 160 Prescott, Ontario KOE 1T0 Attention: Clerk
If to South Dundas	P.O. Box 740 Morrisburg, Ontario KOC 1X0 Attention: Clerk
If to Edwardsburgh/Cardinal	18 Centre Street P.O. Box 129 Spencerville, Ontario K0E 1X0 Attention: Clerk

If to Westport	Bedford Street P.O. Box 68 Westport, Ontario K0G 1X0 Attention: Clerk
If to FortisOntario	1130 Bertie Street, P.O. Box 1218 Fort Erie, Ontario L2A 5Y2 Attention: Chief Executive Officer

Any party may from time to time change its or its address by written notice to each other party given in accordance with the provisions of this Paragraph.

### **13. ENFORCEMENT OF SHAREHOLDER AGREEMENT**

- 13.1. **Voting Power.** The parties hereto shall at all times use their voting powers (whether expressed by way of vote or written consent) in accordance with the provisions of this Agreement and for the purposes of effectuating the same and for the purposes of ensuring that the Directors of the Corporation shall exercise their powers consistently with the provisions of this Agreement and for the purposes of effectuating the same. The Directors of the Corporation shall see to it that its officers and employees carry out all duties which they are required to perform under the provisions of this Agreement.
- 13.2. **Arbitration.** The parties agree in the event of a dispute, controversy or claim as to any matter within the terms of this Agreement, (other than a matter in respect of which this Agreement otherwise expressly provides for its conclusive determination) that such dispute shall be referred to arbitration of a single arbitrator as agreed upon by the parties or as appointed pursuant to provisions of the Arbitrations Act, (Ontario) 1991, as amended, whose decision shall be final and binding on all parties.

### **14. TERM**

- 14.1. **Termination Generally.** This Agreement shall come into force and effect as of the date set out above and shall continue in force until the earlier of:
- 14.1.1. The date on which this Agreement is terminated by written agreement of the parties;
  - 14.1.2. The date on which the Corporation is dissolved in accordance with the applicable provision of the Act;
  - 14.1.3. The date on which an order is made for the winding-up of the Corporation;
  - 14.1.4. The date on which all issued and outstanding Shares become owned by a single person; or
  - 14.1.5. The date on which the Corporation becomes insolvent or makes an authorized assignment in bankruptcy or is petitioned into bankruptcy.

## **15. GENERAL**

15.1. **Partial Invalidity**. If for any reason whatsoever any term, covenant or condition of this Agreement or the application thereof to any person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, then such term, covenant or condition:

15.1.1. is deemed to be independent of the remainder of the Agreement and to be severable and divisible therefrom, and its invalidity, unenforceability and illegality does not affect, impair or invalidate the remainder of the Agreement or any part thereof; and

15.1.2. continues to be applicable to and enforceable to the fullest extent permitted by law against any person and in any circumstances other than those as to which it has been held or rendered invalid, unenforceable or illegal.

No party is obligated to enforce any term, covenant or condition of this Agreement against any person, if, or to the extent by so doing, such party is caused to be in breach of any laws, rules, regulations or enactments from time to time in force.

15.2. **Time of Essence**. Time shall be of the essence of this Agreement.

15.3. **Further Documents**. Each of the parties hereto will, from time to time at any other party's request and expense and without further consideration, execute and deliver such other instruments of transfer, conveyance and assignment and take such further action as such other party may require to more effectively complete any matter provided for herein.

15.4. **No Partnership**. Nothing in this Agreement shall be deemed in any way or for any purpose to constitute any party a partner of any other party to this Agreement in the conduct of any business or otherwise, or a member of a joint venture or a joint venture enterprise with any other party to this Agreement.

15.5. **Counterparts**. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

15.6. **Successors and Assigns**. This Agreement and all of the terms, covenants, provisions, options and conditions of and contained in this Agreement. and obligations hereunder, shall be binding upon and enure to the benefit of the parties hereto, their respective heirs, executors, administrators, estate trustees, personal representatives, successors and permitted assigns, and shall be binding upon any trustee or receiver in bankruptcy of any party hereto, his or its executors, administrators, estate trustees, personal representatives, successors and permitted assigns and upon any person upon whom shall devolve, by operation of law or otherwise, any interest or claim in or to the property of or the interest herein of any party hereto, his or *its* heirs, executors, administrators, estate trustees, personal representatives, successors and permitted assigns.

15.7. **English Language**. Each of the parties hereto acknowledges that it has required that all documentation in connection with this transaction be drawn upon in the English language. Chacune des parties reconnait par les presentes qu'on a exigé que toute la documentation

concernant cette transaction soit rédigée en anglais.

15.8. **Independent Legal Advice.** The parties acknowledge that each of them:

15.8.1. has had independent legal advice;

15.8.2. understands its rights and obligations under this Agreement and the nature and consequences of the Agreement;

15.8.3. agrees that the terms of the Agreement are fair and reasonable; and

15.8.4. is entering into the Agreement with the prior approval of its Council or its directors and shareholders, as applicable.

15.9. **Construction Clause.** Notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty will not be construed against any party hereto by reason of the authorship of any of the provisions hereof.

15.10. **Termination of Prior Agreements.** It is agreed that all prior agreements among some or all of the parties hereto regarding the shareholdings of the Corporation, whether written or oral, are hereby terminated.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto.

SIGNED, SEALED AND DELIVERED in the presence of:

**RIDEAU ST. LAWRENCE HOLDINGS  
INC.**

by: \_\_\_\_\_  
President & CEO

by: \_\_\_\_\_  
Vice President & CFO

**THE CORPORATION OF THE TOWN OF  
PRESCOTT**

by: \_\_\_\_\_  
Mayor

by: \_\_\_\_\_  
Clerk

**THE CORPORATION OF THE  
MUNICIPALITY OF SOUTH DUNDAS**

by: \_\_\_\_\_  
Mayor

by: \_\_\_\_\_  
Clerk

**THE CORPORATION OF THE  
TOWNSHIP OF  
EDWARDSBURGH/CARDINAL**

by: \_\_\_\_\_  
Mayor

by: \_\_\_\_\_  
Clerk



**THE CORPORATION OF THE VILLAGE  
OF WESTPORT**

by: \_\_\_\_\_  
Mayor

by: \_\_\_\_\_  
Clerk

**FORTISONTARIO INC.**

by: \_\_\_\_\_  
President

by: \_\_\_\_\_  
Vice President

## **SCHEDULE A**

### **RIDEAU ST. LAWRENCE DISTRIBUTION INC. – SPECIFIC GOVERNANCE REQUIREMENTS**

The following are specific corporate government requirements for Rideau St. Lawrence Distribution Inc., which are intended to be supplementary and in addition to its corporate by-laws and other constating documents. If there is any ambiguity or inconsistency between such documents and the items provided for below, the intention is for the items below to govern.

1. Board Composition - Notwithstanding anything to the contrary, Distribution's board of directors shall at all times comply with the requirements under Ontario Energy Board's Affiliate Relationships Code (ARC) for Electricity Distributors, as may be prescribed from time to time. This shall include but not be limited to having at least one-third (1/3) of the directors comprised of independent directors.

## SCHEDULE B

### **PERMITTED BUSINESS ACTIVITIES OF THE CORPORATION AND THE SUBSIDIARIES**

The Shareholders acknowledge and agree that the Corporation and the Subsidiaries shall be operated with a view to profitability and maximizing shareholder value, including actively pursuing appropriate growth and merger opportunities relating to the Businesses, adhering to applicable laws and regulations while maintaining appropriate commitments to customer satisfaction, community service, safety and environmental protection. The permitted activities shall include:

- (i) the distribution of electricity, and activities related thereto, in the areas of Prescott, South Dundas, Edwardsburgh/Cardinal and Westport and those other service areas as determined by the Board of Directors from time to time;
- (ii) the provision of retail services; communications; fibre optics; streetlighting, electric vehicle charging, power generation, energy storage, decentralized energy resources, energy conservation, emission reduction services, and activities related thereto; and
- (iii) provision of human resources and asset services to the Corporation, Distribution, Utilities and Services.

Unless the Shareholders otherwise determine by a resolution duly passed by all of them or an instrument in writing signed by all Shareholders, the Corporation and the Subsidiaries shall not, either directly or indirectly, carry on any business other than a business described in this Schedule.



**TOWNSHIP OF EDWARDSBURGH CARDINAL  
DISCUSSION ITEM**

**Committee:** Committee of the Whole – Administration and Operations

**Date:** January 23, 2025

**Department:** Finance

**Topic:** 2025 Levy-Based Capital Budget Overview – Revision 1

**Background:** Attached is the revised summary for the levy-based capital as requested at the January 13<sup>th</sup>, 2025 meeting.

Staff presented businesses cases for discussion and were asked to provide information for further discussion.

The revisions from capital meeting #1 include:

1. Roads Program – Inclusion of Cedar Grove Rd (Fraser – Noe) and Pittston Rd East
2. Sidewalk Program – Removal of Waddell St
3. Cardinal Tennis/Pickle Ball Courts – Use of the Cardinal Hydro Reserve

With the revisions the levy-based capital expense is listed at \$4,613,954 and of these expenses \$2,155,932 are funded through reserves, grants, debt and operating surplus. An additional \$1,458,022 would be required from levy, debt or Port dividend to fully fund the revised capital expenses.

Direction from Council is requested to instruct the Treasurer on which funding type to use to cover the remaining capital expenses.

\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
CAO

**2025 Final Capital Budget - Levy Based  
Funding Analysis (Capital Meeting #2)**

GL Code	Department	Project	Expense	Funding Type					2025 Tax Levy	Notes	
			2025 Budget	Reserves	Grants	WIP	Debt	Total			
21-5950	Fire	Pumper #1	\$ 70,000	\$ (70,000)					\$ (70,000)	\$ -	Deposit for Pumper Truck
21-5950	Fire	Engineering and Design - Fire Station #2	\$ 100,000	\$ (100,000)					\$ (100,000)	\$ -	Fire Department - Building Reserve
17-5950	Administration	Website Revamp	\$ 40,000	\$ (40,000)					\$ (40,000)	\$ -	Admin Reserve
82-5950	Recreation	Picnic Tables/Garbage Cans	\$ 10,000						\$ -	\$ 10,000	Annual replacements
82-5950	Recreation	Splash Pad	\$ 400,000						\$ -	\$ 400,000	Addition to service
81-5950	Recreation	Truck	\$ 57,000	\$ (57,000)					\$ (57,000)	\$ -	Paid in 2024
82-5950	Recreation	Play Structure	\$ 80,000						\$ -	\$ 80,000	Current one not usable
82-5950	Recreation	Holiday Signage	\$ 15,000						\$ -	\$ 15,000	Remembrance Day banners and other signage
82-5950	Recreation	Cardinal Tennis/Pickle Ball Courts	\$ 302,000	\$ (151,000)	\$ (151,000)				\$ (302,000)	\$ -	Contingent on grant funding, option to use Cardinal Hydro Reserve
86-5950	Recreation	Spencerville Arena Dehumidifier	\$ 50,000						\$ -	\$ 50,000	Required for more optimal operations of facility
85-5950	Recreation	Johnstown Pool Piping and Decking	\$ 225,000						\$ -	\$ 225,000	Required for operation in 2025
88-5950	Recreation	South Centre Generator	\$ 65,000						\$ -	\$ 65,000	Recommendation from Emergency Management
88-5950	Recreation	South Centre UV Upgrades	\$ 15,000						\$ -	\$ 15,000	Recommendation from Environmental Services
39-5950	Public Works	Tandem Axle Plow Truck	\$ 425,000					\$ (425,000)	\$ (425,000)	\$ -	Project already has pre-budget approval
39-5950	Public Works	Roadside Mower	\$ 25,000						\$ -	\$ 25,000	Reached useful life and due for replacement
31-5950	Public Works	Building Rehab	\$ 150,000						\$ -	\$ 150,000	Structural wall repair, oil/grit separator, holding tank
39-5950	Public Works	Sidewalk Rehab	\$ 134,000						\$ -	\$ 134,000	Replace an existing asphalt sidewalk
39-5950	Public Works	Pedestrian Crossings	\$ 105,000	\$ (105,000)					\$ (105,000)	\$ -	Project already has pre-budget approval
41-5668	Public Works - Roads	Connell Rd	\$ 44,370	\$ (44,370)					\$ (44,370)	\$ -	Dedicated Capital Reserve
41-5716	Public Works - Roads	Hurley Rd	\$ 59,160	\$ (59,160)					\$ (59,160)	\$ -	Dedicated Capital Reserve
41-5726	Public Works - Roads	Goodin Rd	\$ 29,580	\$ (29,580)					\$ (29,580)	\$ -	Dedicated Capital Reserve
41-5890	Public Works - Roads	Brouseville Rd West	\$ 400,000	\$ (154,210)	\$ (245,790)				\$ (400,000)	\$ -	CCBF/Dedicated Capital Reserve
41-5836	Public Works - Roads	Waddell	\$ 312,000	\$ (11,858)	\$ (300,142)				\$ (312,000)	\$ -	OCIF/Dedicated Capital Reserve
41-5681	Public Works - Roads	Reilly St	\$ 47,400	\$ (47,400)					\$ (47,400)	\$ -	Dedicated Capital Reserve
41-5831	Public Works - Roads	Henderson St.	\$ 46,180	\$ (46,180)					\$ (46,180)	\$ -	Dedicated Capital Reserve
41-5832	Public Works - Roads	South St	\$ 235,050	\$ (118,242)					\$ (118,242)	\$ 116,808	Partially funded through dedicated capital reserve
41-5833	Public Works - Roads	Water St	\$ 125,052						\$ -	\$ 125,052	Partially funded through dedicated capital reserve
41-5763	Public Works - Roads	Cedar Grove (Fraser-Noe)	\$ 662,622						\$ -	\$ 662,622	Addition from Capital Meeting #1
41-5851	Public Works - Roads	Pittston Rd E	\$ 384,540						\$ -	\$ 384,540	Addition from Capital Meeting #1
			<b>\$ 4,613,954</b>	<b>\$ (1,034,000)</b>	<b>\$ (696,932)</b>	<b>\$ -</b>	<b>\$ (425,000)</b>	<b>\$ (2,155,932)</b>		<b>\$ 2,458,022</b>	<b>Total Levy Based Capital</b>
										\$ (1,000,000)	<b>Operating Surplus (Estimated)</b>
										\$ 1,458,022	<b>Additional Levy, Debt or Port Dividend</b>
		<b>Roads Program</b>									
		Current Dedicated Capital Reserve	\$ (270,000)								
		2025 Dedicated Capital Reserve	\$ (241,000)								
		CCBF	\$ (245,790)								
		OCIF	\$ (300,142)								
			<b>\$ (1,056,932)</b>								<b>Allocate to Roads</b>
		<b>Future Capital Projects</b>									
		Public Works - Roads Middle St	\$ 71,200								
		Public Works - Roads James St	\$ 93,350								
			\$ 164,550								



# **Pumper 1 Business Case.docx**

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**Pumper 1**

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**2025 Budget**

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# Pumper 1 Replacement

## **Executive Summary**

This business case recommends the issuance of an RFP to facilitate the purchase of a new frontline pumper to replace current frontline pumper 1. Although not scheduled for replacement until 2027, significant savings may be realized if we are able to secure a stock truck currently in production vs a traditional build to order purchase.

## **Business Need**

Pumper 1 replacement is based on the Fire Underwriters Survey service schedule which for small and rural communities is 20 years of front-line service. The apparatus can then remain in service as 2<sup>nd</sup> line duty for 5 years followed by an additional 5 years in reserve status. Fire insurance grades of the community may be adversely impacted by not replacing frontline units at the specified guidance intervals. This could result in increased rates to property owners.

Pumper 1 has spent some time out of service in recent years, primarily waiting for parts. It has a unique chassis that utilizes parts that are not stocked locally.

## **Options or Solutions Analysis**

Option # 1: Purchase a build to order truck to be delivered in 2027. This would maximize the amount of in-service time by the existing unit but increase the cost of replacement. Proposals for a 2027 delivery will be very difficult to obtain within the current market.

Option #2: Purchase a truck using the Canoe Procurement program where tenders have been issued and contracts negotiated on our behalf. Committee members identified that this option restricts proposals to only those manufacturers participating in the program.

Option #3: Issue an RFP for a pumper listing the minimum required specifications along with flexible delivery schedule allowing all manufacturers an opportunity to submit proposals for consideration.

## **Financial and/or Non-Financial Benefits**

Significant savings achieved by purchasing now. New emissions standards are passed and take effect on vehicles for 2027. The technology has not been proven in the field and may be unreliable and costly to maintain, similar to the emission regeneration phase. The frontline pumper purchase could be debentured up to a 10year period to

reduce the taxation burden in a single year. Early replacement will extend the timeline in between the next frontline pumper purchase. (Pumper 4 in 2030)

**Risk Analysis**

Option # 3 provides the greatest flexibility and potential to attract proposals from a wider range of manufacturers to locate a pumper with features that satisfy the needs of the fire department.

**Recommendation**

That committee recommends that council include the deposit for the purchase of a fire department pumper in the 2025 budget and direct staff to bring a recommendation to the February council meeting.

**Implementation Plan**

Issue an RFP in Q1, 2025.

Bring a recommendation to the February Council meeting for the award of a new frontline pumper.

**Acceptance Sign-off**

**Lead Department: Administration**

**Prepared By:** Brian Moore, Fire Chief

**Date:** 01/08/2025

**Signature:** 

**Approved By:** Jessica Crawford, Treasurer

**Date:** January 9, 2025

**Signature:** 

**Approved By:** Sean Nicholson, CAO

**Date:** January 9, 2025



Signature: 



# BUSINESS CASE

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Recreation Department  
Johnstown Play Structure Replacement

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**2025 Budget**

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Page Break

## Parks & Facilities Johnstown Play Structure Replacement

### Executive Summary

Our current Play Structure at Johnstown Park is over 20 years old and by far our most used within our department. Some of the structures pieces show signs of wear and deterioration. This poses both a safety risk and a potential accessibility issue for children and families using the park. The proposed budget allocation will allow for the complete replacement of outdated equipment with modern, safe, and accessible play structures. The renovation will ensure compliance with current safety standards and make the park more inclusive for children of all abilities.

### Business Need

The proposed budget allocation will allow for the complete replacement of outdated equipment with modern, safe, and accessible play structures. The renovation will ensure compliance with current safety standards and make the park more inclusive for children of all abilities.

### Options or Solutions Analysis

Having to block off one of the larger slides will certainly create more congestion at the one end, where having the new system in place will allow for:

1. Incorporates a mix of slides, climbing structures, and interactive elements like music panels, tactile walls, or sensory activities.
2. Modular systems can be customized to fit the space and meet safety standards.
3. Non-toxic, durable materials such as high-density polyethylene (HDPE) or recycled plastic for sustainability.

### Financial and/or Non-Financial Benefits

The benefits of replacing the older unit with a new state of the art system which we would be purchasing through our Canoe Procurement plan would also be cost savings and allow us the ability to have it ready for the summer programs.

### Risk Analysis

Removing the play structure and just having the swings in place is an option.  
[Recommendation](#)


Proceed with issuing a tender document for the replacement of the play structure and have new one installed for early June.

### [Implementation Plan](#)

Project would start in early spring and be ready for the start of summer season.

#### **Lead Department**

**Prepared By:** [Mike Spencer **Date:** January 8, 2025

**Signature:** 

**Approved By:** Jessica Crawford, Treasurer **Date:** January 9, 2025

**Signature:** 

**Approved By:** Sean Nicholson **Date:** January 9, 2025

**Signature:** 



# BUSINESS CASE

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Recreation Department  
Johnstown Pool Piping Retrofit

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**2025 Budget**

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## Parks & Facilities Johnstown Pool Piping Retrofit

### **Executive Summary**

The current pool piping system is over 40 years old, and after years of wear and tear, it has begun to show signs of significant deterioration. The piping material has become increasingly prone to leaks, blockages, and reduced flow capacity, all of which compromise the efficiency of the entire pool filtration and circulation system. Out of the eight skimmers installed in the pool, two are currently non-functional. The malfunctioning skimmers have significantly impacted the pool's ability to properly remove debris and maintain adequate surface circulation.

### **Business Need**

As you are aware, skimmers are a critical component of maintaining water quality and meeting health standards for pool sanitation. Without proper functioning skimmers, there is an increased risk of water contamination, which could lead to health hazards for pool users and may cause the pool to fail inspection. As the existing pool piping and malfunctioning skimmers pose a direct risk to public health and safety, we believe that replacing the outdated piping and repairing or replacing the faulty skimmers is essential for ensuring compliance with health regulations and maintaining the integrity of the pool system.

### **Options or Solutions Analysis**

Quite frankly, the only solution for this project is replacing the piping like what was completed at the Cardinal Pool in the summer of 2023. The only difference between this project is the filtration system is in good spade not like Cardinal which was replaced at the same time the piping was completed.

### **Financial and/or Non-Financial Benefits**

The benefits of replacing the piping would be to have the pool available for another busy summer of programs.

### **Risk Analysis**

Cancelling this project would jeopardize the summer programs at the Johnstown Pool.

## Recommendation

Proceed with issuing a tender document with a closing of mid February and to have to work completed in the Spring of 2025.

## Implementation Plan

Project would start in early spring and be ready for the start of pool season the first week of June.

### Lead Department

Prepared

By:

[Mike Spencer

Date: January 8, 2025

Signature:




Approved

By:

Jessica Crawford, Treasurer

Date: January 9, 2025

Signature:



Approved

By:

Sean Nicholson

Date: January 9, 2025

Signature:





# BUSINESS CASE

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Recreation Department  
Spencerville Arena Dehumidifier

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**2025 Budget**

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Page Break



## Parks & Facilities Spencerville Arena Dehumidifier

### Executive Summary

We are requesting approval and funding for the installation of a second dehumidifier in the Spencerville Arena. The need for this additional equipment has become increasingly urgent due to shifting seasonal weather patterns, particularly the trend toward extended warmer falls and earlier springs that we have experienced in recent years. These climate changes are affecting the performance of our arena's ice surface and increasing the operational challenges we face in maintaining ideal conditions for both players and spectators.

### Business Need

As you are aware, the primary function of a dehumidifier in an ice arena is to control the humidity levels in the building, which directly impacts the quality of the ice surface and the comfort of those using the facility. In recent years, the warmer temperatures during fall and spring have made it more difficult to maintain the proper balance of temperature and humidity. Higher humidity levels in these extended shoulder seasons can lead to several issues, including:

#### **Reduced Ice Quality:**

Excess moisture in the air can cause condensation on the ice surface, leading to soft ice, pitting, and inconsistent playing conditions. This not only affects the quality of the game but also increases maintenance costs and downtime for resurfacing the ice.

#### **Increased Energy Consumption:**

When humidity levels rise, our current dehumidifier struggles to keep up, forcing our cooling systems to work harder to maintain the desired temperature for the ice surface. This results in higher energy consumption and increased utility costs, impacting both operational budgets and environmental sustainability.

#### **Building Comfort and Safety:**

Excessive humidity can also lead to discomfort for spectators, players, and staff, contributing to an unpleasant atmosphere within the arena. Additionally, high humidity levels can accelerate wear and tear on the building infrastructure and equipment, leading to more frequent repairs.

### Options or Solutions Analysis

Given these challenges, the addition of a second dehumidifier would significantly improve our ability to maintain optimal humidity levels throughout the year. This would

ensure better ice quality, reduce energy consumption, and enhance the overall experience for all users of the arena. By having an additional dehumidifier to handle the increased load during the warmer seasons, we would be able to maintain a more stable and efficient environment year-round.

### Financial and/or Non-Financial Benefits

This results in higher energy consumption and increased utility costs, impacting both operational budgets

### Risk Analysis

By not having the second unit in place it creates more work for the current unit and increases the humidity levels in the arena for longer periods.

### Recommendation

Proceed with issuing a tender document for the installation of a second dehumidifier through our Canoe procurement and to have it in place for the start of the fall hockey season.

### Implementation Plan

Project would completed this summer.

### Lead Department

Prepared

By: [Mike Spencer

Date: January 8, 2025

Signature:



Approved

By: Jessica Crawford, Treasurer

Date: January 9, 2025

Signature:



Approved

By: Sean Nicholson

Date: January 9, 2025

**Signature:**

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a cursive 'A' and a flourish.



**TOWNSHIP OF EDWARDSBURGH CARDINAL  
INFORMATION ITEM**

**Committee:** Committee of the Whole – Administration & Operations

**Date:** January 23, 2025

**Department:** Public Works / Operations

**Topic:** PW Business Case Updates following Budget Meeting #1

**Background:** The information below is provided as follow-up based on the initial discussions at budget meeting #1 regarding the public works business cases.

**2025 Capital Road Program**

There were two additional roads requested to be incorporated into the roads program for consideration.

Cedar Grove Road (Fraser to Noe): This is an approximate 2km stretch of road with an estimated cost of \$662,622.00. This would be a continuation of the Cedar Grove Rd section completed in 2024 from Hwy 16 to Fraser Rd. One of the improvements made in the first section of Cedar Grove Rd was an increased and uniform driving platform width. The proposed section presents some resurfacing and upgrade challenges with the 416 off ramp overpasses and elevation changes along this stretch. We will need to complete some additional design and engineering work as the above number may need some additional refinement. In reviewing notes regarding this section, there was some thought about upgrading Fraser Rd to an asphalt surface during this upgrade. This road was not placed on the five-year plan as we were focused primarily on like for like activities.

Pittston Road East (CR22 to SD border): This is an approximate 2.6km stretch of road with an estimated cost of \$384,540.00. There would need to be some improvements in this section likely around the campground and commercial farming operations within this section. We have reached out to South Dundas and there are no scheduled upgrades to their section in the immediate forecast. There is the Pitt bridge near the border which is under County jurisdiction; however, we would not plan to resurface that far.

There was also some discussion around a carbon tax line item being incorporated into the tender. We are in the process of researching some potential options or solutions such as a fuel price and asphalt price index clause(s) to provide some cost protections and ability to adjust subject to the unpredictability of the federal landscape in 2025.

### **2025 Sidewalk Program**

The Waddell Street concrete sidewalk replacement cost has been removed. Any sidewalk work planned for this street is subject to the street and storm sewer reconstruction going forward this year. This would reduce the sidewalk program budget estimate by \$34,000.00.

### **Roadside Mower Attachment**

If the mower attachment is replaced, the existing unit will be brought forward to be declared as surplus and \$1,500.00 placed in the operating budget under other revenue as an estimate of what may be achieved through auction.

There was no decision or direction provided regarding a service level change.

### **Structural Wall Repair**

Staff are doing additional follow-up on the partial wall. There are a variety of options, some mentioned at the meeting, that will likely serve the need and purpose at a lower cost to the concrete/block wall. The \$25,000.00 was originally placed to provide some contingency for the overall project. Based on the update received from the consultant:

Option # 2 – Confirmation that the \$50,000.00 is a solid cost estimate given what we can visually see at this time. It could be reduced to \$45,000.00 if needed.

Option # 3 – This price could be reduced from \$25,000.00 to \$10,000.00 for the partial concrete/block wall.

Updated project cost of \$55,000.00 to \$60,000.00.

### **Fleet Coordinator Position**

There was some who were hesitant regarding the value of the position being added to the organization. If the majority of the committee and decision makers are comfortable with the current costs and associated fleet downtime then no further conversation is necessary. If committee and decision makers are interested in improved frontline fleet reliability, longevity and bringing the cost center into better alignment, the fleet coordinator position is the next logical step in the process. Following the first year, which does have some unpredictability to it, staff anticipate the cost center to drop by 20%.



Director of Operations



Manager of Public Works



# **2025 Capital Road Program Business Case**

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**Public Works**

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**2025 Budget**

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## Public Works

### Capital Road Program

#### **Executive Summary**

The proposed program utilizes three different types of treatment techniques; partial depth patching (6700 meters), asphalt resurfacing (162 meters) and reconstruction (560 meters). The estimated cost of the work is \$1,298,792.00.

#### **Business Need**

The road network forms the largest share of the Township's asset portfolio. Our actual reinvestment rate is less than the optimal target reinvestment rate. A phased in approach will need to be utilized over multiple years to close the gap.

The asset management plan estimates the useful life of a paved surface at 20 years. We have 123 kilometers of paved surface, so we should be making improvements to at least 6.15 kilometers of road per year. The 2025 program aims to make improvements on 7.42 kilometers of road.

#### **Options or Solutions Analysis**

Option # 1: Remain status quo.

Option # 2: Complete 7.42km of asphalt improvements using a combination of reconstruction, resurfacing and partial depth patching as outlined in the financial benefit section.

Option # 3: Include any additional roads to the proposed program.

#### **Financial and/or Non Financial Benefits**

Option #1: No immediate capital investment and no benefit.

Option #2: Proposed list of roads

Partial Depth Patching Program			
Road	Length (m)	Estimated Cost	Notes
Brouseville West	5800	\$400,000.00	This technique is used for pavement distresses like raveling, rutting, delamination and cracking.
Connell	300	\$44,370.00	
Hurley	400	\$59,160.00	
Goodin	200	\$29,580.00	
<b>Total</b>	<b>6700</b>	<b>\$533,110.00</b>	

Resurfacing Program			
Road	Length (m)	Estimated Cost	Notes
Reilly	100	\$47,400.00	The section south of CR2 was missed in the 2024 program.
Henderson	62	\$46,180.00	This section was deferred in 2024. Wider platform width
<b>Total</b>	<b>162</b>	<b>\$93,580.00</b>	

Reconstruction Program			
Road	Length (m)	Estimated Cost	Notes
South	330	235,050.00	Asphalt replacement, drainage modifications and partial storm pipe replacement.
Water	100	\$125,052.00	Asphalt replacement, drainage modifications and partial storm pipe replacement.
Waddell	130	\$312,000.00	Asphalt replacement, full storm pipe system.
<b>Total</b>	<b>560</b>	<b>\$672,102.00</b>	



### Option # 3: Additional Work

Optional Additional Roads			
Road	Length (m)	Estimated Cost	Notes
James	120	\$93,350.00	Possible partnership with Ingredion
Middle (James to John)	100	\$71,200.00	Possible partnership with Ingredion
<b>Total</b>	<b>220</b>	<b>\$164,550.00</b>	

### **Risk Analysis**

Option # 1: Doing nothing will further deteriorate the assets and create a larger backlog of work in the coming years.

Option # 2: Achieves the objective of maintaining the overall road condition network in fair condition. This would adjust the current asset condition ratings of the listed roads from a poor/fair to a fair/good level.

Option # 3: Achieves the objective of maintaining the overall road condition network in fair condition.

### **Recommendation**

That committee recommends that Council include the proposed road program (option # 2) for consideration into the 2025 budget.

### **Implementation Plan**

Q1 – Prepare and issue tender

Q2 – Award of work, subject to Council approval

Q2/Q3 – work scheduled and completed.

### **Acceptance Sign-off**

**Lead Department: Public Works**

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[Capital Road Program, Public Works, 2025]

**Prepared By:** Chris LeBlanc, Public Works Manager

**Date:** January 9, 2025

**Signature:** 

**Approved By:** Jessica Crawford, Treasurer

**Date:** January 9, 2025

**Signature:** 

**Approved By:** Sean Nicholson, CAO

**Date:** January 9, 2025

**Signature:** 



# **2025 Sidewalk Capital Program Business Case**

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**Public Works**

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**2025 Budget**

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Public Works  
2025 Capital Sidewalk Program

**Executive Summary**

The program proposes to replace an existing asphalt sidewalk (750 meters), replace existing concrete sidewalks (180 meters) and extend a 30meter section of concrete sidewalk. The estimated cost of the work is \$168,000.00. A service level change is also presented as a potential option.

**Business Need**

The sidewalk network is assessed every year for distresses and hazards. The results of the assessment assist in developing the upcoming years program. Slips, trip and fall hazards are a leading candidate for insurance claims. Performing regular inspections, repairs and replacement help to mitigate claims. The program proposes to replace an existing asphalt sidewalk, replace existing concrete sidewalks and extend a section of concrete sidewalk.

**Options or Solutions Analysis**

Option # 1: Remain status quo.

Option # 2: Complete the proposed program listed under the financial section.

Option # 3: Service level change consideration listed under financial section.

**Financial and/or Non Financial Benefits**

Option # 1: Lowest cost however not resolving the issue.

Option # 2: Proposed list of sidewalks

Asphalt Sidewalk Program			
Road	Length (m)	Estimated Cost	Notes
CR2	750	\$105,000.00	St. Lawrence Street to east end.

[Capital Sidewalk Program, Public Works, 2025]

Replace Concrete Sidewalk Program			
Road	Length (m)	Estimated Cost	Notes
Waddell	130	\$39,000.00	Full replacement with road/storm work
South	50	\$15,000.00	Some section replacements
<b>Total</b>	<b>180</b>	<b>\$54,000.00</b>	

New/Extend Concrete Sidewalk Program			
Road	Length (m)	Estimated Cost	Notes
Dundas/CR2	30	\$9,000.00	New landing area for pedestrian crossing at intersection of Shanly Road and CR2

Option # 3: Service Level Change consideration

Removal or Material Change of Sidewalk			
Road	Length (m)	Estimated Cost	Notes
CR2	750	\$50,000.00	Remove asphalt and replace with stone dust
CR2	750	\$15,000.00	Remove sidewalk completely
Waddell	130	\$5,000.00	Remove sidewalk completely

**Risk Analysis**

Option # 1: Does not address the distress hazards and potential increase in liability claims

Option # 2: Proceeding with this option achieves the objective of maintaining the overall sidewalk condition network in fair condition.

Option # 3: Proceeding with this option reduces the number of sidewalk assets. However, with CR2 in particular, you would be routing pedestrians to the side of a busy roadway.

**Recommendation**

That committee recommends that Council include the proposed sidewalk program (option # 2) for consideration into the 2025 budget.

**Implementation Plan**

Q2 – Receiving quotes and award of work.

Q3 – Completion of work

**Acceptance Sign-off**

**Lead Department: Public Works**

**Prepared By:** Chris LeBlanc, Public Works Manager

**Date:** January 9, 2025

**Signature:**



**Approved By:** Jessica Crawford, Treasurer

**Date:** January 9, 2025

**Signature:**



**Approved By:** Sean Nicholson, CAO

**Date:** January 9, 2025

Signature: 



# **Roadside Mower Attachment Business Case**

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**Public Works**

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**2025 Budget**

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## Public Works

### Roadside Mower Attachment

#### **Executive Summary**

The roadside mower attachment has reached its established useful life and due for replacement. The unit helps to maintain approximately 280 lane km of rural roads. Options considered in the report include remaining status quo, replacement, 3<sup>rd</sup> party contract and changes in service level. Replacement of the roadside mower attachment was determined to be the most cost effective and reliable option.

#### **Business Need**

The mower attachment is used seasonally, between May and October, to maintain grassed areas of Township right of ways. The mower typically makes two passes during the season. The first pass is limited to the front side of the ditch and is primarily done for sightline control purposes. The second pass extends beyond the front ditch and extends to the fence line in several areas. Each pass is approximately 280 lane km in distance however the second pass covers substantially more area of the ROW.

The expected useful life of the asset is 2-3 years based on historical trends. Most recent replacements include 2016, 2020, 2022 and now due in 2025. Some of the factors that lead to the short EUL include the steep inclines, rough terrain and undetected deposited materials hidden within the longer grass. This creates additional wear and tear on parts and additional downtime.

Both operating expenses and downtime increase substantially during year 3 of the cycle.

#### **Options or Solutions Analysis**

Option # 1: Remain status quo. Extend the unit beyond it's useful life by completing an extensive overhaul in preparation to operate for another cutting season.

Option # 2: Replace the existing mower attachment with a similar model. This is the most cost effective and reliable option that also provides some limited warranty on non-wearable parts.

Option # 3: Tender for 3<sup>rd</sup> party services. This was assessed in 2021 and determined to be less cost effective and limited the flexibility to adjust work schedule.

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[Roadside Mower, Public Works, 2025]

Option # 4: Service level change. Limit the two passes to only include the front portion of the ditch. This would be considered a reduction in service. However, leaving the back portion of the ditch and area between ditch and fence line in a more natural state could lead to the establishment of a pollinator habitat area.

**Financial and/or Non Financial Benefits**

The mower attachment has operated for 1243hrs since purchased in 2022. The capital and operating expenses for the attachment during this period are summarized below in Table 1 and compared to 2021 external 3<sup>rd</sup> party rates for mowing the Spencerville Lagoons. Note: the mowing of the Spencerville Lagoons was moved in-house in 2022.

Expenses included tractor repair, labour, fuel, mower repair and capital replacement cost of mower.

**Table 1:**

**In-house Operating and Capital**

	<b>Year 2022</b>	<b>Year 2023</b>	<b>Year 2024</b>	
Total Expenses	\$35,753.00	\$ 45,002.00	\$ 54,389.00	<b><u>3 year total</u></b> \$135,144.00
Hours of Operation	476	392	375	<b><u>3 year total</u></b> 1243
Cost per Hour	\$ 75.11	\$ 114.80	\$ 145.04	
<b>External Cost (\$120.00 per hour)</b>	\$57,120.00	\$47,040.00	\$45,000.00	<b><u>3 year total</u></b> \$149,160.00
<b>In-house savings (Total)</b>				
2 year cycle	\$17,538.00			
3 year cycle	\$14,016.00			

Option # 1: The cost would be covered under the operating portion of the 2025 budget and be lower in comparison to Option # 2 and 3. Estimate \$15,000.00.

Option # 2: Higher upfront cost and provides a better return on investment. The first 2 years of operation provide the best cost efficiency. Estimate \$25,000.00

Option # 3: No capital asset investment. Annual operating cost would increase to between \$50,000.00 and \$60,000.00 based on the same hours of operation.

Option # 4: Potential to reduce operating depending on the service level change however the unit would still need to be overhauled or replaced.

### **Risk Analysis**

Option # 1: High cost for shortest return. Higher probability of breakdowns.

Option # 2: Best return in the short range and minimizes the chances of downtime, at least in the first two years of operation.

Option # 3: Highest cost, loss of some control and could negatively impact staff morale.

Option # 4: Increased risk of incidents involving vehicles and animals (wildlife and domestic) based on limited visibility of entire ROW. Vegetation growth could reduce the effectiveness of natural water channeling and create water pooling hazards.

### **Recommendation**

That committee recommends that Council include the replacement of the roadside mower attachment for consideration into the 2025 budget.

### **Implementation Plan**

If approved, mower would be ordered for delivery, setup and initial training in advance of the 2025 roadside mowing activities.

**Acceptance Sign-off**

**Lead Department: Public Works**


**Prepared By:** Chris LeBlanc, Public Works Manager      **Date:** January 9, 2025

**Signature:** 

**Approved By:** Jessica Crawford, Treasurer      **Date:** January 9, 2025

**Signature:** 

**Approved By:** Sean Nicholson, CAO      **Date:** January 9, 2025

**Signature:** 

# Cardinal PW Garage Structural Wall Repair Business Case

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Public Works

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2025 Budget

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Public Works  
Cardinal PW Garage – Structural Wall Repair

**Executive Summary**

The block wall in bay 5 had been displaced below the sill plate requiring repairs. The most likely cause of the displacement is the applied lateral force to the blocks over time from the reoccurring practice of cold asphalt material being pushed up against the wall. Staff engaged the services of Greer Galloway to complete a structural review and prepare engineered drawings to complete repairs. Repairs should be completed in the first half of 2025.

**Business Need**

In June 2024, the north wall in bay 5 was raised as an area of concern. The block wall below the sill plate had been displaced for an unknown duration of time. The Manager of Public Works contacted the Interim CBO to assist in completing a preliminary assessment on the magnitude and urgency of the situation. The advice was to proceed with repairs to the structural wall prior to the upcoming winter season.

On July 22, 2024 Council resolution 2024-183 authorized staff to proceed with the structural repairs and new partial wall in bay 5 at the Cardinal Works Garage to an upset limit of \$30,000.00 and to cover the unbudgeted expense through a combination of operational adjustments and reserves.

Staff contacted three contractors to view the area and provide a quote on completing the structural repairs. Contractors were hesitant to proceed with the work without receiving additional guidance of a structural engineer.

Staff engaged the services of Greer Galloway to complete a structural review. The area was reviewed and temporary structural shoring put in place to provide added support to the roof structure. Engineering design of structural rehabilitation to repair the damaged structure and preparation of suitable stamped engineering drawings are in process.

**Options or Solutions Analysis**

Option # 1: Remain status quo. Keep temporary shoring in place for an extended time period or barricade a portion of the building off limits until a repair is made.

Option # 2: Complete the necessary structural wall repairs only with minor floor touch-ups.

Option # 3: Complete structural wall repair, minor floor touch-ups and construction of new partial protection wall.

### **Financial and/or Non Financial Benefits**

Structural engineering services will cost between \$8,000.00 and \$10,000.00

Option # 1: Lowest cost however not resolving the issue.

Option # 2: Completes the minimum required work to return the structure back to original state. Estimate \$50,000.00

Option # 3: Highest cost. Completes the minimum required work to return the structure back to original state and provides a protection barrier to mitigate reoccurrence. Estimate: \$75,000.00

### **Risk Analysis**

Option # 1: Does not address the risk and potentially additional costs when repair eventually proceeds based on some structural components being exposed to outside elements for an extended period of time.

Option # 2: Proceeding with this option returns the structure back to original state and full utilization.

Option # 3: Proceeding with this option returns the structure back to full utilization and adds a protective barrier to mitigate reoccurrence.

### **Recommendation**

That committee recommends that Council include to complete structural wall repair, minor floor touch-ups and construction of new partial protection wall for consideration into the 2025 budget.

### **Implementation Plan**

Q1 – Receiving quotes and award of work.

Q2 – Completion of work

**Acceptance Sign-off**

**Lead Department: Public Works**

**Prepared By:** Dave Grant, Director of Operations

**Date:** January 8, 2025

**Signature:** 

**Approved By:** Jessica Crawford, Treasurer

**Date:** January 9, 2025

**Signature:** 

**Approved By:** Sean Nicholson, CAO

**Date:** January 9, 2025

**Signature:** 





# **Pittston PW Garage Oil/Grit Separator Business Case**

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**Public Works**

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**2025 Budget**

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## Public Works

### Pittston PW Garage – Oil / Grit Separator

#### **Executive Summary**

The current oil/grit cleanout is damaged at the Pittston works garage. The cleanout needs to be replaced with a system that meets today's standard. Civil and mechanical engineering services have been retained and design work is in process.

#### **Business Need**

The current oil/grit cleanout is damaged at the Pittston works garage. This is used to separate grit and sediment received from the floor grates in the shop. The system may have been an acceptable method at the time of installation however standards have changed.

Staff have engaged civil and mechanical engineering services to design a new system and confirm no additional remedial work is required.

#### **Options or Solutions Analysis**

Option # 1: Remain status quo.

Option # 2: Replace with a system meeting today's standard.

#### **Financial and/or Non Financial Benefits**

Engineering services will cost between \$10,000.00 and \$15,000.00

Option # 1: No capital cost

Option # 2: Installation and commissioning on a new system. Estimate \$45,000.00

#### **Risk Analysis**

Option # 1: Does not resolve the issue and increases potential future liability with an incorrect functioning system.

Option # 2: Mitigates risk by having a proper functioning system that meets today's standard.

**Recommendation**

That committee recommends that Council include the purchase, installation and commissioning of a new oil/grit separator system at the Pittston works garage for consideration into the 2025 budget.

**Implementation Plan**

Q1 – Design work

Q2 – Tender and award


Q2/Q3 – Completion of the work

**Acceptance Sign-off**

**Lead Department: Public Works**

**Prepared By:** Dave Grant, Director of Operations

**Date:** January 8, 2025

**Signature:** 

**Approved By:** Jessica Crawford, Treasurer

**Date:** January 9, 2025

**Signature:** 

**Approved By:** Sean Nicholson, CAO

**Date:** January 9, 2025

**Signature:** 

# Pittston PW Garage Holding Tank Business Case

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Public Works

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2025 Budget

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## Public Works

### Pittston PW Garage – Holding Tank

#### **Executive Summary**

The holding tank at the Pittston garage is due for replacement. Options looked at include a like for like replacement and a more traditional septic system model.

#### **Business Need**

The current holding tank is experiencing infiltration issues. Repairs were done in 2016 to temporarily resolve the issue. However, the holding tank is experiencing infiltration problems again and is due for replacement.

#### **Options or Solutions Analysis**

Option # 1: Remain status quo.

Option # 2: Replace existing holding tank.

Option # 3: Replace with a more traditional septic system model.

#### **Financial and/or Non Financial Benefits**

Option # 1: No capital cost. Continue with more frequent pump outs around \$2000.00 per year.

Option # 2: Less expensive capital investment. Estimated cost: \$10,000.00. This would still require periodic pump outs costing between \$750.00 and \$1000.00 per year.

Option # 3 Largest capital investment. Estimated cost: \$30,000.00. Would not require regular pump outs.

#### **Risk Analysis**

Option # 1: More frequent pump outs and the risk if infiltration exists there is the potential for exfiltration to occur in the future creating a large issue

Option # 2: This would resolve the issue and reduce the frequency of pump outs. Still limited to the capacity of the holding tank.

Option # 3: Better long-term solution and eliminates the regular pump outs.

**Recommendation**

That committee recommends that Council include the replacement of the existing holding tank with a traditional septic system at the Pittston works garage for consideration into the 2025 budget.

**Implementation Plan**

Q1/Q2 – Receive quotes and permits

Q2/Q3 – Completion of the work

**Acceptance Sign-off**

**Lead Department: Public Works**

**Prepared By:** Dave Grant, Director of Operations **Date:** January 8, 2025

**Signature:** 

**Approved By:** Jessica Crawford, Treasurer **Date:** January 9, 2025

**Signature:** 

**Approved By:** Sean Nicholson, CAO **Date:** January 9, 2025

**Signature:** 



# **Fleet Coordinator Position Business Case**

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**Operations**

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**2025 Budget**

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## Operations

### Fleet Coordinator Position

#### **Executive Summary**

This business case recommends the establishment of a new fleet coordinator (mechanic) position. The position will add value to the organization in the areas of fleet asset longevity, performance, reliability and cost-effectiveness over the long-term. The individual would be required to have a valid license for both light duty and heavy vehicles at a minimum. Individuals with their EVT (emergency vehicle technician) certificate would be a bonus. This would be a level 5 non-union position with a requirement to respond to after hour vehicle breakdowns for public works and fire department.

#### **Business Need**

Our township fleet consists of 50 vehicles and wheeled maintenance equipment. The annual fleet costs are now exceeding \$650,000.00. Almost all vehicle/equipment maintenance and repairs are conducted by external parties. The heavy truck shop labour rate for a mechanic starts around \$120 per hour. We have received great service and accommodation from the majority of shops/garages where we take our fleet. However, their primary focus is not on the longevity and performance of the asset. Moving to an in-house fleet coordinator/mechanic for almost all maintenance and repairs would shift the direction toward asset longevity and performance. The degree of maintenance would be increased resulting in improved reliability of the assets when needing to be deployed.

#### **Options or Solutions Analysis**

Option # 1: Remain status quo. This option uses a siloed departmental approach to fleet management. Limited ability to manage costs effectively.

Option #2: Preferred Vendor agreement. This would establish a contract between the township and an approved vendor to receive preferential pricing and priority treatment.

Option #3: Establishing Fleet Coordinator Position. This would take a more holistic approach to organizational fleet asset management. Allows for strategic planning and utilization of an asset and opportunities to evaluate some alternative technology applications into the fleet.



Some of the primary duties and responsibilities of the position would include:

- Perform year-round maintenance of municipal fleet to provide for their safe operation and meet applicable legislative requirements.
- Prepare budget for the annual maintenance, repair and operation of vehicles and equipment
- Manage parts inventory
- Keep vehicle and equipment maintenance records up-to-date
- Perform safety inspections and issue safety certificates
- Vehicle assignments based on need and purpose

(See draft job description for more details)

### **Financial and/or Non Financial Benefits**

Option #1: Indirect benefit of supporting local business although shop labour rates will only continue to increase over time.

Option #2: Potential for reduced labour rate costs and indirect benefit of supporting local business.

Option #3: The return on investment may not be recognized for a couple years as there are additional costs associated with establishing a fleet coordinator (mechanic). Costs include obtaining an inspection licence through Drive On program, purchasing a hoist and other associated tools/equipment (\$100,000.00), vehicle and the establishment of an inventory of parts estimated to be around \$250,000.00. We anticipate the hourly starting range to be between \$42.00 and \$50.00 per hour plus benefits. The majority of the costs associated with the new position would be covered through reallocation of funds versus additional costs in 2025 budget. The fleet coordinator would also be tasked with determining vehicle assignments based on need, purpose and extending useful life.

### **Risk Analysis**

Option # 3 provides the greatest return on investment from a risk mitigation perspective, deployment and extending the longevity of assets.

### **Recommendation**

That committee recommends that Council include the establishment of a new fleet coordinator (mechanic) position in the 2025 budget.

**Implementation Plan**

2025 Q1 – approval of position and job description. Post position, conduct interviews and select successful candidate

2025 Q2 – applying and obtaining license through Drive On program. Purchase of hoist and vehicle. Begin performing maintenance inspections

2025 Q3 and Q4 – development of a scheduled maintenance program.

**Acceptance Sign-off**

**Lead Department: Operations**


**Prepared By:** Dave Grant, Director of Operations **Date:** January 9, 2025

**Signature:** 

**Approved By:** Jessica Crawford, Treasurer **Date:** January 9, 2025

**Signature:** 

**Approved By:** Sean Nicholson, CAO **Date:** January 9, 2025

**Signature:** 

# **TOWNSHIP OF EDWARDSBURGH CARDINAL JOB DESCRIPTION**

**JOB TITLE:** Fleet Coordinator  
**REPORTS TO:** Director of Operations  
**SALARY GRID LEVEL:** 5  
**Date:** January 2025

## **Position Summary:**

Reporting to the Director of Operations, the Fleet Coordinator is responsible to lead the activities of the maintenance department to ensure that fleet and heavy equipment is available, dependable and safe at all times.

Provide hands on quality service while adhering to all Municipal and Provincial policies and regulations. The Fleet Coordinator will also provide guidance on preventative maintenance programs, compliance programs and general direction of the Maintenance Department and be a key player in the Asset Management Program (AMP).

## **Duties and Responsibilities:**

- Analyze maintenance costs and provide recommendations on fleet utilization and replacement.
- Track fleet usage and maintain accurate inventory of equipment.
- Assist in the development of maintenance budget by providing input relative to policy, costs.
- Ensure the maintenance records for fleet are accurate and up-to-date.
- Negotiate service agreements to ensure cost efficiencies.
- Complete special projects and perform other duties as assigned.

## **Minimum Knowledge and Skills Required to Perform the Job:**

- Minimum 5 years' experience in a Fleet management role.
- Experience with off-road heavy equipment a must.
- Plant and Building maintenance experience would be an asset.
- Strong troubleshooting skills.
- Excellent interpersonal skills and team orientation.
- Computer literate with experience using MS Office.
- Excellent time management and organizational skills.
- Excellent interpersonal, teambuilding and oral/written communication skills.
- Strong analytical and computer skills.

- Minimum grade 12 education along with valid Certificates of Qualification (310T- Truck and Coach) (310S – Class A Mechanic) trade licenses from the Ontario College of Trades.
- Five years of experience in the trade as a licensed technician following an accredited apprenticeship program.
- Must have a valid G Driver's License; D or C Ontario Driver's License with a "Z" endorsement is preferred. A drivers' abstract will be required to verify a driving record in good standing.
- Emergency Vehicle Technician (EVT) Certificate would be an asset

**Qualifications:**

- Must possess leadership and team building skills.
- Ability to coordinate the work of others.
- Ability to function in a computerized environment.
- Ability to support and facilitate positive work relationships.
- Good public and employee relations skills.
- Creative/innovative focus on service delivery.
- Commitment to customer service and continuous improvement.

**Work Environment:**

- Must be able to work in all-weather including extremes.
- Will encounter frequent exposure to noise, dust, chemicals and heavy equipment.
- May be exposed to unpleasant sight and smells.
- Potential to handle dangerous/toxic materials and must comply with all safety controls to ensure there is no risk of contamination to themselves or others.
- Available to work a flexible work schedule including evening and weekend work and on-call, with the ability to work planned or unplanned overtimes as required.

**Physical and Mental Requirements:**

- Must be able to work independently on a schedule and use effective time management.
- Stressful situations may occur due to: tight deadlines, problems, inconveniences, direction of others, managing a range of responsibilities, high number of tasks to complete, time of year and seasonal weather conditions.

**The foregoing description reflects the general duties necessary to describe the principal functions of the job identified and shall not be construed to be all of the work requirements that may be inherent to this classification.**