

Good afternoon everyone;

On Thursday June 18, the Lake Huron and Elgin Area Water Systems hosted an information session (Workshop #2) via Zoom with stakeholders from the benefiting municipalities of the water systems regarding the options available to the municipalities in addressing the legal status of the two water systems and options available under the Municipal Act (Joint Municipal Services Board, or Municipal Services Corporation). The session was intended to provide additional information following the initial information sessions (Workshop #1) held in 2018 and, among other things, included further clarification of the legal and financial issues, provided a review of a sample Shareholders Declaration for a Municipal Services Corporation, and a general discussion on the appointment of Board Members under the optional models.

While the meeting was intended to be an open discussion and an opportunity to address preliminary questions, it appeared clear that most of the attendees were in favour (without commitment) of pursuing an option or options related to the Municipal Services Corporation with the understanding that if consensus couldn't be reached among the municipalities, that the Joint Municipal Services Board model could be implemented.

For your information and reference, I have attached the following files to this email:

- A copy of the presentation materials used during the second information session (file: Presentation\_Municipal Act\_Information Session\_June2020\_2SPP.ppx)
- A discussion paper that outlines the issue, including an overview of options available to the municipalities (file: Discussion Paper\_Restructuring Water Boards under Municipal Act\_20200618.pdf)
- A summary overview of the current and options under the Municipal Act (file: Overview\_LHEAWSS\_Corporation v JMSB\_Workshop2\_20200618.pdf)
- A sample Shareholder Declaration – for discussion purposes only (file: DRAFT\_Shareholder\_Declaration\_Workshop2\_20200618.pdf)

At the conclusion of the information session last week, I had suggested that municipal staff should take this opportunity to update their respective Municipal Council on this issue in preparation for more-detailed discussions to follow. As I also noted at the session, I'm more than happy to provide staff with assistance in this presentation, or provide a presentation to your Council if requested.

In order to pursue the Municipal Services Corporation option, a Business Case(s) must be developed and public participation meetings must be held in accordance with Ontario Regulation 599/06 (Municipal Services Corporations) of the *Municipal Act*. In addition, a Shareholders Declaration will need to be negotiated and approved by all of the municipalities. There is a significant amount of preparation required to pursue

these options and facilitate discussions across the region, and the Lake Huron and Elgin Area Water systems have offered to coordinate and facilitate these requirements on behalf of the municipalities if so requested.

In order to keep the momentum going from the second workshop, I'd like to propose the formation of a **Steering Committee** with one or two appointed members from each municipality. The group would be tasked to coordinate the activities required to pursue and finalize the options for addressing the legal status of the two regional water systems. In order to avoid duplication of efforts, I'm also proposing the formation of one Committee rather than one for each water system regardless if we're pursuing a Board or Corporation for each water system, or one for the entire region.

Our solicitor is finalizing some additional information requested and required for these discussions and I propose that the first meeting of the Committee be held starting in mid-August 2020 and on an agreed-upon frequency thereafter. By that time I'm hoping to have:

- A draft Terms of Reference for the Steering Committee, for their review and acceptance
- An outline of a business case that would be used for the consultation and formation of a Municipal Services Corporation(s)
- An updated Shareholder Declaration (for discussion and reference purposes only) if a Municipal Services Corporation(s) is being pursued
- An outline of a communications plan for coordinating information and presentations to municipal Councils and the public

Please note that although we have recommended the formation and utilization of a Municipal Services Corporation(s) to address the current issue identified, there has been NO DECISION made in that regard. The formation of a Joint Municipal Services Board(s) or Municipal Services Corporation is entirely the purview of the benefiting municipalities of the respective water system, and can only be achieved through unanimous agreement.

In addition, should the municipalities ultimately choose not to pursue the formation of a Municipal Services Corporation, please note that much of the content of the Shareholder Declaration can be repurposed and utilized in a Joint Municipal Services Board Agreement.

At your earliest possible convenience, please let me know who from your municipality will be participating on the Steering Committee and can speak on behalf of your municipality.

If you have any other questions or concerns, please feel free to contact me.

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