



# JOINT BOARD OF MANAGEMENT

Wednesday, December 16, 2020

9:00 AM

Virtually in Zoom

## MINUTES

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

**Members Absent:** Councillor VanderDoelen - Essex

**Staff Present:** Andy Graf, Kevin Girard - Essex  
Shaun Martinho - Kingsville  
Laura Rauch - Leamington

**OCWA Staff Present:** Dale Dillen, Ken Penney, Dave Jubenville

**Call to Order:** 9:01 am

**Disclosures of Pecuniary Interest:** none

**Adoption of Board Minutes:**

**No. UW-56-20**

**Moved by:** Councillor Patterson

**Seconded by:** Councillor Hammond

That Minutes of the UWSS Joint Board of Management meeting of Tuesday, November 17, 2020, 2020 be received.

Carried

**Business Arising Out of the Minutes:**

There was none.

**Report UW/30/20 dated December 11, 2020 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to November 13, 2020**

The Manager reviews his report with board members.

The Manager notes that the softstart for Pump #4 at the CBS had been failing. A new one was ordered and OCWA staff will be installing the pump. Operations staff noted that air wash actuators were failing on Filter #7. This actuator was originally purchased in 1994 and could not be repaired. An extra one was ordered as back up.

Flow meters on the raw water lines #1 and #2 were installed by Nevro during the week of December 4, 2020. OCWA staff will be installing the Rotork actuator and flow control valves this week and then leak testing can occur.

The Manager notes that on Filters #2 and #4 have been taken out of service for the installation of new inlet valves. Operations staff have installed during the second week of December and leak testing has been completed. Filters #2 and #4 are starting to fail, these are original to 1959. The other filters have been retrofitted and the Manager notes that #2 and #4 will be retrofitted in 2021.

The Manager reminds the members that the SCADA project is complete, and the contractor is working through the deficiency list, where there appear to be minor issues.

The security system is now active with 21 cameras and 8 still in the process of waiting for communication improvements to take place. The system includes 21 access control points, such as doors and gates etc. throughout the system.

The new lab construction project is currently on hold until 2021 due to scheduling conflict with the contractor.

The Manager notes that a new tower and point to point radio antennas have been installed at the Low Lift for back up communication to the main plant. There was a fiber optic failure in October 2020, which resulted in control issues between the main plant and low lift. This should alleviate the issue.

The Manager notes that he sent a letter to the four (4) CAOs regarding the allocation of the remaining water. The Manager notes that he has received official responses from Leamington and Kingsville. Both Essex and Lakeshore will be bringing this information to their councils. Once all of the feedback has been received he will present a report to the UWSS Board.

The Manager again notes that the flows continue to be high, with some very high days occurring in December, which is not normal for this time of year.

Deputy Mayor Verbeke asks the Manager how much time Essex and Lakeshore have to provide feedback. The Manager notes that he is hoping for a response by the end of the month, but he is planning on having a conversation with staff after this Board meeting. He is hoping to have a response by the January UWSS Board meeting.

The Chair asks the Manager how information is communicated to the public regarding main breaks and any other issues. The Manager notes that it really depends on the situation, however Facebook seems to work well,

#### **No. UW-57-20**

Moved by: Councillor Dunn

Seconded by: Councillor Neufeld

That report UW/30/20 dated December 11, 2020 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to December 11, 2020 is received.

Carried (UW/30/20)

#### **Report UW/31/20 dated December 8, 2020 re: Draft 2021 UWSS Operations and Capital Budget Report**

The Manager reviews his report with the Board. He notes that his recommendation, after the review, is to adopt the draft Budget for 2021. He is proposing a rate increase of 2.58 cents per cubic metre. The new proposed UWSS Wholesale water rate for 2021 would be \$0.6716 per cubic metre. The Manager based his draft budget on an anticipated water demand increase of 2%, based on 2020 flows. He does remind members of the board that the summer of 2020 was very hot early on and many new greenhouses came online.

Report highlights include:

- UWSS Revenue for 2021 is estimated at \$13,578,000 of which \$13,081,000 is from wholesale of water to municipalities, \$405,000 from investment revenue, \$22,000 from Sundry Revenue and \$70,000 from municipal study revenue.
- Operational and Debt Service Expenditures for 2021 are estimated at \$8,572,000. This includes \$3,397,000 for OCWA Operations and Maintenance services and \$2,370,000 for the Sunlife Loan (former MFD Debt).
- A budget of \$430,000 has been established for proposed 2021 Operational Studies and Programs.
- 2021 Revenue versus Operational and Debt Service Expenditures are anticipate to result in a surplus of approximately \$5,006,000 for 2021 Fiscal Year;
- A Capital Program of \$8,155,000 is proposed for 2021; A draw of \$3,149,500 from the UWSS Reserves would be needed to fund the 2021 Capital Program.
- Projected total UWSS Reserves for January 1, 2021 are estimated at \$21,597,00

The Manager put a graph on the screen to show the water demand increase since 2017, this is attributed to residential as well as greenhouse growth.

The Manager points out the 6 Year Capital Program and notes that he had to make some changes due to COVID19, such as, conferences, training and CO2 gas purchase for the pH adjustment system (as this was a new system) and didn't come completely online until close to the end of the summer. He notes that the north residual pond will need to be addressed. He has moved the water quality and corrosion monitoring over to operations, rather than studies, as this will be an ongoing line item now. He includes \$100,000 in

watermain repairs as these keep occurring as well and increased the electricity and natural gas budget by 2% as a general increase.

The Manager informs members that the 2021 Capital works program is fairly robust, however reminds members some items are carried over from 2020. These carry over items could not be completed during the 2020 year due to COVID19, however he feels that going forward they will be completed.

He also notes that some costs have increased, again attributed to COVID19, as new safety measures have had to be accounted for and material costs have increased due to manufacturing and shipping delays. He also explains that studies and programs will be slightly increased for 2021 since most of the 2020 studies had to be delayed. This includes the study with the University of Windsor will require the UWSS to provide a \$100,000 in grant matching funds. He notes that this will only happen once the government grant funding is provided. This study will include the installation of a monitoring network in Lake Erie using buoys to monitor any algae blooms in Lake Erie and their potential to impact the UWSS intakes.

The Manager reminds the Board members that the study regarding the potential for emergency connections between UWSS and Windsor Utilities Commission (WUC) has now started, however, most of this work will take place in 2021.

A potentially large project is the need for a third reservoir. The Manager has allocated \$30,000 for an optimization study and will hopefully present these findings at a Board meeting early in 2021. The costs for a new reservoir will be a large budget item, but necessary given the changing flows.

The Manager then reviews several more projects planned for 2021, including back up power generation, infrastructure/masterplan review, High Lift pump #7 replacement, ground improvements, and the rehabilitation of the Kingsville Water Tower (KWT). The KWT project has gone through the preliminary bid meeting, and it was noted that four (4) contractors attended and the tender process closes in early January. The Manager hopes to commence this project in the Spring of 2021 with completion by Summer 2021.

One of the bigger projects planned in 2021 is the Dissolved Air Flotation (DAF) project on the Clarifier #2. He notes that the Clarifier #4 is planned for the future. Therefore, 2/3 of the entire project costs have to be incurred during this first stage. The budget for Clarifier #2 is bigger than for Clarifier #4 for that reason. He notes that this project will cost over \$4.5 million and costs have increased because of COVID19 and he anticipates that the costs will land at \$6 million. He anticipates the start date of late September 2021, as this is when flows typically are low enough to shut down some clarifiers. The tender process will occur in the Spring and then he will have more concrete figures.

The Manager notes that currently the UWSS has approximately \$20 million in reserves with \$10 million locked away for another 2 years. The UWSS will be adding about \$3.5 million to reserves from 2020 and expects a draw of \$3.2 million for the 2021 budget.

Councillor Hammond wants to know what a 2.58% rate increase will do the average homeowner's pocketbook. The Manager indicates that it averages out to approximately \$8/yr for the average homeowner. Councillor Hammond follows up with question

regarding solar power. The Manager notes that this is part of the back-up generation study that will be happening in 2021. The study will be looking at green energy and solar panels as well.

Councillor Patterson indicates that he would like a full report on the generators used and wants to know if any of this increase in rates is attributed to the greenhouse industry and feels there should be an explanation regarding the rate increase.

Mayor Santos/Deputy Chair notes that the UWSS has established a long term plan regarding investment and rates and asked for clarification on those items. The Manager explains that the UWSS is following the Financial Plan set out by Watson and Associates that was approved in 2019, so any rate increase is according to that plan. This rate increase will assist the UWSS in going forward to cover necessary capital improvements as there are some big capital works items that are necessary in the coming years. Mayor Santos notes that UWSS is following a plan and sticking to it and residents will appreciate that as well as the improvements to the system and the quality of water being produced.

Councillor Hammond needs to excuse himself from the meeting do to a prior engagement, he wishes the Board members a Merry Christmas.

#### **No. UW-58-20**

Moved by: Deputy Mayor Queen

Seconded by: Councillor Walstedt

That the Union Water Supply System Joint Board of Management (UWSS Board) adopts the Draft 2021 Operational and Capital Budget for the Union Water Supply System;

And further, that the UWSS Board adopts an increase of \$0.0258 per cubic metre for the UWSS Wholesale Rate. The new proposed UWSS Wholesale Rate for 2021 would be \$0.6716 per cubic meter.

And further, that the UWSS General Manager be provided the delegated authority to implement the 2021 UWSS Operations & Maintenance Budget and 2021 Capital

Carried (UW/31/20)

The UWSS Joint Board of Management meeting dates for 2021 are presented.

#### **No. UW-59-60**

Moved by: Deputy Mayor Verbeke

Seconded by: Mayor Santos

That the meeting dates for 2021 are received.

Carried

**Report UW/32/20 dated December 11, 2020 re: Payments from November to December 11, 2020**

**No. UW-60-20**

Moved by: Councillor Patterson

Seconded by: Councillor Dunn

That report UW/29/20 dated November 13, 2020 re: Payments from October to November 13, 2020 is received.

Carried (UW/32/20)

### **New Business**

The Chair wishes everyone a Merry Christmas and notes that the UWSS works well collectively as a unit. She thanks the Manager and the Recording Secretary for their work during the year. She also thanks OCWA for their continued good working relationship.

### **Adjournment:**

**No. UW-61-20**

Moved by: Councillor Thiessen

Seconded by: Councillor DeYong

That the meeting adjourn at 9:23

Carried

Date of Next Meeting: Wednesday, January 20, 2021 in zoom

/kmj