



Clarence-Rockland/Nation Joint Water System

Memorandum of Understanding

The purpose of this memorandum of understanding (MoU) is to define the general terms for the allocation and management of the new joint water system between the City of Clarence-Rockland and the Nation Municipality to meet immediate and projected water demands in both municipalities.

1. Joint Water System

- 1.1 The joint water system is described as the existing and future water production and transmission infrastructure required to deliver water to Limoges in the Nation Municipality, while maintaining existing and projected water demands in the City of Clarence-Rockland.

Generally, most of the existing and future joint water system infrastructure is in the City of Clarence-Rockland, however sections of the new water transmission main from Cheney to Limoges will be located in both municipalities.

The following main infrastructure elements compose the joint water system:

- | | |
|-------------------------|--|
| - Water treatment Plant | - Raw water intake / piping |
| - Feeder watermains | - Booster pump stations |
| - Transmission mains | - Control valve structures |
| - Metering stations | - Associated mechanical and electrical works |

- 1.2 In order to simplify the joint water system required for both municipalities, it is understood only main production and transmission elements including all associated works shall describe the joint water system. The attached plan, preliminary Joint Water System Layout (C01), shows the proposed main infrastructure elements. It is also understood the feeder watermains from the Rockland Water Treatment Plant to the Caron Booster Station shall consist of the following local infrastructure (including isolation valves, but excludes water services):

- | | |
|------------------------------|----------------------------------|
| - Edwards Street Watermain | - Wallace Street Watermain |
| - McCall Street Watermain | - Pouliotte Street Watermain |
| - Gareau Street Watermain | - Laurier Street Watermain |
| - St-Joseph Street Watermain | - Docteur Corbeil Blvd Watermain |
| - Caron Street Watermain | |



It is important to note that future infrastructure improvements for the Joint Water System may be different from the recommendations provided in the CH2M Report. Growth revisions in each municipality should be analysed annually to plan optimal infrastructure improvements. All Alternate infrastructure solutions affecting the Joint Water System shall be presented to the Joint Management Committee.

2. Residual and Allocated Capacity

- 2.1 It is understood that the existing water system in Clarence-Rockland is likely capable of delivering initial demands to Limoges with the construction of a new transmission main between Cheney and Limoges, and with minor improvements to the existing water system. The initial capacity available for delivery to Limoges is estimated to be: 350 m³ per day (average day demand), which translates approximately to a system delivery capacity of 8.1 l/s (maximum day demand).
- 2.2 The allocated capacity can be defined as the percentage of total water production and transmission capacity of the Joint Water System allocated to each Municipality. Based on the projected growth in each municipality, ultimate maximum day demands (MDD) as provided below shall be used to determine the allocated capacity percentages:

Infrastructure Recommendation Description	Allocated Demand (MDD) (m3/d)		Capacity Allocation (%)	
	CCR	Limoges	CCR	Limoges
New transmission main – Cheney ET to Limoges	313	6,257	5%	95%
Caron BS Upgrades	7,168	6,994	51%	49%
New transmission main – Caron BS to Bouvier Rd. and Labonte St.	4,265	6,987	38%	62%
New transmission main – Bouvier Rd. and Labonte St. to Bouvier ET	4,265	6,987	38%	62%
Rockland WTP Upgrades	13,087	6,798	66%	34%
Feeder watermain from WTP to Caron BS - Edwards St, Wallace St, McCall St, Poulliotte St, Gareau St, Laurier St, St-Joseph St, Docteur Corbeil Blvd, Caron St	(see note 1)	(see note 1)	69%	31%
New Bouvier BS	2,047	6,992	23%	77%
New transmission main – Bouvier BS to Cheney ET	313	6,257	5%	95%

- Note 1: The feeder watermain of the joint water system were selected based on the main conveyance path identified in Ch2m report.

3. Cost Sharing – Production and Transmission of Potable Water

It is understood that the cost sharing for the required infrastructure to produce and deliver potable water shall be based on the “Apportioned Costs by Recommended Infrastructure Upgrade” option as described in the CH2M Report (Section 6.2).

4. Compensation - Existing Infrastructure

The Nation Municipality will provide compensation to the City of Clarence-Rockland for existing infrastructure, and as detailed in the CH2M report, Section 6.2.3.2, the apportioned costs for the use of existing infrastructure in Clarence-Rockland is 2.62 million dollars. It is understood that payment will be due at commissioning of the transmission main between Cheney and Limoges.

5. Bulk Rate (Operation & Maintenance)

The Joint Water System shall be operated with water rates reflecting the actual cost of production, transmission and such additional operating costs as deemed necessary by the Joint Management Committee and/or required by legislative authority. Although the bulk rate could be adjusted annually based on actual Operation & Maintenance (O&M) costs, the initial bulk rate to be charged to the Nation Municipality shall be 1.2811 \$ per cubic meter of potable water delivered to Limoges. The Nation Municipality will commit to purchasing a minimum of 350 m³ per day (average day demand) from initial delivery of potable water to Limoges, provided the joint water system can deliver the flow.

The City of Clarence-Rockland will be responsible for all O&M costs to deliver potable water (with defined chlorine residual) to the Nation Municipality (Limoges). Independent of the Management Agreement, each municipality will be responsible for the funding (reserve) of joint water system repairs and/or replacement not normally included in O&M.

6. Implementation and Financing

The proponent for the improvements to produce and deliver the projected water demands shall be responsible for the implementation and initial funding of the project. In accordance with the cost sharing principle, repayment of all infrastructure allocated costs shall be due when the applicable water demand trigger is reached. The water demand trigger shall be defined for each municipality as a projected average day demand, or a maximum day demand associated with the infrastructure improvement. Water demand triggers could be modified based on annual reviews and based on alternate solutions as described in section 1.2 above.

If both municipalities are considered to have reached a trigger, the Joint Management Committee shall name the appropriate proponent.

Debt financing (front-ending) by the proponent on behalf of the other municipality shall not exceed **2 years.**

Summary of Recommended Infrastructure Cost Sharing and Implementation – Aggressive Cost Estimate (joint system)

Implementation Year	Infrastructure Description	Water demand Trigger (ADD) (m3/d)		Cost Share (%)		Total (\$ M)	Cost Share (\$)	
		CCR	Limoges	CCR	Limoges		CCR	Limoges
2019-2020	Existing infrastructure	-	350	0	100	\$2.62	0	\$2.62
2019-2020	New Watermain – Cheney ET to Limoges	-	350	5%	95%	\$10.28	\$0.49	\$9.79
2019-2020	New Watermain – St. Jean St: Patricia St. to Docteur Corbeil Blvd.	-	350	58%	42%	\$0.40	\$0.23	\$0.17
						\$13.30	\$0.72	\$12.58
2024-2025	Caron BS Upgrades	5631	1000	51%	49%	\$2.18	\$1.11	\$1.07
2024-2025	New Watermain – Caron St: Docteur Corbeil Blvd. to the Caron BS	5631	1000	51%	49%	\$0.17	\$0.09	\$0.08
2024-2025	Rockland WTP Upgrades	5631	1000	66%	34%	\$14.97	\$9.85	\$5.12
						\$17.32	\$11.05	\$6.27
2030-2031	Replace Watermain – St. Joseph St: Patricia St. to Des Pins Ave.	6518	1500	55%	45%	\$0.14	\$0.08	\$0.06
2030-2031	New Watermain – Bouvier BS to Cheney ET	6518	1500	5%	95%	\$9.25	\$0.44	\$8.81
2030-2031	Replace Watermain – Edwards St: Rockland WTP to Highway 17 (east side pipe)	6518	1500	77%	23%	\$0.45	\$0.35	\$0.10
						\$9.84	\$0.87	\$8.97
2035-2036	New Watermain – Caron BS to Bouvier Rd. and Labonte St.	7259	2500	38%	62%	\$5.17	\$1.96	\$3.21
2035-2036	Replace Watermain – Edwards St: Highway 17 (east side pipe) to McCall St.	7259	2500	64%	36%	\$0.34	\$0.21	\$0.13
2035-2036	New Watermain – Bouvier Rd. and Labonte St. to Bouvier ET	7259	2500	38%	62%	\$2.97	\$1.13	\$1.84
2035-2036	New Bouvier BS	7259	2500	23%	77%	\$3.17	\$0.72	\$2.45
						\$11.65	\$4.02	\$7.63

7. Joint Management Committee

The role of the Joint Management Committee is to share information and make recommendations to one or both Councils for approval on issues related to the Joint Water System. It is understood that an equal number of members from each municipality shall form the Joint Management Committee.

8. Legal Review – DRAFT MOU

Both municipalities completed a preliminary legal review of the Draft MOU. The legal comments have been responded to by email and/or in revisions to the Draft MOU. For reference, the following attached documents are provided in complement to the MOU:

- City of Clarence-Rockland legal review comments and responses by EXP
- Letter from SKS Law LLP/SRL dated December 12th 2018 – MOU legal review comments
- Email from EXP dated December 21st 2018 – responses to SKS legal review comments