

THE UNION WATER SUPPLY SYSTEM
JOINT BOARD OF MANAGEMENT
MINUTES OF MEETING
HELD DECEMBER 20, 2017 AT 9 AM
IN KINGSVILLE COMMUNITY ROOM - KINGSVILLE ARENA

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

Members Absent: Councillors Dunn and Hammond - Leamington
Mayor McDermott - Essex
Councillor Diemer - Lakeshore

Staff Present: John Kehoe - Leamington

OCWA Staff Present: Susan Budden, Dave Jubenville
Dale Dillen, Ken Penney, Marco Albano (LSW)

Call to Order: 9:07 am

Disclosures of Pecuniary Interest: none

Adoption of Council Minutes:

No. UW-57-17

Moved by: Councillor Patterson

Seconded by: Councillor Jacobs

That Minutes of the UWSS Joint Board of Management meeting of October 18, 2017 be received.

Carried

Business Arising Out of the Minutes:

There was none.

Report UW/31/17 dated December 15, 2017 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to December 15, 2017

The Manager indicates that it has been a few months since the last UWSS meeting and as such many projects have been completed. He reviews those items including the installation of Low Lift Pump #2. However, upon inspection it was noted that there was a vibration in the new pump that was cause for some concern. The engineers will return to the site in January to evaluate.

The Manager notes that the old mechanical billing meters have all been replaced, with magnetic flow meters. Now communications between them and the Ruthven WTP can be completed and therefore the data will be available right at the WTP rather than sending employees out into the system to read them.

The temporary coagulant being used over the summer and late fall, Hyperion, to address high aluminum residuals in the treated water has now been switched back to the regular coagulant DelPac 2020. This was completed because of the decrease in the raw water temperature and pH which would allow the use of the regular coagulant without increasing aluminum results. He further explains that the aluminum residuals have been in the proper range since the switch.

An ongoing project throughout the year has been the removal of microstrainer #1 and installing an engineered floor over the large hole in the floor left by this equipment removal. The floor enclosure has now been completed and will provide staff with more space for potential lab and storage.

The Manager notes that annual maintenance on Clarifiers #1, #2 and #4 has been completed. Also there was an attempted break in at the Albuna Water Tower site during the weekend of November 11th-12th, 2017. The fence was pulled back and the handle on the door was ripped off. He noted that there is potential for injuries and therefore cameras have been installed at the Albuna Water Tower for security purposes/.

The MOECC inspections for both Kingsville and Leamington have been received, with Leamington receiving 100% and Kingsville receiving a 97.52%. Kingsville's result was not a reflection the quality of water.

The Manager then speaks on the SCADA replacement project. He notes that the three (3) proposals were received prior to the deadline. He reminds members that the budget was \$1.2 million. The lowest bid received was \$603,000 and the highest bid was \$1.7 million. He then confirms that an evaluation regarding the technical aspect of the proposals should be completed by January and results will be available for the next meeting.

He then discusses the pH Adjustment project and confirms that an updated report was received in late November. He confirms that staff are reviewing and evaluating options presented in the report. However, construction of a CO2 pH raw water adjustment system has been included in the proposed 2018 Capital Budget with a budget of \$950,000. This project is to improve the coagulant function and address the aluminum residual issue.

The Manager then reviews the flows for the year noting that they are down slightly from last year but well above budgeted flows for 2017.

The Board asks for a further explanation regarding the changeover of the coagulant. They are curious as to whether the change is seamless or are there noticeable affects? The Manager explains that everything is seamless and the change really depends on the temperature of the water. Once the raw water reaches a certain level then the change can occur with little or minimal affect.

No. UW-58-17

Moved by: Larry Verbeke

Seconded by: Mayor Santos

That report UW/31/17 dated December 15, 2017 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to December 15, 2017 is received.

Carried (UW/31/17)

Report UW/32/17 dated December 8, 2017 re: Proposed 2018 UWSS Operations and Capital Budget

The Manager reviews his report for the proposed 2018 UWSS Budget. He reviews the report highlights, revenues and other figures, such as reserve income and investments. He reminds members that in 2017 the UWSS transferred \$10 million into a GIC with the WFCU earning 2.55% and the remainder of the funds are sitting in a bank account earning 1.95%, which is still earning more than they had been previously.

He then reviews the UWSS expenditures and notes that there is an anticipated surplus of \$1.926 million, however, this is due to several large capital projects that were delayed and will be implemented in 2018.

The Manager does indicate that the capital program is robust for 2018 coming in at \$3.925 million, however this includes two (2) very large projects, which were not completed in 2017 (the Essex Water Tower rehabilitation and the SCADA system upgrade). He reminds members that this information has been brought to their attention earlier in 2017.

There is then a brief discussion regarding the reserves and how much money will be taken from them in order to cover some of the projects. The Manager indicates that yes there will be some monies taken from the reserves, however he is anticipating returning some of the monies through surplus revenues.

The Manager also informs members that looking into the 6 Year Capital Plan they will note that those years will be capital heavy. Councillor Patterson again notes that the watermain from Ruthven to Cottam is in need of replacement as it is prone to leaking and supports this being a priority. He asks if there is any funding that is available for this project. The Manager reminds members that with the UWSS structured the way it is there is no government funding available. Perhaps with the possible restructuring UWSS will qualify for some of the funding that is out there.

The Manager then answers questions regarding specific things. For example there is a question regarding the budget item for kitchen renovations. He notes that right now the kitchen is very small, which gets very crowded as everyone eats at the same time. It was built in 1960 so it is very old. He is hoping to make better use of a different space and turn the current kitchen into storage/lab area.

There is a question regarding the operations contract assessment. The Manager reminds members of the board that the OCWA Operating Contract is due to expire at the end of 2018. He feels it is everyone's interest to have a review to ensure that UWSS is receiving the best approach. Once that happens then negotiations can begin. There is a brief discussion regarding the length of the OCWA contract, which currently sits at five (5) years, with the option to extend.

The members note there is no money for restructuring. The Manager explains that he is still awaiting comments from the member municipalities and they have committed to mid-January 2018 for those responses. Once a decision has been made on whether to move forward (by the municipalities) then a report on next steps for restructuring, including costs, will be brought forth to the UWSS Board for approval.

No. UW-59-17

Moved by: Councillor Patterson

Seconded by: Councillor Jacobs

That the Union Water Supply System Joint Board of Management (UWSS Board) adopts the Draft 2018 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 \$2.72 per thousand gallons (\$0.5978 per cubic metre) to \$2.77 per thousand gallons (\$0.6088 per cubic metre) to be put into effect on April 1, 2018.

Carried (UW/32/17)

Dates for the Union Water Supply System Joint Board of Management 2018 meetings

The dates provided are for information purposes.

Report UW/33/17 dated December 15, 2017 re: Payments from October 13 to December 15, 2017

No. UW-60-17

Moved by: Mayor Paterson

Seconded by: Councillor Gaffan

That report UW/33/17 dated December 15, 2017 re: Payments from October 13 to December 15, 2017 are received.

Carried (UW/33/17)

Adjournment

No. UW-61-17

Moved by: Councillor Neufeld

Seconded by: Councillor Gaffan

That the meeting adjourn at 9:39 am

Carried

Date of Next Meeting: Wednesday, January 17, 2018 at 9:00 am in the Community Room of the Kingsville Arena

/kmj