

MINUTES

PUBLIC UTILITIES COMMISSION

PUC BOARDROOM
325 GRAND AVE E

SEPTEMBER 17, 2009

PRESENT: Chairman Bryon Fluker, Commissioners Steve Pinsonneault, Sheldon Parsons, Mayor Randy Hope, General Manager Tom Kissner, Senior Level Advisor Jack Sonneveld, Facility Systems Manager Rob Bernardi and Supervisor Monitoring & Compliance Lilly Snobelen.

ABSENT: Commissioner Frank Vercooteren, Joe Faas, Steve Pickard and CAO Rob Browning.

1. **CALL TO ORDER**

Chairman Bryon Fluker called the meeting to order at 2:48 PM.

2. **PECUNIARY INTEREST**

NONE

3. **APPROVAL OF MINUTES**

- a) June 18, 2009
- b) July 27, 2009

Moved by Mayor Hope and seconded by Commissioner Pinsonneault.

“That the Regular Meeting of June 18 and the Special Meeting of July 27, 2009 be approved.”

Motion carried

4. **REPORTS**

Chairman Fluker started with report 4 (g)

- g) Mandatory Sanitary Connection & Wastewater Charge Rebate

MUNICIPALITY OF CHATHAM-KENT

Public Utilities Commission

TO: PUC Chairperson and Commissioners

FROM: Tom Kissner
General Manager, Chatham-Kent PUC

DATE: September 10, 2009

SUBJECT: Mandatory Sanitary Connection and Wastewater Charge Rebate

RECOMMENDATIONS

It is recommended that:

1. Administration be authorized to review municipal records of all past municipal sanitary sewer works to identify properties requiring notice for mandatory sewer connection, in order for those properties to be in compliance with the Chatham-Kent Mandatory Sewer Connection By-law.
2. The properties not hooked up to sanitary sewers but have a connection available at their property line, be charged the 50% rate until they are connected, at which time they will be charged 100% wastewater charge.
3. The properties that do not have a sanitary main and connection available at the property line to connect into and are currently being charged a wastewater charge, be rebated for a maximum of 2 years, only if they have been the property owner for the last 2 years. If they have been the property owners for less than 2 years, then they be rebated from the date of their first wastewater charge bill.

BACKGROUND

In 1995, Council adopted a Sanitary Sewer Charge for each residential, commercial and Industrial property within the City of Chatham, which would be charged wastewater charges, if they had a sanitary main fronting their property regardless if they are connected to sanitary sewers. After amalgamation, this policy stayed in effect for all properties in the urban limits of Chatham. The monthly wastewater charges would be based on 50% of water usage and service charge.

In October 2005, Council passed the Chatham-Kent Mandatory Sewer Connection By-law which required property owners, upon receiving notice from the Municipality, to connect into the sanitary connection available at their property line. The by-law states that property owners have 18 months to obtain a municipal sewer permit and decommission their existing septic sewage system and hook up their home to the sanitary connection available at the property line.

This report is a result of administration's review of municipal records in the former City of Chatham to identify properties which have a connection available to their property, but are not connected to the municipal sanitary sewers.

COMMENTS

In reviewing our records, administration found 338 properties in the urban limits of Chatham currently being charged a 50% wastewater charge.

Out of those 338 properties administration identified:

- 313 properties being charged 50% sewer charge and have a sanitary connection available at the property line.
- 25 properties had a history of being charged for wastewater charges and did not have a sanitary main fronting the property.
 - Out of the 25 properties, 19 have already been dealt with and rebated back and 6 properties found to be currently charged, but have no sanitary connection available to their property.

As of August 6, 2009, \$10,702.93 is the total amount that has been billed to the 25 properties for wastewater charges. From that total amount, \$7,598.34 is the portion that has been billed to the 6 properties that do not have a sanitary connection available to their property.

Administration will be mailing out notices to the 313 properties which have the ability to connect to the sanitary main. Upon receiving notice from the Municipality, property owners will be required to obtain a Municipal Sewer Permit from the Building Enforcement and Licensing Services Division to decommission their existing septic sewage system and connect to the sanitary connection available at the property line.

They will have up to eighteen (18) months to complete the requirements of the Mandate Sewer Connection By-law from the date of the notice issued by the Municipality. If a property owner fails to comply with the requirements of this by-law within the 18 month period from the receipt of notice, under the By-law, the Municipality shall have the authority to complete all work necessary to make the connection. The Municipality may choose to either use municipal forces or hire a contractor to complete this work. All associated costs to complete the work shall be recovered by the Municipality by action or by adding the costs to the tax roll and collecting them in the same manner as taxes.

Administration will rectify the 6 accounts by advising CK Utilities to immediately stop the wastewater charge on the account and to credit the account the charges paid for the past 2 years, for a maximum of 2 years. Administration will verify that the properties being rebated for the 2 years maximum have been the same property owner for the last 2 years. If the current property owner has been the property owner for less than 2 years, they will be rebated back from their first wastewater charge bill.

It is our recommendation that the PUC proceed with reviewing municipal records to identify properties which have not connected to the municipal sanitary sewers and shall be given notice of the Chatham-Kent Mandatory Sewer Connection By-law and will be charged 50% rate until such time as they connect. For properties that are identified as not having a sanitary main fronting their property and are being charged for a wastewater charge, be rebated up to a maximum of 2 years.

COMMUNITY STRATEGIC PLAN

The recommendations in this report support the following objectives and strategic directions:

A: Health – We are a healthy community

A2: Exceed standards for health protection and promotion

Desired Outcomes/Proposed Activities

- Increase indices where Chatham-Kent meets or exceeds provincial benchmarks
- Reduce incidences of health standards violations and infractions

CONSULTATION

Chatham-Kent Utility Services provided information of the properties mentioned in this report.

FINANCIAL IMPLICATIONS

The cost of rebating back the 6 accounts for outstanding wastewater charges for 2 years maximum is a onetime cost of \$7,598.34.

Prepared by:

Jeannie Medeiros
Technical Assistant/Projects Coordinator

Reviewed by:

Rob Bernardi
Manager – Facilities & Systems

Reviewed by:

Tom Kissner
General Manager

Reviewed by:

Rob Browning
Chief Administrative Officer

Moved by Mayor Hope seconded by Commissioner Parsons.

“That Administration be authorized to review municipal records of all past municipal sanitary sewer works to identify properties requiring notice for mandatory sewer connection, in order for those properties to be in compliance with the Chatham-Kent Mandatory Sewer Connection By-law.

The properties not hooked up to sanitary sewers but have a connection available at their property line, be charged the 50% rate until they are connected, at which time they will be charged 100% wastewater charge.

The properties that do not have a sanitary main and connection available at the property line to connect into and are currently being charged a wastewater charge, be rebated for a maximum of 2 years, only if they have been the property owner for the last 2 years. If they have been the property owners for less than 2 years, then they be rebated from the date of their first wastewater charge bill.”

Motion carried

h) 2008 Water & Wastewater Operating & Financial Report

MUNICIPALITY OF CHATHAM-KENT
Public Utilities Commission

TO: PUC Chairperson and Commissioners
FROM: Jack Sonneveld
Senior Level Advisor, Chatham-Kent PUC
DATE: September 14, 2009
SUBJECT: 2008 Water & Wastewater Operating and Financial Report

RECOMMENDATIONS

It is recommended that:

1. The 2008 Water and Wastewater Financial Statements be received for information.
2. The Chatham-Kent PUC approve the use of the Water and Wastewater Reserve Funds for the un-funded Development Charges/Part XII portion of the Capital Costs.

BACKGROUND

The attached 2008 Summary of Revenues, Expenditures and Reserves for Water and Wastewater are prepared annually by the Municipality of Chatham-Kent for the Public Utility Commission's review and information.

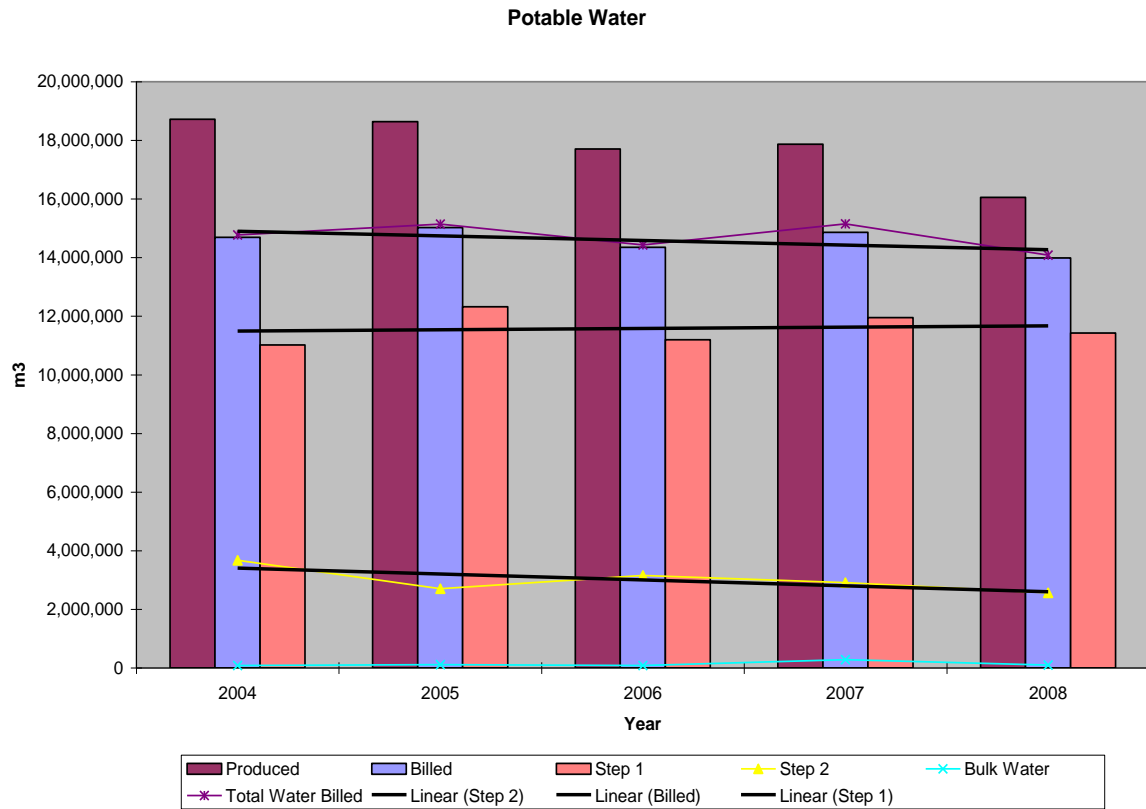
COMMENTS

Water & Wastewater Flow Data

- The 2008 billed water volume decreased by 6% from 2007
- The 2008 billed wastewater volume decreased by 9% from 2007.
- The unaccounted for wastewater (treated wastewater vs. billed wastewater volumes) increased from 23% in 2007 to 36% in 2008 due to infiltration/combined sewers and the heavier than normal rainfall amounts.

The following table (Table #1) and associated chart summarize the potable water produced and billed over the five (5) year period 2004-2008.

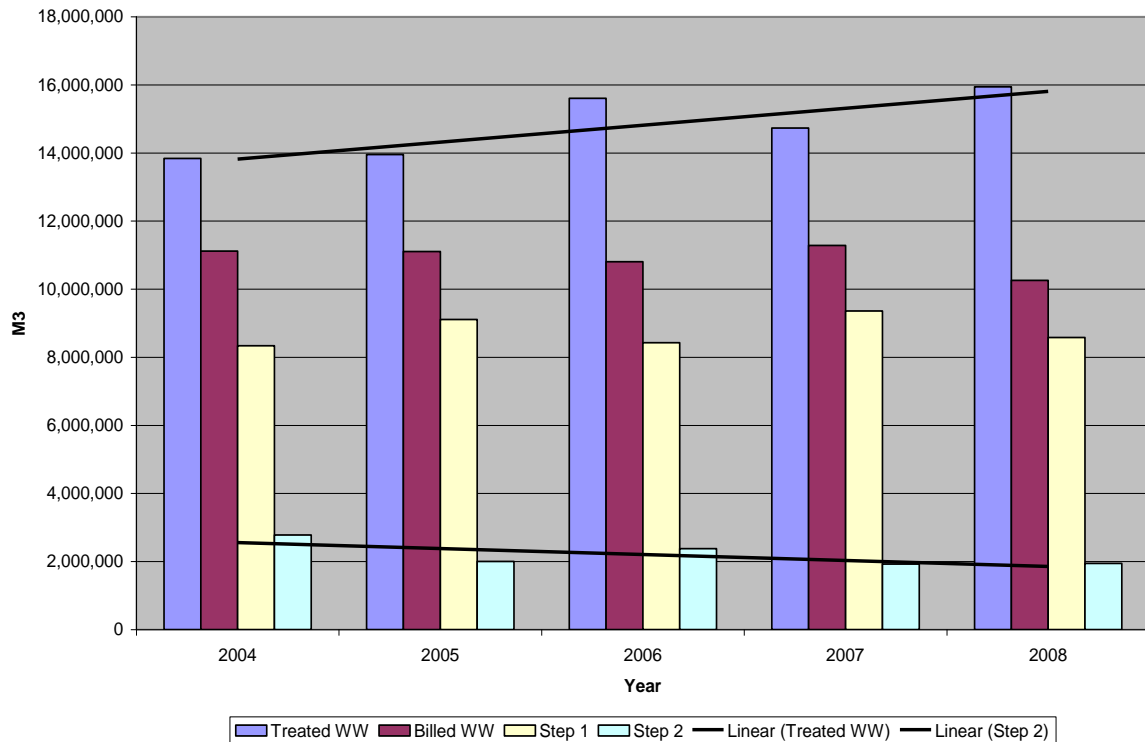
Potable Water (Table #1) Treated vs. Billed Comparison						
Potable Water (M3)				Bulk Water	Total Water Billed	
	Produced	Billed	Step 1	Step 2	M3	(m3)
2004	18,719,994	14,692,700	11,019,525	3,673,175	77,809	14,770,509
2005	18,638,678	15,026,989	12,322,131	2,704,858	112,526	15,139,515
2006	17,702,652	14,350,455	11,193,355	3,157,100	83,813	14,434,268
2007	17,870,325	14,864,468	11,954,807	2,909,661	282,616	15,147,084
2008	16,049,712	13,985,904	11,426,533	2,559,371	99,370	14,085,274



The following table (Table #2) and associated chart summarize the wastewater treated and billed over the five 95) year period 2004-2008.

Wastewater (Table #2) Treated vs. Billed						
	Actual Treated m3	Billed m3	Wastewater Billed vs. Treated %	Billed WW vs. Billed W %	Step 1	Step 2
2004	13,836,420	11,115,031	80	76	8,336,273	2,778,758
2005	13,953,536	11,104,164	80	73	9,105,414	1,998,750
2006	15,603,814	10,802,894	69	75	8,426,257	2,376,637
2007	14,729,276	11,283,459	77	74	9,358,179	1,925,280
2008	15,940,395	10,253,075	64	75	8,577,801	1,945,274

Wastewater Flows



Operating Fund Activities:

The Summary of Current Water Operations and Fund Balances for Water, show an operations deficit of \$1,824,931 for 2008.

Administration reviewed the issues that contributed to the deficit and they are summarized as follows:

1. Revenue was 3.9% lower than the 2007 revenue due to the wetter than normal year and reduced industrial/commercial consumption. The billed volume of water decreased by 6% from 2007.
2. The Municipal Taxes for the water and wastewater systems increased by an additional \$147,880 to \$913,689.52.
3. The D.C./Part XII Revenue shortfall was \$1,445,020.61
4. The total missed billing \$546,208.94 from Ontario Hydro billing for the South WTP has been included in the 2008 Water Financial Statement
5. The waterline replacement costs for 2008 were \$1,601,855.67 and the budget amount that was allocated for lifecycle Water was \$1,400,000.00. The PUC also approved an additional allocation of \$600,000 to the Watermain Lifecycle account in September, 2008. The projects that were completed in 2008 are listed below:

▪ Ridgetown Main Street	\$ 666,052.59
▪ St Clair Street	\$ 612,704.16
▪ Victoria Avenue	\$ 295,028.54
▪ Elm St. (Tilbury)	\$ 534.60
▪ King St –David (Ridgetown)	\$ 1,597.20
▪ Lorne Ave	\$ 4,020.70
▪ McNaughton Ave.	\$ 843.78
▪ Running Creek	\$ 2,276.14
▪ Talbot Rd	\$ 1,754.80
▪ Turnbull St.	\$ 16,802.06
▪ Lifecycle water-general	\$ 241.10
▪ TOTAL	\$1,601,855.67

The Summary of Current Operations and Fund Balances for Wastewater indicate deficit, including the DC shortfall amount of \$679,450.62 for 2008.

Administration reviewed the wastewater issues for 2008 and they are summarized as follows:

1. Revenue was 9.5% lower than the 2008 Budget estimate due to the wetter than normal year.
2. The D.C./Part XII revenue shortfall was \$679,450.62.
3. The billed volume of wastewater decreased by 9% over 2007 but the actual volume treated increased by 8.2% due to heavy rains and infiltration.
4. The 2008 expenditures for the Sanitary Sewer Projects was \$511,835.38 and the budget amount that was allocated for Lifecycle Sanitary Sewer was \$1,750,000. the projects that were completed in 2008 are listed below:
 - St Clair St Sewer \$ 107,247.23
 - Morgan.West St Sewer \$ 14,931.00
 - Napier/Dundas Sewer \$ 124,173.37
 - Tecumseh Park Area \$ 2,242.73
 - Sanitary Sewer Flush & Videos \$ 263,241.05
 - To Lifecycle reserve \$1,223,423.38
 - TOTAL \$1,735,258.76

Reserve Balances:

The overall Water Reserve Balance declined by \$851,815.80 and overall the Wastewater Reserve Balance increased by \$129,057.85as of December 31, 2008.

The following tables summarize the water and wastewater reserve balances as of December 31, 2008.

Chatham-Kent PUC Water Reserve Summary (2008)	
<u>Description:</u>	<u>Amount:</u>
Water – General	\$ 618,717.09
Water – Lifecycle	\$ 95,384.06
Water – Vehicles	\$ 478,795.39
Water – Insurance/WSIB	\$ 76,368.63
Water- PSAB	\$- 220,596.80
TOTAL – Water	\$1,043,766.34

Chatham-Kent PUC Wastewater Reserve Summary (2008)	
<u>Description:</u>	<u>Amount:</u>
Wastewater – General	\$ -854,194.90
Wastewater – Lifecycle	\$3,194,247.57
Wastewater – Vehicles	\$ 205198.03
Wastewater - Insurance/WSIB	\$ 94,970.06
WW – PSAB	\$- 325,824.00
TOTAL – Wastewater	\$2,314,396.76

The Rate Report approved by the PUC included the use of reserves for water and wastewater in order to smooth out the impacts of the capital projects on rates. It is recommended that administration prepare a report to Chatham-Kent Council to approve the transfer of funds from the water and wastewater reserves.

Development Charges Reserves:

The attached table (Appendix B) summarizes the water and sewer reserve fund activities for the period 2004 through 2008.

The accumulated shortfalls for water and wastewater DC/Part XII revenues are -\$3,887,687.42 and -\$1,582,754.60 respectively.

The shortfalls have been covered by revenue from rates and reserves. The shortfalls will be collected in the future and repaid back to the appropriate reserve

STRATEGIC CORPORATE PLAN

The recommendations will not adversely impact on the Community Strategic Plan.

CONSULTATIONS

Chatham-Kent Financial Services prepared the summaries of budget information.

FINANCIAL IMPLICATIONS

No financial impacts are anticipated at this time.

Prepared by:

Reviewed by:

Jack Sonneveld
Senior Level Advisor,
Chatham-Kent PUC

Tom Kissner
General Manager
Chatham-Kent PUC

Moved by Mayor Hope seconded by Commissioner Parsons.

“That the 2008 Water and Wastewater Financial Statements be received for information.

The Chatham-Kent PUC approve the use of the Water and Wastewater Reserve Funds for the un-funded Development Charges/Part XII portion of the Capital Costs.”

Motion carried

f) Baseball Diamonds at Chatham WTP Property

MUNICIPALITY OF CHATHAM-KENT
PUBLIC UTILITIES COMMISSION

TO: PUC Chairperson and Commissioners
FROM: Rob Bernardi, P.Eng.
Facilities & Systems Manager, Chatham-Kent PUC
DATE: September 17, 2009
SUBJECT: Baseball Diamonds at Chatham Water Treatment Plant Property

RECOMMENDATIONS

It is recommended that:

1. Administration issue a memorandum of understanding with Chatham Minor Baseball Association to establish 2 baseball diamonds on the Chatham Water Treatment Plant property for one year, ending December 31, 2010.
2. At the end of the one year, administration will review any issues with the use of the diamonds and if there are none, prepare an agreement with Chatham Minor Baseball Association for use of the property for baseball diamonds for the future.

BACKGROUND

Administration was contacted by representatives from Chatham Minor Baseball Association (CMBA) for the possibility of establishing two baseball diamonds on the vacant land at the Chatham Water Treatment Plant (WTP) property.

In June 2002 CMBA was informed that their one baseball diamond was to be removed from the Chatham WTP property due to the expansion and upgrading of the water plant. At the same time Chatham Youth Soccer Association was informed that all of their soccer fields (four) were to be removed as well.

There was no long-term agreement in place with the sports organizations because the land has always been reserved for plant expansions well into the future. The PUC has additional land at almost all of the facility properties for expansion of the facilities.

Administration would like to see the lands utilized for some type of recreational purposes.

COMMENTS

Administration has met with CMBA on several occasions in the last few years to discuss the possibility of having baseball diamonds on the Chatham WTP property.

CMBA is proposing two baseball diamonds on the property. These diamonds are to be smaller than a full size diamond. A full size diamond, as they previously had, will not fit in the area available so two smaller diamonds were proposed by CMBA.

Administration's concerns about the diamonds are the proximity to neighbours' backyards. The potential of baseball fly balls into the neighbours' backyards exist. As such it is recommended that the diamonds be installed and then after one year, it be evaluated to gauge neighbour concerns.

After the one year period, it is recommended that administration will review any issues with the use of the diamonds and if there are none, prepare an agreement with CMBA for use of the lands for baseball diamonds with the understanding that the lands may be used for facility expansion in the future. Since the lands may have to be used for treatment plant facility expansion in the future, a long-term agreement cannot be entered into. This follows the same arrangement that CMBA had with the former Chatham Water Commission.

The agreement will also include costs associated with the grass cutting to be undertaken in the areas being utilized by CMBA.

Therefore it is recommended that administration issue a memorandum of understanding with Chatham Minor Baseball Association to establish 2 baseball diamonds on the Chatham Water Treatment Plant property for one year, ending December 31, 2010. Also, at the end of the one year, administration prepares an agreement with Chatham Minor Baseball Association for use of the property for baseball diamonds for the future.

COMMUNITY STRATEGIC PLAN

The recommendations in this report support the following objectives and strategic directions:

A: Health – We are a healthy community

- A2: Exceed standards for health protection and promotion
- A3: Promote healthy lifestyles

Desired Outcomes/Proposed Activities

- Increase number of preventative health initiatives
- Promote wellness, improve lifestyle choices and expand upon healthy behaviours to build a sustainable health system

The recommendations will not adversely impact on the remainder of the Community Strategic Plan.

CONSULTATION

Administration has met with representatives of Chatham Minor Baseball Association on various occasions.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from the recommendations.

Prepared by:

Reviewed by:

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

Tom Kissner
General Manager
Chatham-Kent PUC

Moved by Mayor Hope seconded by Commissioner Pinsonneault.

“To amend the recommendation to read 1 baseball diamond not 2 baseball diamonds.

Administration issue a memorandum of understanding with Chatham Minor Baseball Association to establish 1 baseball diamond on the Chatham Water Treatment Plant property for one year, ending December 31, 2010.

At the end of the one year, administration will review any issues with the use of the diamonds and if there are none, prepare an agreement with Chatham Minor Baseball Association for use of the property for baseball diamonds for the future.”

Motion carried

e) Ridgetown Water & Wastewater Training Centre

MUNICIPALITY OF CHATHAM-KENT
Public Utilities Commission

TO: PUC Chairperson and Commissioners
FROM: Tom Kissner
General Manager
Chatham-Kent Public Utilities Commission
DATE: August 27, 2009
SUBJECT: Ridgetown Water and Wastewater Training Centre

RECOMMENDATION

It is recommended that:

1. Commission approve Administration to create a memorandum of understanding between C-K PUC and the University of Guelph Ridgetown Campus to investigate a partnership in the development of a water and wastewater training facility.

BACKGROUND

The Ridgetown Campus Environmental Management diploma program was started in 2003 and has produced nearly 100 graduates since that time. The current year's first year enrolment currently stands at over 80 students. Staff at the Campus has indicated that the areas of water and wastewater have been of particular interest to the students. There are courses dedicated to each of these areas available as electives in the second year of the program. In both of these existing courses, students have the opportunity to perform laboratory measurements and tests using the type of equipment found in the water/wastewater industry.

Currently, samples are collected at operating facilities in southwestern Ontario and brought to the Campus laboratory for use by students. Access to an actual operating facility would be a huge asset to any student enrolled in the Environmental Management program.

COMMENTS

Administration staff of C-K PUC and University of Guelph Ridgetown Campus has conducted an initial meeting to discuss the possibility of forming a partnership to develop a training centre for water and wastewater which would be located adjacent to the new Ridgetown Wastewater Treatment facility. The training facility would consist of a teaching laboratory and classroom to be used to supplement the existing Environmental Management program offered to 2-year diploma students at the Ridgetown Campus.

Currently, students receive training on campus in the operation of water and wastewater facilities. Having the ability to integrate into an operating wastewater facility would offer students a unique training experience that would better prepare them for careers in the water and wastewater industries. In the future, the training facility could be used for other related training programs (e.g. operator continuing education credit courses; courses that would meet certified operator regulated training) offered to water/wastewater operators from C-K and across Ontario.

This training facility would be "one of a kind" as no other training facility in Ontario is located adjacent to a treatment facility, allowing direct and easy access to plant process and operations.

CONSULTATIONS

Mr. Art Schaafsma, Campus Director, University of Guelph Ridgetown Campus
Mr. Ron Fleming, Coordinator, Environmental Management Program, University of Guelph Ridgetown Campus

FINANCIAL IMPLICATIONS

There are no financial implications associated with the approval of the recommendation included as part of this report.

Prepared by:

Reviewed by:

Tom Kissner,
General Manager
Chatham-Kent PUC

Jack Sonneveld
Senior Level Advisor
Chatham-Kent PUC

Moved by Mayor Hope seconded by Commissioner Pinsonneault

“That Commission approve Administration to create a memorandum of understanding between C-K PUC and the University of Guelph Ridgetown Campus to investigate a partnership in the development of a water and wastewater training facility.”

Motion carried

d) Ontario Potable Water Grant Program

MUNICIPALITY OF CHATHAM-KENT
Public Utilities Commission

TO: PUC Chairperson and Commissioners
FROM: Jack Sonneveld
Senior Level Advisor, Chatham-Kent PUC
DATE: July 27, 2009
SUBJECT: Ontario Potable Water Grant Program
COIP No. 6312-OPWP Project 44D-503274

RECOMMENDATION

It is recommended that:

1. The Ontario Potable Water Program Grant Funding be allocated as follows:
 - a) \$2,000,000.00 to the General Water Reserve.
 - b) \$1,545,871.00 to the General Wastewater Reserve.

BACKGROUND

Chatham-Kent's original Round 1, Option 2 application for the Ontario Small Town and Rural Development (OSTAR) Infrastructure Program was approved based on \$19,348,448.54 of eligible expenditures.

The original maximum Ontario financial assistance was \$6,450,127.79 and the maximum Federal assistance was \$6,449,482.85. The total financial assistance was \$12,899,610.64

Ontario Potable Water Program

Industry Canada announced a program on February 15, 2008 that is providing additional funding to assist municipalities that faced economic challenges related to the implementation of their existing federally funded drinking water projects.

Through the new OPWP, the federal government is assisting municipalities that incurred increased cost as a result of changes to the Ontario Drinking Water Systems Regulations for their potable water projects funded under the Canada-Ontario Infrastructure Program (formerly OSTAR).

The Chatham-Kent file was reviewed by Industry Canada and the potential extra funding information and forms were completed for their review.

As per the e-mail dated July 21, 2009, the Chatham-Kent Project received OPWP funding in the amount of \$3,545,871.00. The additional funding is one-third of the difference between the current federally approved total eligible cost (\$21,004,094) and the provincially nominated amount (\$32,644,081.10), less a percentage for inflation.

COMMENTS

It is recommended that the OPWP funding be allocated to the General Water & Wastewater Reserves.

Reserve Balances:

The following tables summarize the water and wastewater reserve balances as of June 09, 2009 and the proposed allocation of the OPWP funds. The adjusted amounts include the approved allocations from February and June, 2009 as well as the transfer of funds from Vehicle Reserves to General Reserves.

Chatham-Kent PUC Water Reserve Summary (06/09)	
Description:	Amount:
Water – General	\$ 270,384.06
Water – Lifecycle	\$ 622,406.93
Water – Vehicles	\$ 303,795.39
Water – Insurance	\$ 145,228.17
Water - WSIB	\$ 76,368.63
Water- PSAB	\$- 370,727.00
TOTAL – Water	\$1,047,456.18
OPWP allocation	\$2,000,000.00
Revised TOTAL-Water	\$3,047,456.18

Chatham-Kent PUC Wastewater Reserve Summary (06/09)	
Description:	Amount:
Wastewater – General	\$ -679,194.90
Wastewater – Lifecycle	\$3,194,247.57
Wastewater – Vehicles	\$ 205,198.03
Wastewater - Insurance	\$ 62,240.65
Wastewater - WSIB	\$ 32,729.41
Wastewater – PSAB	\$- 325,824.00
TOTAL – Wastewater	\$2,314,396.76
OPWP allocation	\$1,545,871.00
Revised TOTAL-Wastewater	\$3,860,867.76

The total Water & Wastewater Reserve amount would be \$6,908,323.94.

STRATEGIC CORPORATE PLAN

The recommendations will not adversely impact on the Community Strategic Plan.

CONSULTATIONS

The PUC General Manager was consulted during the preparation of this report.

FINANCIAL IMPLICATIONS

No financial impacts are anticipated at this time.

Prepared by:

Reviewed by:

Jack Sonneveld
Senior Level Advisor,
Chatham-Kent PUC

Tom Kissner
General Manager
Chatham-Kent PUC

Moved by Mayor Hope seconded by Commissioner Parsons.

“That the Ontario Potable Water Program Grant Funding be allocated as follows:

- a) \$2,000,000.00 to the General Water Reserve.**
- b) \$1,545,871.00 to the General Wastewater Reserve.”**

Motion carried**a) PUC In-camera Report June 18, 2009**

PUC IN-CAMERA REPORT

September 17, 2009

The PUC met in-camera on June 18, 2009 and would report the following for the approval of the PUC.

The PUC considered a report with respect to the Chatham Sanitary and Combined Sewer Investigation. It was moved and carried that:

The findings of the investigation associated with Contract T08-147 – Chatham Sanitary and Combined Sewer Investigation be referred to the development of the sanitary sewer lifecycle program for inclusion in same.

The PUC considered a report with respect to the Cedar Springs Standpipe Access. It was moved and carried that:

Chatham Kent Public Utilities Commission select Option #1 in order to gain permanent access to the Cedar Springs standpipe and authorize administration to negotiate with the land owner for the purchase of the property to an upper limit of \$50,000 including legal costs and survey fees.

b) PUC In-camera Report July 27, 2009

PUC IN-CAMERA REPORT

September 17, 2009

The PUC met in-camera on July 27, 2009 and would report the following for the approval of the PUC.

The PUC considered a report with respect to the Wallaceburg Sanitary and Combined Sewer Investigation. It was moved and carried that:

That the findings of the investigation associated with Contract T08-153 – Wallaceburg Sanitary Sewer Investigation be referred to the development of the sanitary sewer lifecycle program for inclusion in same.

The PUC considered a report with respect to the Wallaceburg Water Treatment Plant property – lease agreement. It was moved and carried that:

That Chatham Kent Public Utilities Commission authorizes administration to negotiate a lease agreement with AgraCity Ltd. (Farmers of North America) for a portion of the Wallaceburg Water Treatment Plant property.

Administration is authorized to execute the lease agreement if a fair market price can be negotiated for the property and the Director (acting) of the C-K legal department is in agreement with the conditions and terms of the lease.

c) PUC In-camera Report August 18, 2009

PUC IN-CAMERA REPORT

September 17, 2009

The PUC met in-camera on August 18, 2009 and would report the following for the approval of the PUC.

The PUC considered a report with respect to the Bothwell Legal Action - Update. It was moved and carried that:

“Commission choose Option #2 - File a submission with the Court to seek costs – PUC legal counsel has advised that the cost to file an order should not exceed \$1,000 and the likelihood of success on the requests for costs is highly likely. The

submission must be filed with the Court by August 30, 2009 and that a report be presented to Council in Closed Session on August 24, 2009.”

Moved by Mayor Hope seconded by Commissioner Pinsonneault.

“To receive the In-Camera Reports.”

Motion carried

5. INFORMATION

a) Tender Award: Lacroix Street Watermain & Road Rehabilitation

MUNICIPALITY OF CHATHAM-KENT
PUBLIC UTILITIES COMMISSION
INFORMATION REPORT

TO: PUC Chairperson and Commissioners
FROM: Tom Kissner
General Manager, Chatham-Kent PUC
DATE: September 3, 2009
SUBJECT: Tender Award: Contract T09-182, Lacroix Street Watermain and Road Rehabilitation, Community of Chatham

This report is for the information of Commission.

BACKGROUND

The existing watermain located on Lacroix Street is over 60 years old and consists of a 200 mm diameter cast iron main with a short length of 150 mm cast iron main at the Indian Creek Road end. The watermain has had numerous main breaks and as a result of this history and the age of the main, the Lacroix Street watermain was previously identified for replacement on the PUC 5-year plan of the Waterline Lifecycle Replacement Program. The watermain project was approved in the 2009 PUC budget as a Lifecycle Project.

In addition to the watermain replacement, the complete project provides for the rehabilitation of the road on Lacroix Street from Tweedsmuir Ave. West to Indian Creek Road consisting of the installation of catch basins, continuous curb sub drains, partial curb and gutter replacement and the rehabilitation of the road surface.

The engineering, contract administration and inspection on the complete project are being carried out by the Municipal Engineering and Transportation Division.

The Purchasing Officer received and opened tenders for the work on Thursday, August 27, 2009. The results are as follows:

TENDER: CONTRACT T09-182 LACROIX STREET WATERMAIN and ROAD REHABILITATION COMMUNITY OF CHATHAM		
Rank	Tenderer	Tender Amount
1	Henry Heyink Construction Ltd. Chatham, Ontario.	\$ 920,325.00
2	M.R. Dunn Contractors Ltd. Tecumseh, Ontario.	\$ 949,515.00
3	G.W. Clarke Drainage Contractors Ltd. Blenheim, Ontario.	\$ 978,337.29

4	Sherway Construction (Windsor) Ltd. Windsor, Ontario.	\$ 986,707.58
5	Huron Construction Ltd. Chatham, Ontario.	\$ 1,104,784.28

The Engineering and Transportation Division has reviewed the tenders and found them to be complete in all respects and have submitted a report to Council for their approval.

COMMENTS

The PUC portion of this project consists of the installation of a new 200 mm replacement watermain on Lacroix Street from Tweedsmuir Avenue West to Indian Creek Road. This will enhance the pressure, distribution grid and fire protection to this area. The project also includes new water service connections, fire hydrants and appurtenances.

The Engineering and Transportation Division most recent construction estimate for the total construction of the project was \$1,055,000 including GST. Five contractors submitted tenders for the project and bidding was very competitive considering the two lowest tenders received are within 3% of each other. The lowest tender is also 7% below the average of the five bids received. The PUC financial obligation to the project is \$365,000.

CONSULTATIONS

Manager, C-K Engineering and Traffic Division

FINANCIAL IMPLICATIONS

The PUC portion of the project (\$365,000) is being funded through the Lifecycle Watermain Replacement budget. A total of \$425,000 was approved by Commission for the Lacroix Street watermain replacement project as part of the 2009 budget process.

Prepared by:

Reviewed by:

Tom Kissner
General Manager
Chatham-Kent PUC

Jack Sonneveld
Senior Level Advisor
Chatham-Kent PUC

b) Projection of Water & Wastewater Revenues for 2009

MUNICIPALITY OF CHATHAM-KENT

PUBLIC UTILITIES COMMISSION

INFORMATION REPORT

TO: PUC Chairperson and Commissioners

FROM: Tom Kissner
General Manager, Chatham-Kent PUC

DATE: September 3, 2009

SUBJECT: Projection of Water and Wastewater Revenues for 2009

This report is for the information of Commission.

BACKGROUND

At the regular PUC meeting held March 19, 2009, Commission instructed administration to prepare a report with regards to projected water and wastewater revenues for 2009. The information contained in this report is based on a review of information from the January to June period. Information that was collected was compared to information from the same time period of 2007 and 2008 in order that projections could be made.

COMMENTS

Water & Wastewater Flow Data

The following table (Table #1) summarizes the actual billed water volumes for 2007 and 2008 and projected 2009 billed water volumes. Projected volumes are based on data from the first six months of 2009 and a review of precipitation data and historical billed volumes.

(Table #1) Billed Water Volumes (m³) – January to June				
Year	Step 1	Step 2	Bulk Water	Total Water Billed (m³)
2007	11,954,807	2,909,661	282,616	15,147,084
2008	11,426,533	2,559,371	99,370	14,085,274
2009	10,934,728	2,023,133	95,464	13,053,325

The billed water volumes decreased by approximately 7% from 2007 to 2008 and a projected decrease of 7.3% from 2008 to 2009.

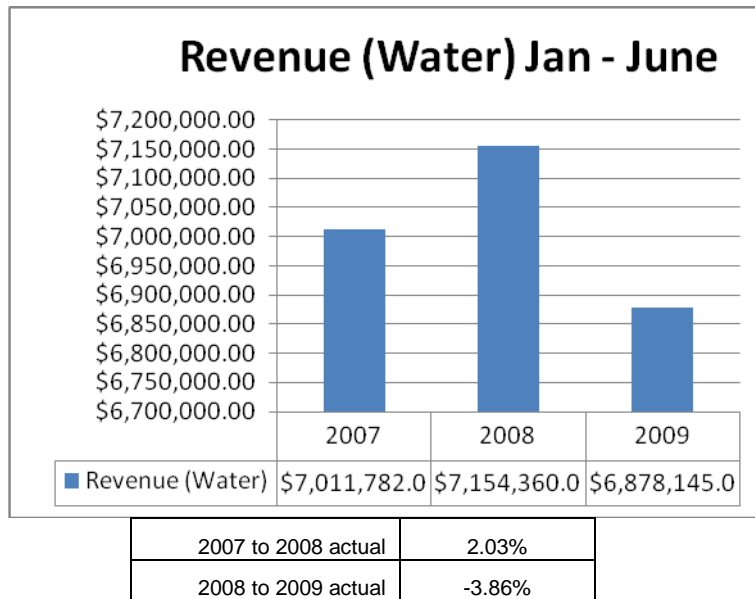
The following table (Table #2) summarizes the actual billed wastewater volumes for 2007 and 2008 and projected 2009 billed wastewater volumes. Projected volumes are based on data from the first six months of 2009 and a review of precipitation data and historical billed volumes.

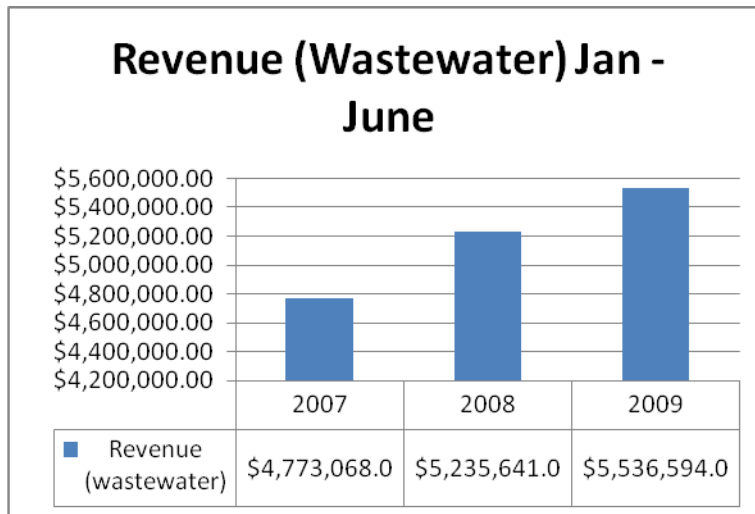
(Table #2) Billed Wastewater Volumes (m³) – January to June			
Year	Step 1	Step 2	Total Wastewater Billed (m³)
2007	9,358,179	1,925,280	11,283,459
2008	8,577,801	1,945,274	10,523,075
2009	7,928,688	1,689,403	9,618,091

The billed wastewater volumes decreased by approximately 6.7% from 2007 to 2008 and a projected decrease of 8.5% from 2008 to 2009.

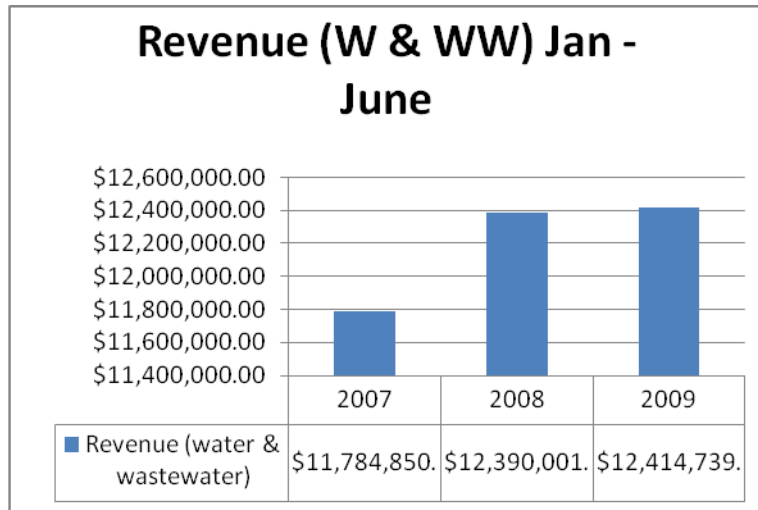
Revenue Summary

The following charts compare actual revenue for the period of January to June for 2007, 2008 and 2009.





2007 to 2008 actual	9.69%
2008 to 2009 actual	5.75%

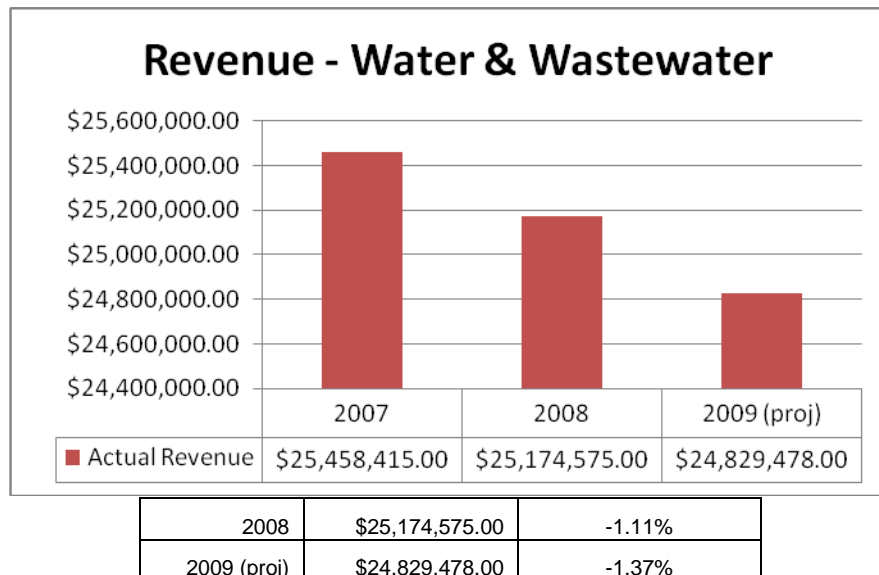
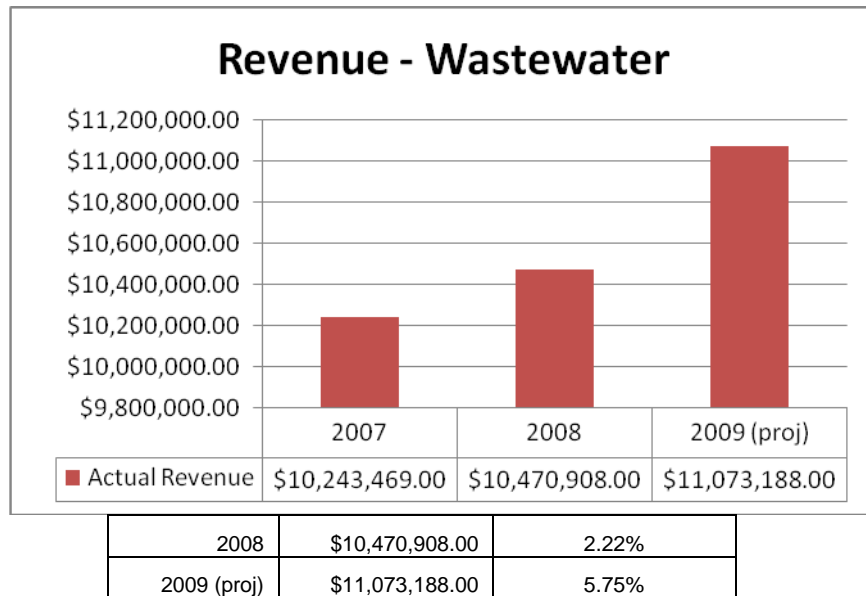
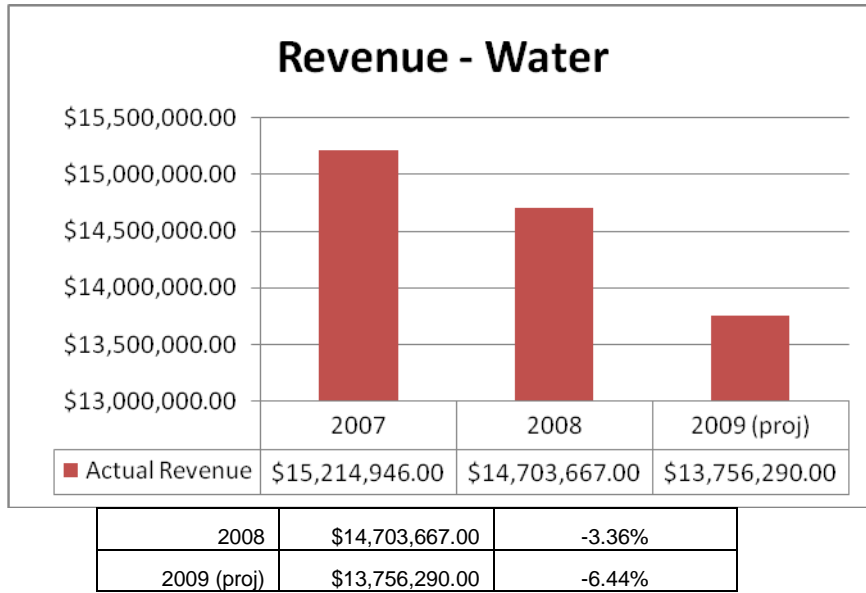


2007 to 2008 actual	5.13%
2008 to 2009 actual	0.20%

A review of information contained in the charts above is summarized as follows:

1. A decline in the water revenues can be attributed to a decrease in billed water volumes as the result of higher than normal precipitation and a reduction in water usage in the industrial/commercial sector.
2. An increase in wastewater revenue can be attributed to higher revenues in the treatment of leachate as well as a substantial increase in other revenues (septage treatment, industrial wastewater from Veolia, surcharge revenue from Greenfield)
3. Overall, water/wastewater revenues for the first 6 months of 2009 have remained the same when compared to the same period in 2008. If billed water volumes for July to September do not increase substantially, Administration anticipates that there will be a further decline in revenue for 2009 compared to 2008 figures.

The following charts compare actual revenue for the calendar years of 2007 and 2008 and projected revenue for 2009. The 2009 projection is based on financial information received for the first six months of 2009 and a review of monthly revenue trends for 2007 and 2008.



Commission approved rate increases of 12.4% for water and 17.4% for wastewater over the last two years. Even with these increases in rates, revenues declined by 1.11% in 2008 and are projected to decline 1.37% in 2009. The projected 2009 revenue is approximately 17% lower than the 2009 Budget estimate for revenue. Decline in revenues can be attributed to cooler and wetter weather during typically high flow periods and a decline in water usage in the industrial/commercial accounts.

Administration has been monitoring budget expenditures and will review 2009 Major Plant, Grounds & Equipment Maintenance/Replacement projects to determine if a delay in starting any of the projects may be necessary due to declining revenue. A portion of the financial impacts to the Budget can be attributed to Regulatory requirements for Lead Testing and the Drinking Water Quality Management System.

Administration has also begun an extensive review of Service Level Agreements (SLA) in order to determine if efficiencies can be found that would benefit the operations of the PUC. A preliminary, high level review of some of the SLA's has revealed Fleet Charges of \$15,000 to \$20,000 per employee vs. PUC Fleet Costs of \$7,000 per employee. As well, there have been substantial PUC investments in some programs with little benefit realized to date. Reports will be presented to Commission as each SLA Business Case is completed.

CONSULTATIONS

Staff of Chatham-Kent Financial Services
Staff of Chatham-Kent Utility Services

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

Prepared by:

Reviewed by:

Tom Kissner
General Manager
Chatham-Kent PUC

Jack Sonneveld
Senior Level Advisor
Chatham-Kent PUC

c) Water & Wastewater Revenues & Expenditures

MUNICIPALITY OF CHATHAM-KENT
Public Utilities Commission

"INFORMATION REPORT"

TO: PUC Chairperson and Commissioners
FROM: Jack Sonneveld
Senior Level Advisor, Chatham-Kent PUC
DATE: September 14, 2009
SUBJECT: Water/Wastewater Revenues and Expenditures

For information of the Commission.

BACKGROUND

The Summary of Revenues and Expenditures for water and wastewater are prepared monthly for the Commission's review and information.

COMMENTS

The year-to-date revenues and expenditures (August,2009) are on historical usage patterns and no significant variances are projected in 2009. We have also included a copy of the Annual Summary of Water and Wastewater Revenue and Expenditures to provide historical information for the current year.

The debt payments and municipal taxes have been reported on a monthly basis to provide a better overview of the monthly revenues and expenditures.

CONSULTATIONS

Chatham-Kent Utility Services prepared the monthly summaries of budget information.

FINANCIAL IMPLICATIONS

No budget impacts are anticipated at this time.

Prepared by:

Reviewed by:

Jack Sonneveld
Senior Level Advisor,
Chatham-Kent PUC

Tom Kissner
General Manager,
Chatham-Kent PUC

Moved by Mayor Hope seconded by Commissioner Pinsonneault.

“To receive items 5 (a, b, c) for information.”

Motion carried

6. NEW BUSINESS

Commissioner Parsons requested General Manager Tom Kissner to arrange a tour of the existing monitoring station of Sarnia Lambton Environmental Association (S.L.E.A.) and of the upgrades at the Wallaceburg Water Treatment Plant.

7. NEXT MEETING

The next PUC Commission Meeting is scheduled for Thursday, October 22, 2009 at 3:00 PM in the PUC Boardroom.

8. ADJOURN

Moved by Commissioner Pinsonneault seconded by Commissioner Parsons.

“That the Regular meeting be adjourned at 3:45 PM”.

Motion carried

Moved by Commissioner Pinsonneault seconded by Commissioner Parsons.

“To defer Closed Session to the next PUC Commission meeting October 22, 2009.”

Motion carried