

Minutes
Public Utilities Commission
Regular Meeting

Public Utilities Commission Boardroom
325 Grand Avenue East

January 25TH, 2018
3:15 PM

Present: Chairperson Randy Hope, Commissioners Bryon Fluker, Jeff Wesley, Leon Leclair, Trevor Thompson, 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, Jeff Seys, Property Owner, 28721 Snye Road

Absent: Commissioner Brock MacGregor, 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

- Commissioner Jeff Wesley declared pecuniary interest on Report 4 (a).
- Commissioner Leon Leclair declared pecuniary interest on Report 4 (d).

3. Approval of Minutes

- a) November 20, 2017 Regular Meeting -

Moved by Commissioner VanDamme and seconded by Commissioner Thompson

“That the minutes of November 20, 2017 Regular Meeting be approved.”

Motion carried

- b) December 11, 2017 – Special Regular Meeting

Moved by Commissioner Fluker and seconded by Commissioner Wesley

“That the minutes of December 11, 2017 Special Regular Meeting be approved.”

Motion carried

Commissioner Wesley left the meeting.

4. Reports

- a) Island View Road Waterline Project – Community of Wallaceburg – Commission Wesley left the meeting due to a pecuniary interest.

Municipality Of Chatham-Kent
Public Utilities Commission

To: PUC Chairperson and Commission Members
From: Jasen Pidlisnyj, C.E.T.
Engineering Technologist
Date: January 18, 2018

Subject: Island View Road Waterline Project - Community of Wallaceburg

Recommendations

It is recommended that:

1. The proposed Base Line Road to Island View Road Waterline project be approved to proceed.
2. Administration prepare a report to Chatham-Kent Council for authorization for the preparation of the necessary by-law under Part XII of the Municipal Act, 2001
3. The property owners in this area be informed by letter of the vote results and the Chatham-Kent Public Utilities Commission (CK PUC) action.

Background

In October of 2017, a petition was submitted to CK PUC requesting water service from Base Line Road to Island View Road.

Comments

The proposed distribution network for this area will be connected to the existing water treatment plant, continue along Base Line Road to the west for 1200 metres at 150mm diameter. The watermain will continue south on Snye Road for 1200 metres at 100mm diameter, continue west on Seys Line for 550 metres at 50mm diameter and then extend south on Island View Road for 400 metres at 50mm diameter. The total length of the proposed watermain will be approximately 3,600 metres.

The proposed waterline extension will include the construction of a waterline including service connections to property lines. A total of twenty-six (26) occupied residential properties, two (2) municipal owned properties and three (3) vacant farmland properties exist within the proposed water distribution area.

The estimated cost for the waterline installation, including engineering, MOE approvals and HST is \$682,209.22. The estimated cost per connection including the 2017 Part 12 Charge is \$25,571.27 and \$5,984.29 for vacant agricultural land.

An information and vote package describing the proposed extension project and associated costs was distributed to the benefiting property owners by mail. A ballot was included in the package with a return date of Friday, January 12, 2018.

Ninety-two percent (92%) of the property owners returned the ballots and the ballot results were sixty-seven percent (67%) in favour of proceeding with the project and thirty-three percent (33%) in favour of not proceeding with the project.

Based on the approved Waterline Assessment Policy requiring sixty-six percent (66%) support, it is Administration's recommendation that CK PUC proceed with providing water servicing to the residences within the project boundaries and that the property owners be notified of this decision by letter which will include the vote results and the CK PUC action.

Consultations

Engineering and Transportation Division prepared the preliminary engineering information.

Financial Implications

None

Prepared by:

Jasen Pidlisnyj, C.E.T.
Engineering Technologist

Reviewed by:

Rob Bernardi, P.Eng.
Manager, Facilities & Systems

Reviewed by:

Tim Sunderland
General Manager

Deputation by Jeff Seys 4a) Island View Road Waterline Project.

Commission went into Closed Session for legal advice on the Island View Road Waterline Project, which includes Island View Road and portions of Base Line, Snye Road and Seys Line.

Motion by Commissioner Fluker to amend Recommendation #1, as follows and seconded by Commissioner Leclair;

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

- 1. Approve the Base Line Road to Island View Road Waterline Project to proceed, reducing the address 28721 Snye Road to a Vacant Agricultural Land charge; and any future water supply to that address be at full cost to the property owner and that the PUC will hold the debt until that property requests municipal water.”**
- 2. Administration prepare a report to Chatham-Kent Council for authorization of the preparation of the necessary by-law under Part XII of the Municipal Act, 2001**

3. The property owners in this area be informed by letter of the vote results and the Chatham-Kent Public Utilities Commission (CK PUC) action.

Opposed - Commissioner VanDamme

Motion carried

Commissioner Wesley returned to the meeting.

b) CK PUC 2018 Strategic Goals

Municipality of Chatham-Kent
Chatham-Kent Public Utilities Commission

To: PUC Chairperson and Commission Members
From: Tim Sunderland General Manager, CK PUC
Date: January 08, 2018
Subject: CK PUC 2018 Strategic Goals

Recommendation

It is recommended that;

1. The Chatham-Kent Public Utilities Commission (CK PUC) 2018 Strategic Goals as outlined in the attached document, and which will be added as an Appendix to the 2015-2018 Business Plan, be approved.

Background

In January 2015, Commission was presented with and adopted the CK PUC 2015-2018 Business Plan, which included the 2015 Strategic Goals. As part of the Business Plan approval, Administration was to review and update subsequent years' Strategic Goals and bring back a report to Commission for approval of the current year's Strategic Goals.

In January 2017, Commission adopted the updated 2017 CK PUC goals, and they were subsequently included into the 2015-2018 Business Plan.

Comments

In 2017, five (5) Strategic Goals were identified and started, but due to their complexity, four (4) of those will be carried over and continued in 2018 and one (1) additional goal has been added. The following is a list of the five (5) 2018 Strategic Goals;

1. Safety, Training and Staff Development
2. Asset Management Plan
3. Key Performance Indicator Program
4. Update CK PUC Water and Wastewater Master Plan
5. Develop a new four (4) year CK PUC Business Plan 2019-2022

Consultations

Area Managers, CK PUC
Facilities & Systems Manager, CK PUC
Manager Compliance and Quality Standards, CK PUC

Financial Implications

It is anticipated that the proposed 2018 water and wastewater rates will provide sufficient funding for the 2018 CK PUC Strategic Goals.
Prepared by:

Tim Sunderland
General Manager

Moved by Commissioner Thompson and seconded by Commissioner Fluker.

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

1. **Approve the 2018 Strategic Goals which will be added as an Appendix to the 2015-2018 Business Plan.”**

Motion carried

c) 2018 Water/Wastewater Rates and Fees

Municipality of Chatham-Kent
Chatham-Kent Public Utilities Commission

To: PUC Chairperson and Commission Members
 From: Tim Sunderland General Manager, Chatham-Kent PUC
 Date: January 4, 2018
 Subject: 2018 Water and Wastewater Rates/Charges By-law

Recommendations

It is recommended that:

1. Commission approve the inclusion of the previously approved water and wastewater rates for 2018 as presented in the Chatham-Kent Public Utilities Commission (CK PUC) Business Plan 2015 – 2018, into the Water and Sewer Rates By-Law No.18-001,
2. The Water and Sewer Rates By-Law No. 18-001 for 2018 be approved and that By-law 17-001 be repealed, effective January 01, 2018.

Background

The Municipal Act 2001, Ontario Regulation 244/02, came into force on January 1, 2003. Part XII of the Act provides the power for the municipality or a local board to impose fees or charges for the use of a sewage system or the consumption of water.

The Municipal Act, 2001, Part XII states that “A by-law, if not repealed earlier, expires on December 31 of the year following the year in which the by-law was passed.” (O.Reg. 244/02, s.12(3)). The definition of “by-law” includes a resolution for the purpose of a local board. Before passing a by-law under Part XII of the Act, CK PUC is required to:

- Hold at least one public meeting, at which any person who attends, has an opportunity to make representation with respect to the matter,
- Ensure that a minimum of 21 days’ notice of the public meeting is given,
- Prior to adoption, make available information regarding service description, cost of service, amount of the charge and rationale for imposing the charge.

On February 12, 2015, CK PUC approved a four (4) year Business Plan that included annual water and wastewater rates from 2015 to 2018. The required Notice of the CK PUC Meeting to consider the water and wastewater rates met the required timeline of 21 days prior to the presentation of the Business Plan.

Comments

In order for the previously approved water and wastewater rates to be implemented, the current Water and Sewer Rates By-law #17-001 must be repealed and replaced with an approved By-law. Administration is recommending that Commission approve the attached Water and Sewer Rates By-law #18-001, in order that it come into effect on January 1, 2018.

Consultations

There were no consultations required in the preparation of this report.

Financial Implications

The previously approved water and wastewater rates will provide sufficient funding for 2018 operations, maintenance, lifecycle issues and debt financing costs.

Prepared by:

 Tim Sunderland
 General Manager
 Chatham-Kent PUC

Moved by Commissioner Thompson and seconded by Commissioner Leclair.

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

- 1. Approve the inclusion of the previously approved water and wastewater rates for 2018 as presented in the Chatham-Kent Public Utilities Commission (CK PUC) Business Plan 2015 – 2018, into the Water and Sewer Rates By-Law No.18-001,**
- 2. The Water and Sewer Rates By-Law No. 18-001 for 2018 be approved and that By-law 17-001 be repealed, effective January 01, 2018.”**

Motion carried

- d) 2018 International Plowing Match – CK PUC Estimated Costs - Commission Leclair left the meeting due to a pecuniary interest.

Municipality of Chatham-Kent
 Chatham-Kent Public Utilities Commission

To: PUC Chairperson and Commission Members
 From: Tim Sunderland General Manager CK PUC
 Date: January 12, 2018
 Subject: 2018 International Plowing Match - CK PUC Estimated Costs

Recommendation

It is recommended that:

1. All CK PUC costs associated with providing potable Municipal water to the International Plowing Match (IMP) 2018, be tracked and invoiced to the Ontario Plowmen's Association (OPA) at the end of the event.

Background

The 2018 International Plowing Match (IPM), hosted by the Municipality of Chatham-Kent will be located in Dover Township. This event usually attracts over 150,000 visitors along with the 500 associated exhibitors. During this event the Ontario Plowmen's Association (OPA) has requested that a municipal water supply be installed and tested for two sites, which include a Tented City and RV City. The water system will consist of approximately 11,370 meters of piping for 1,040 trailer sites at RV City and 48 sites at Tented City with the total site area of approximately 41.87 Hectares (103.5 Acres).

In September 2017, CK PUC staff attended the IPM in Walton, Ontario on two different occasions. At each visit, CK PUC staff met with OCWA representatives to obtain information on scope, effort and complexity of setting up and operating the water distribution system at the 2017 IPM.

Information was conveyed to CK PUC so cost estimates could be compiled for this report.

Comments

For the 2018 IMP, CK PUC staff effort will span approximately four (4) weeks;

- two (2) weeks for set up and commissioning the water system
- one (1) week during the IMP event
- one (1) week after event for take down

The following costs have been estimated based on the 2017 IPM event information:

Activity	Estimated cost
Labour (Union/Non Union) <ul style="list-style-type: none"> • 2017 pre-plan and preparation = \$3,000.00 • Set up/Commissioning = \$22,060 • During IPM = \$17,500.00 • Take down = \$4,095.00 <i>*Note; reduced costs depending how many IPM volunteers help during the setup and take down</i>	\$46,655
Water usage – approx. 780 m3	\$975
Water sampling and testing	\$3,840
Miscellaneous expenses	\$2,000
Total	\$53,470

Note: this estimate does not include administrative or compliance staff costs or back-filling with contract personnel in plants

CK PUC hopes to have IPM volunteers assist with distribution system pipe installation for both sites. Cost reduction in this line item is dependent on the number of IPM volunteers. During the commissioning stage of the water distribution system, CK PUC staff will assist the Ontario Emergency Response Team (OERT). OERT provides this part of the distribution system to the IPM in-kind as a training requirement for their staff as required by the MOECC. CK PUC will be assisting OERT as a training exercise for our staff.

Consultations

OCWA Operations Manager Stratford Hub
OERT Operations Manager
Manager PW North
Area Manager, North/Central, CK PUC

Financial Implications

Upon approval of the recommendation, CK PUC will be close to a full cost recovery for the 2018 IPM event.

Prepared by:

Tim Sunderland
General Manager

Moved by Commissioner Fluker and seconded by Commissioner Thompson.

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

1. “Approve all CK PUC costs associated with providing potable Municipal water to the International Plowing Match (IMP) 2018, be tracked and invoiced to the Ontario Plowmen’s Association (OPA) at the end of the event.

Motion carried

Commissioner Leclair returned to the meeting.

e) Harvest Pac Extra Strength Surcharge Agreement Extension

Municipality of Chatham-Kent
Chatham-Kent Public Utilities Commission

To: PUC Chairperson and Commission Members
From: Tim Sunderland
General Manager, Chatham-Kent Public Utilities Commission
Date: January 17, 2018
Subject: Harvest Pac Products Inc Extra Strength Agreement Extension

Recommendations

It is recommended that:

1. A five (5) year extension, from January 01, 2018 to December 31, 2022, of the Extra Strength Surcharge Agreement with Harvest Pac Products Inc., Chatham, be approved.
2. The CK PUC Chairperson and General Manager be authorized to complete the necessary agreements.

Background

Harvest Pac Products Inc. and Chatham-Kent Public Utilities Commission (CK PUC) first entered into an Extra Strength Agreement in March 2006, with an amendment to the original agreement starting in January 2013 and ending December 31, 2017.

The extra strength agreement is in place because during production of vegetables at this site, the wastewater does not meet the requirements of the Sewer Use By-law with respect to BOD. The Sewer Use By-law (# 4-2000) provides the Municipality the right to authorize an Extra Strength Sewer Surcharge Agreement with a discharger. The agreement is in place to permit exceedances for BOD and other parameters that the discharger can then be charged extra.

Harvest Pac Products Inc. pays wastewater charges based on the total volume of water that is utilized at the plant. Surcharge calculations in the current Extra Strength Sewer Surcharge Agreement are based on percentages of the billed water. The highlights included in the original and current agreements, dated March 2006 and August 2012, are summarized as follows:

Monthly Average BOD (mg/L)	Billed Water Percentage
less than 3,000 but greater than 2,000	Sixty-six percent (66%)
less than 2,000 but greater than 1,500	Sixty percent (60%)
less than 1,500 but greater than 1,000	Fifty percent (50%)
less than 1,000	Forty percent (40%)

If the monthly average of BOD exceeds 3,000 mg/L by more than 5%, seventy-five (75) percent of the billed water is used for the surcharge calculation.

- The current monthly surcharge billing was based on \$0.32 per m3 for the term of the 2013 agreement
- The monthly surcharge billing is calculated using a monthly average of all samples taken during the processing periods

Comments

The existing Extra Strength Sewer Surcharge Agreement with Harvest Pac Products Inc. expired on December 31, 2017. This agreement has worked very well during the past 12 years with regards to the impacts on the operation and maintenance of the Chatham Wastewater Treatment Plant (WWTP).

Administration held discussions with a Harvest Pac Products Inc. management representative in December 2017 in order to discuss the extension of the Extra Strength Sewer Surcharge Agreement. The discussions were regarding a new rate structure for the next five (5) year agreement so the PUC will have the recovery fair and equitable costs for treatment of the facilities wastewater.

The proposed surcharge rate is based on projected 5 year operational costs and includes increases to hydro, chemical, labour, maintenance and equipment replacement costs.

The new 5 year rate table is illustrated below

Year	Rate/m3
2018	\$0.32
2019	\$0.34
2020	\$0.34
2021	\$0.36
2022	\$0.36

Rate to be adjusted annually January 1

Using the 2016 Harvest Pac Products Inc. data for sample results and flows and applying the 2018 through 2022 rates, there will be an increase in revenues of approximately \$ 3,573.82 to CK PUC over the five (5) year term of the new agreement. This increase is expected to cover the plant operational increases for this industry for the next five (5) years.

It is therefore recommended that CK PUC approve the extension of the existing Extra Strength Sewer Surcharge Agreement with Harvest Pac Products Inc. with the inclusion of a surcharge rate shown in the table above for the five (5) year term of the agreement. It is also recommended that the CK PUC Chairperson and General Manager be authorized to complete the necessary agreements.

Consultations

Area Manager South/Central, CK PUC
 Legal Services, Municipality of Chatham-Kent
 Harvest Pac Products Inc. Management Representative

Financial Implications

Based on the various levels of average BOD and water usage, the additional extra strength surcharge revenue is estimated at \$3,573.82 over the 5 year term of the agreement.

Prepared by:

 Tim Sunderland
 General Manager

Moved by Commissioner Leclair and seconded by Commissioner VanDamme.

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

- 1. Approve a five (5) year extension, from January 01, 2018 to December 31, 2022, of the Extra Strength Surcharge Agreement with Harvest Pac Products Inc., Chatham.**
- 2. The CK PUC Chairperson and General Manager be authorized to complete the necessary agreements.”**

Motion carried

5. Information Reports

a) 2017 CK PUC Capital Projects Review

Municipality of Chatham-Kent
 Public Utilities Commission

To: PUC Chairperson and Commissioners
 From: Rob Bernardi, P.Eng.
 Facilities & Systems Manager
 Chatham-Kent Public Utilities Commission
 Date: January 19, 2018
 Subject: 2017 CK PUC Capital Projects Review

For the information of the Commission.

Background

The Chatham-Kent Public Utilities Commission (CK PUC) completes a number of capital projects annually based on the annual budget, assessments or funding from external sources. These projects are divided between water and wastewater projects, and are further categorized as watermain extensions, watermain replacements, sanitary sewer extensions, sanitary sewer replacements, water treatment facilities projects and wastewater treatment facilities projects.

Comments

The table below summaries all the capital projects completed in 2017. Costs listed for a project name are CK PUC costs. Actual project costs may be higher if there is a Municipal contribution for the road or storm sewer. The Clean Water and Wastewater Fund projects valued at \$9.2M started in 2017 and are scheduled to be completed in 2018.

Projects	Value
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Watermain Extensions	
Mill Street (Tilbury)	\$133,589
Watermain Replacements	
Glenwood - Jackson to McNaughton (Chatham)	\$707,848
Regent / Little Streets (Blenheim) w&ww	\$977,249
Grand Ave W (Chatham) w&ww	\$1,113,443
Sanitary Sewer Extensions	
McNaughton Ave W (Chatham)	\$299,450
Sanitary Sewer Replacements	
Patteson / Inshes (Chatham) w&ww	\$263,206
O'Neil Street (Chatham)	\$1,451,558
Water Treatment Facilities	
Ridgetown Wells	\$1,274,873
Blenheim Elevated Water Tank Rehabilitation	\$1,688,036
Wastewater Treatment Facilities	
Thamesville Pumping Station	\$4,503,918
Blenheim WPCP Filter Media Replacement	\$228,445
Total for 2017	\$12,641,615
CWWF Projects	Value
Engineering design of a new Ridgetown Water Treatment Plant	\$655,612
Construction of new Ridgetown to Highgate Transmission Main, Highgate Storage Tank incl. Booster Station	\$4,600,000
Chatham Water Treatment Plant – Capacity assessment	\$50,000
Chatham Water Treatment Plant, New Water Main from Chatham High Lift Pumping Station to Grand Avenue	\$529,920
South Chatham-Kent Water Treatment Plant, Pressure Reducing Valve Replacement	\$250,320
Electrical upgrades at the South Chatham-Kent Water Treatment Plant	\$288,000
Replacement of Archimedes Screw pumps at the Wallaceburg Water Pollution Control Plant	\$250,300
New Chemical System and Headworks at the Blenheim Water Pollution Control Plant	\$450,000
Chatham Water Pollution Control Plant, Electrical Upgrades	\$1,000,000
Chatham Water Pollution Control Plant, Headworks Ventilation and Electrical Upgrades	\$500,000
Chatham Wastewater Pump Station - #1 (Rehabilitation)	\$274,600
Chatham Wastewater Pump Station #5 Relocation	\$350,000
Total CWWF Projects	\$9,198,752
Total for 2017 Projects completed plus CWWF projects	\$21,840,367

Prepared by:

 Rob Bernardi, P.Eng.
 Facilities & Systems Manager

Reviewed by:

 Tim Sunderland
 General Manager

Moved by Commissioner Fluker and seconded by Commissioner VanDamme

“To receive item 5 a) for information.”

Motion Carried

b) External Audit Report – SAI Global

Moved by Commissioner Wesley and seconded by Commissioner Leclair

“To receive item 5 b) for information.”

Motion Carried

6. Verbal Reports

None

7. New Business

None

8. Resolution Regular Meeting and Adjournment

That Chatham-Kent Public Utilities Commission adjourn, its next Meeting to be held on **Thursday February 15 at 3:15 pm** 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 Fluker and seconded by Commissioner Thompson.

Motion carried

9. Adjournment

Moved by Commissioner Fluker and seconded by Commissioner Thompson.

“That the Regular Meeting be adjourned at 4:28 pm”

Motion carried