



HALDIMAND COUNTY

Report CS-GM-04-2015
of the General Manager of Corporate Services
For Consideration By Council in Committee

**RE: Continuation of Water & Wastewater Billing & Collection Services
with HCEI**

OBJECTIVE: To present a proposal from Haldimand County Energy Inc., on behalf of Hydro One, to continue with the water and wastewater billing and collection services beyond June 30, 2015.

RECOMMENDATIONS:

1. THAT Report CS-GM-04-2015 Re: Continuation of Water & Wastewater Billing & Collection Services with HCEI, dated April 21, 2015, be received;
2. AND THAT the proposed agreement with Haldimand County Energy Inc. for the water and wastewater billing and collection services, as reflected in Attachment 1(c) to Report CS-GM-04-2015, be approved;
3. AND THAT staff bring forward a future report regarding the acceleration of the water meter conversion projects for Caledonia and Dunnville, as well as options for the water meter reading service.

Respectfully submitted:

Approved:

Karen General
General Manager
Corporate Services Department
Date: April 21, 2015

Donald G. Boyle
Chief Administrative Officer

BACKGROUND:

Included as Attachment #1 is correspondence from Haldimand County Energy Inc. (HCEI), on behalf of Hydro One, regarding the provision of water and wastewater meter reading, billing and collection services. Haldimand County has historically purchased these services from Haldimand County Utilities Inc. (HCUI) through its subsidiary, HCEI. During the Spring of 2014 negotiations on the sale of Haldimand County Hydro, Hydro One presented a confidential proposal to continue to provide these services. That proposal was later withdrawn by Hydro One, leading to Report CS-GM-13-2014 which was presented at the December 9, 2014 Council in Committee meeting. The following resolution was approved as a result of that report:

“THAT Report CS-GM-13-2014 Re: Options for Water & Wastewater Billing & Collection Services, dated December 2, 2014, be received:

AND THAT the current Agreement for Water & Wastewater Billing and Collection Services by Haldimand County Energy Inc. be extended until the dissolution of Haldimand County Utilities Inc. (HCUI) and its subsidiaries, unless an alternate service provider is secured in advance of that date;

AND THAT staff be authorized to issue a Request for Proposal for the provision of Water & Wastewater Billing and Collection Services, in accordance with the terms identified in Report CS-GM-13-2014;

AND THAT HCUI staff be requested to work with the Haldimand County Finance Division through this transition process, including participation in the evaluation of the RFP responses, development of timelines and customer communication initiatives;

AND THAT a subsequent report be prepared advising of the outcome of the RFP process and anticipated transition timelines for the Water & Wastewater Billing and Collection Services.”

Since December 2014, staff have been gathering information to assist in the Request for Proposal (RFP) process, as directed through the above resolution. It was anticipated that the new service provider would need to be in place by August 31, 2015, based on the previously predicted timelines to close the HCUI sale. Staff were planning on reporting to Council prior to the end of June with the results of the RFP process.

Recently, HCUI staff contacted the County to advise that Hydro One was again interested in providing the water and wastewater billing and collection services. As the RFP had not yet been prepared nor issued, County staff discussed the terms of this latest proposal with HCUI staff. This discussion led to the proposal from HCEI which is included as Attachment 1(c) to this report.

ANALYSIS:

The current agreement with HCEI, for the provision of water and wastewater meter reading, billing and collection services, was entered into on April 1, 2012 and subject to annual renewals. A copy is included as Attachment 1(b). In December 2014, Council approved the extension of this agreement until the date of close of the sale of HCUI. At the time, this date was anticipated to be August 31, 2015, but has recently been moved up to June 30, 2015. Through the existing agreement, the County pays HCEI a rate of \$4.22 per bill per month for the services provided. We also receive a credit of \$0.37 per bill per month for the approximately 3,000 water meters that are read by the County, not HCEI. Both parties have consented to the extension of the current terms until June 30, 2015.

The Hydro One approved proposal for HCEI to continue with these services beyond June 30th contains the following key components:

- Term: 2 years, expiring June 30, 2017
- Rate: fixed at \$3.90 per bill per month (\$0.32 less than the current rate). Of interest, the historical rates paid to HCEI were: 2006 = \$3.86; 2007 = \$3.98; 2008-2011 = \$4.10; and 2012-2015 = \$4.22.
- Services: revisions to this section of the agreement have been made to segregate the meter reading responsibilities from the billing, collecting and customer service responsibilities
- Credit for meter reading: increased to \$0.85 per bill per month if the County takes on the full responsibility for all meter reading activities (monthly reads, check reads and final bill reads)
- Termination: either party may terminate by providing 90 days' prior written notice
- Insurance: coverage altered by HCEI to \$1 million for bodily injury and \$5 million for property damage; errors and omissions left at \$5 million
- Assignment of agreement: Clause 12 allows HCEI to assign the agreement in connection with a significant corporate event (merger, restructuring, etc.). As the new owner, Hydro One would determine whether this clause needs to be invoked.

One of the most significant factors in continuing with HCEI as the billing and collection agent pertains to the upcoming water meter conversion projects for Caledonia and Dunnville. Council had previously approved the changeout of these meters in 2016 and 2017, respectively. HCEI staff advise that the most effective way of managing the billing aspects of the upcoming meter exchange program is to utilize the extensive experience of their current personnel. The existing HCEI staff are best equipped to deal with the meter exchange service orders, adjustments, reporting and work flow coordination based on their familiarity with the water meter exchange programs recently completed in the County's other communities. This service will be provided by HCEI at no additional cost.

County staff concur that the meter replacement program and resulting billing adjustments should ideally be completed before any conversion to a new billing vendor. Issuing an RFP for meter reading, billing and collection services should attract a better rate if this large scale meter conversion project is already complete. In order to take advantage of utilizing existing HCEI staff over the two year term of the proposed agreement, it is prudent to accelerate the Caledonia and Dunnville meter conversion projects so that they are completed before the end of 2016.

Once the mechanical water meters are replaced with devices that allow for automatic remote reading, a more effective means of providing the service is justified. Currently, County staff read approximately 3,000 water meters that have already been converted. With the changeout of the remaining water meters in Caledonia and Dunnville, there is an opportunity to look at other options including contracting out the full meter reading service. The revised HCEI agreement provides the County with the flexibility to assume this responsibility at any time. If such action occurs, a credit of \$0.85 per bill per month will be applied, resulting in a \$3.05 charge for the billing and collection services.

Public Works staff will bring forward a report dealing with the impacts of this meter exchange program acceleration, as well as the options for water meter reading, later in 2015.

Finally, the earlier date of finalizing the sale of HCUI has left the County with insufficient time to adequately conduct the RFP process to find an alternate provider of the billing and collection services. The offer by HCEI provides significant advantages to the County and its ratepayers, as follows:

- utilizes existing HCEI staff who are familiar with Haldimand's water & wastewater billings;
- maintains the same local customer contact centre in Caledonia;

- reflects a lower cost than currently paid to HCEI;
- provides continuity of knowledge for the upcoming water meter conversion projects in Caledonia and Dunnville which will affect a large number of customers; and
- makes for a smoother transition of various business aspects to Hydro One.

Staff recommend acceptance of the revised agreement for the water and wastewater billing and collection services, as outlined in Attachment 1(c).

BUDGET/LEGAL IMPLICATIONS:

The approved 2015 Water and Wastewater Operating Budget includes an estimate of \$449,000 for the meter reading, billing and collection services provided by HCEI. This budget is based on the current rate of \$4.22 per bill per month, less a \$0.37 credit for the County's reading of approximately 3,000 water meters.

The proposed agreement, with a rate of \$3.90 per bill per month results in an annualized fee of \$427,000 per year, resulting in savings of \$22,000. As this rate change will not be effective until July 1st, only half a year's savings will be realized in 2015.

If the County directly assumes responsibility for the water meter reading service, it is anticipated that the credit of \$0.85 per bill per month (approx. \$93,000 per year) will offset the other means of providing this service (whether in-house or contracted).

INTERDEPARTMENTAL IMPACTS:

The water and wastewater meter reading, billing and collection services have a direct impact on staff from the Finance and Environmental Services Divisions.

LINKS TO STRATEGIC PLANS:

Not applicable

CONCLUSION:

For the reasons outlined in Report CS-GM-04-2015, staff recommend that the proposed agreement for HCEI's provision of the water meter reading, billing and collection services be approved, effective July 1, 2015. A further report will be brought to Council regarding the acceleration of the water meter conversion project and options for the meter reading service.

ATTACHMENTS:

- 1(a) Letter dated April 30, 2015 from Haldimand County Hydro RE: Water and Wastewater Billing and Collecting Agreement
- 1(b) Current Water & Wastewater Meter Reading, Billing & Collection Agreement with Haldimand County Energy Inc., dated January 8, 2013
- 1(c) Proposed Water & Wastewater Billing & Collection Agreement with Haldimand County Energy Inc., effective July 1, 2015

REQUIRED AND RECEIVED COMMENTS FROM: Yes or Not applicable	
Clerk's	Not applicable
Community Services Department	Not applicable
Finance	Yes
Health & Social Services Department	Not applicable
Human Resources	Not applicable
Information Systems	Not applicable
Legal	Not applicable
Public Works Department	Not applicable
Planning & Economic Development Department	Not applicable
Support Services	Not applicable
Other	Not applicable

CLERK'S DIVISION REVIEW Report: CS-GM-04-2015 – Continuation of Water & Wastewater Billing & Collection Services with HCEI	
COUNCIL IN COMMITTEE: RECOMMENDATION NO <input type="checkbox"/> Approved <input type="checkbox"/> Approved with Amendments <input type="checkbox"/> Defeated <input type="checkbox"/> Deferred <input type="checkbox"/> Other <input type="text"/>	COUNCIL: RESOLUTION NO: <input type="checkbox"/> Approved <input type="checkbox"/> Approved with Amendments (Noted below) <input type="checkbox"/> Defeated <input type="checkbox"/> Deferred <input type="checkbox"/> Other <input type="text"/>
Amended Recommendation(s):	
Council Direction:	
Clerk's Division Action Taken:	



HALDIMAND COUNTY HYDRO INC.

1 Greendale Drive
Caledonia, ON
N3W 2J3

Tel: (905) 765-5344
Toll Free: (877) 872-2570
Fax: (905) 765-5316

April 30, 2015

Mayor & Members of Council
Haldimand County
45 Munsee Street North
Cayuga ON N0A 1E0

Re: Water and Waste Water Billing and Collecting Agreement

Haldimand County Energy Inc. currently provides Water and Waste Water Billing and Collecting services to The Corporation of Haldimand County and would like to continue those services under the same agreement dated January 8, 2013 (copy attached) until the date of close, that being the sale of Haldimand County Utilities Inc. and its subsidiary companies (i.e. Haldimand County Energy Inc.) to Hydro One – tentatively scheduled for June 30, 2015.

In addition, Haldimand County Energy Inc. would like to continue to provide water and waste water billing and collecting services, under a new agreement, effective July 1, 2015 until June 30, 2017, a two year term, at a fixed rate. The new agreement would continue to provide the following services:

- meter reading,
- billing and collecting, and
- attending to all customer inquiries,

while reducing the fee per bill, on a monthly basis, from \$4.22 to \$3.90. Haldimand County Energy Inc. also proposes to reduce its fee per bill, on a monthly basis, by \$0.85 should Haldimand County take on the full responsibility for all meter reading activities.

Accordingly, the following resolutions were passed:

- At its meeting held April 29, 2015, the Board for Haldimand County Energy Inc. passed the following resolutions:

“THAT Water and Waste Water Billing and Collecting Agreement (the “Agreement”) between Haldimand County Hydro Inc. and Haldimand County Energy Inc. effective July 1, 2015 be approved, subject to ratification of the Agreement by the Board of Directors for Haldimand County Hydro Inc.

AND FURTHER THAT the President & CEO be authorized to sign the agreement on behalf of Haldimand County Energy Inc.”

and

“THAT Water and Waste Water Billing and Collecting Agreement (the “Agreement”) between The Corporation of Haldimand County and Haldimand County Energy Inc. effective July 1, 2015 be approved, subject to ratification of the following:

www.haldimandcountyhydro.ca

- o *Water and Waste Water Billing and Collecting Agreement between Haldimand County Hydro Inc. and Haldimand County Energy Inc. effective July 1, 2015, and*
- o *the Agreement by Haldimand County Council,*

AND FURTHER THAT the President & CEO be authorized to sign the agreement on behalf of Haldimand County Energy Inc. "

and

- At its meeting held April 29, 2015, the Board for Haldimand County Hydro Inc. passed the following resolution:

"WHEREAS at its meeting held April 29, 2015, the Board for Haldimand County Energy Inc. approved the Water and Waste Water Billing and Collecting Agreement (the "Agreement") between Haldimand County Hydro Inc. and Haldimand County Energy Inc. effective July 1, 2015,

BE IT RESOLVED THAT the Agreement be approved,

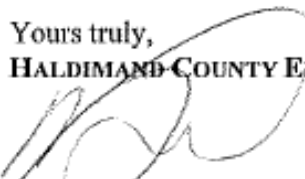
AND FURTHER THAT the Chair be authorized to sign the agreement on behalf of Haldimand County Hydro Inc.

A copy of the proposed Water and Waste Water Billing and Collecting Agreement between The Corporation of Haldimand County and Haldimand County Energy Inc. effective July 1, 2015 is attached for your consideration.

Haldimand County Energy Inc. and its affiliate, Haldimand County Hydro Inc. value the relationship with Haldimand County and would like continue to work with its customers to assist with a smooth transition.

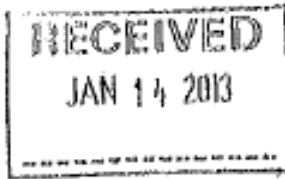
If you have any questions please contact me at your earliest convenience.

Yours truly,
HALDIMAND COUNTY ENERGY INC.



R. Jane Albert
 President & CEO

Cc. Mr. Don Boyle
 Chief Administrative Officer
 Haldimand County



THIS AGREEMENT made this 8th day of January, 2013

BETWEEN

THE CORPORATION OF HALDIMAND COUNTY
(herein referred to as "the County")

AND

HALDIMAND COUNTY ENERGY INC.
(herein referred to as "HCEI")

WHEREAS the County is responsible for the supply and distribution of water within Haldimand County;

AND WHEREAS the County is responsible for the collection and disposal of sewage within Haldimand County;

AND WHEREAS the County is desirous that HCEI undertake certain services on its behalf;

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

1. DESCRIPTION OF SERVICES

- (a) (i) During the term of this Agreement, HCEI shall arrange all regular monthly water meter readings for and on behalf of the County including all final meter readings and all re-check meter readings at all times and in all locations.
- (ii) When differences of an amount 50% or greater exist between current and previous readings for a comparable billing period, such differences are to be identified and a determination is to be made by HCEI regarding whether such differences are legitimate or require further investigation or action by the County.

- (iii) Where the County has investigated an anomalous reading/billing pattern and determines that an adjustment is required, the County shall notify HCEI in writing to adjust the bill.
 - (iv) Upon request by the County or the customer, a re-read of a meter will be undertaken by HCEI, if deemed necessary, when a concern over reading accuracy has been raised.
 - (v) Further, HCEI shall maintain master file records, prepare regular and final bills, billing registers, edit reports, accounts receivable files, collect payment on all accounts and issue reminder and final collection notices, maintain cycle balancing, statistics and sundry records relating to the billing operation for all consumers of water and waste water services. This process shall include all data entry or input information and billing changes essential to the operation. All master files, bills, and other documents referred to in this provision shall be the property of the County and shall be retained by HCEI in accordance with acceptable accounting practices.
 - (vi) Upon request, HCEI shall provide management reports necessary to manage and audit the water and waste water billing and collecting functions.
- (b) HCEI agrees to provide all customer information and attend to all customer inquiries (including lawyers' requests for information relating to account status) and complaints pertaining to the services offered herein and to investigate same.
 - (c) The tasks set out in section 1(a) and 1(b) shall hereinafter be referred to as "the services".

2. FLOW OF MONIES FROM HCEI TO THE COUNTY

- (a) To remit to the County, by the 15th day of the following month from the date of billing, the sum billed in paragraph 1(a) above, subject to the deduction of the fee charged by HCEI and subject to the adjustments as provided in paragraph 4 (c) hereof. It is understood that if HCEI fails to remit the monies collected on or before the 15th day of the following month, or if that is not a business day, by the first business day following the 15th day of the month, HCEI will pay interest at the rate paid by HCEI's bank on chequing accounts.
- (b) A complete reconciliation of revenues and supporting statistical data is to be remitted to the County no later than the 15th (fifteenth) day of the month following the month for which revenues have been submitted.

3. PARTIAL PAYMENT

Where a customer makes a partial payment on a bill, the partial payment shall be applied in the following order:

- i) electricity charges in arrears, or due;
- ii) waste water charges in arrears, or due;
- iii) water charges in arrears, or due.

4. OVERDUE ACCOUNTS

- (a) Late payment charges, at the rate applied to electricity accounts in arrears shall also be imposed on all water and waste water accounts not paid in full and the revenue from the late payment charges shall be credited to HCEI.
- (b) HCEI shall provide written notification to the County including full particulars of all instances of water and/or waste water arrears greater than \$50.00 falling into arrears for a period greater than 90 days.
- (c) HCEI agrees to write-off any water and waste water accounts, as required, at least once a year. Uncollectible amount will be charged back to the County.

5. REVENUES LOST AS A RESULT OF ERRORS

HCEI agrees to notify the County of any revenues lost that were the result of transcription, reading, billing, or collection errors.

6. COMPENSATION

The County will pay HCEI, by the way of reduction in the amount which is remitted to the County on a monthly basis, a fee per bill rendered as follows:

- Effective April 1, 2012 - \$4.22

This fee will be reviewed on an annual basis for revision on April 1 of each year.

7. REPRESENTATIONS OF HCEI

HCEI hereby represents that it has the experience, facilities, management, and knowledge necessary to complete the services.

8. TERM OF AGREEMENT

- (a) This Agreement shall be in force from April 1, 2012 and renewed annually unless otherwise terminated in accordance with article 9.
- (b) Regardless of the date of execution of this Agreement, the effective date of this Agreement shall be deemed to be the 1st day of April, 2012.

9. SUSPENSION OR TERMINATION

- (a) In the event this Agreement is terminated or comes to an end, the parties agree that the County shall be entitled to take possession of master file information pertaining to water and waste water customers.
- (b) Either party may at any time by notice in writing suspend or terminate the services or any portion thereof on six (6) months written notice. Upon receipt of such notice, HCEI shall perform no further services other than those reasonably necessary to close out the services referred to in this Agreement for the duration of the 180 day notice period and HCEI shall only be entitled to invoice for services performed up until the expiration of the 180 day notice period at the agreed upon rate.

10. INDEMNIFICATION

HCEI and the County agree to indemnify and save harmless each other from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever which either entity, its employees, officers or agents may suffer as a result of the action of the other, its employees, officers, or agents in the performance of this Agreement.

11. INSURANCE

(a) Comprehensive General Liability Insurance

HCEI and the County each agree to carry a Comprehensive General Liability policy providing bodily injury coverage on an occurrence basis and property damage coverage on an accident basis and including completed operations, independent contractors and contractual liability coverage and each shall name the other as "additional insured". The limits of the liability under the Comprehensive General Liability insurance shall not be less than \$2,000,000.00 per occurrence/accident.

(b) Errors And Omissions Insurance

HCEI and the County shall each maintain in full force and effect Errors and Omissions Insurance with a minimum limit of \$5,000,000.00.

(c) Comprehensive Dishonesty, Disappearance And Destruction Bond

HCEI shall carry a Comprehensive Dishonesty, Disappearance and Destruction Bond which shall adequately provide coverage for the monies collected on behalf of the County.

(d) Change In Coverage

If the County requests to have the amount of coverage increased or to obtain other special insurance then HCEI shall endeavour forthwith to obtain such increased or special insurance at the County's expense. It is further understood and agreed that the coverage provided by these policies shall not be changed or amended in any way nor cancelled until thirty (30) days after written notice of such change or cancellation has been delivered to the other party.

(e) Certificate Of Insurance

HCEI and the County shall provide, when called upon, such evidence as may be required to ensure that there is in place such insurance coverage as is hereinbefore detailed.

12. ASSIGNMENTS

Neither party may assign this Agreement without the prior consent in writing of the other.

13. ENTIRE AGREEMENT

This Agreement supersedes all previous agreements, arrangements, or understandings between the parties whether written or oral in connection with or incidental to the services.

14. INSPECTION AND ACCESS

The County, or persons authorized by the County, shall have the right, at all reasonable times within the confines of HCEI security, to inspect and otherwise review the services performed under the services and the premises where they are being performed and all accounts, bills and records pertaining to the services.

15. TIME

The parties shall give due consideration to all reports, plans, or other documents submitted by the other party, and shall make any decisions which are required to be made in connection therewith within a reasonable time so as not to delay the work of the other party.

16. NOTICE

Any notice required to be given under this Agreement must be in writing, sent by personal delivery, courier or facsimile and addressed as follows:

County: Attention: General Manager, Corporate Services
Haldimand County
45 Munsee Street North, P.O. Box 400
Cayuga, Ontario
N0A 1E0

HCEI: Attention: President & CEO
Haldimand County Energy Inc.
1 Greendale Drive
Caledonia, Ontario
N3W 2J3

17. FURTHER ASSURANCES

HCEI and the County agree that each of them shall and will, upon the reasonable request of the other, make, do, execute, or cause to be made, done or executed, all such further and other lawful acts, deeds, things, devices and assurances whatsoever necessary to give effect to this Agreement, the terms and conditions contained herein.

18. LEGAL JURISDICTION

The Laws of the Province of Ontario shall apply in the performance of this Agreement.

19. CONFLICT OF INTEREST

Where HCEI, or anyone associated with HCEI, has any possible conflict of interest, direct or indirect, he shall forthwith disclose his interest to the County who shall have the right to decide whether such interests constitute a conflict of interest, and the County shall have the exclusive right to terminate this Agreement thereafter should such a determination be made.

20. SUCCESSORS AND ASSIGNS


This Agreement shall endure to the benefit of and be binding on the parties thereto, their successor and assigns.

IN WITNESS WHEREOF the parties have hereunto set their corporate seals under the hands of their proper signing officer at the times and places indicated.

SIGNED, SEALED & DELIVERED)

This 9th day of January, 2013)

THE CORPORATION OF
HALDIMAND COUNTY

Per: 
Ken Hewitt, Mayor

This 9th day of January, 2013)

Per: 
Evelyn Eichenbaum, Clerk

HALDIMAND COUNTY
ENERGY INC.

This 8th day of January, 2013)

Per: 
Lloyd E. Payne, President & CEO

THIS AGREEMENT made this _____th day of _____, 2015

BETWEEN

THE CORPORATION OF HALDIMAND COUNTY
(herein referred to as "the County")

AND

HALDIMAND COUNTY ENERGY INC.
(herein referred to as "HCEI")

WHEREAS the County is responsible for the supply and distribution of water within Haldimand County;

AND WHEREAS the County is responsible for the collection and disposal of sewage within Haldimand County;

AND WHEREAS the County is desirous that HCEI undertake certain services on its behalf;

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

1. DESCRIPTION OF SERVICES

- (a) During the term of this Agreement, HCEI shall arrange all regular monthly water meter readings for and on behalf of the County including all final meter readings and all re-check meter readings at all times and in all locations. HCEI will physically collect necessary meter reads from the County's mechanical meters. Mechanical meters are considered meters which do not have automatic remote reading capabilities. Upon request by the County or the customer, a re-read of a meter will be undertaken by HCEI, if deemed necessary, when a concern over reading accuracy has been raised.
- (b) Billing and collective services include the following:
 - (i) When differences of an amount 50% or greater exist between current and previous readings for a comparable billing period, such differences are to be identified and a determination is to be made by HCEI regarding whether such differences are legitimate or require further investigation or action by the County.

- (ii) Where the County has investigated an anomalous reading/billing pattern and determines that an adjustment is required, the County shall notify HCEI in writing to adjust the bill.
 - (iii) Further, HCEI shall maintain master file records, prepare regular and final bills, billing registers, edit reports, accounts receivable files, collect payment on all accounts and issue reminder and final collection notices, maintain cycle balancing, statistics and sundry records relating to the billing operation for all consumers of water and waste water services. This process shall include all data entry or input information and billing changes essential to the operation. All master files, bills, and other documents referred to in this provision shall be the property of the County and shall be retained by HCEI in accordance with acceptable accounting practices.
 - (iv) Upon request, HCEI shall provide management reports necessary to manage and audit the water and waste water billing and collecting functions.
- (c) HCEI agrees to provide all customer information and attend to all customer inquiries (including lawyers' requests for information relating to account status) and complaints pertaining to the services offered herein and to investigate same.
 - (d) The tasks set out in section 1(a), 1(b) and 1(c) shall hereinafter be referred to as "the services".

2. FLOW OF MONIES FROM HCEI TO THE COUNTY

- (a) To remit to the County, by the 15th day of the following month from the date of billing, the sum billed in paragraph 1(a) above, subject to the deduction of the fee charged by HCEI and subject to the adjustments as provided in paragraph 4(c) hereof. It is understood that if HCEI fails to remit the monies collected on or before the 15th day of the following month, or if that is not a business day, by the first business day following the 15th day of the month, HCEI will pay interest at the rate paid by HCEI's bank on chequing accounts.
- (b) A complete reconciliation of revenues and supporting statistical data is to be remitted to the County no later than the 15th (fifteenth) day of the month following the month for which revenues have been submitted.

3. PARTIAL PAYMENT

Where a customer makes a partial payment on a bill, the partial payment shall be applied in the following order only when the water services are billed on the same bill invoice as the electric service:

- i) electricity charges in arrears, or due;
- ii) waste water charges in arrears, or due;
- iii) water charges in arrears, or due.

4. OVERDUE ACCOUNTS

- (a) Late payment charges, at the rate applied to electricity accounts in arrears shall also be imposed on all water and waste water accounts not paid in full and the revenue from the late payment charges shall be credited to HCEI when the water services are billed on the same bill invoice as the electric service.
- (b) HCEI shall provide written notification to the County including full particulars of all instances of water and/or waste water arrears greater than \$50.00 falling into arrears for a period greater than 90 days.
- (c) HCEI agrees to write-off any water and waste water accounts, as required, at least once a year. Uncollectible amount will be charged back to the County.

5. REVENUES LOST AS A RESULT OF ERRORS

HCEI agrees to notify the County of any revenues lost that were the result of transcription, reading, billing, or collection errors.

6. COMPENSATION

The County will pay HCEI, by the way of reduction in the amount which is remitted to the County on a monthly basis, a fee per bill rendered as follows:

- Effective July 1, 2015 – June 30, 2017 \$3.90

Should the County take on the full responsibility for all meter reading activities ie monthly reads, check reads and final bill reads, a reduction in the fee per bill in the order of \$0.85 would be applied.

This fee will be reviewed 90 days prior to end of Term of Agreement detailed in section 8.

7. REPRESENTATIONS OF HCEI

HCEI hereby represents that it has the experience, facilities, management, and knowledge necessary to complete the services.

8. TERM OF AGREEMENT

- (a) This Agreement shall be in force from July 1, 2015 until June 30, 2017 and renewed annually unless otherwise terminated in accordance with article 9.
- (b) Regardless of the date of execution of this Agreement, the effective date of this Agreement shall be deemed to be the 1st day of July, 2015.

9. SUSPENSION OR TERMINATION

- (a) In the event this Agreement is terminated or comes to an end, the parties agree that the County shall be entitled to take possession of master file information pertaining to water and waste water customers.
- (b) Either party may terminate this Agreement for convenience, in whole or in part, by providing ninety (90) days' prior written notice of the same to the other party(ies) hereto, without incurring any liability hereunder as a result. Upon termination, the other party(ies) shall promptly (a) return all property provided by the County and (b) return or, at the County request, destroy any confidential information provided by the County directly or indirectly, including all customer information.

Upon receipt of such notice, HCEI shall perform no further services other than those reasonably necessary to close out the services referred to in this Agreement for the duration of the 90 day notice period and HCEI shall only be entitled to invoice for services performed up until the expiration of the 90 day notice period at the agreed upon rate.

10. INDEMNIFICATION

HCEI and the County agree to indemnify and save harmless each other from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever which either entity, its employees, officers or agents may suffer as a result of the action of the other, its employees, officers, or agents in the performance of this Agreement.

11. INSURANCE

(a) Comprehensive General Liability Insurance

HCEI and the County each agree to carry a Comprehensive General Liability policy providing bodily injury coverage on an occurrence basis and property damage coverage on an accident basis and including completed operations, independent contractors and contractual liability coverage and each shall name the other as "additional insured". The limits of the liability under the Comprehensive General Liability insurance shall not be less than \$1,000,000.00 for bodily injury per accident. Property damage liability shall not be less than \$5,000,000.00 per accident.

(b) Errors And Omissions Insurance

HCEI and the County shall each maintain in full force and effect Errors and Omissions Insurance with a minimum limit of \$5,000,000.00.

(c) Comprehensive Dishonesty, Disappearance And Destruction Bond

HCEI shall carry a Comprehensive Dishonesty, Disappearance and Destruction Bond which shall adequately provide coverage for the monies collected on behalf of the County.

(d) Change In Coverage

If the County requests to have the amount of coverage increased or to obtain other special insurance then HCEI shall endeavour forthwith to obtain such increased or special insurance at the County's expense. It is further understood and agreed that the coverage provided by these policies shall not be changed or amended in any way nor cancelled until sixty (60) days after written notice of such change or cancellation has been delivered to the other party.

(e) Certificate Of Insurance

HCEI and the County shall provide, when called upon, such evidence as may be required to ensure that there is in place such insurance coverage as is hereinbefore detailed.

12. ASSIGNMENTS

This Agreement may not be assigned in whole or in part by either party without the prior written consent of the other party. Notwithstanding the forgoing or any other clause in this Agreement, HCEI may assign this Agreement in connection with merger, a corporate reorganization, or the transfer of substantially all of the assets of the business to which this Agreement relates. This Agreement will bind and inure to the benefit of the parties, their successors and their permitted assigns.

13. ENTIRE AGREEMENT

This Agreement supersedes all previous agreements, arrangements, or understandings between the parties whether written or oral in connection with or incidental to the services.

14. INSPECTION AND ACCESS

The County, or persons authorized by the County, shall have the right, at all reasonable times within the confines of HCEI security, to inspect and otherwise review the services performed under the services and the premises where they are being performed and all accounts, bills and records pertaining to the services.

15. TIME

The parties shall give due consideration to all reports, plans, or other documents submitted by the other party, and shall make any decisions which are required to be made in connection therewith within a reasonable time so as not to delay the work of the other party.

IN WITNESS WHEREOF the parties have hereunto set their corporate seals under the hands of their proper signing officer at the times and places indicated.

SIGNED, SEALED & DELIVERED)

)
)
) **THE CORPORATION OF**
) **HALDIMAND COUNTY**
)

This ____ day of _____, 2015)

) Per: _____
) Ken Hewitt, Mayor
)

This ____ day of _____, 2015)

) Per: _____
) Evelyn Eichenbaum, Clerk
)

)
) **HALDIMAND COUNTY**
) **ENERGY INC.**
)

This ____ day of _____, 2015)

) Per: _____
) R. Jane Albert, President & CEO
)