

# MINUTES

## PUBLIC UTILITIES COMMISSION

**PUC BOARDROOM  
325 GRAND AVE E**

**NOVEMBER 26, 2009**

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PRESENT: Chairman Bryon Fluker, Commissioners Joe Faas, Steve Pinsonneault, Frank Vercooteren, Mayor Randy Hope, CAO Rob Browning, General Manager Tom Kissner, Facility Systems Manager Rob Bernardi, Managers South - Darren Galbraith, North – Don Moore and Supervisor Compliance & Monitoring Lilly Snobelen.

Commissioner Sheldon Parsons arrived at 2:25 PM.

ABSENT: Commissioner Steve Pickard and Senior Level Advisor Jack Sonneveld.

**1. CALL TO ORDER**

Chairman Bryon Fluker called the meeting to order at 2:00 PM.

**2. PECUNIARY INTEREST**

Commissioner Faas declared pecuniary interest for a portion of Report 4 D (purchase of vehicles).

**3. APPROVAL OF MINUTES**

a) October 22, 2009

**Moved by Commissioner Vercooteren and seconded by Commissioner Faas.**

**“That the Regular Meeting of October 22, 2009 be approved.”**

**Motion carried**

**4. REPORTS**

a) In-Camera Report

PUC IN-CAMERA REPORT

The PUC met in-camera on October 22, 2009 and would report the following for the approval of the PUC:

The findings of the investigation associated with Contract T09-046 – Blenheim Sanitary Sewer Investigation be referred to the development of the sanitary sewer lifecycle program for inclusion in same.

and

The findings of the investigation associated with Contract T09-048 – Dresden Sanitary Sewer Investigation be referred to the development of the sanitary sewer lifecycle program for inclusion in same.

and

The findings of the investigation associated with Contract T09-051 – Thamesville Sanitary Sewer Investigation be referred to the development of the sanitary sewer lifecycle program for inclusion in same.

and

The findings of the investigation associated with Contract T09-052 – Tilbury Sanitary Sewer Investigation be referred to the development of the sanitary sewer lifecycle program for inclusion in same.

and

The findings of the investigation associated with Contract T09-054 – Wheatley Sanitary Sewer Investigation be referred to the development of the sanitary sewer lifecycle program for inclusion in same.

**Moved by Mayor Hope seconded by Commissioner Vercouteren.**

**“To receive item 4 (a) for information.”**

**Motion carried**

**b) Monthly Billing & Collection Analysis**

MUNICIPALITY OF CHATHAM-KENT  
Public Utilities Commission

**TO:** PUC Chairperson and Commissioners  
**FROM:** Tom Kissner  
General Manager  
Chatham-Kent Public Utilities Commission  
**DATE:** November 16, 2009  
**SUBJECT:** Monthly Billing and Collection Analysis

**RECOMMENDATION**

It is recommended that:

1. Commission approves the change from bi-monthly to monthly billing for residential and small class meters beginning January 2010.
2. Commission authorize PUC Administration to instruct Chatham-Kent Utility Services to change reading residential and small class water meters from monthly to quarterly frequency.
3. Monthly bills be based on estimated consumption with quarterly make up bills being based on the difference between estimated and actual consumption for the preceding 3 months.

**BACKGROUND**

Chatham-Kent Hydro has indicated to PUC administration that they are planning on moving to monthly billing as of January 2010. The reason for the move to monthly billing is to provide customers with an easier and more efficient means of managing their bills. There are many payment options available to customers, such as pre-authorized payment and budget, however there continues to be a challenge for a great number of customers in managing their monthly bills.

Chatham-Kent Utility Services has indicated that monthly billing is strongly supported by the community and in particular, the social agencies that assist the low income rate payers. Currently, PUC residential and small class rate payers are being billed on a bi-monthly basis.

**COMMENTS**

There are approximately 36,340 active PUC customer accounts. Of the active accounts, there are currently 30,880 customers who are being billed on a bi-monthly basis. The following table outlines the anticipated additional costs to the PUC associated with moving towards monthly billing for all customers. Costs include postage, stationary and third party bill printing. Chatham-Kent Utility Services has also indicated that an additional 4 staff will be required in order to deal with the increase workload involved with billing, collections and customer care.

<b>Additional Costs for Monthly Billing (2010 costs)</b>	
Postage	\$40,757
Supplies	\$3,747
Third party bill printing	\$5,747
<b>Total Supplies</b>	<b>\$50,251</b>
Billing	\$17,321
Customer Service	\$17,321
Collections	\$17,321
Cashier	\$17,321
<b>Total Staffing</b>	<b>\$69,284</b>
<b>Total (supplies and staffing)</b>	<b>\$119,535</b>

Although there is an increase in costs to provide monthly customer billing, there are benefits to customers as well as to the PUC. Monthly billing assists customers in budgeting their monthly household payments which will support higher customer satisfaction. As well, monthly billing will enable staff to react to delinquent accounts in a timelier manner with less of a financial impact to the PUC.

**CONSULTATIONS**

Garry Symons, Director, Corporate Services, Chatham-Kent Energy Inc.

**FINANCIAL IMPLICATIONS**

The additional cost to the PUC associated with implementing monthly billing for water and wastewater is \$119,535. If the recommendation of quarterly meter readings on residential and small class meters is approved, the additional cost to implement monthly billing will be reduced by approximately \$45,000 to \$69,534 per year.

Prepared by:	Reviewed by:
_____	_____
Tom Kissner, General Manager Chatham-Kent PUC	Jack Sonneveld Senior Level Advisor Chatham-Kent PUC

**Moved by Commissioner Vercouteren seconded by Commissioner Pinsonneault.**

**“That Commission approves the change from bi-monthly to monthly billing for residential and small class meters beginning January 2010.**

**Commission authorize PUC Administration to instruct Chatham-Kent Utility Services to change reading residential and small class water meters from monthly to quarterly frequency.**

**Monthly bills be based on estimated consumption with quarterly make up bills being based on the difference between estimated and actual consumption for the preceding 3 months.”**

**Motion carried**

c) 2010 Water/Wastewater Rates/Charges By-Law

MUNICIPALITY OF CHATHAM-KENT  
Public Utilities Commission

**TO** PUC Chairperson and Commissioners  
**FROM** Tom Kissner  
General Manager, Chatham-Kent PUC

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**DATE** November 26, 20098  
**RE** 2010 Water and Wastewater Rates/Charges By-law

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### **RECOMMENDATIONS**

It is recommended that:

1. The Water and Sewer Rates By-Law No. 10-001 for 2010 be approved and that By-law 09-001 be repealed, effective January 01, 2010.
2. Watson & Associates Economists Ltd. be retained in 2010 to complete a detailed review of the water and wastewater rates.

### **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 by-laws must be renewed prior to December 31 each year.

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, the 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

The Chatham-Kent Public Utilities Commission retained C.N. Watson Associates to review the multiple water/wastewater rate structures from the former utilities and municipalities and provide a forecast of rates for water and wastewater services for the future in 2000.

The water and wastewater rates adopted in 2001 addressed the following issues:

- Equity for all consumers in Chatham-Kent.
- Standardized rate structure.
- Minimum billing requirements.
- Full recovery of operating /maintenance costs.
- Funding the capital costs, as outlined in the Water/Wastewater Master Plan.
- Allocation of costs associated with the growth/expansion into the rural areas.
- Implement Life Cycle Replacement Funding for the costs associated with the water and wastewater treatment, collection/distribution systems

The uniform, declining block, rate structure provides an equitable charge across all users in Chatham-Kent. In addition, the rate structure is compatible with the Chatham-Kent Economic Development Strategy in attempting to make the area more competitive and attractive for development. The declining block rate provides a cost relief to the very high system users, such as major industries.

Chatham-Kent has been dependent on debenturing, reserves and contributions from the operating budget to fund the capital works.

In anticipation of Bill 175, The Sustainable Water and Sewage System Act, the Chatham-Kent PUC initiated an update of the Water & Wastewater Rates Report. The preliminary report on the Full Cost Recovery Plan was presented to the PUC and Council in 2005. The updated plan was presented to the PUC in November, 2008

The Plan includes provisions for the financing of:

#### **Existing Water and Wastewater infrastructure**

1. Operations and maintenance costs of existing water and wastewater infrastructure (i.e. chemicals, electricity, labour, etc.);
2. On-going rehabilitation of the existing infrastructure (i.e. overhauling pumps, blowers, interior and exterior painting of reservoirs, tanks, manhole parging, etc.)
3. Replacement of existing infrastructure at the end of its service life.

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### **New Water and Wastewater Infrastructure**

1. Capital cost of new infrastructure;
2. Operations and maintenance of new infrastructure;
3. On-going rehabilitation of new infrastructure;
4. Replacement of new infrastructure

Subsequent to the presentations in 2005, the preliminary plan was reviewed by Gary Scandlan, Watson & Associates Economists Ltd.

### **COMMENTS**

#### Public Notice:

The required Notice of the Chatham-Kent PUC Meeting to consider the 2010 Water and Wastewater Rates Report was placed in C-K Matters during the week of October 21, 2009.

#### Impacts on Water & Wastewater Rates:

##### 1. Reduced Water Consumption:

The billed water volumes decreased by approximately 7% from 2008 to 2009 and the projected decrease for 2008 to 2009 is 7.3%.

The billed wastewater volumes decreased by approximately 6.7% from 2007 to 2008 and the projected decrease for 2008 to 2009 is 8.5%.

In addition to the reduced volumes, there has also been a significant reduction in the number of active accounts. Currently there are 858 inactive or disconnected water accounts.

##### 2. Infrastructure Stimulus Funding (ISF) Projects:

The Chatham-Kent PUC projects under the Infrastructure Stimulus Funding will be \$22,075,000.00 and the \$7,358,333.33 PUC cost share will be for 2009, 2010 and 2011 budgets. The two-thirds funded share (Federal plus Provincial shares) to the PUC equals \$14,716,666.67. This additional \$14,716,666.67 will have a long-term positive effect on reducing the wastewater rate increases required in the future for Sanitary Sewer Lifecycle since all of these projects would have to have been undertaken at some point.

Currently the PUC budget allows a lifecycle of \$3.5 million (\$1.5 M for water, \$2 M for wastewater) for water and wastewater infrastructure upgrades annually.

The following is a list of the approved ISF project:

#### PUC only Projects:

- a. Sanitary Sewer Rehabilitation - Community of Wallaceburg
- b. Sanitary Sewer Rehabilitation - Community of Wallaceburg
- c. Sanitary Sewer Rehabilitation - Community of Tilbury
- d. Sanitary Sewer Rehabilitation - Community of Chatham
- e. Sanitary Sewer Rehabilitation - Community of Chatham
- f. King St Sanitary Sewer Relining Project

#### Municipal and PUC Projects (Cost sharing involved)

1. Robertson Outfall Sanitary Sewer Separation Project
2. Van Allen Street Sanitary Sewer Separation Project
3. Dresden Storm Sewers Project

##### 3. Lifecycle Reserve Contributions:

The Water/Wastewater Rate Report, approved in 2002, recommended that the PUC adopt a policy of setting aside funds for the future replacement of water and sanitary sewer infrastructure. The estimated replacement value (2007) of the existing water and wastewater systems is \$675,582,350.00

## a) Wastewater

<b>Wastewater Asset Valuation</b>	
Sanitary sewers	\$164,535,600.00
Combined sewers	\$ 26,995,950.00
Pumping stations	\$ 18,500,000.00
Treatment facilities	\$118,500,000.00
<b>TOTAL</b>	<b>\$328,531,550.00</b>

Administration will be recommending that \$2,000,000 be allocated to the Sanitary Sewer Lifecycle Reserves account in 2010. This is consistent with the recommendations contained in the 2002 Water/Wastewater Rate Report, which recommended a phasing of increases to an annual contribution of \$2,173,868.

The Wastewater Financial Plan has included increasing the lifecycle contributions to \$2.5 million annually in 2014 and \$2.75 million in 2018. The Sanitary Sewer Lifecycle Reserve expenditures are projected to total \$18 M during the 2007-2015 period.

## b) Water

<b>Water Asset Valuation</b>	
Water distribution	\$207,550,800.00
Elevated storage	\$ 30,000,000.00
Treatment facilities	\$109,500,000.00
<b>TOTAL</b>	<b>\$347,050,800.00</b>

The Chatham-Kent water distribution system consists of approximately 1,600 km of waterlines, 3,222 hydrants and 38,716 customers. As well Chatham-Kent provides some potable water to the neighboring communities of Leamington and Lakeshore.

C-K has completed a detailed review of the entire water distribution system including the age and materials to assist with developing a long term Lifecycle Replacement Program. It should be noted that approximately 50% of the water distribution system is less than ten (10) years old.

The PUC has completed approximately \$1.2 million in annual waterline replacements since 2002 and in excess of \$1.5M and \$1.8M in 2006 and 2007 respectively.

The Water Distribution Lifecycle expenditures are projected to total \$14 M. during the 2007-2015 period. The annual contributions to the Water Distribution Lifecycle Reserve Fund will also increase from the current \$1.4M to \$1.95M by 2012 and \$2.4M by 2016.

**Recommended Rate Changes for 2010:**

The recommended changes, which are the same changes as recommend in the Water and Wastewater Financial Plan approved in 2008, from the 2009 rates for water and wastewater rates are summarized as follows:

**Water:**

- Increase the fixed monthly charge by:
  - \$0.50 in 2010 to \$12.50 per month
- Increase the 1<sup>st</sup> block water rate by :
  - \$0.02/m<sup>3</sup> in 2010 to \$0.84/m<sup>3</sup>
- Increase the 2<sup>nd</sup> block water rate by :
  - \$0.01/m<sup>3</sup> in 2010 to \$0.39/m<sup>3</sup>
- Increase the monthly charge for flat rate water customers to:
  - \$43.50 in 2010

**Wastewater:**

- Increase the fixed monthly charge by
  - \$0.50 in 2010 to \$15.50 per month
- Increase the 1<sup>st</sup> block wastewater rate by:
  - \$0.04/m<sup>3</sup> in 2010 to \$0.69/m<sup>3</sup>
- Increase the 2<sup>nd</sup> block wastewater rate by:
  - \$0.06/m<sup>3</sup> in 2010 to \$0.34/m<sup>3</sup>
- Increase the monthly charge for flat rate sewer customers to:
  - \$32.75 in 2010

**Customer Impacts:****Residential:**

The projected average rate changes to residential consumers are 3.1% (\$1.00 per month) for water and 4.8% (\$1.50 per month) for wastewater. The impact on a standard residential customer, based on an average of 25 m<sup>3</sup> per month consumption, is summarized

in the following tables. The monthly charge for “Flat Rate Customers” has also been adjusted. The tables include:

- water rate impacts – Table “A”
- wastewater rate impacts - Table “B”
- the total impact for the residents that have both services - Table “C”
- flat rate customer impacts - Table “D” & “E”

**Table “A”**

<b>Water Rate Impacts</b>					
Year:	Monthly cost: 2008 2009		\$/month change:	Total Annual cost	Annual increase
2010	\$32.50	\$33.50	<b>\$1.00</b>	\$402.00	<b>+\$12.00</b>

**Table “B”**

<b>Wastewater Rate Impacts</b>					
Year:	Monthly cost: 2008 2009		\$/month change:	Total Annual Cost	Annual increase
2010	\$31.25	\$32.75	<b>\$1.50</b>	\$393.00	<b>+\$18.00</b>

**Table “C”**

<b>Summary of Impacts on Residential Customers (monthly &amp; annual)</b>				
Year:	Water (monthly)	Wastewater (monthly)	Total Monthly	Total Annual
2010	<b>\$1.00</b>	<b>\$1.50</b>	<b>+\$2.50</b>	<b>+\$30.00</b>

**Table “D”**

<b>Flat Rate</b>		
<b>Water Customer Impacts</b>		
Year:	Monthly cost:	\$/ month change:
2010	\$43.50	<b>\$1.00</b>

**Table “E”**

<b>Flat Rate</b>		
<b>Wastewater Customer Impacts</b>		
Year:	Monthly cost:	\$/ month change:
2009	\$32.75	<b>\$1.50</b>

Industrial/Commercial Impacts:

The recommended rate structure is compatible with the Chatham-Kent Economic Development Strategy in attempting to make the area more competitive and attractive for industrial/commercial development. The declining block rate provides a cost relief to the very large system users, such as major industries.

Administration has recommended water/wastewater rates for 2010 that also include an increase in the second block rate. The recommended increase in the 2<sup>nd</sup> block rate is \$0.01/m<sup>3</sup> for water and \$0.06/m<sup>3</sup> for wastewater. The declining block rate accommodates the large industrial users and major greenhouse operations.

It should be noted that approximately 22% of the total water billed is billed at the 2<sup>nd</sup> step rate.

The 2010 impacts on industrial, commercial and institutional operations are outlined in the following table:

**“Table ‘F’”**

<b>Industrial/Commercial Water Rate Change Impacts:</b>				
	<b>Community</b>	<b>Avg. Monthly consumption</b>	<b>2009 Monthly Water Cost</b>	<b>2010 Monthly Water Cost</b>
Commercial Customer 3/4"	Chatham	90	\$85.80	\$87.60
Industrial Customer 2"	Chatham	189	\$199.48	\$203.76
	2" Tilbury	6,433	\$3,373.44	\$3,458.37
	6" Dresden	42,838	\$17,317.34	\$17,766.32

<b>Industrial/Commercial Wastewater Rate Change Impacts:</b>				
	<b>Community</b>	<b>Average Monthly consumption</b>	<b>2009 Monthly W/W Cost</b>	<b>2010 Monthly W/W Cost</b>
Commercial Customer 3/4"	Chatham	90	\$73.50	\$75.60
Industrial Customer 2"	Chatham	189	\$157.85	\$165.91
	2" Tilbury	6,433	\$2,624.94	\$2,970.32
	6" Dresden	42,838	\$12,898.34	\$15,348.92

**Municipal Comparisons**

Administration has compared the average annual residential costs for surrounding municipalities. The C-K costs are based on the proposed 2010 rates and the surrounding areas are 2009 costs. The cost comparisons are summarized in the following table and in Appendix "A" charts (attached).

<b>Water &amp; Wastewater Cost comparison for an Average Residential Unit (based on 25 m3/month)</b>			
	<b>Water</b>	<b>Sewage</b>	<b>Total</b>
<b>Chatham-Kent (10)</b>	\$402.00	\$393.00	<b>\$795.00</b>
<b>Tecumseh (09)</b>	\$445.08	\$334.08	<b>\$779.16</b>
<b>Leamington (09)</b>	\$380.64	\$405.00	<b>\$785.64</b>
<b>Sarnia (09)</b>	\$416.76	\$420.93	<b>\$837.69</b>
<b>London (09)</b>	\$422.52	\$425.76	<b>\$848.28</b>
<b>Lakeshore (09)</b>	\$564.00	\$471.00	<b>\$1,035.00</b>
<b>Windsor (09)</b>	\$471.60	\$639.48	<b>\$1,111.08</b>
<b>S.W. Middlesex (09)</b>	\$939.00	\$275.76	<b>\$1,214.76</b>
<b>Essex (09)</b>	\$552.00	\$528.00	<b>\$1,080.00</b>
<b>Kingsville (09)</b>	\$299.92	\$789.96	<b>\$1,089.88</b>
<b>Lambton Shores (09)</b>	\$717.48	\$627.48	<b>\$1,344.96</b>
<b>Wardsville (09)</b>	\$1,053.00	\$312.00	<b>\$1,365.00</b>

Note: London is recommending a 7% increase for water & wastewater rates for 2010

**Revenue Changes:**

The anticipated changes in annual revenue from the 2009 projections have been calculated based on the number of customers and reduced water billed volumes. The estimated changes are summarized in the following tables:

<b>Water Rate Revenue Changes</b>			
<b>Table 1</b>			
<b>Year</b>	<b>Fixed Charge:</b>	<b>Consumption:</b>	<b>Total:</b>
2010	\$263,829	(\$167,411)	\$96,418

<b>Wastewater Rate Revenue Changes</b>			
<b>Table 2</b>			
<b>Year</b>	<b>Fixed Charge:</b>	<b>Consumption:</b>	<b>Total:</b>
2010	\$201,372	\$74,369	\$275,741

Administration will continue to pursue grants/funding with both levels of senior government and the water and sewer rates will be adjusted on an annual basis to reflect any changes.

It is recommended that the Chatham-Kent PUC approve the Water and Wastewater Rates and Charges for 2010 as outlined in Schedule "A" and Schedule "B" of attached by-law and that the existing by-law be repealed effective January 01, 2009

It is also recommended that Watson Associates be retained in 2010 to complete a detailed review of the water and wastewater rates due to the significant changes in the billed volumes of water and wastewater as well as the significant reduction in the number of active billed customers.

**CONSULTATION**

Chatham-Kent Financial Services provided information on the debentures.

**FINANCIAL IMPLICATIONS**

The proposed water and sewage rates will provide sufficient funding for the 2010 operations, maintenance, lifecycle issues and payment of capital project costs/debenture costs.

Prepared by:

Reviewed by:

\_\_\_\_\_  
Tom Kissner  
General Manager,  
Chatham-Kent PUC

\_\_\_\_\_  
Jack Sonneveld  
Senior Level Advisor  
Chatham-Kent PUC

**Moved by Commissioner Faas seconded by Mayor Hope.**

**“That the Water and Sewer Rates By-Law No. 10-001 for 2010 be approved and that By-law 09-001 be repealed, effective January 01, 2010.**

**Watson & Associates Economists Ltd. be retained in 2010 to complete a detailed review of the water and wastewater rates.”**

**Motion carried**

d) 2010 Water/Wastewater Budget

MUNICIPALITY OF CHATHAM-KENT  
Public Utilities Commission

TO PUC Chairperson and Commissioners

FROM: Tom Kissner  
General Manager, Chatham-Kent PUC

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DATE: November 4, 2009.  
SUBJECT: 2010 Water and Wastewater Budgets

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**RECOMMENDATIONS:**

It is recommended that:

1. The 2010 Water & Wastewater Operating and Maintenance Budgets are approved.
2. The Long Term Capital Expenditure Plan, subject to an annual review by the Commission, is approved.
3. The Corporation of the Municipality of Chatham-Kent is authorized to borrow monies as required towards the issuance and sale of debentures for Capital Projects.
4. \$50,000 is set aside in 2010 in the Insurance Claims Reserve Fund for Water and Wastewater Services.
5. The contribution of \$2,000,000 to the Sanitary Sewer Lifecycle Replacement Reserve Fund for 2010 is approved.
6. The contribution of \$1,200,000 to the Watermain Lifecycle Replacement Program and \$200,000 to the Lifecycle Reserve Fund for 2010 is approved.
7. The purchase of the following equipment from the PUC Water/Wastewater Vehicle Reserve Fund at an estimated cost of be approved:
  - ◆ four (4), full size, extended cab pick-up trucks, (\$116,000)
  - ◆ one (1), full size, ¾ ton extended cab pick-up, (\$34,000)

**BACKGROUND:**

The Chatham-Kent Public Utilities Commission (CK PUC) has faced a challenging year in 2009. In general, the water/wastewater industry in Ontario has seen a reduction in water usage and wastewater treatment flows and therefore a decrease in revenues has been realized. It is projected that the CK PUC billed water and wastewater flows for 2009 will decrease approximately 7.5% from 2008. It is projected that revenues will be approximately 1.5% lower in 2009 than 2008. This information has been considered during the preparation of the 2010 budget.

Major construction projects that will be completed in early 2010 are the construction of the Ridgetown Wastewater Treatment Plant as well as the process waste collection and treatment system at the Wallaceburg Water Treatment Plant. Additional projects to be completed in 2010 are the remote monitoring of all of the sanitary sewer pump stations located in Chatham, the upgrade of the Supervisory Control and Data Acquisition (SCADA) system for the PUC North Area facilities, SCADA upgrade (phase 2) for the Wheatley Water Treatment plant and SCADA upgrade for the remote sites (Pain Court, Grande Pointe and Mitchell's Bay) of the Chatham Water Treatment plant.

Initiatives that may be started in 2010, but not necessarily completed in the same year are listed below with a short description of each:

1. Municipal Drinking Water Licence Program - A municipal drinking water licence is an approval that will be issued by the Ministry of the Environment (MOE) to owners for the operation of their systems (the licence and drinking water works permit will replace the certificates of approval). An application for a limited Municipal Drinking Water Licence has been submitted to MOE for their review and approval. Extensive work must be completed on Operational Plans in order that an application can be submitted to MOE for a full Municipal Drinking Water Licence.
2. Financial Plans - Financial Plans are one of the elements which must be in place for a water system operating licence to be issued. In the case of the first licence for an existing drinking water system, the Financial Plan is required through a condition of the licence. A preliminary Financial Plan has been developed for the CK PUC, however, must be updated, finalized and approved in 2010.
3. Master Plan for Water and Wastewater Servicing - The current Water & Wastewater Master Plan was completed by R V Anderson Associates Limited in May 2000. Chatham-Kent has completed a significant number of the projects outlined in the original document. A number of other servicing studies have been completed and should be updated and included in an overall Water and Wastewater Servicing Master Plan Update. A recommendation of the Water/Wastewater Master Plan is the review of the plan every 5 years after the approval of the Chatham-Kent Official Plan (C-K OP). The C-K OP has been approved so a review of the Water/Wastewater Master Plan is suggested to be initiated in 2010 in order that it can be updated and remain current. A total of \$200,000 has been included in the 2010 budget for the Master Plan review.
4. Lighthouse Cove Servicing - CK PUC Administration have been contacted by Lakeshore residents with regards to

obtaining servicing for either water or wastewater depending on the location of the residence. Investigations, plans and negotiations must be completed in order to offer services as a response to these requests.

5. Bothwell Sanitary Sewer Project - Final design must be completed for this ongoing project.
6. Service Level Agreements - Currently, the CK PUC has eight service level agreements in place with other Municipal Business Groups. Each of the service level agreements is being reviewed and business cases being developed as a means to measure efficiencies of each agreement.

There are a number of pending retirements in 2010. The CK PUC Succession Plan will continue to be followed in order to ensure that facilities maintain levels of properly certified and trained staff that meet or exceed legislative requirements.

#### **COMMENTS:**

##### Operating & Maintenance Budgets:

The proposed 2010 operating and maintenance budgets, as well as the approved budget for 2009 are summarized in the following table:

<b>2009-2010 Budget Comparison</b>			
	<b>2009 approved</b>	<b>2010 proposed</b>	<b>% change</b>
<b><u>Water:</u></b>			
O&M Expenditures	\$13,142,344	\$12,893,409	-1.89 %
Watermain "Lifecycle" replacement	\$1,200,000	\$1,200,000	0 %
Watermain "Lifecycle" reserve	\$200,000	\$200,000	0 %
Audit Fees	\$14,000	\$14,000	0 %
Debt related expenditures	\$4,469,907	\$4,469,907	0 %
Revenue	\$17,626,244	\$17,292,870	-1.89 %
<b>Transfer from DC Reserve</b>	(\$1,650,341)	(\$1,650,341)	0 %
<b>(Surplus)/Deficit</b>	(\$264,334)	(\$165,895)	
<b><u>Wastewater:</u></b>			
O&M Expenditures	\$7,933,286	\$8,139,700	+2.60 %
Sanitary Sewer "Lifecycle" contribution	\$2,000,000	\$2,000,000	0 %
Audit Fees	\$750	\$990	+32.0 %
Debt related expenditures	\$2,852,196	\$2,852,196	0 %
Revenue	\$12,552,083	\$12,889,610	+2.69 %
<b>Transfer from Reserve</b>	\$0	\$0	0 %
<b>Transfer from DC Reserve</b>	(\$ 797,803)	(\$ 797,803)	0 %
<b>(Surplus)/Deficit</b>	(\$ 564,404)	(\$694,527)	

The 2010 water and wastewater expenditures, including operation and maintenance, lifecycle and financing repayments, for water and wastewater are projected to change approximately **-0.01%** and **+1.60%** respectively. This translates into an overall CK PUC budget increase of **+0.80%** from 2009.

Pages A1 – A15 provide the summary details and charts of the budget by expense and by area for Commission information.

#### **Budget Impacts:**

A number of significant issues impact the total CK PUC expenditures and they are summarized as follows:

##### Allocated Costs:

The proposed 2010 Water/Wastewater Budgets include various costs that are allocated to the CK PUC. Detailed Service Level Agreements for the various services are in place and being reviewed for 2010. Business Plans for each SLA will be developed and presented to Commission as the reviews are completed.

The annual payments for allocated costs (including property taxes) in the budget are summarized in the following table:

<b>2010 Allocated Costs Summary</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Total</b>
Accounting, Finance	\$127,800	\$55,980	\$183,780
Information Technology	\$54,295	\$27,156	\$81,451
Human Resources	\$41,600	\$15,038	\$56,638
Allocated –other services	\$49,718	\$23,505	\$73,223
Engineering Services (IES)	\$195,584	\$151,054	\$346,638

AM/FM (W & WW share)	\$215,100	\$107,500	\$322,600
Public Works (IES)	\$2,537,378	\$971,473	\$3,508,851
Municipal Taxes	\$579,294	\$414,921	\$994,215
<b>Total Municipal Allocations</b>	<b>\$3,800,769</b>	<b>\$1,766,627</b>	<b>\$5,567,396</b>
C-K Utility Services	\$1,484,993	\$751,574	\$2,236,567
<b>TOTAL</b>	<b>\$5,285,762</b>	<b>\$2,518,201</b>	<b>\$7,803,963</b>

Municipal Taxes:

All PUC facilities pay taxes since they are operated by a Municipal Service Board.

It should be noted that in addition to the allocated costs associated with the Service Level Agreements, Administration has included \$994,215 in the 2010 budget in order to cover the costs associated with Municipal taxes.

Life-Cycle Reserve Contributions:

The Water and Wastewater Rate Report completed in 2001 recommended that the PUC adopt a policy of setting aside funds for the future replacement of water and sanitary sewer infrastructure:

1. Sewers:

The contribution to the Sanitary Sewer Life-Cycle Reserve for replacement and upgrading of the existing infrastructure was increased by \$250,000 in 2009 to a total of \$2,000,000. The contribution to the Sanitary Sewer Life-Cycle Reserve will remain at \$2,000,000 for 2010. This is consistent with the recommendations in the Water/Wastewater Rate Report, which recommended a phasing of increases to a contribution of \$2,500,000 by 2014 and \$2,750,000 in 2018. The Sanitary Sewer Life-Cycle Reserve expenditures are projected to total \$24.3 million during the 2007 – 2018 periods. The projected reserve balance at 2018 is \$4.1 million. The projected Sanitary Lifecycle Reserve balance for December 31, 2009 is \$3,002,175.

The following table of proposed sanitary sewer lifecycle projects for 2010 is funded from the Sanitary Sewer Life-Cycle Reserve and a copy of the Long Term proposed Long Term Schedule is attached (A15):

Sanitary Sewer Lifecycle Projects 2010		
Location:	Project Description:	Cost:
Blenheim	Combined and Sanitary Sewer Flushing, Smoke Testing	\$29,000
Chatham	Combined and Sanitary Sewer Flushing, Smoke Testing	\$130,000
Dresden	Combined and Sanitary Sewer Flushing, Smoke Testing	\$15,000
Ridgetown	Combined and Sanitary Sewer Flushing, Smoke Testing	\$24,000
Tilbury	Combined and Sanitary Sewer Flushing, Smoke Testing	\$33,000
Thamesville	Combined and Sanitary Sewer Flushing, Smoke Testing	\$8,000
Wallaceburg	Combined and Sanitary Sewer Flushing, Smoke Testing	\$53,000
<b>ANNUAL TOTAL (to be funded from Reserve)</b>		<b>\$292,000</b>

2. Water:

The Water and Wastewater Rate Report reviewed the watermain lifecycle replacement requirements. It was recommended that \$6.6 million be replaced immediately with an additional \$2.7 million being replaced over the next twenty (20) years. The watermain lifecycle replacement requirements have been reviewed with Engineering Services, the Public Works Department and PUC staff.

In order to meet the recommended immediate replacement plans, the PUC has completed in excess of \$1.2 million in waterline upgrading/replacements on an annual basis since 2001 and in excess of \$1.6 million in 2009. It is recommended that \$1,200,000 be committed to the 2010 Lifecycle Watermain Replacement budget. The Lifecycle Watermain Replacement funding is projected to increase to \$1.75 million in 2011 and \$2.3 million in 2014. The Lifecycle Watermain Replacement expenditures are projected to total \$23.9 million during the 2006 – 2018 periods. The Lifecycle Watermain Replacement Reserve balance is projected to be \$10.6 million in 2018. The projected Watermain Lifecycle Reserve balance for December 31, 2009 is \$622,406.

The proposed 2010 waterline replacement and capital project expenditures are summarized as follows:

<b>Water Main Lifecycle Projects 2010</b>		
<b>Location:</b>	<b>Project Description:</b>	<b>Cost:</b>
<b>Chatham</b>	Main replacement – Forsythe St. (King to Wellington)	\$49,000
	New fire hydrants – Simcoe Lane	\$30,000
	Main replacement – Brock St. (Sheldon to St. Clair)	\$128,000
	Main replacement – Stone Ave. (Ursuline to St. Clair)	\$85,000
<b>Tilbury</b>	Main replacement – Alley/Easement Queen St. N (Canal to Prospect)	\$66,000
	Main replacement – St. Clair St. (Lynon Ave to Joseph School)	\$102,000
	Main replacement – St. Clair St. (Lynon Ave to Elm St.)	\$62,000
<b>Wallaceburg</b>	Main replacement – Lorne Ave (Elgin to Running Creek Dr.)	\$243,000
	Main replacement – Lafontaine St. (Wellington St. to Elizabeth St.)	\$50,000
	Main replacement – Wall St. and Creek St. (Nelson St. to Elizabeth St.)	\$186,000
	<b>ANNUAL TOTAL (to be funded from Reserve)</b>	<b>\$1,001,000</b>
<b>2010 Stimulus Funding Projects (CK PUC \$ commitment)</b>		
<b>Dresden</b>	Water portion of the Northwest Quad Storm Sewer proj	\$229,000
<b>Chatham</b>	Water portion of the Robertson Outfall San. Sewer separation proj	\$547,000
	Water portion of the Van Allen San. Sewer separation proj	\$173,000
	<b>TOTAL CK PUC STIMULUS CONTRIBUTION</b>	<b>\$949,000</b>

A copy of the proposed Long Term Waterline Replacement Projections is attached for information (A14) and will be updated on an annual basis.

3. Water Distribution / Sanitary Sewers Maintenance:

Administration will be meeting with Public Works (PW) to review the Service Level Agreement for water distribution and sanitary sewer system maintenance to ensure continued compliance with the Ministry of the Environment requirements. PW provides quarterly reports to PUC Administration in order to track measurables as listed in the SLA. Administration will be working with PW in 2010 to develop a measurement of “value for dollar” with regards to the service provided by PW.

4. Staffing Level:

The total staff numbers include 45 unionized staff, 8.7 Administrative staff and 2 contract positions for a total of 55.7 FTE's (Org. chart A.14). The annual payroll cost for water and wastewater services, included in the 2010 budget is \$5,025,965. This amount includes overtime, standby, OMERS and other benefits.

5. Hydro:

The water and wastewater operating budgets include approximately \$2.39 million for hydro costs for the treatment facilities, pumping stations and storage facilities. Administration will be reviewing energy conservation programs and cogeneration projects to reduce future hydro costs.

#### 6. Chemicals:

The costs associated with the various chemicals used in the production of potable water and the treatment of wastewater is summarized in the following table:

<b>Chemicals</b>			
<b>Chemical:</b>	<b>Water</b>	<b>Wastewater</b>	<b>Total</b>
Chlorine	\$163,200	\$64,300	\$227,500
Alum	\$238,200	\$17,000	\$255,200
Flouride	\$41,950	\$0	\$41,950
General chemicals	\$35,100	\$81,200	\$116,300
Phosphorus chemicals	\$40,000	\$170,500	\$210,500
Sludge chemicals	\$13,500	\$41,960	\$55,460
<b>Total</b>	<b>\$531,950</b>	<b>\$374,960</b>	<b>\$906,910</b>

#### 7. Vehicles:

The Chatham-Kent PUC currently has 50 vehicles, including pick-up trucks, dump trucks, trailers and tractors. The annual cost for the PUC fleet is \$392,893. The budget allocation includes costs for license, fuel, repairs, insurance and capital fleet reserves for replacements. The estimated vehicle reserve balance for water & wastewater vehicles at December 31, 2009 is \$333,993.

Administration is recommending that the following equipment be replaced in 2009 at an estimated cost of \$150,000:

- Replace pickup truck (2000) - Chatham WTP - \$29,000
- Replace pickup truck (2002) – Wallaceburg WPCP - \$29,000
- Replace pickup truck (2000) – Tilbury WPCP - \$29,000
- Replace pickup truck (2002) - South Kent WTP - \$29,000
- Replace service truck (1989) with ¾ ton 4 X 4 extended cab pickup - \$34,000

#### 8. Insurance:

The Chatham-Kent PUC Liability Insurance coverage is provided by the Frank Cowan Company. The liability coverage provides for \$15 million with a \$100,000 deductible. The insurance costs for the PUC are summarized as follows:

<b>Water &amp; Wastewater Insurance Costs</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Total</b>
Boiler & machinery	\$15,600	\$11,750	\$27,350
General building	\$24,375	\$25,125	\$49,500
Building –other	\$1,100	\$7,000	\$8,100
Liability insurance	\$20,000	\$36,050	\$56,050
<b>Total</b>	<b>\$61,075</b>	<b>\$79,925</b>	<b>\$141,000</b>

Administration recommended setting up an Insurance Reserve Fund in 2001 and funds have been set aside annually. The estimated Insurance Reserve balance at December 31, 2009 is \$102,429. It is recommended that \$50,000 be set aside again in the 2010 in the Water Wastewater Insurance Risk Reserve Fund (0278-1755).

#### 9. Major Maintenance (Plants, Grounds and Equipment):

The proposed significant expenditures of \$1,631,200 (\$804,900 for water and \$826,300 for wastewater) are detailed in attachments A7. The types of significant maintenance items include repair and replacement of pumps and equipment, analyzers and control systems.

#### **Capital Expenditures:**

The proposed major capital expenditures for 2010 include the following capital projects:

#### Water:

The majority of the proposed capital expenditures for water projects will be funded from the General Water Reserves and debenturing. The projects include:

- Completion of the process waste collection and treatment at the Wallaceburg Water Treatment Plant.
- Complete the upgrading of the water supply and well integrity for the Ridgetown Water Supply.
- Complete the upgrading for the Highgate Well System
- Sandblasting and recoating of the Chatham water tower
- Chatham Water Distribution System evaluation

Wastewater:

The proposed capital expenditures for wastewater projects will be funded by debentures and includes:

- Construction of the sanitary sewers, forcemain and pumping stations for the Community of Bothwell.
- Upgrade of the Thamesville Wastewater Treatment Plant
- Construction and completion of the Ridgetown Wastewater Treatment Plant

**SUMMARY:**

It is recommended that the PUC approve the proposed 2010 Operating and Maintenance Budget and the Multi Year Capital Cash Flow Projections. It is also recommended that Chatham-Kent Council be authorized to borrow monies as required towards the purchase by the issuance and sale of debentures for the capital projects.

The Multi-Year Capital Cash Flow Plan will be updated and submitted to the PUC on an annual basis.

**OTHERS CONSULTED:**

The Infrastructure and Environmental Services Department prepared the 2010 information for water distribution and sanitary sewer system maintenance. The PUC Area Managers provided the information and costs associated with the facility/equipment maintenance. The Senior Level Advisor was also consulted in the preparation of this report.

**FINANCIAL IMPLICATIONS:**

The recommended 2010 Water & Wastewater Budgets and Capital Expenditures will continue to provide Chatham-Kent residents with the highest quality service at a reasonable cost into the future.

Prepared by:

Reviewed by:

\_\_\_\_\_  
Tom Kissner  
General Manager,  
Chatham-Kent PUC

\_\_\_\_\_  
Jack Sonneveld  
Senior Level Advisor,  
Chatham-Kent PUC

Reviewed by:

\_\_\_\_\_  
Rob Browning,  
Chief Administrative Officer

**Moved by Commissioner Vercoouteren seconded by Commissioner Pinsonneault.**

**“That the 2010 Water & Wastewater Operating and Maintenance Budgets are approved.**

**The Long Term Capital Expenditure Plan, subject to an annual review by the Commission, is approved.**

**The Corporation of the Municipality of Chatham-Kent is authorized to borrow monies as required towards the issuance and sale of debentures for Capital Projects.**

**\$50,000 is set aside in 2010 in the Insurance Claims Reserve Fund for Water and Wastewater Services.**

**The contribution of \$2,000,000 to the Sanitary Sewer Lifecycle Replacement Reserve Fund for 2010 is approved.**

**The contribution of \$1,200,000 to the Watermain Lifecycle Replacement Program and \$200,000 to the Lifecycle Reserve Fund for 2010 is approved.**

**The purchase of the following equipment from the PUC Water/Wastewater Vehicle**

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**Reserve Fund at an estimated cost of be approved:**

- ◆ **four (4), full size, extended cab pick-up trucks, (\$116,000)**
- ◆ **one (1), full size, ¾ ton extended cab pick-up, (\$34,000)**

**6 – in favour 1 – abstained**

**Motion carried**

e) Smith Road Waterline Extension

MUNICIPALITY OF CHATHAM-KENT

Public Utilities Commission

**TO:** PUC Chairperson and Commissioners  
**FROM:** Jeannie Medeiros  
Technical Assistant/Projects Coordinator, Chatham-Kent PUC  
**DATE:** November 19, 2009  
**SUBJECT:** Smith Road Waterline Extension  
(Community of Camden Township)

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**RECOMMENDATIONS**

It is recommended that:

1. The proposed Smith Road waterline extension not proceed at this time.
2. The property owner in this area is informed by letter of the vote results and the PUC action.

**BACKGROUND**

A Smith Road petition was submitted to the Chatham-Kent Public Utilities Commission in August 2009.

**COMMENTS**

The system would have been connected to the existing 300 mm diameter main at Base Line, heading northerly to Municipal #29071 Smith Road, for a distance of approximately 370 m. An area map of the proposal is on page 4.

Only 1 occupied residential property existed within the proposed water distribution area.

The estimated cost for the project was \$17,477.00. Mun. #29071 Smith Road was the only property in the proposed area.

An information and vote package describing the proposed extension project and costs associated, was distributed on October 15, 2009. A ballot was included with the return date of November 4. The ballot results were one hundred percent (100%) against proceeding with the project.

Based on the approved Waterline Assessment Policy requiring 66% support, it is our recommendation that the PUC not proceed with providing water servicing to the residence along Smith Road and that the property owner is notified by letter, of the vote results and the PUC action.

**COMMUNITY STRATEGIC PLAN**

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

B. Economy-We are a prosperous community

B3: Maintain and enhance new and existing infrastructure to support economic and smart growth opportunities

Desired Outcomes / Proposed Activities

- Advocate for essential provincial and federal investment and equitable tax policies to support financing and effective operation of sustainable transportation systems, water, sewer and waste management services.
- Support new infrastructure investments and modernize existing infrastructure.
- Maintain and improve the quantity and quality of ground and surface waters

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

**CONSULTATION**

No one was consulted in preparation of this report.

**FINANCIAL IMPLICATIONS**

All costs associated with the project were to be recovered through assessment.

Prepared by:

Reviewed by:

\_\_\_\_\_  
Jeannie Medeiros  
Technical Assistant/Projects Coordinator

\_\_\_\_\_  
Tom Kissner  
General Manager  
Chatham-Kent PUC

f) **Robinson Road Waterline Extension**

MUNICIPALITY OF CHATHAM-KENT

Public Utilities Commission

**TO:** PUC Chairperson and Commissioners  
**FROM:** Jeannie Medeiros  
Technical Assistant/Projects Coordinator, Chatham-Kent PUC  
**DATE:** November 19, 2009  
**SUBJECT:** Robinson Road Waterline Extension  
(Community of Camden Township)

**RECOMMENDATIONS**

It is recommended that:

1. The proposed Robinson Road waterline extension not proceed at this time.

The property owner in this area is informed by letter of the vote results and the PUC action.

**BACKGROUND**

A Robinson Road petition was submitted to the Chatham-Kent Public Utilities Commission in October 2009.

**COMMENTS**

The system would have been connected to the existing 300 mm diameter main on McCreary Line, heading northerly to Municipal #29768 Robinson Road, for a distance of approximately 800 m. An area map of the proposal is on page 4.

Two (2) occupied residential properties existed within the proposed water distribution area. The estimated cost for the project was \$30,455.00. The estimated cost per connection including the 2009 Part 12 Charge was \$16,743.00.

An information and vote package describing the proposed extension project and costs associated, was distributed on November 5, 2009. A ballot was included with the return date of November 19.

Fifty percent (50%) of the property owners returned the ballots. The ballot results were fifty percent (50%) of not proceeding with the project.

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Based on the approved Waterline Assessment Policy requiring 66% support, it is our recommendation that the PUC not proceed with providing water servicing to the residences along Robinson Road and that the property owners are notified by letter, of the vote results and the PUC action.

### **COMMUNITY STRATEGIC PLAN**

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

B. Economy-We are a prosperous community

B3: Maintain and enhance new and existing infrastructure to support economic and smart growth opportunities

#### **Desired Outcomes / Proposed Activities**

- Advocate for essential provincial and federal investment and equitable tax policies to support financing and effective operation of sustainable transportation systems, water, sewer and waste management services.
- Support new infrastructure investments and modernize existing infrastructure.
- Maintain and improve the quantity and quality of ground and surface waters

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

### **CONSULTATION**

No one was consulted in preparation of this report.

### **FINANCIAL IMPLICATIONS**

All costs associated with the project were to be recovered through assessment.

Prepared by:

Reviewed by:

\_\_\_\_\_  
Jeannie Medeiros  
Technical Assistant/Projects Coordinator

\_\_\_\_\_  
Tom Kissner  
General Manager  
Chatham-Kent PUC

## **g) Belle Rose Line Waterline Extension**

MUNICIPALITY OF CHATHAM-KENT

Public Utilities Commission

**TO:** PUC Chairperson and Commissioners

**FROM:** Jeannie Medeiros  
Technical Assistant/Projects Co-ordinator, Chatham-Kent PUC

**DATE:** November 19, 2009

**SUBJECT:** Belle Rose Line Waterline Extension  
(Community of Dover Township)

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### **RECOMMENDATIONS**

It is recommended that:

1. The proposed Belle Rose Line waterline extension not proceed at this time.
2. The property owners in this area are informed by letter of the vote results and the PUC action.

### **BACKGROUND**

A Belle Rose Line petition was submitted to the Chatham-Kent Public Utilities Commission in March and July 2009.

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## **COMMENTS**

The system would see the construction of a 100 mm diameter waterline, which would be connected to the existing 300mm diameter main on Winterline Road, heading westerly on Belle Rose Line to Municipal #24760 Big Pointe Road (the last petitioner) for an approximate distance of 1,700m. An area map of the proposal is on page 5.

A total of 7 occupied residential properties and 7 vacant agricultural properties exist within the proposed water distribution area.

Dillon Consulting prepared an estimated cost for the proposed waterline. The estimated cost for the project, including engineering but does not include GST is \$103,710.00.

The estimated cost per connection for the proposed Belle Rose Line waterline extension, including the 2009 Part 12 Charge is \$13,368.00.

An information and vote package describing the proposed extension project and costs associated was distributed to the benefiting owners on November 5, 2009. A ballot was included with the return date of November 19, 2009.

One hundred percent (100%) of the property owners returned the ballots. The ballot results were sixty percent (60%) in favour of proceeding with the project.

It was indicated to the property owners that the PUC would require that a majority were in favour of the project and, that as a guideline, 66% of the returned votes should support the project before administration would recommend that the project proceed to construction. The wording on the ballot page indicated that the project would be evaluated based on the number of returned ballots.

Based on the approved Waterline Assessment Policy requiring 66% support, it is our recommendation that the PUC not proceed with providing water servicing to the residences along Belle Rose Line and that the property owners are notified by letter, of the vote results and the PUC action.

## **COMMUNITY STRATEGIC PLAN**

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

B. Economy-We are a prosperous community

B3: Maintain and enhance new and existing infrastructure to support economic and smart growth opportunities

### **Desired Outcomes / Proposed Activities**

- Advocate for essential provincial and federal investment and equitable tax policies to support financing and effective operation of sustainable transportation systems, water, sewer and waste management services.
- Support new infrastructure investments and modernize existing infrastructure.
- Maintain and improve the quantity and quality of ground and surface waters

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

## **CONSULTATION**

Dillon Consulting prepared the preliminary engineering information.

## **FINANCIAL IMPLICATIONS**

All costs associated with the project would have been recovered through assessment.

Prepared by:

Reviewed by:

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Jeannie Medeiros  
Technical Assistant/Projects Coordinator

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Tom Kissner  
General Manager  
Chatham-Kent PUC

**Moved by Mayor Hope seconded by Commissioner Parsons.**

**“That the proposed report 4 (e)Smith Road waterline extension, 4 (f) Robinson Road waterline extension and 4 (g) Belle Rose Line waterline extension not proceed at this**

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time.

The property owners in these areas are informed by letter of the vote results and the PUC action.”

**Motion carried**

h) CSR Plus Vermicast Industries Inc. – Feasibility Study/Business Plan

MUNICIPALITY OF CHATHAM-KENT

PUBLIC UTILITIES COMMISSION

**TO:** PUC Chairperson and Commissioners  
**FROM:** Tom Kissner  
General Manager, Chatham-Kent PUC  
**DATE:** November 26, 2009  
**SUBJECT:** CSR Plus Vermicast Industries Inc . – Feasibility Study/Business Plan

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**RECOMMENDATION**

It is recommended that:

1. An amount of \$3,500 be approved towards the Feasibility Study/Business Plan for the CSR Plus proposal.

**BACKGROUND**

The Municipality of Chatham-Kent and CSR Plus Vermicast Industries Inc. (CSR Plus) are in discussions to undertake a feasibility study/business plan that would evaluate the economic and technical viability of constructing a public /private vermistabilization processing plant that would allow biosolids, SSO waste and organic waste to be converted to a useable product and sold on the open market.

The Business Plan would also identify employment opportunities for such a plant on a one to five year basis, capital construction costs, general operations, etc.

**COMMENTS**

The costs for the proposed Feasibility Study/Business Plan are estimated at \$145,000.

With the potential of 90% grant funding available, the cost of the Feasibility Study/Business Plan would be \$7,000 to \$14,000 (depending on the level of funding) to both the Municipality and CSR Plus. The PUC has been requested to contribute to the feasibility study due to the potential impact a project of this sort may have on the operations of the PUC. There could be potential savings in biosolids handling and disposal for the PUC.

Therefore, it is recommended that an amount of \$3,500 be approved towards the Feasibility Study/Business Plan for the CSR Plus proposal. This would be the lesser of the \$7,000 to \$14,000 range.

**COMMUNITY STRATEGIC PLAN**

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

B. Economy - We are a prosperous community

B4: Encourage the continuing growth of a diversified and sustainable economic base

C. Environment – We are a green community

C4: Promote responsible consumption of non-renewable resources

Desired Outcomes / Proposed Activities

- Identify Chatham-Kent as a location for new investment
- Foster partnerships among all industrial sectors
- Build upon our strong agricultural base by attracting complimentary businesses and industries
- Promote solid waste management, sewage treatment and recycling
- Continue to promote a Chatham-Kent wide recycling strategy

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

**CONSULTATION**

The following were consulted in the preparation of this report:

Don Shropshire, General Manager, Community Development & Planning Services

**FINANCIAL IMPLICATIONS**

The amount of \$3,500 will be covered in the 2010 Budget.

Prepared by:

Reviewed by:

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

\_\_\_\_\_  
 Jack Sonneveld  
 Senior Level Advisor  
 Chatham-Kent PUC

Reviewed by:

\_\_\_\_\_  
 Tom Kissner  
 General Manager  
 Chatham-Kent PUC

**Moved by Mayor Hope seconded by Commissioner Faas.**

**“That an amount of \$3,500 be approved towards the Feasibility Study/Business Plan for the CSR Plus proposal.”**

**Motion carried**

**5. INFORMATION**

- a) PUC Newsletter
- b) Water/Wastewater Revenue & Expenditure

MUNICIPALITY OF CHATHAM-KENT  
Public Utilities Commission

“INFORMATION REPORT”

**TO:** PUC Chairperson and Commissioners

**FROM:** Tom Kissner  
General Manager

**DATE:** November 26, 2009

**SUBJECT:** Water/Wastewater Revenues and Expenditures

For information of the Commission.

**BACKGROUND**

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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 (October 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.

It should be noted that the \$2.0M for Sanitary Sewer Lifecycle is entirely used for the 2009 calendar year. The Water Lifecycle is at approx. \$1.1M from the \$1.4M budget.

The Area Managers and Senior Operators are monitoring their Operations and Maintenance portions of the budget very closely.

### **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:

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Tom Kissner  
General Manager  
Chatham-Kent PUC

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Jack Sonneveld  
Senior Level Advisor  
Chatham-Kent PUC

**Moved by Commissioner Vercouteren seconded by Commissioner Faas.**

**“To receive item 5 (a) & (b) for information.”**

**Motion carried**

## **6. NEW BUSINESS**

NONE

## **7. NEXT MEETING**

The next PUC Commission Meeting is scheduled for Thursday, January 21, 2010 at 3:00 PM in the PUC Boardroom.

## **8. ADJOURN**

**Moved by Commissioner Faas seconded by Mayor Hope.**

**“That the Regular meeting be adjourned at 2:50 PM”.**

**Motion carried**