

MINUTES

PUBLIC UTILITIES COMMISSION

**PUC BOARDROOM
325 GRAND AVE E**

**MAY 15, 2008
3:00 PM**

PRESENT: Chairman Bryon Fluker, Commissioners Sheldon Parsons, Frank Vercouteren, Joe Faas, Steve Pickard, Mayor Randy Hope, A/CAO Gerry Wolting, A/General Manager Jack Sonneveld, Facility Systems Manager Rob Bernardi, and Supervisor Compliance & Monitoring Lilly Snobelen.

From Community of St. Clair Estates: Doug Allin, Bill MacLachlan and Mark Zartarian.

ABSENT: Commissioner Steve Pinsonneault

1. CALL TO ORDER

Chairman Bryon Fluker called the meeting to order at 3:02 PM.

2. DECLARATION OF PECUNIARY INTEREST

NONE

3. PRESENTATION ST. CLAIR COMMUNITY ESTATES – DOUG ALLIN

Mr. Allin spoke to the PUC Commission regarding the water/wastewater billings for the residents of St. Clair Estates. They are concerned with not having been notified of the change to the resident billings being charged the full sewage service charges on their bills when the sewage treatment billings ceased for the St. Clair Estates owners, as of January 1, 2007. They also feel that they should only be paying a portion of the sewage service charges.

A/General Manager Jack Sonneveld stated that the billings were changed to be standardized with everyone else in the Municipality.

Moved by Mayor Hope and seconded by Commissioner Vercouteren.

“That Administration make an impact assessment on individual billings and single source infrastructure within the province and bring a report back to the PUC Commission meeting in July.”

Motion carried

4. APPROVAL OF MINUTES

a) April 17, 2008

Moved by Commissioner Vercouteren and seconded by Commissioner Pickard.

“That the minutes of April 17, 2008 Regular Meeting be approved.”

Motion carried

5. REPORTS

a) In-Camera Report

PUC IN-CAMERA REPORT

May 15, 2008

The PUC met in-camera on April 17, 2008 and would report the following for the approval of the PUC:

The PUC considered a report regarding Quadrant Sanitary Sewer Remedial Program, Phase I Update on Award of Contract. It was moved and carried that:

The tender in the amount of \$92,006.25 (\$87,625 + GST) be awarded to the firm of Henry Heyink Construction Limited of Chatham, Ontario.

Engineering and Transportation Division retain the bid bond submitted by Ben Bruinsma and Sons Limited of Chatham, Ontario.

The PUC considered a report regarding General Manager Duties and Position Description Review. It was moved and carried that:

The Chatham-Kent Public Utilities Commission approve the position description and the internal/external posting for the General Manager, Chatham-Kent Public Utilities Commission vacancy.

Moved by Mayor Hope and seconded by Commissioner Pickard.

“To receive this report for information.”

Motion carried

b) ORO Designation Update

MUNICIPALITY OF CHATHAM-KENT

Public Utilities Commission

“INFORMATION REPORT”

TO: PUC Chairperson and Commissioners
FROM: Lilly Snobelen
Supervisor, Compliance & Monitoring
Chatham-Kent Public Utilities Commission
DATE: May 15, 2008
SUBJECT: ORO Designation Update

This report is for the information of the Public Utilities Commission.

BACKGROUND

The current Overall Responsible Operators and Alternate Overall Responsible Operators designations require updating following Staff changes.

COMMENTS

In order to comply with O. Reg. 128/04 the Chatham-Kent Public Utilities Commission provides the following documentation:

1. The designated Overall Responsible Operators as per O. Reg 128/04 section 23(1).
2. The Alternate Overall Responsible Operators as per O. Reg 128/04 23(4).

CONSULTATION

The following consultations were made during the preparation of this report:

- with representatives from Chatham-Kent Infrastructure and Engineering Department.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

Prepared by:

Lilly Snobelen,
Supervisor, Compliance & Monitoring
Chatham-Kent PUC

Reviewed by:

Jack Sonneveld
Acting General Manager
Chatham-Kent PUC

Reviewed by:

Gerry Wolting, B. Math, CA.
Acting Chief Administrative Officer
Chatham-Kent

Moved by Commissioner Pickard and seconded by Commissioner Vercoouteren

“To receive this report for information.”

Motion carried

c) 2007 Unexplained Water Loss

MUNICIPALITY OF CHATHAM-KENT
PUBLIC UTILITIES COMMISSION

“INFORMATION REPORT”

TO: PUC Chairperson and Commissioners
FROM: Lilly Snobelen
Supervisor, Compliance & Monitoring
Chatham-Kent PUC
DATE: May 07, 2008
SUBJECT: 2007 Unexplained Water Loss

For information of the Commission.

BACKGROUND

The PUC was provided with a verbal report on the unexplained water loss of 17% for 2006 in 2007. A number of municipalities in the province have reported unexplained water loss figures around 30%.

COMMENTS

Compliance staff and the operations staff have completed a top down audit of the 8 water systems operated under O. Reg. 170/03. The task was essentially a “desk top” exercise. The gathering of these volumes involved the cooperative efforts of the PUC, Chatham-Kent Utility Services (Billing), the Public Works Department and the Fire Department.

Continuous improvement has been applied to the initial Water Loss Report, which was prepared in 2006. This Report compared only the volumes produced with the volumes billed.

The 2007 Report includes Authorized Consumption under the following categories:

1. billed metered
2. unbilled metered
3. unbilled un-metered.

Starting in 2007, Public Works reported water used in sweepers, vactors, sewer flushers and for dust control. Additional volumes reported by the PUC staff included losses through operational flushing. Not included in the Authorized Consumption for 2007 is un-metered use by Parks and Recreation, or Horticulture. Un-metered service water volume, for the South WTP only, is included in 2007.

Efforts are being made to involve Parks and Recreation, and Horticulture in the Program during 2008. As well, the Fire Department endorsed the use of Hydrant Use Forms, developed by the PUC in 2007, for reporting hydrant flushing volumes starting in 2008.

Volumes for which there is currently no accounting include main breaks and unauthorized contractor use. Unauthorized use by contractors may be addressed by a new rate category that will prompt contractor use of meters starting in 2009.

Overall, the average water loss volume for Chatham-Kent PUC in 2007 was 11.5%. In reality, this includes both apparent and real losses, and should not be construed to mean that 11.5% of the water produced is physically lost from infrastructure, mains, valves or service lines.

There are a number of other possibilities that could account for a significant portion of the unaccounted for water. They include:

- the calibration of metering which has a tolerance of plus or minus up to %5.
- Flat Rate water customers (C-K has only 33)

CONSULTATIONS

Chatham-Kent Utility Services (Billing), the Public Works Department and the Fire Department were consulted during the preparation of this report.

FINACIAL IMPLICATIONS

There are no financial impacts associated with this report.

Prepared by:

Lilly Snobelen
Supervisor, Compliance & Monitoring
Chatham-Kent PUC

Reviewed by:

Jack Sonneveld
Acting General Manager
Chatham-Kent PUC

Reviewed by:

Gerry Wolting, B. Math, CA.
Acting Chief Administrative Officer Chatham-Kent

Moved by Mayor Hope and seconded by Commissioner Faas.

“To receive this report for information.”

Motion carried

d) Bottled Tap Water Initiative – Distribution Policy

MUNICIPALITY OF CHATHAM-KENT

PUBLIC UTILITIES COMMISSION

TO: PUC Chairperson and Commissioners

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

DATE: May 15, 2008

SUBJECT: Bottled Tap Water Initiative – Distribution Policy

RECOMMENDATIONS

It is recommended that:

1. The Chatham-Kent Public Utilities Commission discuss the draft "Bottled Tap Water Distribution Policy" and Administration bring back a report for final policy approval.

BACKGROUND

The last report on the Bottled Tap Water Initiative was provided to the Commission at the regular Commission meeting on May 24, 2007 (See attached). At the regular Commission meeting on April 17, 2008 it was verbally indicated that Administration bring back a report that establishes a draft policy on how the distribution of bottled water produced by the water bottling equipment.

The equal partners in the mobile water bottling equipment are The Municipality of Chatham-Kent, The City of Toronto, and the Regional Municipalities of Durham, Peel, Halton, and York. The current partners (five) will be entering into an agreement on the usage and maintenance of the equipment. There is also a draft Standard Operating Procedure (SOP) that will be finalized for all parties to follow. Both the agreement and the SOP are currently being circulated to all the partners.

Chatham-Kent will obtain legal ownership of the equipment and be responsible for the general maintenance and repairs of the equipment on behalf of the partnership.

COMMENTS

There needs to be in place a policy that clearly illustrates how bottled tap water produced from the mobile bottling equipment will be distributed to local organizations as well as within the Municipal operations.

The benefits gained from the distribution of the bottled tap water are:

- Supply of water for emergency situations involving a "Do NOT Drink the Water" advisory,
- to create a higher impression of the municipal water produced in Chatham-Kent by the Chatham-Kent PUC,
- to increase public confidence in the municipal water,
- public awareness of the excellent quality of Chatham-Kent PUC water,
- advertise for Chatham-Kent,
- to reduce the amount of plastic bottles being littered and sent to landfill

As with any campaign to promote municipal water, there will be ongoing expenses to ensure the program continues. These would include operator training, water bottle production time, and administration time.

The Canadian Food Inspection Agency (CFIA) does not currently have rules or regulations for bottling tap water that is not being sold. It is a grey area within that agency as long as the water bottles are not being produced for sale. It should be noted that the bottled water cannot be sold or it would fall under the CFIA regulations.

Therefore, it is recommended Chatham-Kent Public Utilities Commission discuss the draft "Bottled Tap Water Distribution Policy" and Administration bring back a report for final policy approval.

COMMUNITY STRATEGIC PLAN

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

B. Economy - We are a prosperous community

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

C. Environment – We are a green community

- C1: Develop pride in the community for its environmental assets
- C2: Establish standards for environmental excellence
- C4: Promote responsible consumption of non-renewable resources

Desired Outcomes / Proposed Activities

- Increase public participation in environmental groups, appreciation and education activities and local causes
- Maintain and improve the quantity and quality of ground and surface waters
- Promote solid waste management, sewage treatment and recycling
- Decrease energy consumption within Chatham-Kent

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

CONSULTATION

The following have been consulted during the preparation of this report:

- Canadian Food Inspection Agency
- Mobile Water Bottling Partnership

FINANCIAL IMPLICATIONS

The costs associated with the production and operations of the bottled tap water will be an annual operating expense that will be included in the Public Awareness Campaign.

Current costs incurred to date are \$50,000 and \$10,000 for the mobile water bottling equipment. Additional costs for design labeling and educational items to implement the program have not been finalized.

Administration was authorized by Commission to spend up to \$186,500 to implement this program.

Prepared by:

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

Reviewed by:

Reviewed by:

 Jack Sonneveld
 Acting General Manager
 Chatham-Kent PUC

 Gerry Wolting, B. Math., CA
 Acting Chief Administrative Officer

Moved by Mayor Hope and seconded by Commissioner Pickard.

“That the Chatham-Kent Public Utilities Commission discuss the draft “Bottled Tap Water Distribution Policy” and Administration bring back a report for final policy approval.”

Motion carried

e) 1st Concession Road/Erie Street South Servicing Project

MUNICIPALITY OF CHATHAM-KENT
Public Utilities Commission

TO: PUC Chairperson and Commissioners

FROM: Jack Sonneveld
Acting General Manager, Chatham-Kent PUC

DATE: May 09, 2008

SUBJECT: 1st Concession Road and Erie Street South Servicing Project
(Community of Wheatley)

RECOMMENDATIONS

It is recommended that:

1. 1st First Concession Water and Sanitary Sewer Servicing Project (community of Wheatley) not proceed at this time.

2. The Chatham-Kent Public Utilities Commission authorize administration to investigate alternative servicing options as requested by the property owners.

BACKGROUND

The Chatham-Kent Public Utilities Commission (PUC) is considering the opportunity to implement an overall municipal water and sewage servicing strategy in the vicinity of 1st Concession Road and Erie Street South.

The owners of property on 1st Concession Road between McLean Street and Erie Street South and on Erie Street South (also known as County Road 1) northerly from 1st Concession Road have requested information from the CKPUC regarding the cost of extending sanitary sewers to service a proposed industrial subdivision on their properties. The properties are located in the Municipality of Chatham-Kent within the area serviced by the Wheatley sewage system.

In addition, the PUC is aware of the potential need for sanitary sewage service in an existing developed area known as Getty's Beach, in the adjacent Municipality of Leamington. The properties of MNR, Hike and Getty's Beach are located outside of the Wheatley sewage service area. However, the PUC wishes to examine the feasibility of extending the service area to include these properties.

Omstead Foods is a large food processing operation located nearby with facilities extending into both Leamington and Chatham-Kent. Omstead maintains a separate wastewater treatment facility to treat wastewater from its food processing operations.

The sanitary servicing system would be comprised of gravity sewers and forcemains, capable of servicing the needs of the current developing properties as well as the existing and future needs of the surrounding area.

The PUC sent an information package to the participating property owners to outline in detail, the potential for the extension of a municipal servicing in this area. A public Meeting was held on April 02, 2008. Stantec Consulting Ltd. has been retained to prepare the necessary cost estimates.

The proposed servicing area includes approximately 44 ha.

Proposed Sanitary Distribution System

Sanitary Servicing for the proposed development would require the construction of sanitary sewers on Pickerel Road and 1st Concession Road.

Three different scenarios were reviewed when determining the estimated cost of the project:

- Alternative #1: Construct sanitary sewers for the area to be developed,
- Alternative #2: Construct sanitary sewers for the area to be developed and Getty's Beach,
- Alternative #3: Construct sewers along Erie Street South only.

Alternative #1:

The preliminary design for Alternative 1, which provides sewer capacity for the proposed development areas, includes a 250 millimetre (mm) diameter sewer on Pickerel Road from Detroit Street to 1st Concession Road with a 300 mm diameter pipe for the 1st Concession Road Sewer easterly to the existing sewer on McLean Street.

The estimated project cost for Alternative #1 is \$888,400, including Engineering but excluding GST.

Alternative #2:

Alternative 2, which provides capacity for Getty's Beach in addition to the proposed development areas, also includes a 250 mm diameter sewer on Pickerel Road from Detroit Street to 1st Concession Road. Flow from Getty's Beach would be discharged into the manhole (MH4) at the west end of the 1st Concession Road sewer. The sewer on 1st Concession Road would begin with a 300 mm diameter pipe at Pickerel Road and increase to 375 mm diameter before discharging to the McLean Street sewer.

The estimated project cost for Alternative #2 is \$891,700, including Engineering but excluding GST.

The estimated cost per hectare for alternative #1 & #2 is \$20,191.00 (\$8,175 /acre)

Alternative #3:

Alternative #3 proposal consists of a 250 mm diameter sewer to be constructed on Erie Street South that would discharge into the manhole (MH4) at the west end of the 1st Concession Road sewer.

The estimated project cost for Alternative #3 is \$290,500, including Engineering but excluding GST.

The estimated project costs for alternative #1, 2 & 3 are preliminary and may be subject to change upon final design. Actual costs can only be determined upon completion of final design and the tendering process.

Proposed Water Distribution System

There is an existing 600 mm diameter transmission main on 1st Concession Road, Pickerel Road and McLean Street that delivers treated water to Tilbury. CKPUC does not allow private service connections off this transmission main, therefore, a local waterline

would be required. Hydrants would be required on the new waterlines only at road intersections for flushing purposes since hydrants for fire protection have been provided on the transmission main. The size of the new waterlines is proposed as 200 mm.

The estimated project cost for the proposed water servicing is \$822,000, including Engineering but excluding GST.

The estimated cost per hectare for alternative is \$18,682.00 (\$7,564 /acre).

Charge under per Part 12 of the Ontario Municipal Act

The Part XII Charges apply to all new users of municipal water and sanitary sewer systems in order to offset costs associated with the water and wastewater infrastructure.

A ballot was mailed out to all property owners and the closing date for the return of ballots was May 07, 2008.

COMMENTS

The PUC received 13 returned ballots (65%) from the possible 20 properties. There were seven (7) yes and seven (7) no.

The common concern was the significant initial costs of approximately \$15,739 per acre for the affected property owners. In addition the majority of the lands are designated as agricultural or light industrial.

It is recommended that the First Concession Water and Sanitary Sewers Servicing not proceed at this time and that administration proceed with reviewing alternative partial servicing options and revised cost recovery options as requested by the property owners.

CONSULTATIONS

Stantec Consulting prepared the preliminary cost estimates.

FINANCIAL IMPLICATIONS

No budget impacts are anticipated at this time.

Prepared by:

Reviewed by:

Jack Sonneveld
Acting General Manager,
Chatham-Kent PUC

Gerry Wolting, B. Math, CA.
Acting Chief Administrative Officer

Moved by Commissioner Faas and seconded by Commissioner Pickard.

“That the 1st First Concession Water and Sanitary Sewer Servicing Project (community of Wheatley) not proceed at this time.

The Chatham-Kent Public Utilities Commission authorize administration to investigate alternative servicing options as requested by the property owners.”

Motion carried

f) CMAJ Investigative Report

MUNICIPALITY OF CHATHAM-KENT

Public Utilities Commission

“INFORMATION REPORT”

TO: PUC Chairperson and Commissioners

FROM: Jack Sonneveld
Acting General Manager, Chatham-Kent PUC

DATE: May 02, 2008

SUBJECT: Information correction regarding the CMAJ Investigative Report

BACKGROUND

The Canadian Medical Association Journal recently published an Investigative Report which stated that the community of Wallaceburg was on a continuous "Boil Water Advisory" (BWA). Administration was directed to contact the writer to determine the source of the incorrect information and to have the information corrected.

COMMENTS

Administration contacted the Canadian Medical Association Journal. Ms. Laura Eggerton (Writer & Editor) responded regarding the source of the information they had used in preparing the report.

The information about the BWA's in Wallaceburg came from a list that the Ontario Ministry of Health provided. The list included advisories that dated back to 2006. They have provided a contact person at the Ontario Ministry of Health.

We have contacted the Media Relations Coordinator, Communications and Information Branch, Ontario Ministry of Health and he has forwarded the information the Public Health Division.

Representatives with the Chatham-Kent Public Health Unit are working with the Ministry of Health to ensure that the information is corrected.

CONSULTATIONS

The Ministry of Health and the Chatham-Kent Public Health Unit have been consulted.

FINANCIAL IMPLICATIONS

There are no financial impacts associated with this report

Prepared by:

Reviewed by:

Jack Sonneveld
Acting General Manager,
Chatham-Kent PUC

Gerry Wolting, B. Math, CA.
Acting Chief Administrative Officer

Moved by Commissioner Pickard and seconded by Commissioner Vercouteren.

"To receive this report for information."

Motion carried

g) Leamington Water Agreement

MUNICIPALITY OF CHATHAM-KENT

PUBLIC UTILITIES COMMISSION

TO: PUC Chairperson and Commissioners

FROM: Jack Sonneveld,
Acting General Manager, Chatham-Kent PUC

DATE: May 05, 2008

SUBJECT: Leamington Area Water Supply Agreement

RECOMMENDATIONS:

It is recommended that:

1. The Leamington Water Agreement be approved and that the Chairperson and Acting General Manager of the Chatham-Kent PUC be authorized to complete the necessary agreement for the provision of potable water for the Municipality of Leamington.
2. Administration prepare a report to Chatham-Kent Council for approval of the Water Agreement with the Municipality of Leamington.

BACKGROUND

The Village of Wheatley Public Utilities Commission entered into a twenty (20) year agreement with the Township of Mersea (now Leamington) on January 8th, 1988 for the supply of potable water to customers. Water is conveyed to the Leamington customers through the following watermain extensions:

- An existing 8 inch watermain running westerly along County Road (CR) 34 (Talbot Trail) from CR 1 to an interconnection valve situated immediately west of Township Road 15,
- An existing 12 inch, 8 inch and 6 inch watermain running westerly along Township Road (Twsp. Rd.) 4 from CR 1 to an interconnection valve situated immediately east of CR 37,
- An existing 6 inch watermain running southerly along Milo Road, Pulley Road, Coterie Park from a 12 inch on Twsp Rd. 4 to Twsp. Rd. 2 and along a 4 inch watermain along Twsp. Rd. 2 to shortly after Twsp. Rd. 21.

The Leamington customers are supplied with potable water and billed by Chatham-Kent PUC at 1.25 times the Chatham-Kent water rate for all water.

In addition to the Chatham-Kent water charges, a charge of \$3.00 per month (system maintenance fee) is collected on behalf of Leamington.

The PUC authorized administration to negotiate a new agreement between the Chatham-Kent PUC and the Town of Leamington, subject to final approval by the Chatham-Kent Council.

COMMENTS

The Town of Leamington retained Stantec Consulting Ltd. to review the availability of water to support supplying the properties from the Leamington Water Supply.

The study confirmed that the existing water supply and the significant improvements that have been completed to infrastructure can easily support taking back approximately 235 customers along the CR 34, County Road 37 and Township Road 15 area.

The study also confirmed that by taking back these customers, their existing system would eliminate at least four (4) dead-ends and enhance the quality of the potable water supplied. The water pressures in certain areas will also be enhanced

The balance of the Leamington customers (194) as well as the significant water supply to the Omstead Plant will remain from the Wheatley/Tilbury Water Supply System.

Leamington has agreed to purchase the water meters associated with the 235 customers at a cost of \$50.00 per unit for the residential meters and \$250 for the 2" meters.

The projected reduction in water supplied to the 235 customers is approximately 70,500 m3 per year.

Although the recommended agreement is an extension of the previous agreement, dated the 8th day of January, 1988, between the former Corporation of the Township of Mersea and the former Village of Wheatley Public Utilities Commission, administration felt that there were significant changes that should be brought forward to the Commission.

The new agreement includes the collection of an equivalent charge to the Part XII (Development) Charge that all new customers in Chatham-Kent are charged.

It is recommended that the Chatham-Kent PUC approve the Potable Water Supply Agreement with the Municipality of Leamington and authorize the Chairperson and Acting General Manager to complete the agreements.

It is also recommended that administration prepare a report to Chatham-Kent Council for approval of the water agreements.

COMMUNITY STRATEGIC PLAN

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

CONSULTATIONS

C-K PUC staff and C-K Legal Services have been consulted.

FINANCIAL IMPLICATIONS

The one time revenue from the meter transfers will be approximately \$12,100. The annual reduction in water revenues is estimated at approximately \$100,000.

Prepared by:

Reviewed by:

Jack Sonneveld
Acting General Manager
Chatham-Kent PUC

Gerry Wolting, B. Math, CA.
Acting Chief Administrative Officer
Chatham-Kent

Moved by Mayor Hope and seconded by Commissioner Pickard.

“That the Leamington Water Agreement be approved and that the Chairperson and Acting General Manager of the Chatham-Kent PUC be authorized to complete the necessary agreement for the provision of potable water for the Municipality of Leamington.

Administration prepare a report to Chatham-Kent Council for approval of the Water Agreement with the Municipality of Leamington.”

Motion carried

6. INFORMATION

- a) Municipal Drinking Water Licensing Program CD Information
- b) Spring 2008 Newsletter
- c) From Tony Clement re: COMRIF
- d) Willms & Shier re: “Regulatory Modernization Act”
- e) Operator’s Corner re: PWO Southwestern Region – Fall Saminar 2007

Moved by Commissioner Pickard and seconded by Commissioner Vercoouteren.

“To receive this information.”

Motion carried

7. NEW BUSINESS

Commissioner Parsons inquired on the status of the Bothwell sampling.

Facility Systems Manager Rob Bernardi reported that the second set of sampling and bacteriological testing is being gathered and will be forwarding a report to the PUC. The PUC will be presenting a report to the Commission with the results. The Commission will examine the information and report their findings to the Council.

8. NEXT MEETING

The next PUC Commission meeting is scheduled for Thursday June 19, 2008 at 3:00 PM in the PUC Boardroom.

9. ADJOURNMENT

Moved by Commissioner Faas and seconded by Mayor Hope.

“That the Regular meeting be adjourned at 4:10 PM and to move In-Camera.”

Motion carried