

Minutes
Chatham-Kent Public Utilities Commission
Special Meeting

Council Lounge
Civic Centre

March 19TH, 2018
4:00 PM

Present: Chairperson Randy Hope, Commissioners Bryon Fluker, Brock MacGregor, David VanDamme, Jeff Wesley, Trevor Thompson, CAO Don Shropshire, General Manager Tim Sunderland, Area Manager (North/Central) Darren Galbraith, Manager Compliance & Monitoring Lilly Snobelen, Facility and Systems Manager Rob Bernardi

Absent: Commissioner Leon Leclair, Area Manager (South/Central) Robin Dudley

1. Call to Order

Motion by Commissioner Wesley, Seconded by Commissioner McGregor to appoint Commissioner Fluker as Acting Chairperson.

Motion carried

Commissioner Fluker called the meeting to order at 4:00 pm.

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

- none

3. Reports

a) Greenfield Global Inc. Extra Strength Agreement Extension

Municipality of Chatham-Kent

Chatham-Kent Public Utilities Commission

To: PUC Chairperson and Commission Members
 From: Tim Sunderland
 General Manager
 Date: February 20, 2018
 Subject: Greenfield Global Inc. Extra Strength Agreement Extension

Recommendations

It is recommended that:

1. A four (4) year extension, from January 01, 2018 to December 31, 2021, of the Extra Strength Surcharge Agreement with Greenfield Global Inc., Chatham, be approved.
2. The CK PUC Chairperson and General Manager be authorized to complete the necessary agreements.

Background

Greenfield Global Inc. (formerly Greenfield Ethanol Inc.) and Chatham-Kent Public Utilities Commission (CK PUC) first entered into an Extra Strength Agreement in May 1, 2007, with an amendment to the original agreement starting in January 1, 2013 and ending December 31, 2017.

The extra strength agreement is in place, because during alcohol production 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.

Greenfield Global 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 May 2007 and January 2013, are summarized as follows:

Monthly Average BOD (mg/L)	Billed Water Percentage
more than 2,500	Sixty-six percent (66%)
more than 2,000 but less than 2,500	Fifty percent (50%)
more than 1,500 but less than 2,000	Forty percent (40%)
more than 1,000 but less than 1,500	Thirty percent (30%)
more than 300 but less than 1,000	Twenty percent (20%)

*Surcharge Rates adjusted annually on July 1st

- The current monthly surcharge for the wastewater that does not comply with the BOD limits of the By-Law will be calculated using the cost per cubic meter, based on the actual treatment cost per cubic meter for the Chatham Wastewater Treatment Plant (WWTP) for the previous calendar year. Changes in the Surcharge Rate will be effective on July 1st of each year of the term.
- 2017 Surcharge Rate was \$0.41 per cubic meter.

Comments

The current Extra Strength Sewer Surcharge Agreement with Greenfield Global Inc. expired on December 31, 2017. This agreement worked very well during the past 9.5 years with regard to the impacts on the operation and maintenance of the Chatham WWTP. Administration held discussions with Greenfield Global Inc. management representatives in December 2017, in order to discuss the extension of the Extra Strength Sewer Surcharge Agreement. The discussions were regarding forecasted upgrades to the wastewater treatment at Greenfield Global Inc. and the continued working relationship between the parties for the next four (4) year agreement extension.

The 2017 surcharge rate was \$0.41 per cubic meter. This rate will be reviewed and adjusted if necessary on July 1 of each year of the term of the Agreement. The rate is based on the operational costs of the Chatham WWTP for the previous year.

It is therefore recommended that CK PUC approve the extension of the existing Extra Strength Sewer Surcharge Agreement with Greenfield Global Inc. for the four (4) 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
 Greenfield Global Inc. Management Representative

Financial Implications

Based on the Greenfield Global Inc. 2017 BOD data and water usage, the additional extra strength surcharge revenue is estimated at approximately \$85,000 annually for CK PUC.

Tim Sunderland
 General Manager
 Chatham-Kent PUC

Motion by Commissioner Wesley and seconded by Commissioner VanDamme;

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

- 1. Approve a four (4) year extension, from January 01, 2018 to December 31, 2021, of the Extra Strength Surcharge Agreement with Greenfield Global Inc., Chatham,**
- 2. And that the CK PUC Chairperson and General Manager be authorized to complete the necessary agreements.”**

Motion carried

- b) Tender Award: Contract T18-156, South Chatham-Kent WTP – Pressure Relief Valve Replacement

Municipality Of Chatham-Kent
 Chatham-Kent Public Utilities Commission

To: PUC Chairperson and Commission Members
 From: David Middleton, P.Eng.
 Engineering Technologist
 Date: March 2, 2018
 Subject: Tender Award; T18-156 South Chatham-Kent WTP PRV Replacement

Recommendation

It is recommended that:

1. The tender in the amount \$337,870.00 including HST for the South Chatham-Kent Water Treatment Plant PRV Replacement (Contract T18-156) be awarded to the lowest bidder, Clarke Construction Inc., Blenheim, ON.

Background

The South Chatham-Kent Water Treatment Plant (WTP) located at 18970 Charing Cross Road in Blenheim, was originally constructed in 1981 as a sand filtration water treatment facility. In 2004, the plant was expanded and a new facility was built which included a new membrane microfiltration system, GAC filtration system, chlorination system and high lift pumping system.

The existing treatment plant building located next to the new membrane microfiltration building was renovated to house backup diesel generators and general storage for the plant. In addition, a pole barn style storage facility was constructed on the east side of the building for general equipment storage.

The renovated storage building houses a pressure reducing valve (PRV) which was installed utilizing existing discharge piping (subsequently became submerged in the filter backwash water holding tank) from the old high lift pumps which have been removed. The PRV's purpose is to reduce pressure between the Blenheim and Erie Beach/Erieau distribution systems as the Erie Beach/Erieau system operates at a lower pressure. This valve was identified as a priority for removal and replacement due to its current location, age, need to provide redundancy to the system in case of valve failure and due to the risk of the content in the discharge pipes getting contaminated by the filter washwater. The project was submitted for approval under the Ministry of Infrastructure's Clean Water and Wastewater Fund (CWWF) 2016 program. The CWWF 2016 funded projects (totaling 12) were approved at the Commission meeting held in October of 2016.

Replacement of the pressure reducing valve will involve installation of a new below grade valve chamber located near the front entrance driveway of the water treatment plant which will house the new pressure reducing valve. The new valve chamber will be accompanied by a by-pass piping arrangement, isolation valves and new water service lead to the existing Storage Building to replace the old potable water supply to the building. A second pressure reducing valve will be installed in an existing chamber located at the corner of Charing Cross Road and Towanda Boulevard south of the Water Treatment Plant to provide redundancy to the system.

The engineering services for this project is being provided internally by CK PUC.

Comments

In accordance with the municipal Purchasing By-law, the project was advertised on the Bids and Tenders Website on February 12th, 2018 and closed on March 1st, 2018.

There were 14 registered plan takers who obtained the tender documents from the CK Purchasing web page and 4 attended the mandatory pre-bid site meeting held on February 16th, 2018. A total of three (3) bids were received and they are summarized in the table below. The bids were reviewed for completeness and accuracy by CK PUC.

Tender Award for Contract T18-156 South Chatham-Kent PRV Replacement		
Rank	Name of Bidder	Amount (Including HST)
1	Clarke Construction Inc., Blenheim , ON	\$337,870.00
2	Henry Heyink Construction Ltd., Chatham, ON	\$362,187.60*
3	Birnam Excavating Ltd., Warwick, ON	\$415,994.00

*A typographical error was noted on Henry Heyink's bid submittal. The total for Section E of the Form of Tender was written incorrectly as \$65,053.00 and should have read \$20,608.00. The total tender bid submission of \$362,187.60 was determined to be correct regardless of the typographical error and did not impact the overall tender rankings.

It is the recommendation herein that the contract be awarded to Clarke Construction Inc. who submitted the lowest tender bid of \$337,870.00 including HST.

Consultations

CK PUC Area Managers
 CK PUC Operations Staff
 CK Purchasing

Financial Implications

Out of the tendered price, a cost of \$250,315 was budgeted to be included under the CWWF program. This cost will be shared by both the Provincial (25%) and Federal (50%) governments while the remaining 25% (of \$250,315) and the balance of \$87,555 will be funded by CK PUC through its facility life cycle budget for the years 2018 and 2019. The above Provincial and Federal cost share will have a long-term positive effect on reducing water and wastewater rate increases.

Prepared by:

Reviewed by:

David Middleton, P.Eng.
Engineering Technologist
Chatham-Kent PUC

Dhana Niriella, PhD, P.Eng.
Project Engineer
Chatham-Kent PUC

Reviewed by:

Reviewed by:

Rob Bernardi, P.Eng.
Manager, Facilities & Systems
Chatham-Kent PUC

Tim Sunderland
General Manager
Chatham-Kent PUC

Moved by Commissioner Thompson and seconded by Commissioner McGregor.

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

- 1. Award the tender in the amount \$337,870.00 including HST for the South Chatham-Kent Water Treatment Plant PRV Replacement (Contract T18-156) to the lowest bidder, Clarke Construction Inc., Blenheim, ON.”**

Motion carried

c) Non-Compliance Fees for CK PUC Water Meter Replacement Program

Municipality Of Chatham-Kent
Chatham-Kent Public Utilities Commission

To: Public Utilities Commission
From: Tim Sunderland, General Manager
Date: February 28, 2018
Subject: Non-Compliance Fees for CK PUC Water Meter Replacement Program

Recommendations

It is recommended that:

1. Commission approve the addition of a “Non-Compliance Meter Replacement” and “Non-Compliance shut off/reduction of flow” fee into the Water and Sewer Rates By-Law No.18-001 Schedule A,
2. The Water and Sewer Rates By-Law No.18-001 Schedule A for 2018 be amended and approved, effective April 01, 2018.

Background

Chatham-Kent Public Utilities Commission (CK PUC) has approximately 36,605 water meters throughout the water systems that it owns and operates. Out of that total, there are 17,597 meters that have been in service for 15 years or more and may require replacement due to wear on internal parts, resulting in the meter being incapable of capturing lower flows.

At a Special Meeting on December 11, 2017, Commission approved the Supply and Installation of water meters for both Phase One (1) and Phase Two (2) of the Automated Meter Read (AMR)/Advanced Metering Infrastructure (AMI) Water Meter Replacement Program. Neptune Technology Group (Canada) Ltd was also approved as the contractor for the Supply and Installation of the meters for CK PUC.

- Phase 1 consists of upgrading or replacing every water meter outside the Community of Chatham to an AMR system.
- Phase 2 consists of upgrading or replacing every water meter inside the Community of Chatham to an AMI system.

The AMR/AMI Water Meter Replacement program is expected to take one and a half (1.5) years to complete both phases.

Comments

CK PUC had three (3) pre-construction meetings between Neptune Technology Group (Canada) Ltd, Diameter Services and Entegrus during the week of February 12, 2018. During these meetings discussions took place over the success or failure of the meter replacement program.

Two key points were brought forward.

1. CK PUC and the Public Education material must have a strong message to the home owners that this program is a mandatory meter replacement.
2. A potential failure point is not having timely appointments booked by the home owners, while the installation crews are in the area.

Neptune Technology Group (Canada) Ltd and Diameter Services both have past history on systems and policies that were implemented in other Municipalities to achieve successful meter replacement programs. They both indicated that other Municipalities had two ways to encourage home owners to comply with the meter replacements. They are through non-compliance shut off/water reduction notices and a non-compliance meter replacement fee.

The following is the procedure and timeline in business days planned to encourage the home owners to book appointments for the meter replacement.

CK PUC

- Sending introductory letters in advance, regarding areas being released to the contractor for meter installations

Neptune would then follow a contact procedure as outlined below

- Day 1 – Receive Initial Trifold letter
- Day 2-9 – 1st Evening or Weekend Door Knocker / Outbound completed
- Day 10 – Remind Letter is released
- Day 11-19 – 2nd Evening or Weekend Door Knocker / Outbound completed
- Day 20 – Final Notice is released
- Day 30 – Account is moved to Soft Refusal if homeowner has not booked an appointment
- Day 31 – 40 – CK PUC send letter for non-compliance to homeowner (2 weeks)
- Day 41 – 50 – Homeowner time to respond to CK PUC letter (2 weeks)
- Day 51 – non-compliance meter replacement fee be applied as per PUC Bylaw 18-001. PUC send out a shut off/water reduction notice for non-compliance.

The meter replacement contract is set up as an area based approach. Chatham-Kent was divided into several areas and the Contractor (Neptune) will work within an area for meter replacements. In order for Neptune to be able to move to the next area, they have to achieve a completion rate listed in the two (2) definitions below.

Area Near Complete

This status is achieved once the Contractor has 80% work order complete within an area.

Substantial Completion

Substantial Completion is achieved once all areas are 98.5% work order complete. Any issues identified with the work will be documented, with CK PUC and the Contractor agreeing to a resolution plan.

Example:

- The Contractor must reach 80% before work commences in another area.
- The Contractor must reach substantial completion or Area 1 must reach near completion before work commences in Area 2.

For the Meter replacement program to stay on target with the budget, meters must be completed in Area order. Customers must book appointments regularly, so not to significantly delay the installation crews. If the work crew has to return to an Area later, then additional costs to the project may occur.

Once the AMR/AMI system is operational and if there are any meters not upgraded, then those meters would require staff to physically go to that site and read that individual residence at an additional cost.

The following table shows the inclusion of the Non-Compliance fees/charges to be added to Water and Sewer Rates By-Law No.18-001 Schedule A

As of March 19, 2018 Commission approved the amendment of the additional fees/charges for the AMR/AMI Meter Replacement Program Only

Non-Compliance AMR/AMI Meter Replacement Program	Fees/Charges
Non-Compliance Shut off/flow reduction (turn off/turn on)	\$100.00 one time
Non-Compliance meter replacement	\$100.00/month

By including this table, CK PUC will be able to provide support to the contractor for completion of the meter replacements in a timely manner and keep the project on budget.

Consultations

Diameter Services
 Engineering Technologist, CK PUC
 Area Manager North, CK PUC
 Manager Facilities & Systems, CK PUC
 Manager Legal Services, Chatham-Kent

Financial Implications

There are no costs to CK PUC for implementation of the recommendations in this report.

Prepared by:

 Tim Sunderland
 General Manager

Reviewed by:

 Darren Galbraith
 Area Manager North,

Reviewed by:

 Rob Bernardi
 Manager Facilities & Systems,

Reviewed by:

Dave Taylor
Manager Legal Services,
Chatham-Kent

Moved by Commissioner McGregor and seconded by Commissioner Thompson.

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

- 1. Approve the addition of a “Non-Compliance Meter Replacement” and “Non-Compliance shut off/reduction of flow” fee into the Water and Sewer Rates By-Law No.18-001 Schedule A,**
- 2. The Water and Sewer Rates By-Law No.18-001 Schedule A for 2018 be amended and approved, effective April 01, 2018.”**

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 Regular Meeting to be held on at the call of the Chair **(to be determined)** in the PUC Boardroom or Council Lounge 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 Wesley and seconded by Commissioner VanDamme
“That the Regular Meeting be adjourned at 4:20 pm”**

Motion carried