

**Minutes  
Public Utilities Commission  
Regular Meeting**

**Public Utilities Commission Boardroom  
325 Grand Avenue East**

**February 15<sup>TH</sup>, 2018  
3:15 PM**

Present: Chairperson Randy Hope, Commissioners Bryon Fluker, Brock MacGregor, David VanDamme, General Manager Tim Sunderland, Area Manager (North/Central) Darren Galbraith, Area Manager (South/Central) Robin Dudley, Facility and Systems Manager Rob Bernardi, Manager Compliance & Monitoring Lilly Snobelen, Manager Legal Services Dave Taylor, Emily Crawford

Absent: Commissioners Jeff Wesley, Leon Leclair, Trevor Thompson, CAO Don Shropshire

**1. Call to Order**

Chairperson Randy Hope called the meeting to order at 3:15 pm.

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

- none

**3. Approval of Minutes**

- a) January 25, 2018 Regular Meeting -

**Moved by Commissioner Fluker and seconded by Commissioner VanDamme**

**“That the minutes of January 25, 2018 Regular Meeting be approved.”**

**Motion carried**

- b) January 25, 2018 – Closed Meeting

**Moved by Commissioner Fluker and seconded by Commissioner VanDamme**

**“That the minutes of January 25, 2018 Closed Session be approved.”**

**Motion carried**

**4. Reports**

- a) 2018 CK PUC Vehicle Replacements

Municipality of Chatham-Kent

Chatham-Kent Public Utilities Commission

To: PUC Chairperson and Commission Members  
From: Tim Sunderland  
General Manager  
Date: February 5, 2018  
Subject: 2018 CK PUC Vehicle Replacements

Recommendation

It is recommended that:

- Administration be authorized to request Fleet Services to prepare tender documents and manage the tendering process for the replacement of five (5) vehicles.

#### Background

The Chatham-Kent Public Utilities Commission (CK PUC) began 2018 with a fleet of thirty-two (32) vehicles. CK PUC follows the Municipal Fleet policy regarding vehicle replacement, which includes possible replacement after 8 years of service, dependent on maintenance costs and vehicle mileage. Based on this Fleet Policy, there could have been eleven (11) vehicles due for replacement in 2018; however, Administration looked at the current fleet of CK PUC vehicles and considered the condition and use of each vehicle due for replacement, and decided on the replacement of five (5) vehicles in 2018, maintaining a current CK PUC fleet of thirty-two (32) vehicles.

#### Comments

The CK PUC vehicles currently in need of replacement consists of three (3) 4x2 pick-ups, one (1) 4x4 pick-up and one (1) mid-size SUV that have been in service for eight (8) years or more. Administration is seeking Commission's approval to request Fleet Services to tender for the replacement of these five (5) vehicles with four (4) extended cab half ton 4X4 pick-up trucks and one (1) mid-size SUV. Fleet has estimated that the replacement cost per vehicle will be approximately \$34,000 to \$38,000. A report will be brought back to Commission outlining the tendering results once the process has been completed.

Fleet costs approved in the 2018 budget are \$458,342 and this includes \$140,000 for vehicle replacements. CK PUC fleet reserves at the end of 2017 have not been finalized yet but in consultations with CK Finance, CK PUC has adequate funds to cover the replacement of these vehicles.

#### Consultations

Area Manager (South/Central), CK PUC  
 Area Manager (North/Central), CK PUC  
 Manager (A) Fleet Services, Municipality of Chatham-Kent  
 Financial Analyst 1, CK Financial Services

#### Financial Implications

There are no financial implications associated with the approval of the recommendation contained in this report.

Prepared by:

\_\_\_\_\_  
 Tim Sunderland  
 General Manager  
 Chatham-Kent PUC

### **Motion by Commissioner Fluker and seconded by Commissioner MacGregor;**

#### **“That the Chatham-Kent Public Utilities Commission (CK PUC)**

- Authorize Administration to request Fleet Services to prepare tender documents and manage the tendering process for the replacement of five (5) vehicles.”**

**Motion carried**

#### b) 2017 Annual Water and Wastewater Summary Reports

Municipality Of Chatham-Kent  
 Chatham-Kent Public Utilities Commission

To: PUC Chairperson and Commission Members  
 From: Lilly Snobelen  
 Manager, Compliance & Quality Standards  
 Chatham-Kent Public Utilities Commission  
 Date: February 7, 2018  
 Subject: 2017 Summary Report for Drinking Water and Wastewater Systems

#### Recommendations

It is recommended that:

- The attached Summary Reports for Drinking Water and Wastewater Systems be reviewed and any concerns be addressed with the General Manager of the Chatham-Kent Public Utilities Commission (CK PUC);
- The attached Summary Reports for Drinking Water and Wastewater Systems be approved by CK PUC.

#### Background

Under Schedule 22 'Summary Reports for Municipalities' Regulation 170/03, Safe Drinking Water Act, 2002, Administration is required to present a yearly summary report to the members of Commission and to the members of Council.

Commission has also asked that Administration prepare a summary of the wastewater treatment systems for information.

#### Comments

Attached are the Annual Summary Reports for each water and wastewater system under CK PUC. The following list of items is included in the annual summary reports:

Water Systems:

A summary list of issues for all of the water systems

- A list of requirements of the Act, the regulations, the system approval and any order that the system failed to meet at any time during the period covered by the report and the duration of the failure
- For each failure, a description of the measures that were taken to correct the system
- A summary of the quantities and flow rates of the water supplied during the period covered by the report, including monthly average and maximum daily flows and daily instantaneous peak flow rates
- A comparison of the summary to the rated capacity and flow rates approved in the system approval

Wastewater Systems:

- A brief description of the wastewater treatment system
- A list of effluent requirements as set out in the various Certificates of Approval or Environmental Compliance Approval, for the systems
- A comparison of the summary to the rated capacity and flow rates approved in the system approval
- A table of the effluent analysis and any compliance issues identified

Consultations

PUC Environmental Compliance Technicians  
Compliance/Backflow Prevention Officer

Financial Implications

There are no financial implications resulting from the recommendations contained in this report.

Prepared by:

\_\_\_\_\_  
Lilly Snobelen  
Manager, Compliance & Quality Standards

Reviewed by:

\_\_\_\_\_  
Tim Sunderland  
General Manager

**Moved by Commissioner Fluker and seconded by Commissioner MacGregor.**

**“That the Chatham-Kent Public Utilities Commission (CK PUC)**

- 1. Review the attached Summary Reports for Drinking Water and Wastewater Systems and address any concerns with the General Manager of the Chatham-Kent Public Utilities Commission;**
- 2. Approve the attached Summary Reports for Drinking Water and Wastewater Systems.”**

**Motion carried**

c) Insurance Coverage and Claims Costs - 2016

Municipality Of Chatham-Kent  
Legislative Services  
Legal Services

To: Public Utilities Commission  
From: David V. Taylor, Senior Legal Officer  
Date: January 22, 2018  
Subject: Insurance Coverage and Claims Costs – 2016

Recommendation

It is recommended that:

1. \$28,035.50 be transferred to the Municipal Insurance Reserve for claims occurring in 2016.
2. \$7,909.96 be transferred to the Municipal Insurance Reserve for claims occurring in 2017

Background

The Municipality's insurer is the Frank Cowan Company. Legal Services manages the insurance and claims reserve for the Municipality, including all boards and committees of Council. This includes the Public Utilities Commission (“PUC”).

In most instances, in order to provide better service and at no cost to the PUC, Legal Services will defend claims on behalf of the PUC rather than send claims out to external legal counsel. On larger files, or files where very specific legal knowledge is required, Legal Services manages the relationships with external legal counsel assigned to defend the PUC in litigation. No current PUC files are assigned to external counsel.

#### Insurance Coverage

Insurance is the transfer of risk from one entity to another. The PUC transfers the risk of future unknown litigation to its insurance company. The cost of purchasing this transfer of risk is the insurance premium that is paid annually to the insurance company.

Not all risk is covered by insurance. Some claims against the PUC, such as punitive damages or Human Rights complaints, are not covered by the insurance policy. Insurance for these types of claims cannot be purchased in the marketplace. These types of claims remain the risk of PUC but can be handled internally by Legal Services on behalf of the PUC. This is similar to the service provided by Legal Services to the Municipal Corporation.

The main area of litigation risk for the PUC is general liability. This area of risk is protected through the purchase of insurance, within limits. Building fire insurance is provided through the Municipal building maintenance insurance program.

The PUC transfers the liability risk for claims above \$250,000 and below \$50 million to the insurance company, through the payment of the insurance premium. The risk for the first \$250,000 and above \$50 million belongs to the PUC.

#### Claims

Claims against the PUC are paid from one of two sources.

The first source for paying claims is the insurance company, which pays all claims covered under the insurance policy for liability between \$250,000 and \$50 million.

The second source for paying claims is the insurance reserve, which pays all liability claims as follows: (a) below \$250,000 or the first \$250,000 on claims above that amount and (b) all claims which are not covered by the insurance policy.

#### Current Claims

In Closed Session, PUC members will receive a report of the current files, and those that closed in 2016 and 2017, against the PUC.

#### Claims Costs 2016 and 2017

The 2016 claims costs for PUC were:

- \$121,771.08 Insurance Premium paid to insurance company.
- \$28,035.50 Liability - Amount spent from the Municipal Claims Reserve for PUC claims during 2016 for Liability related claims (including payments for deductible insured claims and payments for uninsured claims).

It is therefore recommended that \$28,035.50 be transferred to the Municipal Insurance Reserve for amounts spent in 2016.

The 2017 claims costs for PUC were:

- \$125,825.40 Insurance Premium paid to insurance company.
- \$7,909.96 Liability - Amount spent from the Municipal Claims Reserve for PUC claims during 2017 for Liability related claims (including payments for deductible insured claims and payments for uninsured claims).

It is therefore recommended that \$7,909.96 be transferred to the Municipal Insurance Reserve for amounts spent in 2017.

#### Consultation

Financial Services was consulted in the preparation of this report.

Prepared by:

David V. Taylor  
Manager, Legal Services

Reviewed by:

John Norton  
Chief Legal Officer

### **Motion by Commissioner MacGregor and seconded by Commissioner VanDamme that Commission move into Closed Session at 3:29 pm.**

**Motion carried**

Commission went into Closed Session for legal advice on Insurance Claims with the PUC.

### **Moved by Commissioner MacGregor and seconded by Commissioner VanDamme.**

**“That the Chatham-Kent Public Utilities Commission (CK PUC);**

- 1. Approve \$28,035.50 be transferred to the Municipal Insurance Reserve for claims occurring in 2016.**
- 2. Approve \$7,909.96 be transferred to the Municipal Insurance Reserve for claims occurring in 2017.”**

**Motion carried**

## d) Tender Award: Contract T18-154, Elgin Street Reconstruction, Community of Wallaceburg

Municipality of Chatham-Kent  
Infrastructure and Engineering Services  
Public Utilities Commission

To: PUC Chairperson and Commissioners  
From: Matthew Link, A.Sc.T.  
Engineering Technologist  
Date: February 9, 2018  
Subject: Tender Award: Contract T18-154, Elgin Street Reconstruction, Community of Wallaceburg

### Recommendations

It is recommended that:

1. The tender in the amount of \$4,994,600.00, including HST for the Elgin Street Reconstruction, community of Wallaceburg be awarded to Clarke Construction Inc.
2. The Chatham-Kent Utilities Commission (CK PUC) Chairperson and General Manager be authorized to sign the necessary agreements.

### Background

The Municipality of Chatham-Kent is experiencing operational and condition issues with the storm sewer, sanitary sewer, watermain and the paved road surface along Elgin Street from Forhan Street to Gordon Street in the Community of Wallaceburg. The Wallaceburg Sewer Assessment (TSH July 2003) identified issues with the storm and sanitary sewers along Elgin Street and consideration for the rehabilitation / upgrade replacement of the existing infrastructure is being made. The existing 150mm and 200mm diameter cast iron watermain on Elgin Street was installed in the 1970's. There have been a number of breaks experienced in this area over the years.

This project is to be part of the 2018 PUC Watermain Lifecycle Budget and the 2018 PUC Sanitary Sewer Lifecycle Budget by the Public Utilities Commission (PUC), as well as the 2018 Storm Sewer Lifecycle Budget and the 2018 Road Resurfacing Lifecycle Budget. The engineering, contract administration, and inspection on this project are being carried out by B.M. Ross and Associates Limited (BM Ross). A tender was issued by BM Ross for the construction of this project.

### Comments

The sanitary sewer portion of the project consists of approximately 1125 metres of 200mm to 375mm diameter PVC sewer pipe and 16 manholes, all to be replaced. A total of 68 lateral service connections will be replaced.

The storm sewer portion of the project consists of approximately 1361 metres of 200mm to 825mm diameter PVC and concrete sewer pipe, 30 manholes and 23 catch basins, all to be replaced. A total of 77 lateral service connections will be replaced.

The watermain portion of the project consists of approximately 1225 metres of 150mm to 250mm diameter PVC pipe. A total of 66 water service connections will be replaced along with a total of 8 fire hydrants installed.

The contractor will also be installing 4 runs, 1100 metres of 50mm PE fibre optic conduit.

The concrete curbs, concrete sidewalk and the paved road will be replaced as part of the re-construction.

BM Ross's most recent estimate for construction was for \$4,560,970.41 including contingency and HST. The Municipality of Chatham-Kent had budgeted \$5,085,000 for the construction of the project.

The Purchasing Officer received and opened tenders for the work on Thursday, February 8, 2018. The results are as follows:

Contract T18-154 Elgin Street Reconstruction Community of Wallaceburg		
Rank	Tenderer	Tender Amount includes HST
1	Clarke Construction Inc. Blenheim, Ontario	4,994,600.00
2	Cope Construction & Contracting Inc. Sarnia, Ontario	5,013,402.92*
3	Henry Heyink Construction Ltd. Chatham, Ontario	5,140,901.10
4	Birnam Excavating Ltd. Warwick, Ontario	5,820,578.64

5	DiCocco Contractors 2015 Inc. Sarnia, Ontario	INC.**
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\* NOTE: A mathematical error was corrected but it did not impact the tender outcome.

\*\* NOTE: The submission was Incomplete.

BM Ross has reviewed the tenders and found them to be complete in all respects except for the bids from Cope Construction & Contracting Inc. which had a mathematical error that did not impact the tender outcome and DiCocco Contractors 2015 Inc. which was deemed incomplete.

It is the recommendation herein that the contract be awarded to Clarke Construction Inc. who submitted the lowest tender bid, Appendix A. The project construction should commence in April of 2018 and completed by the end of September 2018.

Areas of Strategic Focus and Critical Success Factors

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

Contract T18-154 Elgin Street Reconstruction Community of Wallaceburg		
(A) Project Costs	Description	Total
	Low Tender, w/ HST	4,994,600.00
	Engineering & Admin w/ HST	175,359.05
	Less HST Rebate 11.24%	- 514,250.79
	Approvals	2,300.00
	Project Total	4,658,008.26
(B) Project Funding	Description	Total
	2018 Water Lifecycle Budget	1,221,330.00
	2018 Sanitary Lifecycle Budget	1,169,160.00
	2018 Storm Lifecycle Budget	1,797,991.00
	2018 Road Lifecycle Budget	393,136.00
	2018 Sidewalk Lifecycle Budget	38,195.63
	2018 Sidewalk Arterial Collector Budget	38,195.63
	Total Funding	4,658,008.26

- 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 tenders were opened by the Purchasing Officer and reviewed by the Engineering and Transportation Division, Infrastructure and Engineering Services and by BM Ross.

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

#### Financial Implications

The project is being funded through the 2018 PUC Watermain and Sanitary Sewer Lifecycle Budgets by the Public Utilities Commission (PUC) and the 2018 Road, Sidewalk and Storm Sewer Lifecycle Budgets and the 2018 Capital Arterial Collector Sidewalk Budget.

The project summary is set out in the following table.

Prepared by:

Matthew Link, A.Sc.T.  
 Engineering Technologist  
 Engineering and Transportation

Reviewed by:

Chris Thibert, P.Eng.  
 Manager, Infrastructure Services  
 Engineering and Transportation

Reviewed by:

Tim Sunderland  
 General Manager

**Moved by Commissioner MacGregor and seconded by Commissioner Fluker.**

**“That the Chatham-Kent Public Utilities Commission (CK PUC)**

- 1. Approve the tender in the amount of \$4,994,600.00, including HST for the Elgin Street Reconstruction, Community of Wallaceburg and the Tender be awarded to Clarke Construction Inc.**
- 2. The Chatham-Kent Utilities Commission (CK PUC) Chairperson and General Manager be authorized to sign the necessary agreements.”**

**Motion carried**

#### **5. Information Reports**

None

#### **6. New Business**

None

#### **7. Resolution Regular Meeting and Adjournment**

That Chatham-Kent Public Utilities Commission adjourn, its next Meeting to be held on **Monday, March 19<sup>th</sup> at 3:00 pm** in the Council Lounge, Civic Centre 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 Fluker and seconded by Commissioner VanDamme**

**“That the Regular Meeting be adjourned at 4:10 pm”**

**Motion carried**