ONTARIO WATER CONSORTIUM

LE CONSORTIUM POUR L'EAU DE L'ONTARIO

Water Industry Growth Program

Program Guidelines

Program Objective

OWC's Water Industry Growth (WIG) program's objective is to support technology development and adoption within the sector, leading to accelerated growth, further investment by companies, more job creation, greater market competitiveness and long-term resilience of Southern Ontario companies addressing water challenges at the intersection of climate change, sustainability, and society.

About the Program

The WIG program offers two reimbursement-based funding opportunities for Southern Ontario companies that:

- 1. Advance the development and adoption of water technologies offering solutions to water challenges at the intersection of climate change, sustainability, and society.
- 2. Facilitate modernization and environmental sustainability to improve business operations and enhance competitiveness.

Technology Advancement

Funding is available to Southern Ontario companies that are advancing technologies addressing water challenges at the intersection of climate change, sustainability, and society.

Proposed projects should be designed to overcome a critical gap in technology commercialization. Examples of projects* include:

- Advanced product development
- Design and construction of pilot/demonstration equipment
- Piloting/Demonstration projects
- Certification/verification to support product and/or technology development

Digital Transformation & Transition

Funding is available to Southern Ontario companies addressing water challenges at the intersection of climate change, sustainability, and society to adopt digital solutions that shrink environmental footprint, upgrading their business processes or improve web presence.

Proposed projects should be designed to overcome a critical gap in adopting digital solutions that enable a transition to greener business practices or improve productivity. Examples of projects include:

• Updating production or manufacturing processes that reduce waste, GHG emissions, water consumption or wastewater production, leading to lower overhead costs and shrinking their environmental footprint.



^{*}Projects solely for the purposes of disseminating information, marketing, attracting new customers or any other business development-related activity are not eligible.

- Upgrading business processes, supporting better decision making and improved sales and marketing efforts (e.g., Enterprise Resource Planning software or Customer Relationship Management).
- Enhancing web presence, improving digital marketing, and enabling search engine optimization projects, all allowing to reach more potential customers.

Eligible Company Applicant

Companies applying for to the WIG program must be a Canadian for-profit company incorporated federally or incorporated in Ontario, and must have a minimum of 1 and a maximum of 499 paid employees to qualify as a Small or Medium-sized enterprise. Companies must be located in Southern Ontario and must demonstrate that the project activities and resulting economic benefits will occur in Southern Ontario.

Southern Ontario includes the following regions: 1 Stormont, Dundas and Glengarry; 2 Prescott and Russell; 6 Ottawa; 7 Leeds and Grenville; 9 Lanark; 10 Frontenac; 11 Lennox and Addington; 12 Hastings; 13 Prince Edward; 14 Northumberland; 15 Peterborough; 16 Kawartha Lakes; 18 Durham; 19 York; 20 Toronto; 21 Peel; 22 Dufferin; 23 Wellington; 24 Halton; 25 Hamilton; 26 Niagara; 28 Haldimand-Norfolk; 29 Brant; 30 Waterloo; 31 Perth; 32 Oxford; 34 Elgin; 36 Chatham-Kent; 37 Essex; 38 Lambton; 39 Middlesex; 40 Huron; 41 Bruce; 42 Grey; 43 Simcoe; 46 Haliburton; and 47 Renfrew.

All applicant companies are required to be an **OWC Industry Partner**.

Eligible Academic Partner (if applicable)

Academic researchers must hold an academic appointment at their respective <u>OWC Post-Secondary Partner</u> institution. OWC partner institutions must be in good standing with the Consortium. Academic researchers are eligible to participate in an unlimited number of projects.

Eligible Other Project Partner (if applicable)

Other project partners include organizations that are collaborating with the primary Company Applicant and are contributing cash/in-kind to the proposed project.

Eligible Project Costs

Only eligible costs that are reasonable and directly associated with eligible project activities during the term of the project will be reimbursed. An eligible cost may be claimed once it is <u>incurred and paid</u>. Applicants are strongly advised to contact OWC with questions and for clarification regarding eligible cost.

Cost categories include:

- <u>Labour</u>: Personnel costs (salary and up to 20% non-discretionary benefits) incurred by the company, academic or other partner (if applicable). For example, technicians, project management support, technology transfer personnel and other customized personnel. Recipients are required to track and claim working hours and actual costs.
- <u>Expertise</u>: Professional services such as analytical lab contract services, project design, performance measurement, report writing, and specialized technical support.
- Non-Capital: Minor capital, such as for prototype development, safety equipment, measuring tools, software, sensors, testing materials, monitors, utility costs (water, electricity) that are directly attributed to eligible project activities and that are substantiated with documentation; Travel costs deemed necessary to the performance of the project. To be eligible, travel costs must be <u>pre-approved by OWC</u> and clearly documented as to the purpose of each trip. These include:



- Necessary return airfare, train fare or bus fare at economy rates for participating personnel, where a
 personal automobile is to be used, kilometre (mileage) allowance will be based on current <u>Treasury Board</u>
 <u>of Canada Travel Directives</u>. Eligible and Supported Costs shall be limited to the cost that would have been
 incurred and paid had normal public transportation at economy rates been used.
- Food and accommodation costs are eligible only if deemed necessary to the performance of the project. If eligible, food and accommodation allowances will be based on current <u>Treasury Board of Canada Travel</u> <u>Directives</u>. Costs that are considered entertainment or hospitality costs are not eligible.
- <u>Capital</u>: Equipment that is necessary for the project and well justified is eligible. Equipment such as terminal parts, pumping station maintenance, valves, control systems, actuators, sensors, PLCs, programming, and interfaces, electrical equipment (e.g. wiring, terminals), miscellaneous pipe fittings (e.g. reducers, flanges), and material handling equipment (e.g. rigging tackle) necessary for the execution of a project.

<u>Note</u>: Specific costs related to the use of a OWC facility or other facility may be eligible as long as they can be directly attributed to the project and fit one of the above categories of eligibility (e.g. utility costs in non-capital) and be demonstrated to represent fair market value. General facility rental fees or expenses that are not attributable to specific project activities at the facility are <u>ineligible</u> for reimbursement under this program.

Ineligible Project Costs

The following costs are not eligible. Please note that this is not an exhaustive list. Applicants are strongly encouraged to contact OWC for clarification regarding the eligibility of a project expense not identified in this document. Ineligible costs will not be reimbursed.

- costs of land, building or vehicle purchase;
- refinancing;
- costs of intangible assets such as goodwill, whether capitalized or expensed;
- depreciation or amortization expenses;
- interest on invested capital, bonds, debentures, or mortgages;
- bond discount;
- losses on investments, bad debts and any other debts;
- fines or penalties;
- costs related to litigation;
- non-incremental wages;
- fees for administrators, including payments to any member or officer of the Recipient's Board of Directors;
- opportunity costs;
- hospitality and entertainment costs;
- costs of individual membership in a professional body (e.g. professional designations);
- lobbyist fees; and
- any other expense that is not directly associated with eligible project activities.

Project Budget

Only costs that are reasonable, eligible and necessary for the completion of the specific project will qualify for reimbursement. A detailed budget and adequate justification are required for each project cost for which applicants seek reimbursement, as well as a justification for a company's matching contribution. Project spending must be in accordance with the approved budget, which will serve as a component of the project agreement.

Funding

WIG may provide projects with a contribution of up to \$100,000 CAD towards eligible project costs. Project funds are awarded on a reimbursement basis only.



Matching Contributions

Applicants are required to provide a minimum of a 1:1 matching contribution to the WIG program funding provided to a project. Cash or cash-equivalent contributions, or a combination of both, will be accepted. Matching contributions must be allocated towards eligible project cost categories (see above) and should adequately reflect the project's needs.

Timeline

All applications must be submitted by 30 June, 2023.

All eligible project expenses must be incurred and paid by 1 March, 2024.

Please note that consideration of applications may be terminated at any time if funding is fully allocated.

How to Apply

All applicants will be required to submit a <u>WIG Program Eligibility Questionnaire</u>. If eligible to apply, OWC will provide applicants with all necessary program materials by e-mail.

A complete WIG application consists of an application form and an application budget.

Technology Advancement

- Application Form Technology Advancement
- Application Budget

Digital Transformation & Transition

- Application Form Digital Transformation & Transition
- Application Budget

Application Authorization

The application requires authorization signatures from the company partner (authorized company official, such as a CEO or President).

Application Submission

Completed applications, with the required authorizations, should be submitted via email to Robert Nyman, Manager of Partnerships & Programs (robert@ontariowater.ca). An acknowledgment message will be sent to the applicant(s).

Application Review and Approval Process

Applications will be reviewed for completeness and against the WIG Program Guidelines.

A notice of the decision will be sent to applicants within <u>4-6 weeks</u> of submission. Decisions on the approval of all applications are final.

If deemed necessary, OWC will consult industry and sector experts with market awareness, business leadership, knowledge of technology development, commercialization, and applied research. These experts will be bound by confidentiality and conflict of interest requirements. Applicants may request in their application form that specific companies, organizations, or individuals be excluded from reviewing their proposal. This information will be taken into account and remain confidential.

Priority consideration may be given to projects that meet any of the following criteria:

- Collaborating with an OWC academic partner
- Greater than 1:1 matching contribution



- Company is led or majority led by one or more of the under-represented groups
- Company has a workplace diversity plan
- Company is registered as participant under Canada's 50-30 challenge
- Project (or its outcomes) leverage supply chains and procurement opportunities within Southern Ontario
- Company was incorporated on or after January 1, 2020
- High-growth potential companies with annual revenues of \$1M-\$12M

Intellectual Property

When working with an academic partner: title to any foreground intellectual property (FIP) developed as the result of an industry-led project must be owned by the academic partner, owned by the company, or co-owned by both; to be negotiated between the academic partner and the company, and subject to the policy of the academic partner.

FIP includes, without limitation, all technical data, designs, specifications, software, data, drawings, plans, reports, patterns, models, prototypes, demonstration units, practices, inventions, methods and related technology, processes or other information conceived, produced, developed or reduced to practice in carrying out a project, and all rights therein, including, without limitation, patents, copyrights, industrial designs, trade-marks and any registrations or applications for the same and all other rights of intellectual property therein, including any rights which arise from the above items being treated by the academic partner as trade secrets or confidential information.

Agreement

Companies with successful WIG applications will be required to enter into a formal agreement with OWC.

Reporting

Companies will be required to report on project outcomes, economic impacts and other performance metrics using a template provided by the WIG program. As applicable, this may include project mid-point and project completion reports.

Conflict of Interest

A conflict of interest arises where individuals associated with the University of Waterloo, the host institution of the Ontario Water Consortium, including but not limited to staff and faculty, own or have an interest in all or part of an organization that is carrying out work related to the project and stands to benefit financially as result of the project.

Companies applying to receive project support from the WIG Program are required to disclose any real or potential conflict of interest on the application form.

Contact

Please direct all questions and inquiries about the WIG program to:

Robert Nyman
Manager, Partnerships & Programs
Ontario Water Consortium
robert@ontariowater.ca

WIG Program Guidelines are subject to change without notice.

