



JOINT BOARD OF MANAGEMENT

Wednesday, November 20, 2019

9:00 AM

Unico Community Room,
37 Beech Street
Kingsville

MINUTES

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

Members Absent: Councillor Neufeld - Kingsville

Staff Present: Andy Graf - Essex
Kevin Girard - Lakeshore
Shannon Belleau - Leamington

OCWA Staff Present: Susan Budden, Dave Jubenville
Dale Dillen, Ken Penney

Call to Order: 9:03 am

Disclosures of Pecuniary Interest: none

Adoption of Board Minutes:

No. UW-50-19

Moved by: Councillor Walstedt

Seconded by: Councillor Dunn

That Minutes of the UWSS Joint Board of Management meeting of October 16, 2019 be received.

Carried

Business Arising Out of the Minutes:

There was none.

Report UW/31/19 dated, 2019 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to November 15, 2019

The Manager reviews his report with board members. The Manager explains that there is a lot of construction activity at the Ruthven WTP at the moment and this the reason behind the change of location for the November meeting. He further explains that regular maintenance is always ongoing with the OCWA staff.

The Low Lift has been isolated, drained, cleaned and inspected and no issues were observed. The Cottam Booster Station (CBS) was inspected by Watech Services on November 13th and 14th. This was a live wet dive and based on their inspection all appeared to be in order. No cracks were observed and the Manager is just awaiting a final report. Also in regard to the CBS the site inspection took place with the engineer and the contractor. A few bare spots of grass cover was observed, however, those will be re-seeded in the Spring. The Manager reminds members of the board of the two (2) year warranty on this project.

During regular inspection a waste water pump was identified as being very corroded. OCWA staff proceeded to scrape and remove the corrosion, then Denso wrap the piping which should keep the piping in its existing condition.

Clarifier #3 mixer motor variable frequency drive repairs were completed during the past month and this clarifier is now back in service. Filters #2 and #4 gate valves have been received, however, OCWA staff will install in coordination with the CO2 system.

The Manager reminds members of the ongoing SCADA project. He confirms that another Factory Accepted Test (FAT) will take place later in the week at the engineer's office in Etobicoke. This FAT will look at aspects of the LL and part of the WTP. He indicates that the project is moving slightly slower than anticipated, but the team is identifying a lot of things that has not been known about the system. He does expect the new system to be installed by February.

The Manager provides an update on the CO2 pH Adjustment Project. He notes there has been a slight delay with some of the installation due to the weather, but notes things are still moving well. He states that the scrubber and the tonners have been installed, however they are waiting on new racks, which should arrive soon. He feels that this system will be commissioned sometime in December.

The Manager explains to Board members of the secondary disinfection review being conducted by Associated Engineering (AE). He explains that a workshop had taken place and since that time the Manager has received the final report. This report has been delivered to municipal colleagues and he expects to have a meeting with this working group sometime during the week of December 5th. This meeting will discuss and identify the method to move ahead for permanent secondary disinfection. That Board asked why AE was chosen for this project and whether they had experience in this area of consideration. The Manager explains that AE is very familiar with UWSS and have done a number of studies for larger cities.

The Manager confirms that flows are still up quite a bit over last year and the four year average and doesn't expect that trend to change. He will monitor closely.

No. UW-51-19

Moved by: Deputy Mayor Verbeke

Seconded by: Councillor Jacobs

That report UW/31/19 dated November 15, 2019 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to November 15, 2019 is received.

Carried (UW/31/19)

Verbal presentation of the preliminary 2020 Union Water Supply System Joint Board of Management Budget and Six Year Capital Plan

The Manager explains to members of the Board that the presentation today is for information purposes, allows time for review and allows member to ask questions prior to his seeking approval of the 2020 Budget at the December meeting. He provides members with a Memo Package for review.

He also explains that all his figures will be migrating over to the use of metric, rather than imperial. The new SCADA system will be in metric as well and this will make things easier, however, imperial will be in brackets for the time being.

The Manager uses a 1% increase in flows, which is the first time, in perhaps eight (8) or nine (9) years that an increase has been used. The projected revenues are expected to be approximately \$11 million. He reminds members that the new Operations and Maintenance contract with OCWA took place on July 1st of this year, this includes new staffing and an agreement with Air Liquide, so OCWA budget increased slightly for the second half of 2019.

He explains that the debt service loan to Sun Life Financial will be completed in 2026, which will free up monies. He anticipates approximately \$3.1 million surplus being transferred to reserves and a budget of \$5 million taken from reserves, with a net deficit from the reserves of \$1.9 million.

The Manager is proposing a rate increase of 4%, which is keeping in line with the Financial Plan from Watson & Associates. The Financial Plan was presented to the Board and approved earlier this year and the increase will allow for the comprehensive budget to continue to move forward. He reminds members of the Board that this increase is scheduled to take place over the next several years, to help cover the projects coming up in the six (6) year plan.

Municipal Staff member, present in the audience, asks if the restructuring takes place, will this potentially change the rates. The Manager indicates that for the coming year it will not change the 4% rate increase, but beyond that restructuring could potentially mean a lower rate, as the UWSS would have the ability to take on debt/grants.

The Manager moves on to the Capital Program explaining that a lot of the invoices for the bigger projects for 2019 have not yet been received, but should be by the on the year. He explains that some projects have been moved over to the 2020 year. He explains all of the “Studies/Programs” that will be happening in the next year, such as water modeling, Lake Erie HAB program, study regarding potential Reservoir #3, and study regarding back up power generation.

The Manager then reviews the bigger capital items that will be required in 2020 such as: Filters #2 and #4 are leaking, HL pump #7, SCADA (finish up project), new security system, Dissolved Air Filtration (DAF) and the Kingsville Water Tower rehabilitation. The Manager briefly explains each item, while members of the Board ask questions of each potential project.

The Manager then reviews the Budget Summary which includes, debts, revenues and expenditures. He notes that the UWSS is in good shape with monies in the bank earning revenue.

The Board asks if perhaps the capital program is a bit aggressive and wonders if staff can keep up with the workload. The Manager explains that some of the projects have taken a little longer than expected, and he intends to spread some projects over two (2) years.

The Manager asks the members of the Board to review the memo provided and email him any questions they may have. He will then be seeking approval of the 2020 Budget at the December Board meeting.

No. UW-52-19

Moved by: Councillor Dunn

Seconded by: Councillor DeYong

That the verbal presentation and memo is received for information.

Carried

Report UW/32/19 dated November 15, 2019 re: Payments from October 11th to November 1st, 2019

No. UW-53-19

Moved by: Councillor Patterson

Seconded by: Deputy Mayor Queen

That report UW/32/19 dated November 15, 2019 re: Payments from October 11th to November 1st, 2019 is received.

Carried (UW/32/19)

New Business

The Manager shows the members of the Board the drawing for the potential Administration Area expansion predesign, which is included in the Six (6) Year Capital Plan. He explains the need for an elevator at the facility to meet accessibility requirements, and the potential to use this opportunity to create more space for administration as well. The plans include a new board room, office space and improved parking as well.

Adjournment:

No. UW-54-19

Moved by: Councillor Patterson

Seconded by: Councillor Dunn

That the meeting adjourn at 10:15

Carried

Date of Next Meeting: Wednesday, December 18, 2019, at the Unico Community Centre, 37 Beech Street, Kingsville.

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