



JOINT BOARD OF MANAGEMENT

Wednesday, January 16, 2019
9:00 AM

Kingsville Community Room
Kingsville Arena
1741 Jasperson Road, Kingsville

MINUTES

Members Present: Mayor MacDonald (Chair); Deputy Mayor Verbeke, Councillors Hammond, Tiessen (alternate), Wilkinson - Leamington
Mayor Nelson Santos (Vice-Chair); Deputy Mayor Queen,
Councillors DeYong, Neufeld, Patterson - Kingsville
Councillor Walstedt - Lakeshore

Members Absent: Councillors Dunn and Jacobs - Leamington
Councillor VanderDoelen - Essex

UWSS Staff: Rodney Bouchard, Manager UWSS
Khristine Johnson - Recording Secretary

Staff Present: Shannon Belleau - Leamington
Shaun Martinho - Kingsville
Kevin Girard - Lakeshore

OCWA Staff
Present: Dale Dillen, Ken Penney

Call to Order: 9:05 am

The Manager welcomes everyone to the new board. He asks each members to introduce themselves. He explains that he will lead the board until the Chair of the Board is elected, which will be the first order of business.

Election of Chair for the Union Water Supply System Joint Board of Management

The Manager opens the floor for nominations for the position of Chair. He notes that the position will last until December 31, 2019.

No. UW-01-19

Moved by: Deputy Mayor Verbeke

Seconded by: Councillor Hammond

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That Mayor, Hilda MacDonald, is nominated to the position of Chair for a term ending December 31, 2019.

Carried

Mayor MacDonald accepts the position of Chair.

No. UW-02-19

Moved by: Councillor Patterson

Seconded by: Councillor Hammond

That Mayor, Nelson Santos, is nominated for the position of Vice Chair for a term ending December 31, 2019.

Carried

Mayor Santos accepts the position of Vice Chair.

Disclosures of Pecuniary Interest: none

Adoption of UWSS Joint Board of Management Minutes:

No. UW-03-19

Moved by: Deputy Mayor Queen

Seconded by: Councillor Neufeld

That Minutes of the UWSS Joint Board of Management meeting of November 21, 2019 be received.

Carried

Business Arising Out of the Minutes:

There was none.

Report UW/02/19 dated January 11, 2019 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to January 11, 2019

The Manager reminds everyone it's been a few months since the last meeting of the UWSS Board. He notes that many projects have been moving along since that time. He explains to new members that regular maintenance by OCWA staff is ongoing.

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He explains that Continental Carbon Group (CCG) had been retained to supply and install filter media in the last two (2) filters, #6 and #8. He confirms that those filters are back in service. With all eight (8) filters having media replaced over the last few years the filter media will last another 15-20 years. Some filters are shut down for annual maintenance.

The Cottam Booster Reservoir soil rehabilitation project has been delayed due to the warmer weather experienced in December. The Manager notes that the ground has been too soft for the excavation company to commence the project. They are waiting for more ideal conditions and will inform UWSS when they plan on beginning.

The Manager notes that the water rate study being conducted by Watson & Associates and should be completed this week. He further explains that the study is being completed in order for the UWSS to apply for its Municipal Drinking Water Licence (MDWL). The Financial Plan is part of the requirement to apply for the MDWL. The Manager confirms that this report will be presented to the Board at a later meeting.

Annual MOECP Inspection of the UWSS commenced on January 8th and should be completed by the end of February. He does not anticipate any problems and notes he is working closely with OCWA staff and the MOECP Inspector.

The Manager explains that ASL Roteq has been retained to inspect and refurbish Low Lift Pump #1 and anticipates that this work be completed by the end of January. The UWSS also purchased four (4) new drain valves for Filters #2 and #7 and OCWA staff were able to install them.

A small vibration has been felt in High Lift Pump #4 and Nevro has been hired to inspect the cause. A new clamp on flow meter was purchased for Clarifier #2, in anticipation of the CO2 system. A new pH probe has been installed at the Low Lift intake #1. A Board members notes that pump vibrations seem common over the years and is this really a concern. The Operations Manager explains that allowing a pump vibration to continue could wear out parts, such as bearings, much sooner than anticipated. The preventative maintenance saves money in the long run.

The Manager then provides an update on the SCADA upgrade project. He explains to the new members of the board that SCADA is the brains of the water treatment plant. He notes that Associated Engineering (AE) has been hired to assist with this project as UWSS/OCWA did not have the expertise in house. Summa Engineering has been working on the design and narrative controls are currently being written. Further the new software has been purchased. This is a large project, with a budget of \$1 million and he anticipates that it should be completed by the Fall.

The Manager then provides an update on the CO2 pH Adjustment /Chlorine System Project. He explains that this will adjust the pH of the raw water coming in as the source water is not optimal and this will help make the system work more effectively. He notes that both projects will work in tandem to reduce costs. He explains that there is very little room in the Chlorine Building (and shows members of the board pictures) of the tight space that staff have to work in. OCWA Operations Manager then explains how the process of unloading the chlorine tonners works and the challenges that face the staff

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members in terms of safety. There is some concern from Board members over this process. The Operations Manager explains that there are SOPs in place and policies in place to ensure staff are safe, but safety could definitely be improved. There was also an explanation regarding the size of the chlorine tanks and whether smaller tanks would be better utilized within the space. The Operations Manager explains there are only two (2) sizes of tanks and the small ones would only last a few hours and therefore not feasible in this location.

The Manager discusses water demands to date and explains that it's only been 17 days and it will take a few months to see what water demands will be like for this year.

No. UW-04-19

Moved by: Deputy Mayor Verbeke

Seconded by: Councillor Wilkinson

That report UW/20/17 dated June 15, 2017 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to July 15, 2017 is received.

Carried (UW/02/19)

Report UW/03/19 dated January 9, 2019 re: Draft UWSS Operations & Capital Budget Report

The Manager hopes everyone has had a chance to review the draft budget. He moves to page 16 of the agenda, which sets out the highlights of his report. Here he discusses the wholesale rates and investment income, sundry revenue, expenditures, debts, operational expenses and capital program highlights. He mentions that he doesn't anticipate an increase in hydro expenses this year and notes that he has moved watermain breaks and residuals management over to operational expenses.

The Manager reminds members of the Board that he is currently working on the OCWA contract negotiations. This was originally slated to renew at the end of 2018, however, the old contract has been extended until December 31, 2019. He does anticipate that a new ten (10) year contract will be in place before the end of the year. At this point price and structure are still being negotiated.

This year there is a large capital budget being proposed for the UWSS, which is sitting at \$5.7 million, this includes two (2) very large projects with the SCADA upgrades and the CO2/chlorine updates. The Manager confirms that the UWSS does have enough money to cover this hearty budget.

The Board asks the Manager if there is an increase in the wholesale water rates. The Manager confirms that there is a slight increase of \$0.05 per 1000 gallons (\$0.0109/m³), which will take place during the second quarter on April 1, 2019. The municipalities are aware of this change. He then confirms that Highbury CanCo. is now a Leamington customer and UWSS now has just one (1) rate.

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Turning to page 25 of the agenda the Manager then reviews the list of capital works he is hoping to achieve in 2019. After going through this list the Board asks the Manager if he has considered using solar energy. The Manager explains that over the last few year the UWSS was looking at co-generation, using natural gas for heat and the steam would be used by a local greenhouse. A study had been completed and forwarded on to the Province. Since that time, things have changed with the Province and additionally research has shown that co-generation did not benefit other adopters as the conditions placed on them were too strict and the reductions expected couldn't be met, therefore, resulting in penalties. The Manager now indicates that UWSS will be looking into solar energy more intently since the battery storage technology has improved dramatically in the last few years and cost for solar has decreased.

The Board expresses concern over the safety of staff with regards to the Chlorine Building. They want to ensure that all safety protocols are in place until the improvements to the building can be made. The OCWA Operations Manager assures the Board members that Standard Operating Procedures are being followed and explains the safety procedures that are in place.

The Board then expresses some concern over the long list of capital items that have been presented. The Manager states which capital items would be desirable to have completed, but notes everything listed will eventually need to be completed as the facility is very old. There is also a concern that the capital budget items might be too aggressive to complete in one year.

Mayor MacDonald leaves the meeting at 9:49 am and Mayor Santos takes over as Chair.

The Manager explains that often times there are some budget adjustments throughout the year and that he generally brings forward a mid-year variance report so Board members are aware of any changes.

The Board asks the Manager when he would like to start on the capital projects listed. He explains that he and the OCWA team are ready to begin, the sooner the better.

Deputy Mayor Verbeke asks the Manager if he is looking for a motion to approve the budget today. The Manager explains that initially he had provided the report for information, however, he would like the option to move forward with the budget rather than delay for another month if the Board felt it was appropriate.

There is a question regarding how revenue is determined for the UWSS. The Manager asks members to turn to page 33 of the Agenda. He reviews the wholesale water rates, the annual flows (three (3) year average used).

No. UW-05-19

Moved by: Deputy Mayor Verbeke

Seconded by: Councillor Hammond

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That the Union Water Supply System Joint Board of Management (UWSS) adopts the Draft 2019 Operational and Capital Budget for the Union Water Supply System;

And further, that the UWSS Board endorses an increase of \$0.05 per thousand gallons (\$0.0109 per cubic metre) for UWSS wholesale Rate from \$2.77 per thousand gallons (\$0.6088 per cubic metre) to \$2.82 per thousand gallons (\$0.6110 per cubic metre) to be put into effect on April 1, 2019.

And further, that the UWSS Board endorses the Capital Budget Program for 2019, which will result in budgeted net deficit of **\$3,570,000** and that the deficit will be funded using UWSS Reserves.

Carried (UW/03/19)

Report UW/04/19 dated January 11, 2019 re: CO₂ pH Adjustment/ Chlorine System Improvements Project Tender Result

The Manager reminds member that project is the combination of two (2) projects and that UWSS has hired Associated Engineering (AE) to assist with the management of the project. This project required a very specific contractor to meet all of the requirements and therefore only select companies were invited to participate in the tender process. Eventually, six (6) were pre-qualified to participate at the mandatory site meeting. However, two (2) opted out as the project was too small, one (1) decided not to make a bid and one (1) did not show up to the site meeting and were therefore disqualified. Therefore, two (2) contenders remained.

The site tour allowed the remaining contenders to prepare a budget and answer to the tender. The tender results were received on December 14th, 2018. AE prepared a letter of recommendations, which included a contingency budget as well.

After review of the all of the documentation both the Manager, OCWA Operations Manager and AE have determined that the prices submitted are fair and comparable. AE has concluded that Maple Reinders Constructors should be awarded the contract. They are ready to begin the process and feel that it will take 40 weeks to complete.

The Manager asks for budget approval of \$3,100,000 taken from reserves.

No. UW-06-18

Moved by: Deputy Mayor Queen

Seconded by: Councillor Patterson

That the UWSS Board approves a budget of \$3,100,000 for the CO₂ pH Adjustment/ Chlorine System Improvements Project to be funded from UWSS Reserves Fund; and

That the UWSS Board authorized the UWSS General Manager to award the Tender for the Union Water Supply System Ruthven Water Treatment Plant CO₂ Injection and

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Chlorine Gas System Implementation Project to Maple Reinders Constructors Limited in the amount of \$2,937,000 (\$2,437,000 plus a Contingency Allowance of \$500,000).

Carried (UW/04/19)

Report UW/05/19 dated January 11, 2019 re: Payments from November 16, 2018 to January 11, 2019

No. UW-07-19

Moved by: Councillor Hammond

Seconded by: Councillor Neufeld

That report UW/05/19 dated January 11, 2019 re: Payments from November 16, 2018 to January 11, 2019 is received.

Carried (UW/05/19)

New Business

The Administrative Assistant apologies for not including a list of meeting dates for 2019. She reads through the dates of the upcoming meetings and reminds members that generally the UWSS Joint Board of Management meets on the third (3rd) Wednesday of each month. At times changes are necessary due to conflicts and members will be notified in advance of any changes.

There is a brief discussion about February's meeting date and it is decided that Wednesday February 27th will be the new meeting date.

Adjournment

No. UW-08-19

Moved by: Councillor Patterson

Seconded by: Councillor DeYong

That the meeting adjourn at 10:08 am

Carried

Date of Next Meeting: Wednesday, February 27, 2019 at the Unico Hall, 37 Beech Street (Behind A&A Flooring), Kingsville