

**THE UNION WATER SUPPLY SYSTEM**  
**JOINT BOARD OF MANAGEMENT**  
**MINUTES OF MEETING**  
**HELD DECEMBER 21, 2016 AT 9 AM**  
**IN KINGSVILLE COMMUNITY ROOM - KINGSVILLE ARENA**

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Members Present: Deputy Mayor MacDonald (Chair); Councillors Dunn, Hammond, Jacobs, Verbeke - Leamington  
Mayor Nelson Santos (Vice-Chair); Councillors Gaffan, Neufeld, Patterson - Kingsville  
Mayor McDermott - Essex

Members Absent: Councillor Diemer - Lakeshore

Staff Present: Shannon Belleau - Leamington

OCWA Staff  
Present: Dale Dillen

**Call to Order: 9:05 am**

**Disclosures of Pecuniary Interest: none**

**Adoption of Council Minutes:**

**No. UW-56-16**

Moved by: Mayor Paterson

Seconded by: Councillor Jacobs

That Minutes of the UWSS Joint Board of Management meeting of November 16, 2016 be received.

Carried

**Business Arising Out of the Minutes:**

The Manager reminds members of the board that he had been instructed to seek alternative investments on behalf of the UWSS. He notes that he has been in contact with many financial institutions and is sorting through all of the information that has been provided. He had hoped to have the investments taken care of before Christmas but it appears that January is a more likely target. He further notes that Libro Credit Union and Windsor Family Credit Union are offering the UWSS the best options.

**Status Update of the UWSS Operations & Maintenance Activities and Capital Works to December 16, 2016 and dated December 16, 2016**

The Manager reviews his report with board members. He notes that OCWA staff remain busy performing maintenance and repairs. He indicates that Watech has been in to complete reservoir repairs and that Watech will be providing a report and/or pictures of the before and after work. He expects to receive this information in the New Year.

The Manager confirms that a new control valve on Clarifier #2 has been installed; the south holding pond was taken out of service, which will freeze over the winter and then in the summer it will be cleaned out and the material will be allowed to dry out (The Manager notes that he is still working with the MOE to determine a better use of the residual waste); a new actuator was replaced on Clarifier #1 and the new portable generator has arrived, been tested and is ready for use. The Manager indicates that he will inform local municipalities of the new generator and make it available to them (under a service agreement) when needs require this type of generator. He also confirms that monthly testing will occur but UWSS will be waiting for the summer to complete full field testing with the new generator.

Flows to date are up over the previous year and the previous four (4) year average, which is over budget.

**No. UW-57-16**

Moved by: Councillor Verbeke

Seconded by: Mayor McDermott

That report UW/20/16 dated June 15, 2016 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to July 15, 2016 is received.

Carried (UW/20/16)

**Report UW/33/16 dated December 16, 2016 re: Draft 2017 UWSS Operations & Capital Budget**

The Manager reviews his report with Board members. He notes that the information he is presenting to the Board today is slightly different than what was presented at the November meeting. He further explains that since the previous meeting he has received several engineering reports with cost estimates for several proposed projects, which is reflected in this new draft budget.

In order to determine the flows required for the budget he confirms that he uses the average of the previous four years, and stating that this will be slightly less than the 2016 flows as he wishes to remain on the conservative side. He briefly reviews the revenue expectations as well as the increase to the wholesale rate, effective April 1, 2017, as well as a similar rate increase to Highbury Canco. There is a brief discussion on Highbury Canco's rate increase and whether they receive the same rates Heinz did.

The Manager explains that that Highbury Canco does have the same rate structure that Heinz did. The Board further asks if other industries can receive the preferred rate of Highbury Canco. The Manager explains that Heinz originally received this rate as they were originally part of the system and now Highbury Canco receives this rate as a legacy rate. The Manager is working toward what he called a “hump back rate” wherein all large users would benefit from a tiered rate structure. This is something that would need to be agreed upon by the partner municipalities.

The Manager then moves on to the expenditures that are expected in 2017. He notes that OCWA’s budget remains very similar to 2016 which the exception of their CPI increase. The debt payments now only include the Sun Life Debt which will be ongoing until 2026. However, he is predicting an operational surplus for 2017 of \$1,798,000.

The Manager discusses the studies and testing programs that he feels the UWSS should participate in in 2017, such as water quality testing, Water Quality Masterplan, dissolved air flotation pilot testing and energy audit studies. He notes that he is continuing to work with the University of Windsor and possibly looking into solar panels for energy saving costs.

The Manager then moves on to the Capital Program, which is fairly hefty in nature, at \$2,895,000. He breaks down a list of capital improvements explaining that the two biggest items are the recoating of the Essex Water Tower (\$850,000) and a complete overhaul/upgrade of the SCADA system (\$1,250,000).

He continues on with the other capital items that will be addressed in 2017, such as the following:

- Filter media replacement for filters #5 and #7 at about \$140,000
- Drying out and digging out the south lagoon at a cost of \$100,000 and the Manager is hoping for a better management program after this year.
- Front entrance needs to be overhauled as it is leaking badly and there needs to be some cement work completed.
- Distribution system components and valves, the same value as 2016.
- Master meter replacement is entering its final year of a three (3) year program, only three (3) more need replacing.
- High Lift Pump #4 requires rehabilitation.
- Carbon scrubber system upgrade. This will help remove toxins associated with algae, however when deliveries occur a mess is generated. The upgrade hopes to eliminate this problem.
- Low Lift Pump #5 is on a maintenance schedule and is due for repairs in 2017.
- Security system install was to occur in 2016 however, it was an item that was not able to be worked on this year. The Manager is suggesting that UWSS convert over to an access card type of system that is used at many other municipal

- facilities. He confirms to the Board that UWSS is secure with cameras at all locations, but he wants to improve on that.
- UWSS is in the last year of window replacement and should be completed by the end of 2017.
- UWSS is also entering the last year of a turbidity meter and chlorine analyzer replacement program. He expects all to be installed by the end of 2017.
- The Manager reminds members that the microstrainer was removed from the WTP facility and now the floor over the large hole needs to be replaced in order to utilize the extra space.
- High Lift #1 Compressor will be replaced in 2017 as well.

The Manager then moves on to the six (6) year capital program and what the board can expect. He notes that over the next ten (10) years a lot of expensive items will require repair, replacement or upgrades. He notes several of importance:

- The Manager explains that he is considering a Dissolved Air Flotation for the clarifiers and why he feels this is a better system for the Ruthven WTP. He further explains that several other WTPs are using this options as it is best at removing algae. He notes the timeline of 2017/2018.
- During the 2019 year he is suggesting adding UV treatment after filtration, as this is lowest cost option that might work best for the Ruthven WTP. The Manager will be looking for possible grants and funding for this option,
- 2020 sees the Manager looking for residual management, rather than constantly cleaning out lagoons, rather finding a better way to handle the residuals.
- The watermain from Ruthven to Cottam Booster Station scheduled for 2021. He notes that he is suggesting that this watermain be oversized to increase flows to Essex, which in turn is better for Kingsville as well as Lakeshore.

The Manager explains to members of the Board that he is seeking budget approval today.

**No. UW-58-16**

Moved by: Councillor Verbeke

Seconded by: Councillor Patterson

That the Union Water Supply System Joint Board of Management (UWSS Board) adopts the Draft 2017 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 1 from \$2.67 per thousand gallons (\$0.5868 per cubic metre) to \$2.72 per thousand gallons (\$0.5978 per cubic metre) to be put into effect on April 1, 2017.

And further, that the UWSS Board endorses an increase of \$0.05 per 1000 gallons (\$0.0109/m<sup>3</sup>) is proposed for the Highbury Canco preferred rate. The new proposed Highbury Canco rate would be \$2.00 per 1000 gallons (\$0.4395/m<sup>3</sup>) to take effect on April 1, 2017.

Carried

### **UWSS Joint Board of Management meeting dates for 2017**

The Chair notes that these dates are for information purposes and have been provided to the clerks of each municipality.

### **Report UW/34/16 dated December 16, 2016 re: Payments from November 11 to December 16, 2016**

#### **No. UW-59-16**

Moved by: Mayor Santos

Seconded by: Councillor Jacobs

That report UW/34/16 dated December 16, 2016 re: Payments from November 11 to December 16, 2016 is received.

Carried

### **New Business**

The Manager reminds members of the Board of Councillor Hammond's earlier questions regarding the reduction of power costs. The Manager has been approached by NRG, which works in conjunction with IESO, about participating in a program that would call upon the UWSS to switch to generator power during high peak power days. In return the UWSS could potentially be paid if they were to switch to generator power. He further explains that NRG would require two test periods per year and the UWSS would receive payment for said tests, of approximately \$75,000. He further notes that the City of Guelph participates in this program. The Manager will be reviewing these agreements with the possibility of bringing back a report at a later date.

There is a brief discussion regarding the funding for said program. The Board suggests that the Manager should be contacting Hydro One about the increasing costs of hydro. The Manager indicates that the rates for Hydro One are set by the OPG rates and will not change if OPG does not change. He also confirms that OCWA is participating in this program and he is still looking into solar energy.

## **Adjournment**

### **No. UW-60-16**

Moved by: Councillor Patterson

Seconded by: Councillor Hammond

That the meeting adjourn at 10:32 am

Carried

Date of Next Meeting: Wednesday, January 18, 2017 at 9:00 am in the Kingsville Community Room of the Kingsville Arena

/kmj