

MINUTES

PUBLIC UTILITIES COMMISSION

**PUC BOARDROOM
325 GRAND AVE E**

MARCH 19, 2009

PRESENT: Chairman Bryon Fluker, Commissioners Sheldon Parsons, Joe Faas, Frank Vercouteren, Steve Pinsonneault, Mayor Randy Hope, CAO Rob Browning, General Manager Tom Kissner, Senior Level Advisor Jack Sonneveld, and Supervisor Environmental & Monitoring Lilly Snobelen.

ABSENT: Commissioner Steve Pickard and Facility Systems Manager Rob Bernardi

1. CALL TO ORDER

Chairman Bryon Fluker called the meeting to order at 3:05 PM.

2. PECUNIARY INTEREST

NONE

3. APPROVAL OF MINUTES

a) February 18, 2009

Moved by Mayor Hope and seconded by Commissioner Faas.

“That the February 18, 2009 Regular Meeting be approved.”

Motion carried

4. REPORTS

a) Centre Side 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: March 2, 2009

SUBJECT: Centre Side Road Waterline Extension
(Community of Chatham Township)

RECOMMENDATIONS

It is recommended that:

1. The proposed Centre Side Road 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 Centre Side Road petition was submitted to the Chatham-Kent Public Utilities Commission in July 2008.

COMMENTS

The system would have been connected to the existing 250 mm diameter main at Longwoods Road, heading northerly on Centre Side Road to Pioneer Line, easterly on Pioneer Line to Municipal #10268 (the last petitioner), for a total distance of approximately 3,325 m. An area map of the proposal can be found on page 5.

A total of 11 occupied residential properties existed within the proposed water distribution area.

Dillon Consulting Limited prepared an estimated cost for the proposed waterline. The estimated cost for the project, including engineering but did not include GST was \$198,922.00.

The estimated cost per connection for the proposed Centre Side Road waterline extension, including the 2008 Part 12 Charge was \$18,924.00.

An information and vote package describing the proposed extension project and costs associated, was distributed to the benefiting owners on January 23, 2009. A ballot was included with the return date of February 18.

On February 12, administration called all the properties involved in the project that the PUC did not receive a ballot from, to remind them of the February 18 due date.

Ninety-one percent (91%) of the property owners returned the ballots. The ballot results were thirty-nine percent (39%) 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 Centre Side 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

Dillon Consulting Limited prepared the preliminary engineering information.

FINANCIAL IMPLICATIONS

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

Prepared by:

Jeannie Medeiros
Technical Assistant/Projects Coordinator

Reviewed by:

Reviewed by:

Tom Kissner
General Manager
Chatham-Kent PUC

Rob Browning
Chief Administrative Officer

Moved by Commissioner Faas seconded by Commissioner Parsons.

“That the proposed Centre Side Road waterline extension not proceed at this time.

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

Motion carried

b) Unallocated Funds Allocation

MUNICIPALITY OF CHATHAM-KENT
Public Utilities Commission

TO: PUC Chairperson and Commissioners
FROM: Jack Sonneveld
Senior Level Advisor, Chatham-Kent PUC
DATE: February 18, 2009
SUBJECT: Unallocated Funds Allocation

RECOMMENDATION

It is recommended that:

1. The allocation of the Unallocated Capital Funds as outlined in Table “A” be approved.

BACKGROUND

The Chatham-Kent PUC approved the allocation of \$4,854,949.67 from the Unallocated Water Capital Fund for various Water Projects and a \$600,000 contribution to the Watermain Lifecycle Reserve Fund in September, 2008.

COMMENTS

The January, 2009 balance in the Water Capital Unallocated Account was \$591,113.71.

We have now received the Final Payment from OSTAR (February 13, 2009) in the amount of \$663,794.52 and the revised balance in the Unallocated Fund is \$1,254,908.23.

Administration has reviewed the outstanding Capital Projects funding requirements with Financial Services, as well as completing a pilot test automated water meter reading project, and has recommended the following:

1. Automated Water Meter Reading (AMR) - Pilot Project

C-K Utility Services has recommended a “Pilot Project” for the installation of new water meters to accommodate the automatic reading of the meters. They have recommended that the PUC purchase 1,000 water meters for the initial testing.

C-K Energy will be proceeding to all automatic reading of the hydro meters and if the PUC does not change to automatic meter reading, the PUC will bear all the costs for manual meter reading in the future. It is recommended that the PUC approve proceeding with the Automated Water Meter Reading Pilot Project at the estimated costs of \$221,000.

The recommended radio frequency AMR solution can be read via network, drive-by or . walk-by. The data management reports include detailed information on:

- Meter reading history
- Daily leak detection

- Daily no-use meter
- Daily tamper detection
- High consumption
- Backflow
- Conservation monitor

2. It is recommended that an additional \$300,000 be allocated to the Watermain Lifecycle Reserve.
3. The balance of the funds will be used to clear up the outstanding balances in a number of Capital Water Accounts.

The following table summarizes the recommended allocation of \$1,089,262.73 to the various Capital Projects/Accounts:

Recommended Allocation of Unallocated Funds February, 2009 Table "A"		
Project/Acct.#	Description	Amount
0275-1791	Transfer to Watermain Lifecycle Reserve	\$ 300,000.00
WTRQSTD	Drinking Water Quality Standard	\$ 131,374.71
CHPLTUPG	Chatham Water Plant Upgrades	\$ 26,293.39
COATSWWL	Coatsworth, King & Whittle Waterline	\$ 2,493.60
MRPTHRND	Morpeth Bates Rondeau Waterline Oversizing	\$ 6,611.68
SKWPTPH1	South Kent Water Plant	\$ 2,345.95
Misc.	Interest Charges on projects previously paid	\$ 40,290.19
MASTRPLN	Master Plan Update	\$ 86,130.88
1STCRDWHWL	1 st Concession Rd Wheatley Waterline	\$ 5,645.16
DRAKE5TH	Drake Rd/5 th Line Waterline	\$ 3,121.54
MAYNARDWL	Maynard Line Waterline	\$ 6,625.98
MORAVNWL	Moravian Water Line	\$ 11,891.06
RIVRLNWL	River Line Watermain (Longwood looping & oversizing + deferred properties)	\$ 245,438.59
C-K Utility Services	Water Meter Automated Reading Project	\$ 221,000.00
TOTAL		\$1,089,262.73
Balance for Capital Projects not completed		\$ 165,645.50

CONSULTATIONS

The General Manager of the PUC, Tomo Matesic, VP Business Development, C-K Energy, Gord Quinton, Supervisor, Accounting Operations and Luanne Berkvens, Financial Analyst, Financial Services for the Municipality of Chatham-Kent have been consulted in the preparation of this report.

FINANCIAL IMPLICATIONS

The use of the funds will reduce the total amount debentured and any future Federal Funding under the OPWP will also reduce debenturing.

Prepared by:

Jack Sonneveld
Senior Level Advisor,
Chatham-Kent PUC

Reviewed by:

Tom Kissner
General Manager,
Chatham-Kent PUC

Reviewed by:

Rob Browning
Chief Administrative Officer
Chatham-Kent

Moved by Commissioner Vercouteren seconded by Commissioner Pinsonneault.

“That the allocation of the Unallocated Capital Funds as outlined in Table “A” be approved.”

Motion carried

c) St. Clair Community Estates Water & Wastewater Rates

MUNICIPALITY OF CHATHAM-KENT
Public Utilities Commission

TO PUC Chairperson and Commissioners
FROM Jack Sonneveld
Senior Level Advisor, Chatham-Kent PUC
DATE March 03, 2009
RE St. Clair Community Estates
Water and Wastewater Rates

For consideration by the Chatham-Kent PUC.

BACKGROUND

Administration has met with representatives from St Clair Community Estates to discuss and review various options that they have proposed regarding the water and wastewater charges.

COMMENTS

The representatives from St Clair Community Estates have made the following suggestions for the PUC to consider:

1. That the monthly "service fees" be reduced by 50% for both water and wastewater, or
2. That St. Clair Community Estates be permitted to install a single water meter on the main service line coming into the property. The owner will arrange for the internal billing of the residents.

Option #2 would require the installation of a concrete chamber to house the new water meter and valves. A bypass water line would also be required to allow work on the water meter. The estimated cost for the required works, meter and installation is approximately \$100,000 for St Clair Community Estates

PUC Financial Impacts:

1. The financial impact associated with option #1 is estimated a reduction in water and wastewater revenue of \$52,650 annually.
2. The financial impact associated with option #2 is estimated a reduction in water and wastewater revenue of \$75,000 annually.

Other Impacts

If the PUC were to approve either of the suggestions from the residents at St Clair Estates, it is very likely that the other trailer parks and condo developments will request the same considerations.

CONSULTATION

St Clair Community Estates has been consulted during the preparation of this report.

FINANCIAL IMPLICATIONS

The initial impacts on water and wastewater revenue are estimated at \$52,650 to \$75,000 annually.

Prepared by:

Reviewed by:

Jack Sonneveld
Senior Level Advisor,
Chatham-Kent PUC

Tom Kissner.
General Manager,
Chatham-Kent PUC

Reviewed by:

Rob Browning
CAO, Chatham-Kent

Moved by Mayor Hope seconded by Commissioner Faas.

“That the monthly “service fees” be reduced by 50% for both water and wastewater. Realizing that the financial impact associated with option #1 is estimated a reduction in water and wastewater revenue of \$52,650 annually.”

Motion carried

d) Wheatley Area Sanitary Sewer Extension – Kent Road 1 to Mersea Road 7

MUNICIPALITY OF CHATHAM-KENT

Public Utilities Commission

TO: PUC Chairperson and Commissioners
FROM: Jack Sonneveld
Senior Level Advisor, Chatham-Kent PUC
DATE: March 11, 2009
SUBJECT: Wheatley Area Sanitary Sewer Extension
Kent Road 1 – to Mersea Road 7

RECOMMENDATION

It is recommended that:

1. The Chatham-Kent PUC approve the extension of the Kent Road 1 sanitary sewer from the former C&O ROW to Mersea Road 7.
2. Administration prepare a report to Chatham-Kent Council for approval of the sanitary sewer extension on Kent Road 1, from the former C&O ROW to Mersea Road 7 for the Leamington residents.

BACKGROUND

Chatham-Kent and Leamington were first notified in 2004 about the possibility of septic pollution entering the west side, roadside drain at Kent Road 1, near Mersea Road 7 (Schedule A2).

Leamington has reviewed their records and completed field verifications to confirm the existence of a tile drain traversing the properties that are within the Municipality of Leamington. The tile drains northerly to East Two Creeks (Schedule A1). The investigations established that at least seven (7) of the properties are discharging “grey water” or sewage into the existing tile drain.

The Chatham-Kent Health Unit has also sampled the East Two Creeks a number of times and confirmed that sewage is being discharged into the drain.

COMMENTS:

Stantec Consulting was retained to complete the engineering for the Municipality of Leamington. The preferred solution is to extend the existing Wheatley sanitary sewer to provide a collection system for the properties on Kent Road 1 up to Mersea Road 7. The sewage would be treated at the Wheatley WPCP.

A Public Open House was held November 20, 2008 at the Leamington Council Chambers to present sampling results, proposed solution and the estimated connection costs that will be assessed to the residents. The properties are currently supplied with potable water from the Wheatley Water System

The estimated assessment is \$20,206 per residential connection. The estimated cost includes the Part XII charge for a new connection to the system. The connection of the Leamington residents provides for the collection and treatment of the sewage.

Leamington is proceeding with the project as a Local improvement project under Section 8 of the Local Improvement Charges Regulation of the Municipal Act.

In addition to the Leamington properties, there are three (3) Chatham-Kent properties located at the start of the sewer project. The C-K properties are not connected to the tile drain that is carrying the grey water/sewage. Although there is not a need to connect the properties at this time, C-K administration requested that the sanitary sewer be designed and constructed to allow for a future connection of the properties in C-K. The Two Creeks Conservation Authority has indicated that they may wish to connect in the future for the washrooms.

The estimated cost to Chatham-Kent for the 3 connections is \$60,618. These costs will be recovered in the future when the C-K properties connect.

It is recommended that administration prepare a report to Chatham-Kent Council for approval of the sanitary sewer extension on Kent Road 1, from the former C&O ROW to Mersea Road 7.

COMMUNITY STRATEGIC PLAN

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

B: We are a prosperous community.

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

C: We are a green community.

C2: Establish standards for environmental excellence.

Expected Results:

- Maintain and improve the quantity and quality of ground and surface waters

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

CONSULTATIONS

The Leamington Engineering Department, Stantec Consulting and the General Manager of the C-K PUC have been consulted.

FINANCIAL IMPLICATIONS

The estimated cost for the Chatham-Kent share of the project is \$60,618. This amount will be recovered from the future connections.

Prepared by:

Jack Sonneveld
Senior Level Advisor,
Chatham-Kent PUC

Reviewed by:

Tom Kissner
General Manager,
Chatham-Kent PUC

Reviewed by:

Rob Browning
Chief Administrative Officer
Chatham-Kent

Moved by Commissioner Faas seconded by Commissioner Vercouteren.

“That the Chatham-Kent PUC approve the extension of the Kent Road 1 sanitary sewer from the former C&O ROW to Mersea Road 7.

Administration prepare a report to Chatham-Kent Council for approval of the sanitary sewer extension on Kent Road 1, from the former C&O ROW to Mersea Road 7 for the Leamington residents.”

Motion carried

5. INFORMATION

a) Green Energy Technologies & Cost Savings Potentials

MUNICIPALITY OF CHATHAM-KENT

PUBLIC UTILITIES COMMISSION

INFORMATION REPORT

TO: PUC Chairperson and Commissioners

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

DATE: March 19, 2009

SUBJECT: Green Energy Technologies and Cost Savings Potentials

This report is for the information of the Commission.

BACKGROUND

The Chatham-Kent Public Utilities Commission (PUC) at the regular Commission meeting on November 27, 2008 requested information on green energy technologies and cost savings potentials.

COMMENTS

The Chatham-Kent PUC is receptive to implementing Green Energy Projects if they are feasible. Administration is also open-minded for new initiatives or conservation strategies.

Green Energy Technologies

There is a large push towards waste-to-energy in society these days due to energy concerns with fossil fuels. This recent trend is old news for sewage treatment facilities.

The Chatham-Kent PUC has many years experience on green energy technologies. The existing Chatham Water Pollution Control Plant (WPCP) and the Wallaceburg WPCP both have anaerobic digestion for the waste sludge in the wastewater treatment process. The degradation of organic matter through the action of microorganisms in the absence of oxygen is referred to anaerobic digestion. This process creates methane gas.

At the Chatham WPCP and Wallaceburg WPCP the methane gas is captured and reused. Methane gas which is highly flammable is an energy source. At the Chatham and Wallaceburg WPCP this methane is used to run the heat exchangers for the digestion process as well as boilers for building heat. In the lack of methane gas produced in the digestion process, natural gas is used as the fuel (usually winter season). When too much methane is produced, the methane is burned off (wasted) to atmosphere (usually the summer season). This process produces a reduction in natural gas consumption and therefore a cost savings to the PUC.

In November 2005, the Commission approved a Methane Generator Power Project for the Chatham WPCP. The project involved an agreement with Chatham-Kent Hydro and NRCan for the provision of a new methane generator at the Chatham WPCP. The agreement involved funding from NRCan. Further engineering design carried on into 2006.

Unfortunately in July 2006, the methane generator project at the Chatham WPCP was cancelled due to increased costs for the additional requirement of a refrigeration/compressor unit to filter out and compress the source methane gas to levels required by the generator.

Other Green Technologies for the Chatham-Kent PUC include the re-use of treated wastewater (effluent) from wastewater treatment facilities. The effluent water is used for various tasks and processes at most of the wastewater treatment facilities in Chatham-Kent. These include using the water for cooling equipment, belt filter process and cleaning, and tank cleaning and maintenance.

Energy Savings Projects

Some other energy conservation projects at PUC facilities include electric motor and pump replacement at various pump stations with higher efficiency pumps or motors. Also, pump modifications (impeller change) at the Kent Raw Water Pumping Station at Lake Erie for the pump used to feed water to the Chatham Water Treatment Plant will see cost savings starting this year.

In 2007 the Chatham WPCP installed a new smaller blower for its aeration treatment process to save energy costs during periods of less concentrated wastewater needing to be treated. The new smaller blower would reduce the amount of time a larger blower needs to run therefore reducing electrical energy use for a cost savings.

Future Projects

Possible projects for future study and investigation include:

- Water turbine on raw water transmission pipe line from Lake Erie to Chatham.
- Wind turbine energy at potential PUC facilities.
- Solar power projects at potential PUC facilities.
- Methane generators (when technology costs decline).

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

b) Thank you note from Meghan Smith (General Proficiency Scholarship)

Moved by Commissioner Parsons seconded by Commissioner Vercouteren.

“To receive report a) and b) for information.”

Motion carried

c) Water/Wastewater Revenue & Expenditure

MUNICIPALITY OF CHATHAM-KENT
Public Utilities Commission

“INFORMATION REPORT”

TO: PUC Chairperson and Commissioners

FROM: Jack Sonneveld
Senior Level Advisor, Chatham-Kent PUC

DATE: March 16, 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 (February, 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 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:

Jack Sonneveld
Senior Level Advisor,
Chatham-Kent PUC

Reviewed by:

Tom Kissner
General Manager,
Chatham-Kent PUC

Reviewed by:

Rob Browning
Chief Administrative Officer
Chatham-Kent

Moved by Commissioner Vercouteren seconded by Commissioner Parsons.

“To receive the report for information.”

Motion carried

6. NEW BUSINESS

Moved by Mayor Hope seconded by Commissioner Parsons.

“To work with CK Utility Services on the possibility of setting up monthly billing schedule.”

Motion carried

7. NEXT MEETING

The next PUC Commission Meeting is scheduled for Thursday April 23, 2009 at 3:00 PM in the PUC Boardroom.

8. ADJOURN

Moved by Commissioner Vercouteren seconded by Commissioner Faas.

“That the Regular meeting be adjourned at 4:00 PM”.

Motion carried