

MINUTES

LAWSS Board Meeting



Thursday, May 31, 2018

10 am

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

Attendees:

Members

Steve Arnold, Vice-Chair, St. Clair Township
Rick Goodhand, Municipality of Lambton Shores
Lonny Napper, Town of Plympton-Wyoming

Staff

Chris Westbrook, St. Clair Township
Brian Black, St. Clair Township
Adam Sobanski, Town of Plympton-Wyoming
Mike Berkvens, City of Sarnia
Jay Verstraeten, Village of Point Edward
Amanda Gubbels, Township of Warwick
Dave Hunt, OCWA Operations Manager
Clinton Harper, LAWSS Water System Engineering Technologist

1. Declaration Of Pecuniary Or Conflict Of Interest

2. Approval of Regular Agenda Minutes

A copy of the minutes for the April 26, 2018 meeting is attached to this agenda.

"That the minutes of the April 26, 2018 LAWSS Board Meeting be adopted."

Moved by: Mayor Lonny Napper
Seconded by: Mike Berkvens
Carried

Amendment: to remove 3 words "at this time" on page 6 item E under new business

Moved by: Mayor Lonny Napper
Seconded by: Mike Berkvens
Carried

3. Presentation of LAWSS 2017 Draft Audited Financial Statement by Pete Barnes and Eric Hicks of BDO

The following is attached.

- Planning Report to the LAWSS Board
- Signed Standard Terms and Conditions from BDO
- Management Letter from BDO
- LAWSS Draft Audited Financial Statement for 2017

The following motions are required:

“Motion to transfer \$77,465 to reserve as identified on page 14 of the draft audited financial statement for 2017. Note this does not represent a physical transfer of money but indicates a surplus based on the line items outlined on page 14.”

Moved by: Councilor Rick Goodhand
Seconded by: Jay Verstraeten
Carried

“Motion to accept the draft audited financial statement for 2017”

Moved by: Mayor Lonny Napper
Seconded by: Mike Berkvens
Carried

“Motion to appoint BDO as LAWSS’s auditors for the 2018 calendar year”

Moved by: Councilor Rick Goodhand
Seconded by: Amanda Gubbels
Carried

4. Presentation of City of Sarnia Corrosion Control Plan by Monique Waller and Sandra Latorre of Jacobs

The following is attached.

- Letter: Recommended Lead Reduction Plan for the City of Sarnia
- Corrosion Control Plan Executive Summary
- Recommended Lead Management Strategy Presentation
- Motion to receive this report as information

Moved by: Councilor Rick Goodhand
Seconded by: Amanda Gubbels
Carried

5. LAWSS Monthly Financial Statements

A copy of the March 2018 LAWSS budget statement and cash balance sheets are attached for review and approval.

"That the Board accept the financial statements and cash balance sheets for March 2018."

Moved by: Mayor Lonny Napper
Seconded by: Mike Berkvens
Carried

6. OCWA Operational Statements

The Monthly Operations Report, first quarter financial statement, and other materials from OCWA for March 2018 are attached.

"That the Board accepts the March 2018 operational statement and other materials from OCWA."

Moved by: Amanda Gubbels
Seconded by: Councilor Rick Goodhand
Carried

7. 2018 Capital Projects

The following presents the 2018 Budget projects for Capital Work.

Summary of the capital and major maintenance projects including purchase orders (POs) issued and money spent for March 2018 are attached.

a) Generator Replacement Project (2018) - \$4,000,000+ \$250,000:

The Request for Proposal for this project is underway. On Tuesday May 15th a site meeting was held for all the bidding companies which was well attended. Questions generated during the site meet have required that the closing date for the Proposal be extended to Monday June 11th. The recommended Proposal will be presented to the Board for approval/reward at the June Board meeting.

b) SCADA PLC Replacement - \$150,000 (2018) - \$83,000 (2017):

A finalized Request for Quotation has been provided by WSP for final review. A recommendation to reward this project is on track for the July Board meeting. Due to the importance of the LAWSS radio communication system, installation of the

new system is being proposed for September when essential staff will on hand and summer water demands declining.

WSP is requesting permission to establish a Virtual Private Network (VPN) for the new radio system during integration. The VPN will allow them to remotely connect to the new system and run diagnostics or trouble shoot during the system integration stage of the project. Attached is a letter outlining their request.

“Motion to allow WSP to establish a VPN for remote system access to radio system only. VPN will be dismantled a conclusion of project.”

Moved by: Mayor Lonny Napper
Seconded by: Councilor Rick Goodhand
Carried

c) Forest Standpipe Repainting - \$1,400,000:

Between May 7th and May 15th the LAWSS Contractor installed the grounding system and finished work on the roof of the Forest Standpipe. Work is currently underway to restore the landscape.

Substantial completion for the project was granted on January 15, 2018 when the Standpipe was returned to service. The amount of approximately \$40,000 was withheld and will be released when restoration is complete.

The Warranty Holdback, which amounts to about \$26,000 +HST, will be released in the spring of 2020.

8. Items for Information:

a) Twenty-Year Conceptual Engineering Design Options and Cost Estimate:

Technical Memorandum #2 is being finalized and is expected to be available for presentation to LAWSS Board at the June meeting. Work ongoing. No update at this time.

b) Major Maintenance Update:

(Work critical to Operation is included)

- MM18-05 Bisulphite Pump Replacement: Project is awarded to Metcon Sales and Engineering Ltd. Schedule pending. Design approved and panel currently under construction.
- MM18-10 Flocculation Gear Drives (1 Unit): refurbish and re-installation complete.
- MM18-11 Flocculation VFDs for Mixers (1 Unit): complete.

c) Electrical System's Renewal Strategy at LAWSS - \$100,000:
A DRAFT Request for Proposal is underway. Nothing new to report.

"Motion to accept items a) through c) as information"

Moved by: Mayor Lonny Napper
Seconded by: Jay Verstraeten
Carried

9. Ongoing Items:

Water Flows: The water flow sheets for March 2018 is attached.

d) Admin HVAC Ongoing Issues:
Building Innovations has been retained to perform an assessment on the LAWSS office HVAC system. 50% conceptual review is due June 12th.

An interim cooling system is being installed as per Board direction at April 2018 meeting.

e) Indian Road 750mm dia. Concrete Pressure Pipe Watermain Repair:
Repair was completed and watermain returned to service on April 6, 2018. Total cost for complete repair is \$80,885 + taxes. This cost includes restocking the 750mm dia. emergency repair closure pipe sections.

"Motion to purchase 750mm dia. closure pieces in the amount of \$14,965+taxes for the purpose of restocking"

Moved by: Councilor Rick Goodhand
Seconded by: Jay Verstraeten
Carried

f) Minister of Fisheries and Oceans Canada Agreement (DFO) renewal (5yrs):
Monitoring equipment has been installed to verify the DFO Marine Traffic Radio Tower's power usage. Based on the equipment readout Bluewater Power reports the tower uses 54.321 kWh/day to operate on average. At LAWSS' current rate that translates to \$1864 annually.

In March 2018 the Board passed a motion to sign the five-year agreement between LAWSS and DFO if cost for powering system could be verified below agreed upon rate of \$7000/annually.

g) Lambton County Emergency Radio Network:
This work is currently ongoing. Spectrum reports that the system is online and they are currently working out bugs with the portable radio component of the project.

Spectrum does not expect they will need further access to LAWSS Standpipes facilities.

h) Vibration Analysis at LAWSS:

Baseline for all major pumping assets have been measured. Development of the vibration program is underway. A report detailing program recommendations will be presented at a future Board meeting.

Motion to receive this as information

Moved by: Amanda Gubbels

Seconded by: Mayor Lonny Napper

Carried

10. New Business:

a) Minister of Fisheries and Oceans Canada Fiber Optic Upgrade

The Canadian Coast Guard is requesting LAWSS permits the upgrade of their communication infrastructure within the LAWSS WTP with a Fiber-Optic cable installation. The marine traffic radar at LAWSS is currently connected by Bell Canada by means of a DSL circuit that has reached capacity.

The Canadian Coast Guard has provided LAWSS with a Technical Brief detailing the proposal. Work is expected to take 2-4 weeks and will involve installing approx. 92m of rigid 50mm PVC conduit through the WTP. The install will also require approximately 600mmx600mm of available wall space within the area the existing service currently enters.

Once complete the new fiber network will be available if LAWSS wished to increase its internet connectivity.

“Motion to allow the Minister of Fisheries and Oceans Canada to upgrade their communication infrastructure to the Marine Traffic Radar as per Technical Brief Canadian Coast Guard Project 8B100”

Moved by: Mike Berkvens

Seconded by: Mayor Lonny Napper

Carried

b) Chatham-Kent interconnection valve Operation.

The Municipality of Chatham-Kent is preparing to complete major upgrades to the Wallaceburg Water Treatment Plant. Work is proposed to be staged over several years and will involve many primary/major Plant components.

Chatham-Kent PUC approached LAWSS-OCWA requesting our cooperation in an exercise to determine LAWSS's ability to provide water to Wallaceburg. The results of the exercise will be used to develop the reconstruction/refurbishment strategy for the Wallaceburg Plant. The exercise is scheduled to take place the week beginning May 28th.

For the exercise water usage will be calculated based on current trends and historical data.

If it is determined that LAWSS can provide sufficient water to facilitate the rebuild it is recommended that a permanent meter, of sufficient diameter, be installed at the Whitebread Line interconnect. More information will be provided for the Board's consideration once the results of the May 28th exercise have been analyzed. The existing contract between Chatham-Kent and LAWSS for the emergency interconnect will also be reviewed.

c) Class A Energy Customer Election Deadline June 15, 2018

The Industrial Conservation Initiative ("ICI") was modified January 1, 2017 to allow customers, like LAWSS, with average monthly electrical demand of 1 MW or greater, to participate.

Customers of LAWSS' demand size need to "elect" in to become a class A pricing customer during the annual election period (June 1 to June 15). If election is not signed during that time, they would stay (return to) Class B pricing for the next pricing period.

In 2017 LAWSS elected to become a Class A Power Customer. LAWSS saved \$122,918 in power during the first six-month period between July 1, 2017 to December 31, 2017 due to that decision. Assuming linear savings to the end of June 2018 LAWSS will save approximately \$245,000.

Pricing is based on demand during the 5 provincial demand peaks during the measurement period. Electing into Class A is ideal for LAWSS because the facility's relative flexibility of operation allows for the largest savings. It is time for the LAWSS Board to decide if it wishes to continue as a Class A Power customer.

"Motion for LAWSS to sign the ICI election with Bluewater Power Distribution Corporation to continue as a Class A customer for Global Adjustment Pricing during the billing period for July 1, 2018 to June 30, 2019."

Moved by: Councilor Rick Goodhand

Seconded by: Jay Verstraeten

Carried

d) Development 321 Devine Street

On March 27, 2018 LAWSS staff received a water servicing brief from Stantec Consulting Ltd. that verifies the existing watermain network can meet the required site water demands for the proposed retirement community at 321 Devine Street. The results of the study concluded that the water demands on the existing municipal water supply network would be negligible. Attached is the Stantec Brief.

On May 12, 2018 a straw voted was completed by the LAWSS Board, which approved the proposed watermain connection to the existing 600mm LAWSS watermain on Brock Street South.

“Motion to allow forward movement on this project”

Moved by: Mike Berkvens
Seconded by: Councilor Rick Goodhand
Carried

e) LAWSS Project Tendering Procedure (Tabled):

While meeting with the City of Sarnia to discuss tendering of the Generator RFP the City of Sarnia’s Purchasing Manager was asked to provide an approximate unit cost (per project) for his services going forward. A service package would include:

- Peer-review of a LAWSS defined Project Background, Scope and Requirements,
- Integration of LAWSS Project into the City’s tendering template,
- Broadcast of the LAWSS Project on the City’s publicly accessible Bid and Auction web platform,
- Assistance with verification and evaluation of bidders.

The City of Sarnia prefers to charge LAWSS hourly for this service. The cost would vary depending on project type but is expected to fall between \$1000-\$1500 per project stage. For example, assisting in tendering the Electrical System’s Renewal Strategy RFP does not include the tendering of the individual project that will be initiated from it.

“Motion to un-table consideration to hire the City of Sarnia Purchasing Department to review and give recommendations on the LAWSS Procurement Policy and to provide tendering services for all LAWSS projects until further notice”

Moved by:
Seconded by:
Carried/Defeated

“Motion to hire the City of Sarnia Purchasing Department to review and give recommendations on the LAWSS Procurement Policy and to provide tendering services for all LAWSS projects until further notice”

Moved by:
Seconded by:
Carried/Defeated

Motion to receive request by FFL and Sarnia City Council

Moved by: Amanda Gubbels
Seconded by: Jay Verstraeten
Carried

Motion to send the responses from Clinton to FFL & Sarnia City Council

Moved by: Jay Verstraeten
Seconded by: Mike Berkvens
Carried

Motion to go to an in-camera meeting to discuss personnel and legal issues as per Section 239 of the Municipal Act

Moved by: Mayor Lonny Napper
Seconded by: Councilor Rick Goodhand
Carried

11. IN-CAMERA Meeting

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

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

The Chair will report as required.

13. Adjournment/Next Meeting

“That the LAWSS Board adjourn this meeting to its next board meeting to be held on Thursday, June 28, 2018 at 10:00 am at the LAWSS water treatment plant.”

Moved by: Mayor Lonny Napper
Seconded by: Councilor Rick Goodhand
Carried

pdf Attachments:

Planning Report to the LAWSS Board
Signed Standard Terms and Conditions from BDO
Management Letter from BDO
LAWSS DRAFT Audited Financial Statement for 2017
Letter: Recommended Lead Reduction Plan for the City of Sarnia
Corrosion Control Plan Executive Summary
Recommended Lead Management Strategy Presentation
Minutes of LAWSS Board Meeting April 26, 2018
LAWSS Financial Statement – March 2018
LAWSS Cash Balance Sheet – March 2018
OCWA Monthly Operations Report – April 2018
OCWA Data Report for LAWSS – April 2018
OCWA First Quarter Financial Statement for LAWSS ending March 31, 2018
OCWA Health and Safety Work Order Status April 2018
OCWA Health and Safety Work Order Status Jan – April 2018
OCWA Work Order Status April 2018
OCWA Work Order Status Jan – April 2018
LAWSS Project List – March 2018
LAWSS Flows April 2018