



AGENDA

LAWSS Board Meeting

Thursday, September 28th, 2017
10 a.m.

Lambton Area Water Supply System – 1215 Fort Street, Sarnia, Ontario N7V 1M1

1. Declaration Of Pecuniary Or Conflict Of Interest

2. OCWA Presentation by Susan Budden on 5-Year Accomplishments at LAWSS

3. Approval of Regular Agenda Minutes

A copy of the minutes for the July 27th, 2017 meeting is attached to this agenda.

“That the minutes of the July 27th, 2017 LAWSS board meeting be adopted.”

Moved by:

Seconded by:

Carried/Defeated

4. LAWSS Monthly Financial Statements

A copy of the June and July 2017 LAWSS budget statement and cash balance sheet is attached for review and approval. Note that the Reserve Account on the Cash Balance Sheet for July 2017 has been increased by \$13,200 as indicated in the 2017 Budget.

“That the Board accept the final financial statement and cash balance sheet for June and July 2017.”

Moved by:

Seconded by:

Carried/Defeated

4. OCWA Operational Statements

The operational statements, OCWA 2nd quarter financial statement and other materials from OCWA for June and July 2017 are attached.

“That the Board accepts the June and July 2017 operational statements, 2nd quarter financial statement and other materials from OCWA.”

Moved by:
Seconded by:
Carried/Defeated

5. 2017 Capital Projects

The following presents the 2017 Budget projects for Capital Work. *Summary of the capital and major maintenance projects including purchase orders (POs) issued and money spent for June and July 2017 are attached.*

Items for Consideration:

- a) 2017 SCADA Work - \$150,000: Work Ongoing on radio project. Megacomm has provided a quote to support the radio project during installation and set-up which is attached. It is of note that the engineering and tender document preparation by WSP is ongoing and the actual installation work will take place in the spring of 2018. Note that the WSP fee is \$104,100 plus HST.

“Motion to approve hiring Megacomm to provide technical assistance and on-site supervision related to radio installation and start up for this project for a fee of \$40,000 plus HST.”

Moved by:
Seconded by:
Carried/Defeated

- b) Forest Standpipe Repainting (\$1,400,000): Work ongoing. Some issues have been encountered as the interior lining was vinyl and not epoxy as originally thought. This has increased the time required to remove the interior lining. Additional costs (about \$40,000) are expected. A letter was sent to Lambton Shores Council regarding damage to the Forest Standpipe as a result of the rocks being thrown at the Standpipe from the gravel parking lot adjacent to the standpipe. *The letter sent to Lambton Shores Council is attached.* Based on the letter and our subsequent initial cost estimate of \$55,000 Lambton Shores Council has agreed to contribute \$27,500 to the project from their 2018 budget. *A detailed tender package was sent out based on asphaltting being completed as shown on the attached drawing.* Two quotes were obtained to do this from Sevcon and COPE at prices of \$68,946.13 and \$59,985 respectively.

“Motion to approve hiring COPE for a fee of \$59,985 to asphalt the driveway and parking lot adjacent to the Forest Standpipe. This money will be taken from the Forest Standpipe repainting budget with Lambton Shores paying \$27,500 in 2018.”

Moved by:
Seconded by:
Carried/Defeated

- c) 2016 Engineering Studies - \$100,000: Efficiency Engineering and LAWSS had site meet on September 6th regarding the Combined Heat and Power Study paid for through the saveONenergy program. LAWSS General Manager released the Request for Proposal Regarding Conceptual Engineering and waterCAD modelling related to the 20-year expansion plans. Prices were received from AECOM, CH2M Hill, Stantec and WSP for fees of \$61,258, \$35,428, \$105,193 and WSP \$76,840. It is of note that CH2M Hill did not fully respond to the requirements of the RFP so were excluded from further analysis. Based on a review of the remaining proposals against the criteria sent out with the proposal WSP was selected as the preferred consultant. So far only about \$15,000 has been from the Engineering Studies budget.

“Motion to hire WSP for the 20-year Expansion Plan Conceptual Engineering study for a fee of \$76,840 plus HST with the money being taken from the Engineering Studies budget.”

Moved by:
Seconded by:
Carried/Defeated

- d) Maier Drain Water main Offset: As a result of the new Maier Drain in Warwick Township LAWSS was required to move its water main along Confederation Line. Spriet Associations was hired to design the water main offset including the addition of a new valve and obtain bids to complete the work. *The recommendation letter from Spriet Associates is attached.* Four companies were asked to bid and bids were received from OMEGA and COPE at prices (exclusive of HST) of \$50,488.36 and \$60,295.70 respectively.

“Motion to hire OMEGA to do the Maier Drain LAWSS Water Main Offset work for a fee of \$50,488.36 plus HST with funds coming out of Reserve.”

Moved by:
Seconded by:
Carried/Defeated

Items for Information:

- e) 2016 Abandoning 24" Water main and Installation of Valve on Monk St. - \$360,628.58: Work complete and on budget.
- f) Highlift Pump 3 (HLP3) (400 hp) Emergency Repair – \$75,899: Work ongoing with ASL Roteq on site to remove the pump on September 19th. When the pump was removed the base plate and underlying concrete were found to be in poor condition. It is expected an additional \$7,000 will need to be spent to replace/repair these items.
- g) 2017 Reserve Project - Emergency Repair Increased Cooling Capacity in Electrical Room - \$50,000: Work ongoing.
- h) 2016 Main Plant HVAC Replacement (Carryover) - \$587,383: Insulation work ongoing.

"Motion to move items (e) to (h) as information."

Moved by:
Seconded by:
Carried/Defeated

6. Ongoing Issues

- a) Water Flows: *The water flow sheet for June and July 2017 is attached.*
- b) Permission to Install Antenna and Store Equipment at LAWSS Water Towers for Lambton County Fire: Work ongoing.
- c) Law Suit Related to A Trip and Fall on Federal Property Adjacent to LAWSS and in the area of the Repaired Shoreline Protection: No update.
- d) Inclusion of Wyoming Water Tower and Brigden Water Tower as part of LAWSS' Assets: *Letter from City of Sarnia as well as their Legal Review of the issue are attached.*
- e) HST Ruling for LAWSS: Based on the GST/HST Ruling and Interpretation received from Revenue Canada on May 16, 2017 the following items should be taxed:
 - rental of water tower/standpipe space or roof space for antenna's
 - rebates from Bluewater Power via the saveONenergy program

The following items should not be taxed:

- sale of water that is not bottled

- f) Request to Place Antennas on LAWSS Water Towers from Merlink and Beyond Air: Will not be considered until Fire Service and LAWSS antennas are in place.
- g) Corrosion Control Study for City of Sarnia: Work Ongoing.
- h) Admin HVAC: Conference call to be held on Wednesday, September 27th with LAWSS General Manager and Efficiency Engineering to discuss project. HTS staff were on site on August 22nd to test system in heating mode.

7. New Business

- a) New Permit to Take Water: *LAWSS’ new Permit to Take Water is attached. It expires August 31, 2027.*
- b) Email from LAWSS Chair Regarding Compensation for LAWSS Board: *The email from the LAWSS Chair is attached.*
- c) Letter from OCWA Regarding Root Cause of Spill of Chlorinated Water from RMS and Actions to Prevent a Reoccurrence: LAWSS General Manager is still working with OCWA to understand the root cause. Report will be submitted at the October LAWSS Board Meeting.
- d) Water Conservation Levels: As an outcome of the LAWSS emergency response testing scenario it was determined that LAWSS should develop various water conservation levels that can be used to communicate to member municipalities the actions that are requested. *The proposed Water Conservation Levels is attached.* These Water Conservation Levels will be included in LAWSS Emergency Plan and also should be included in LAWSS Member Municipalities and Customer Emergency Plan.
- e) Request for Expansion of Rotary Flag Plaza: *The letter and information related to the expansion of the flag plaza is attached.*

“Motion to approve the expansion of the flag plaza.”

Moved by:

Seconded by:

Carried/Defeated

- f) Draft Policy for Connection to LAWSS Transmission Mains: A memo and draft policy on this issue have been prepared and submitted to member municipalities for comment. Town of Plympton-Wyoming and Warwick Township have requested LAWSS to wait for until October to consider the policy. They would like to identify any by-laws that they have related to property owners who have prepaid for their connections to the LAWSS transmission mains.

- g) Actions Related to Power Outages at LAWSS on August 4th: OCWA is modifying the control strategy for High Lift Pump #6 (with variable frequency drive) so that it does not come back on automatically in the event of a short power outage. In addition the valve position as indicated by the colour code on the SCADA screen was incorrect and it needs to be fixed.
- h) Updated Service Connection and Pipeline Crossing Standards: The Service Connection and Pipeline Crossing standards were reviewed in September 2017 and reissued. *These new standards are attached.* One minor addition is the written requirement for red top valves in LAWSS' distribution system.
- i) 2016 Management Review Report: The 2016 Management Review Report. This report is part of our regulatory requirement to inform the owner of the water system of the DWQMS process and results.
- j) Estimated Transfer to Reserves from the 2017 Budget: *A comparison of the money spent until July 31, 2017 and estimated money spent by end of the year compared to the 2017 budget is attached.* It is estimated that about \$250,000 will be transferred back to reserves at the end of this year.
- k) LAWSS 2018 Budget: *OCWA's 2018 Major Maintenance and Capital List is attached. The draft LAWSS Budget for 2018 is also attached.*

Highlights of the Budget Include:

OCWA Operating:

- CPI increase of 1.4%
- Point Edward Sewage Fee increased from \$73,830 to \$81,895

LAWSS Operating:

- increase general and administrative expenses by \$25,000 to accommodate increase in these costs due to inflation as well as increased training costs as well as costs for park maintenance and ArcGIS, finance, human resources, and general IT support from the City of Sarnia
- added new cost of \$75,000 for LAWSS truck and related maintenance expenses

LAWSS Capital:

- expect only one Carryover project this year and that will be the engineering design for the generators (expect to spend \$50,000 of the \$300,000 budget this year)
- all other projects in 2018 expected as per the 10-year capital plan
- \$150,000 allocated for the completion of the radio project with the radios installed in the spring of 2018

LAWSS Major Maintenance:

- all Major Maintenance projects requested by OCWA included on the list

LAWSS Revenue:

- Increased revenue expected from Lambton Fire Services renting tower and standpipe roof space
- expect about \$100,000 from Bluewater Power in rebates

As per the Board Motion on October 27, 2016, 75% of the LAWSS Debt would be directed to the LAWSS Budget. This means an immediate rebate in 2018 of \$846,820 to LAWSS Member Municipalities. Therefore, the Adjusted 2017 budget for comparison would be \$9,500,769 (2017 Budget total - \$846,820).

Therefore, the Draft 2018 Budget total is \$9,685,197 which is 1.94% greater than the 2017 Adjusted Budget.

9. IN-CAMERA Meeting

The Board will adjourn to an in-camera meeting if necessary.

10. Chair to Rise and Report on the Matters of Public Concern from the In-Camera Session

The Chair will report as required.

11. Adjournment/Next Meeting

“That the LAWSS Board adjourn this meeting to its next board meeting to be held on Thursday, October 26th, 2017 at 10:00 am at the LAWSS water treatment plant.”

Moved by:

Seconded by:

Carried/Defeated

pdf Attachments:

1. Minutes of LAWSS Board Meeting July 27th, 2017
2. LAWSS Financial Statement – June 2017
3. LAWSS Financial Statement – July 2017
4. LAWSS Cash Balance Sheet – June 2017
5. LAWSS Cash Balance Sheet – July 2017
6. OCWA Monthly Operations Report – June 2017
7. OCWA Monthly Operations Report – July 2017
8. OCWA 2nd Quarter 2017 Financial Statement for LAWSS
9. OCWA Data Report for LAWSS – June 2017
10. OCWA Data Report for LAWSS – July 2017
11. OCWA Health and Safety Work Order Status June 2017
12. OCWA Health and Safety Work Order Status July 2017
13. OCWA Health and Safety Work Order Status Jan – June 2017
14. OCWA Health and Safety Work Order Status Jan – July 2017
15. OCWA Work Order Status June 2017
16. OCWA Work Order Status July 2017
17. OCWA Work Order Status Jan – June 2017
18. OCWA Work Order Status Jan – July 2017
19. LAWSS Project List – June 2017
20. LAWSS Project List – July 2017
21. Megacomm Cost to Support Radio Project Installation
22. Letter sent to Lambton Shores Council
23. Asphalt Parking Lot Plan for Forest Standpipe Site
24. Recommendation Letter from Spriet Associates
25. LAWSS Flows June 2017
26. LAWSS Flows July 2017
27. Letter from City of Sarnia September 21 2017
28. Legal Opinion Prepared by the City of Sarnia
29. LAWSS New Permit to Take Water
30. Email from LAWSS Chair Regarding Board Compensation
31. LAWSS Water Conservation Levels
32. Information on Expansion Request for Rotary Flag Plaza
33. Updated LAWSS Service Connection Standards (Less than or equal to 2” and Greater than 2”)
34. Updated LAWSS Pipeline Crossing Standards
35. 2017 Management Review Report
36. 2017 Budget Comparison for 2018 Budget Draft
37. OCWA Major Maintenance and Capital List 2018
38. DRAFT LAWSS 2018 Budget