

Minutes
Chatham-Kent Public Utilities Commission
Regular Meeting

Chatham-Kent PUC
PUC Boardroom

January 17TH, 2019
3:10 PM

Present: Chairperson Carmen McGregor, Mayor Darren Canniff, Commissioners Trevor Thompson, Mark Authier, Marjorie Crew, Steve Pinsonneault, General Manager Tim Sunderland, Area Manager (South/Central) Robin Dudley, Area Manager (North/Central) Darren Galbraith, Manager Compliance & Monitoring Lilly Snobelen, Facility and Systems Manager Rob Bernardi, General Manager John Norton, Community & Development, General Manager Thomas Kelly, Infrastructure & Engineering Services, Planning Services Ryan Jacques

Absent: Commissioners Jamie McGrail, CAO Don Shropshire

1. Call to Order

General Manager Tim Sunderland called the meeting to order at 3:10 pm.

2. Disclosure of Pecuniary Interest (Direct or Indirect) for Open Session Items and the General Nature There Of

- none

3. Selection of Commission Chairperson

General Manager Tim Sunderland opened up the nominations for the PUC Chairperson. A motion by Commissioner Pinsonneault to nominate Commissioner McGregor for the PUC Chairperson, and it was seconded by Commissioner Thompson. General Manager Tim Sunderland asked for anymore nominations. None were heard. Vote was called for, all in favour for Commissioner McGregor elected PUC Chairperson.

4. Approval of Minutes

- a) October 18, 2018 (Regular Meeting)

Moved by Commissioner Pinsonneault and seconded by Commissioner Thompson

“That the minutes of October 18, 2018 Regular Meeting be approved.”

5. Reports

- a) RFP R18-419 – Watermain Extension, Queen Street N, Community of Tilbury

Municipality of Chatham-Kent
Infrastructure and Engineering Services

Chatham-Kent Public Utilities Commission

To: Tim Sunderland, General Manager, PUC
From: Debbie Cooper, C.Tech
Engineering Technologist, Engineering and Transportation
Date: December 12, 2018
Subject: Request for Proposal Award: RFP R18-419, Watermain Extension on Queen Street North, Community of Tilbury

Recommendations

It is recommended that:

1. The proposal in the amount of \$120,260.25, including HST for the Watermain Extension on Queen Street North, Community of Tilbury be awarded to Dillon Consulting Limited.
2. The Chatham-Kent Public Utilities Commission (CK PUC) Chairperson and General Manager be authorized to sign the necessary agreements.

Background

There are two existing watermains on Queen Street North that terminate (dead end) south of the Highway 401 overpass. To provide better water distribution and redundancy, the existing watermains to the south will be looped with the watermain north of the Highway 401.

The project to loop this watermain has been approved as part of 2019 PUC Watermain Lifecycle Budget by the Public Utilities Commission (PUC).

Comments

The project consists of directionally drilling a new 450mm diameter HDPE watermain under the Highway 401 overpass to loop the existing 200mm diameter watermain to the south with the existing 400mm diameter watermain north of the 401 overpass; as well as upgrade/replace the existing 150mm diameter watermain between Municipal No. 165 and Municipal No. 187 Queen Street North to 400mm diameter, tying into the existing 400mm diameter watermain.

Four (4) separate proposals were received by the Purchasing Officer on November 21, 2018 and forwarded to Engineering and Transportation Division for review and evaluation by the evaluation panel using the Council approved evaluation matrix as provided in the proposal call to all submitting firms. The four proposals submitted were from, Baird AE Inc., Dillon Consulting Limited, RC Spencer Associates Inc. and R.V. Anderson Associates Limited.

The proposals were received using a two-envelope system with the fee schedule submitted in a separate envelope opened by the panel only after the ratings had been determined.

Table 1: Evaluation Matrix

Qualification Category	Qualification Criteria	Weighting
<i>Experience and Qualifications of the Project Team</i>	Project Manager and Senior Designers	18
	Technical Support Staff Design	5
	Contract Administration & Tech Support	5
	Sub Consultants	3
<i>Management Qualifications</i>	Experience on Similar Projects	15
	Availability of Key Staff	5
	Quality Assurance/Multi-Disciplinary	5
	Local Office	3
<i>Project Implementation</i>	Approach and Methodology	15
	Scheduling/Understanding Key Activities	12
	Project Quality Assurance	12
<i>Price</i>	Consulting Fee	42
	TOTAL	140

Table 2: Summary of Evaluation Scores

Rank	Submitting Firm	Office Location	Final Score
1.	Dillon Consulting Limited	Chatham, ON	1091.8
2.	Baird AE	Chatham, ON	1063.2
3.	RC Spencer Associates	Chatham, ON	956.4
4.	R.V. Anderson Associates Limited	London, ON	621.2

The proposal submitted by Dillon Consulting Limited illustrated the staffing resources, methodology and quality controls necessary to initiate and successfully complete the project. Based on the panel review process, the proposal submitted by Dillon Consulting Limited was deemed to be the preferred submission ranked highest by the panel.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:
Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources
The recommendations in this report support the following critical success factors:

- Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Open, Transparent and Effective Governance:
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors
- Neutral issues (does not support negatively or positively)

Consultations

The proposals were received, opened and distributed to Engineering and Transportation Division by the Purchasing Officer. Proposals were reviewed, evaluated and ranked by a panel consisting of Engineering Technologists I and II, and the Manager of Infrastructure Services.

The General Manager, Chatham-Kent PUC was consulted in the preparation of this report and supports the recommendations.

Financial Implications

This project is funded through the 2019 PUC Watermain Lifecycle budget by the Public Utilities Commission. The specific details surrounding the funding of the tendered construction project will be presented to Council in detail upon receipt of bids for same. The project summary is set out in the following table:

Proposal R18-419: Engineering Services for Watermain Extension on Queen Street North, Community of Tilbury

(A)Engineering Services Fee

Description	Total
Recommended RFP	\$ 106,425.00
Plus HST 13%	\$ 13,835.25
Less HST Rebate 11.24%	\$ - 11,962.17
Total Current Project Costs	\$ 108,298.08

(B)Estimated Project Funding

Description	Total
2019 Water Lifecycle Budget – 100%	\$ 108,298.08
Total Current Project Funding	\$ 108,298.08

Prepared by:

Debbie Cooper, C.Tech
Engineering Technologist
Engineering and Transportation

Reviewed by:

Mark McFadden, P.Eng.
Manager, Infrastructure Services
Engineering and Transportation

Reviewed by:

Tim Sunderland, General Manager, Chatham-Kent PUC

**Moved by Commissioner Authier and seconded by Commissioner Crew
“That the Chatham-Kent Public Utilities Commission (CK PUC);**

- 1. Approve the proposal in the amount of \$230,260.25, including HST for the Watermain Extension on Queen Street North, community of Tilbury be awarded to Dillon Consulting Limited.**
- 2. The Chatham-Kent Public Utilities Commission (CK PUC) Chairperson and General Manager be authorized to sign the necessary agreements.”**

Motion carried

b) Tender Award – Contract T18-438 - Dresden WPCP – MCC Replacement, Community of Dresden

Municipality Of Chatham-Kent
Chatham-Kent Public Utilities Commission

To: PUC Chairperson and Commission Members
From: Darren Galbraith, Area Manager, North/Chatham Water
Date: December 28, 2018
Subject: Tender Award: Contract No. T18-438, Dresden Water Pollution Control Plant - Motor Control Centre Replacement – Community of Dresden

Recommendations

It is recommended that:

1. The tender in the amount of \$301,586.97, including HST, for the installation and replacement of the Motor Control Centre (MCC) at the Dresden Water Pollution Control Plant (WPCP), Contract No. T18-438, be awarded to Selectra Inc.
2. The Chatham-Kent Public Utilities Commission (CK PUC) Chairperson and the General Manager be authorized to complete the necessary agreements.

Background

The Dresden WPCP was built in 1976 and 1977. The current MCC is the original equipment and needs to be replaced, as it is obsolete, making it difficult to find replacement parts.

The MCC is where the facility's electrical service enters the Main Lift Pump Station Building, from Entegrus. It contains the main facility disconnection switch, back-up generator automatic transfer switch, breakers and controls for the main lift pumps, compressor and blower. The MCC also supplies electricity to the Administration Building's MCC.

Comments

The Purchasing Officer received quotes for the Tender on Thursday, December 13, 2018.

A total of four (4) tenders were received. Two (2) tenders were disqualified for not meeting the tender criterion. The accepted tenders are summarized in the following table:

Tenderer	Quotation amount (Including HST)
Selectra Inc, Stratford, ON	\$301,586.97
J.M.R. Electric Ltd, Exeter, ON	\$408,731.17

It is recommended that CK PUC award Contract No.T18-438 to Selectra Inc. at the tender price of \$301,564.37 including HST and that the Chairperson and General Manager be authorized to complete the necessary agreements.

Consultations

Bruno Diloreto, P.Eng., Dillon Consulting
Michael Lombardi, P.Eng., Dillon Consulting

Financial Implications

All costs associated with the project were included in the 2018 Lifecycle Budget.

Prepared by:

Darren Galbraith
Area Manager North/Chatham Water
Chatham-Kent PUC

Reviewed by:

Tim Sunderland
General Manager
Chatham-Kent PUC
Attachment: Dillon Consulting Letter

**Moved by Commissioner Pinsonneault and seconded by Commissioner Thompson
“That the Chatham-Kent Public Utilities Commission (CK PUC);**

- 1. The tender in the amount of \$301,586.97, including HST, for the installation and replacement of the Motor Control Centre (MCC) at the Dresden Water Pollution Control Plant (WPCP), Contract No. T18-438, be awarded to Selectra Inc.**

2. The Chatham-Kent Public Utilities Commission (CK PUC) Chairperson and the General Manager be authorized to complete the necessary agreements.”

Motion carried

c) Water and Wastewater Development Charges and Part 12 Municipal Act (2001)

Municipality of Chatham-Kent
Public Utilities Commission

To: PUC Chairperson and Commissioners
From: Tim Sunderland
General Manager, CK PUC
Date: January 4, 2019
Subject: Water and Wastewater Development Charges and Part 12, Municipal Act 2001

Recommendations

It is recommended that:

1. Administration prepare a report to Chatham-Kent Council for approval of the following recommendations:
 - a. That the 2018 Water and Wastewater Development Charge Background Study Report, dated December 5, 2018 be received and approved
 - b. That the Municipality of Chatham-Kent Council approve the capital project listing set out in Chapter 5 of the 2018 Water and Wastewater Development Charge Background Study Report, dated December 5, 2018, subject to annual review during the budget process
 - c. That a by-law be approved that adopts the recommended development charges as per Schedule “B” of the By-law for the imposition of Development Charges and policies provided within the 2018 Water and Wastewater Charge Development Charge Background Study Report, dated December 5, 2018 and that all industrial lands be exempted from the Development Charges
 - d. That a by-law be approved that adopts the recommended Part 12 of the Municipal Act, 2001 charges as per Schedule “A” of the By-law to impose water and sewer charges to recover capital costs for servicing new users to the systems and policies provided within the 2018 Water and Wastewater Charge Development Charge Background Study Report dated December 5, 2018 and that all industrial lands be exempted from the Development Charges
 - e. The By-law provide for the automatic indexing of the development charges on an annual basis from the date the by-law comes into force, in accordance with the Statistics Canada Quarterly, Construction Price Statistics
 - f. The new Development Charge By-law applies to all service areas of the Municipality who receive water and/or wastewater services
 - g. The Development Charges shall be payable upon issuance of a building permit with respect to each dwelling unit, building or structure
 - h. The Part 12 charges shall be payable as part of the assessed cost for new waterline and sanitary sewer project costs

Background

Development Charges have been in existence since November, 1989 with the passage of the Development Charges Act. This Regulation identifies services that can be financed using development charges and clarifies how development charges are to be determined. Under the legislation, the growth related costs of certain services such as water, wastewater, roads, police and fire may be fully funded by development charges. The Act also identifies services that are now excluded from development charges, including cultural or entertainment facilities (i.e. museums, art galleries and theatres), tourism facilities (such as convention centers), parkland acquisition, hospitals, waste management services and municipal headquarters.

Council originally passed Development Charge By-law #92-2004 which was replaced by Development Charge By-law #51-2009 in March 2009, and later by Development Charge By-law #50-2014 in March 2014. This by-law is due to expire on March 25, 2019. Prior to the passing of a Development Charge By-law, at least one public meeting must occur with a minimum of 20 days’ notice of the meeting date. Advertisement for a public meeting to occur on February 11, 2019 in Council Chambers, appeared in local Chatham-Kent newspapers during the week of January 21, 2019.

Comments

The Chatham-Kent Public Utilities Commission (CK PUC) engaged Watson and Associates Ltd. to complete the 2018 Water and Wastewater Development Charge Background Study as an update to the 2014 Water and Wastewater Development Charge Background Study that was presented to Council in March 2014. The Study deals with the recovery of capital costs associated with the major water and wastewater infrastructure needed to accommodate new growth in the Municipality (receiving these services) and new users to the system (existing properties having water and wastewater services extended to their property).

The capital costs considered in the Study relate to the supply, treatment, storage, pumping and transmission of water and the collection, pumping and treatment of wastewater. Local works are not included in this review. Internal works within a new subdivision will be required to be installed at the developing landowners’ cost. Similarly, where local mains are extended into existing areas, CK PUC will recover these costs via a localized Municipal Act by-law specific to the recovery of the costs of those works.

The adoption of a municipality-wide water and wastewater DC/Municipal Act charge has had an impact in controlling the potential significant increase in water and wastewater rates.

Water Infrastructure Needs

Commensurate with the master plan recommendations, the capital infrastructure for water has been summarized in Table 5-1 of the report. This table provides the following information:

- Project
- Estimated cost (in 2018 dollars)

- Status of project (new vs. existing); and
- Timing of construction

Based on the table, the following summary of cost by component of the water service is provided below:

Component	Capital Costs (net of grants)
Projected Capital Projects (short term 1-5 yrs)	\$27,192,000
Previous Works	
Water Treatment	45,182,966
Water Supply	42,716,504
Water Storage	10,027,249
Pumping Stations	3,817,538
Net Water Capital Costs	\$128,936,257

Wastewater Infrastructure Needs

The wastewater capital needs are provided in Table 5.2 of the report. These projects are summarized in Table 5.2 of the current Study. Based on the analysis provided therein, the following summary is provided:

Component	Capital Costs (net of grants)
Projected Capital Projects (short term 1-5 yrs)	\$25,843,000
Previous Works	
Wastewater Treatment	48,970,307
Sanitary Trunk Sewers	7,098,787
Total	\$81,912,094

D.C. Charge/Part 12 (Municipal Act, 2001) Charge Calculation (Residential):

The analysis in Chapter 6 of the 2018 Water and Wastewater Development Charge Background Study provides for the calculation of a capital cost per capita based upon the capital works provided in Chapter 5. It should be noted that the Master Plan used servicing targets for population and employment. Whether the systems expand in the number of users resulting from new growth or existing homes that are serviced and connect to the systems, the capacity is provided for them equally. The following table provides the average occupancies for low, medium and high density housing for all households in Chatham-Kent based on 2016 Census data. Note; bunk houses have now been included in the DC and are based on a per bed basis.

For calculations provided herein, the following persons per unit (PPU) have been used:

Unit Type	PPU (based on 2016 Census)
Single-Detached Dwelling & Semi-Detached Dwelling	2.781
Apartments – 2 Bedrooms +	2.206
Apartments – Bachelor & 1 Bedroom	1.140
Multiple Dwellings	2.245
Bunk House (per bed)	1.000

Based on the above persons per unit (2016 Census), the following charges are calculated for residential units:

WATER SERVICE	Single-Detached Dwelling & Semi-Detached Dwelling	Apartments – 2 Bedrooms +	Apartments – Bachelor & 1 Bedroom	Multiple Dwellings	Retirement/Nursing Home/Long term Care	Bunk House (per Bed)
Persons Per Unit	2.78	2.21	1.14	2.25	1.00	1.00
Water Per Capita Charge	\$998	\$998	\$998	\$998	\$998	\$998
Residential Water Charge	\$2,775	\$2,201	\$1,138	\$2,240	\$998	\$998

WASTEWATER SERVICE	Single-Detached Dwelling & Semi-Detached Dwelling	Apartments – 2 Bedrooms +	Apartments – Bachelor & 1 Bedroom	Multiple Dwellings	Retirement/Nursing Home/Long term Care	Bunk House (per Bed)
Persons Per Unit	2.78	2.21	1.14	2.25	1.00	1.00
Wastewater Per Capita Charge	\$806	\$806	\$806	\$806	\$806	\$806
Residential Wastewater Charge	\$2,242	\$1,778	\$919	\$1,810	\$806	\$806
Total Residential Water and Wastewater Charge	\$5,017	\$3,979	\$2,057	\$4,050	\$1,804	\$1,804

For comparison purposes, the following tables list the current DC/Part 12 Municipal Act, 2001 charges for 2018:

WATER SERVICE	Single-Detached Dwelling & Semi-Detached Dwelling	Apartments – 2 Bedrooms +	Apartments – Bachelor & 1 Bedroom	Multiple Dwellings	Retirement/Nursing Home/Long term Care	Bunk House (per Bed)
Residential Water Charge	\$1661.88	\$1214.49	\$831.48	\$1342.17	\$581.50	N/A

WASTEWATER SERVICE	Single-Detached Dwelling & Semi-Detached Dwelling	Apartments – 2 Bedrooms +	Apartments – Bachelor & 1 Bedroom	Multiple Dwellings	Retirement/Nursing Home/Long term Care	Bunk House (per Bed)
Residential Wastewater Charge	\$2176.86	\$1591.07	\$1088.97	\$1758.44	\$761.74	N/A
Total Residential Water and Wastewater Charge	\$3838.74	\$2805.56	\$1919.83	\$3100.61	\$1343.24	N/A

D.C. Charge/Part 12 (Municipal Act, 2001) Charge Calculation (Non-Residential):

The Master Plan addressed existing and future needs for non-residential (commercial, industrial and institutional) properties on a population equivalent basis. In order to develop a charge for non-residential development, the population equivalent basis must be converted to a standard that can be used to apply against various building types. Table 6-4 of the 2018 Water and Wastewater Development Charge Background Study provides for the conversion of these assumptions into square foot of building space assumptions. The calculations are described as follows:

- Activity Rate – this provides the relationship between the number of jobs within the municipality, and the occupation. The employment figures are based on Statistic Canada Place of Work data for the year 2001. This year reflects the population and employment figures which would have been considered by R.V. Anderson at the time the master plan was developed (hence has not been adjusted based on updated 2016 census data).
- Estimated Serviced Employees – based on the estimated number of serviced population provided in the master plan, an estimated number of employees are provided by applying the activity rate to this figure.
- Calculate Employment to Equivalent Population Ratio – as the population equivalent figure reflects the usage of the non-residential sector expressed as a population equivalent basis, this ratio reflects the relationship between this figure and employment.
- Calculate the Capital Cost per Employee – the Employment Equivalent Population Ratio is multiplied by the per capita cost to provide a capital cost per employee.
- Calculate Capital Cost Per Square Foot – the capital cost per square foot figure is divided by average square foot per employee figures to provide a cost per square foot figure for Commercial/Institutional and Industrial.

Based upon calculations provided within the Study, the following table outlines cost per square foot for commercial, institutional and industrial uses:

Services for Non-Residential (per Sq. Ft. of Gross Floor Area)

	Commercial	Institutional	Industrial	Greenhouses
Water	\$1.94	\$1.45	\$0.97	\$0.15
Wastewater	\$1.57	\$1.17	\$0.78	\$0.12
Total	\$3.51	\$2.62	\$1.75	\$0.27

For comparison purposes, the following tables list the current DC/Part 12 Municipal Act, 2001 charges for 2018:

Services for Non-Residential (per Sq. Ft. of Gross Floor Area)

	Commercial	Institutional	Industrial	Greenhouses
Water	\$1.13	\$0.85	\$0.57	\$0.09
Wastewater	\$1.48	\$1.11	\$0.74	\$0.12
Total	\$2.61	\$1.96	\$1.31	\$0.21

It should be noted that in order to remain competitive with other municipalities and to assist with attracting industrial development, it is recommended that the Development Charges By-law exempt all industrial lands from all charges.

Consultations

Mr. Gary Scandlan, Watson & Associates Economists LTD.
 Area Manager South/Central CK PUC
 Manager Facilities and Systems CK PUC

Financial Implications

The approval of the proposed Water and Wastewater Development/Part 12 Municipal Act Charges will help fund the infrastructure needed to service new growth as well as assist in improving the financial performance of CK PUC in its movement toward sustainability in the future.

Prepared by:

Tim Sunderland
General Manager, CK PUC

Available at Meeting: 2018 Water and Wastewater Development Charge Background Study

A presentation was given on DC background study by Watson and Associates Gary Scandlan.

**Moved by Commissioner Authier and seconded by Commissioner Thompson;
“That the Chatham-Kent Public Utilities Commission (CK PUC) approve**

- 1. Administration prepare a report to Chatham-Kent Council for approval of the following recommendations:**
 - a. That the 2018 Water and Wastewater Development Charge Background Study Report, dated December 5, 2018 be received and approved**
 - b. That the Municipality of Chatham-Kent Council approve the capital project listing set out in Chapter 5 of the 2018 Water and Wastewater Development Charge Background Study Report, dated December 5, 2018, subject to annual review during the budget process**
 - c. That a by-law be approved that adopts the recommended development charges as per Schedule “B” of the By-law for the imposition of Development Charges and policies provided within the 2018 Water and Wastewater Charge Development Charge Background Study Report, dated December 5, 2018 and that all industrial lands be exempted from the Development Charges**
 - d. That a by-law be approved that adopts the recommended Part 12 of the Municipal Act, 2001 charges as per Schedule “A” of the By-law to impose water and sewer charges to recover capital costs for servicing new users to the systems and policies provided within the 2018 Water and Wastewater Charge Development Charge Background Study Report dated December 5, 2018 and that all industrial lands be exempted from the Development Charges**
 - e. The By-law provide for the automatic indexing of the development charges on an annual basis from the date the by-law comes into force, in accordance with the Statistics Canada Quarterly, Construction Price Statistics**
 - f. The new Development Charge By-law applies to all service areas of the Municipality who receive water and/or wastewater services**
 - g. The Development Charges shall be payable upon issuance of a building permit with respect to each dwelling unit, building or structure**
 - h. The Part 12 charges shall be payable as part of the assessed cost for new waterline and sanitary sewer project costs**
 - i. In conjunction with the adoption of a water and sewer by-law to implement the charges, the existing Development Charge By-law Number 50-2014 be repealed.”**

Motion carried

5. Information Reports

- Ontario Pipeline Magazine article

6. Verbal Reports

- none

7. New Business

General Manager John Norton of Community & Development, provided verbal information about future industrial lands and water/wastewater service needs, along with a development strategy needed. A discussion followed.

8. Resolution Regular Meeting and Adjournment

That Chatham-Kent Public Utilities Commission adjourn, its next Regular Meeting to be held on **Thursday, February 21, 2019** in the PUC Boardroom and that the PUC Commission authorize itself to meet in closed session on that day to discuss any matters permitted by the Municipal Act.

Moved by Commissioner Pinsonneault and seconded by Commissioner Crew

“That the Regular Meeting be adjourned and to move into Closed Session at 4:25 pm”

Motion carried