



JOINT BOARD OF MANAGEMENT

Wednesday, October 21, 2020

9:00 AM

Virtually in Zoom

MINUTES

Members Present: Mayor MacDonald (Chair); Deputy Mayor Verbeke, Councillors Dunn, Hammond, Tiessen - Leamington
Mayor Nelson Santos (Vice-Chair); Deputy Mayor Queen, Councillors DeYong, Neufeld, Patterson - Kingsville
Councillor VanderDoelen - Essex
Councillor Walstedt - Lakeshore

Members Absent: Councillor Jacobs - Leamington

Staff Present: Andy Graf, Kevin Girard - Essex
John Norton, Andrew Plancke, Shaun Martinho, and Ryan McLeod - Kingsville
Albert Dionne - Lakeshore
Shannon Belleau - Leamington

OCWA Staff Present: Dale Dillen
Ken Penney

Call to Order: 9:04 am

Disclosures of Pecuniary Interest: none

Adoption of Board Minutes:

No. UW-45-20

Moved by: Councillor Walstedt

Seconded by: Councillor Dunn

That Minutes of the UWSS Joint Board of Management meeting of September 16, 2020 be received.

Carried

Business Arising Out of the Minutes:

There was none.

Report UW/22/20 dated, 2020 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to July 26, 2020

The Manager reviews his report with board members. As per usual ongoing maintenance is being conducted by OCWA Operations Staff. The south pond behind the Water Treatment Plant (WTP) had its solids removed and is now back in service. The Manager explains that the North pond is now out of service as it is full of solids, he is hoping that the residuals can de-water so they can be removed by the end of the year, if not Spring of 2021.

The Manager updates the Board members on the SCADA project, noting that the project is now moving along very well, with anticipation that the project will be completed by the end of November 2020. He further explains that the filters are almost completed, the remote sites have been completed and the Low Lift should be completed by the end of October.

The security system installation for the UWSS facilities is still ongoing, with the WTP facility completed. Empire Communications is working on the remote sites now and expected completion date is the end of November.

As previously mentioned the parking lot expansion project is still ongoing. Working with Peralta Engineering the Manager has been informed that the project is still expected to be completed by the end of 2020. Peralta has drafted the easement necessary and the surveyor has been retained. This project will allow for more parking at the WTP.

The Manager reminds members of the Board of the Dissolved Air Flotation (DAF) project. He notes that Associated Engineering (AE) is working on the proposal for retrofitting Clarifier #2. He has just received the proposal and AE will begin working on the Tender package, which should be completed by December 2021, with construction taking place in the Spring of 2021. He explains that shop drawings will be completed over the Winter months. He is hoping that the new DAF system is operational by early summer of 2021, which will allow more water to be pushed through the WTP.

The Leamington Water Tower (LWT) automation isolation valve has been installed. It appears to be working well. This will allow the LWT and the Albuna Water Tower (AWT) to work in conjunction more efficiently.

Fencing has been installed and the WTP property at Road 2. This area was wide open and residents were using it for four wheelers and dumping brush. For liability reasons he felt that this area should be fenced off.

One item that was not mentioned within the Operations Report is that the new lab construction has started during the last week. This project will move the lab to the back of the WTP facility and allow for more office space.

The Manager again notes that the flows are up quite a bit over last year and over the last four (4) year average. This year is on track to be the third highest year since recording began. The increased flows have also increased budget expectations, he predicts that the extra output of water will increase revenues by approximately \$1 million.

Councillor Neufeld notes that 2005, 2007 and 2020 all had similar growing seasons, with weather being a major factor. The Manager concurs but also notes that the increase in water demand could come from COVID19 restrictions and more people at home watering lawns, using their pools, laundry etc. as well as the increase in greenhouse facilities being built.

No. UW-46-20

Moved by: Deputy Mayor Queen

Seconded by: Councillor Tiessen

That report UW/23/20 dated October 16, 2020 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to October 16, 2020 is received.

Carried (UW/23/20)

Report UW/24/20 dated October 15, 2020 re: Update on UWSS Water Demand, Treatment Capacity, Restructuring and Common Assets

The Manager reminds members of the Board that the Board had requested a comprehensive report at the September 2020 Board meeting regarding updates on water demand, treatment capacity, restructuring and common assets. He notes that his report is quite long, but also that all of these matter do relate to each other.

The Manager highlights that water demand has increased since 2017 by 20% and since 2015 by 30%. He indicates that 2020 may be an anomaly, but there has been a definite increase in water demand in the last five (5) years. He attributes this increase to weather, residential growth, and greenhouse sector growth. He states that over 1500 acres of new greenhouse development or expansion since 2017.

The Manager then explains of the need for capital upgrades in order to keep pace with this growth. Many capital improvements are part of the six (6) year plan. The dissolved air flotation (DAF) project is already in the early stages and he notes the possibility of UV for disinfection. More urgent is the need for a new reservoir. This was originally planned beyond the six (6) year window, but the Manager proposes to bring this forward to address peak summer day water demand concerns. He does indicate that this could potentially cost between \$17 and \$20 million. Funding for such a project would require loans that would have to be secured through municipal partners. He asks the members to ponder how to service such a loan: does UWSS increase the rate to all or does UWSS focus on applying a rate increase to the greenhouse industry?

The Manager then notes that restructuring to a Municipal Services Corporation (MSC) could potentially assist the UWSS with securing its own debt that would not be placed back on the municipal books. He further explains that this process of possibly restructuring has been ongoing for four (4) years and all the paperwork is basically ready and has been forwarded to the municipalities for review.

Common Assets (CA), especially common asset watermain has always been an issue. Therefore, the Manager has had a common asset watermain beneficial use assessment completed by C3 Water. The study shows the benefit to each municipality of each

waterline based on a percentage. He uses the graphs provided within the agenda to provide visual aid.

The Manager then reviews the history of the Masterplans (MP) for the UWSS. Starting back in 2007 and 2008 a MP was created for UWSS when flows were very high. However, shortly after starting the process flows dropped off dramatically, therefore delaying the need for plant expansion. However, with 2015 and years forward the flows have started to increase significantly almost to the point of needing a plant expansion. The Manager reminds the members of the Board that a WTP expansion cannot take place overnight and will take a great deal of planning. Therefore, he is hoping to update the MP.

The Manager reviews the maximum daily demands for 2020, noting that they reached 22 million gallons, and the concern is the peak days. There were a few days in the summer where the UWSS was pushing out 21,000 gallons a minute, whereas the UWSS can really only produce around 19,000 gallons a minute. This means that the reservoirs were being depleted quickly. His concern is that on hot summer days if reservoir depletion lasts too long, then water supply is at risk. This is why UWSS reminded residents through postings on UWSS website, Facebook page and through links on Municipal websites of the water restrictions by-laws that are in place every summer. By restricting non-essential water use such as lawn watering, filling of pools, etc. to evening use there is less strain on the system.

The Manager then explains that the potential of a new reservoir would help manage the water peak demands on the hot summer afternoons. Many other upgrades have already happened at the WTP, which ensures that the system is running more efficiently and able to potentially be re-rated for more water. These items include new air scrubbers in the filters, the new DAF system, and a few other projects. The Manager's goal is to rerate the treatment plant to higher production capacity in the area of 30-31 million gallons per day, once these projects are complete. The MECP would then have to approve this change of potentially 30-32 Million gallons. This rerating would allow time for the UWSS to consider whether there is a need for expansion or not.

The Manager further explains that the need for the new reservoir was always in the plans, but that that water demands have changed so quickly over the last two (2) years that the need to move this project up has been determined. The decision then needs to be made on how to finance such a big project. Does the UWSS use all of the reserves, go to the municipal partners, rate increase or some other method such as development charges or special capital rate? These are things the Board members will need to consider.

The Manager then reviews a potential scenario for funding wherein each municipality would be responsible for funding a capital project based on flows: the approximate breakdowns are as follows: Leamington 50%, Kingsville 40%, Essex 7% and Lakeshore 3%. However, if the Board were to convert to a Municipal Services Corporation (MSC) then the UWSS could potentially go out and seek funding on its own.

One more item that the Manager indicates that the Board needs to consider is how to break down the remaining capacity left at the WTP. The Board needs to consider whether its first come first serve, based on municipal ownership, or industry based. He

needs to consider what is fair. With potentially a new reservoir and re-rating more capacity could become available.

The Manager then moves on to the Restructuring update. He briefly reviews where the UWSS is in the process. He notes that the Joint Board of Management was created by the Province, and not associated with the Municipal Act, but rather the Water and Sewage Transfer Act of 1997. He confirms that presentations have been given to all councils, legal documents have been completed and in provided to the municipalities for review, and it has been determined that there are lenders out there willing to assist UWSS with loans and credit. The last item that needs completion is a meeting with the municipal auditors, to demonstrate that all financial aspects would be separated from the municipalities.

The Manager then briefly reviews the history of Common Assets, the Transfer Order, the previous rates and how the current list of Common Assets (CA) came to be. He notes that it was since his joining the UWSS in 2011 no common asset watermain projects have been completed since that time. After a municipal staff meeting in June 2019 it was determined that the UWSS would have a beneficial use study completed. This has since been completed. The Manager provides the chart to the Board members and notes that this needs to be reviewed with municipal staff. The Manager suggests that a way to put the issue of CA to rest is to use the beneficial use.

The Board has some questions for the Manager. Deputy Mayor Queen thanks Manager for comprehensive report and suggests that it might be beneficial to sit down with their own staff and council to review this lengthy report. Deputy Mayor Verbeke suggest that perhaps if the Board decides to restructure the issue of CA goes away and Mayor MacDonald asks whether the restructuring can occur prior to the reservoir being constructed.

The Manager explains that all documentation for restructuring and incorporation documentation is ready to go, and other documentation would follow, such as the transferring of assets. He does note that the financial side may take a little longer and there would need to be water service agreements between UWSS and the four (4) member municipalities. However, he reminds members of the Board that this potential restructuring is not the same as any electrical corporation, legislation prevents private ownership of municipal water systems from happening.

There are a few questions from Board members regarding the clarification on what the Manager means by a "reservoir". He further explains that he does not mean a water tower, but rather an in the ground reservoir located on the treatment plant property. He confirms that there is plenty of space to have one located behind the plant. Councillor DeYong asks for clarification regarding the allocated use and how much water is allocated for greenhouse use. Mayor Santos notes that looking at water use based on ownership seems reasonable, but also reminds the Manager that this area is not use to water use for cannabis crop production. The Manager is hoping to gather more information regarding that crop. The Chair asks whether greenhouses can use non-potable water, which would delay the need for a reservoir. The Manager notes that greenhouses generally like to use potable clean water but that there are options for other sources of water available to greenhouses. Councillor VanderDoelen asks the Manager whether any other Board, set up like the UWSS, has transitioned over to MSC,

and how that transition went. The Manager notes that no other Board has made a move like this.

No. UW-47-20

Moved by: Deputy Mayor Queen

Seconded by: Councillor Hammond

That report UW/24/20 dated October 15, 2020 re: Update on UWSS Water Demand, Treatment Capacity, Restructuring and Common Assets is received.

Carried (UW/24/20)

Report UW/25/20 dated October 9, 2020 re: UWSS Infrastructure Needs Study and Master Servicing Plan

The Manager notes that this report ties into the previous report. He confirms that it is time to update the servicing Masterplan (MP). Updating the MP is recommended every five (5) years and the last one was completed in 2012/13. At that time the plan had been converted to a conservation plan, however, starting in 2015 flows have been starting to increase.

He assures members that UWSS has been looking at ways to improve the system, while maintaining demand and water quality. He further notes that C3 Water has completed the water modeling updates. He recommends creating a team of C3 Water and Associated Engineering (AE) in order to complete this project. He notes that both companies have experience working with UWSS.

No. UW-48-20

Moved by: Deputy Mayor Verbeke

Seconded by: Deputy Mayor Queen

That the Union Water Supply System Joint Board of Management (UWSS Board) receives this report for information; and

Further, that the Board approves a budget of \$205,000 to be funded from the UWSS Reserves for the completion of the UWSS Infrastructure Needs Study and Master Servicing Plan; and

Further, that the UWSS Board authorizes the UWSS General Manager to undertake a direct negotiation with Associated Engineering (as the lead consultant or the team of Associated Engineering and C3 Water Inc.) for the UWSS Infrastructure Needs Study and Master Servicing Plan.

Carried (UW/25/20)

Report UW/26/20 dated October 6, 2020 re: UWSS-WUC Water Supply Emergency Servicing Study

The Manager reminds Board members of his discussions between UWSS and Windsor Utilities Commission (WUC) WUC regarding potentially servicing each other in the event of an emergency. He notes that there is no redundancy by either utility in the event of an emergency.

He explains that a study would have to be completed of what would be required to supply water from Windsor to the UWSS and vice versa. That study needs to determine what kind of number is required to keep the system going, what kind of infrastructure would be required and what would be best for both utilities. The Manager recommends using a firm that has extensive knowledge of the area and both utilities. He recommends Stantec Consulting, specifically Tony Berardi, for their depth of knowledge and C3 Water Inc., as they just completing UWSS's water model.

The Manager notes that this is a study, which will be lead by UWSS and would be 50% paid for by the WUC.

No. UW-49-20

Moved by: Councillor Tiessen

Seconded by: Councillor Walstedt

That the Union Water Supply Joint Board of Management (UWSS Board) receives this report for information;

And further, that the Board approves a budget of \$140,000 to be funded from the 2020 UWSS Operations Budget for to undertake the UWSS-WUC Water Supply Emergency Servicing Study;

And further, that the UWSS Board authorizes the UWSS General Manager to enter into a funding agreement with the Windsor Utilities Commission/ ENWIN to reflect that the UWSS-WUC Water Supply Emergency Servicing Study will be equally funded between UWSS and WUC;

And further, that the UWSS Board authorizes the UWSS General Manager to undertake a direct negotiation with C3 Water, Inc. for the UWSS-WUC Water Supply Emergency Servicing Study;

Carried (UW26/20)
(one opposed)

Councillor DeYong had to leave the meeting at 11:25 am

Report UW/27/20 dated October 16, 2020 re: Payments from September 16th to October 14th, 2020**No. UW-50-20**

Moved by: Deputy Mayor Verbeke

Seconded by: Councillor Neufeld

That report UW/27/20 dated October 16, 2020 re: Payments from September 16th to October 14th, 2020 is received.

Carried (UW/27/20)

New Business:

The Manager notes that the UWSS has received the Town of Kingsville's MECP Inspection Report, however, OCWA Compliance Staff noticed a potential error and are working with MECP to make the correction. The Manager will be bringing this to the next board meeting.

There was also a question regarding the pizza team lunch and the Manager explained that Operations Staff had been working very hard during COVID19 shut down to ensure that the system was running well, while adhering to all new PPE measures. It was a small gesture and it was a socially distanced event.

Adjournment:

No. UW-51-20

Moved by: Councillor Tiessen

Seconded by: Councillor Patterson

That the meeting adjourn at 11:30

Carried

Date of Next Meeting: Tuesday, November 17th, 2020, virtually in zoom.

/kmj