

TRI COUNTY WATER BOARD
December 13, 2016 - Agenda
7:00 p.m. at the West Elgin Council Chambers

- 1. Disclosure of Pecuniary Interest**
- 2. Minutes of Previous Meetings**
 - a) *October 25, 2016
- 3. Reports**
 - Operations
 - Primary System
 - Administration
 - a) *Financial Reports as of November 30, 2016.
 - b) *2017 Insurance Renewal
 - c) *2017 Budget
 - d) *Annual Meeting in January
- 4. Correspondence**
- 5. Other Business**
- 6. Closed Session**
- 7. Adjournment**

*enclosed

Next meeting - January 24, 2017

TRI - COUNTY WATER BOARD
October 25, 2016 Meeting - Minutes
7:00 p.m. at the West Elgin Council Chambers

MEMBERS PRESENT:	Mary Bodnar	Municipality of West Elgin
	Vance Blackmore	Municipality of Southwest-Middlesex
	Ian Fleck	Municipality of Dutton Dunwich
	Don M ^c Callum	Municipality of Southwest-Middlesex
	Cameron M ^o William (C)	Municipality of Dutton Dunwich
	Mike Noe	Village of Newbury
	Bob Purcell	Municipality of Dutton Dunwich
	Joe Seman Jr	Municipality of West Elgin
	Tim Sunderland	Municipality of Chatham-Kent
	Bernie Wiehle (VC)	Municipality of West Elgin
	Marigay Wilkins	Municipality of Southwest-Middlesex

REGRETS:	Jonathan Wolf	Municipality of West Elgin
-----------------	---------------	----------------------------

ADMINISTRATION:	Magda Badura	Municipality of West Elgin
	Scott Gawley	Municipality of West Elgin

ALSO PRESENT:	Dale LeBritton	Ontario Clean Water Agency
	Dan MacLeod	Ontario Clean Water Agency

1. DECLARATION OF PECUNIARY INTEREST

None declared.

2. APPROVAL OF MINUTES

Moved by Blackmore	Seconded by M ^c Callum
RESOLVED that the minutes of the Quarterly Meeting held on July 26, 2016 be adopted as printed.	

Carried Motion 2016-29

3. REPORTS

OPERATIONS

a) Operations Report - 3rd Quarter:

Moved by Fleck	Seconded by Seman
RESOLVED that the 2016 Third Quarter Operations Report from the Ontario Clean Water Agency dated October 12, 2016 be received.	

Carried Motion 2016-30

PRIMARY SYSTEM

ADMINISTRATION

- b) Financial Reports as of September 30, 2016:

Moved by Purcell

Seconded by Noe

RESOLVED that the Statement of Revenue and Expenditures for the period ending September 30, 2016 from the West Elgin Treasurer be accepted.

Carried Motion 2016-31

4. CORRESPONDENCE

- a) NianticOpsSierra (Pokemon Go) - Acknowledgement of letter of concern regarding gamers potentially trespassing on grounds pertaining to Water and Waste Water infrastructure.

- b) Ontario Municipal Water Association - Newswire October 10, 2016.

Moved by Wilkins

Seconded by Fleck

RESOLVED that the correspondence from the Ontario Municipal Water Association dated October 10, 2016 be received and filed;

AND THAT the correspondence from NianticOpsSeirra dated October 10, 2016 be received and filed.

Carried Motion 2016-32

5. OTHER BUSINESS

The 2017 Meeting Schedule was discussed. The following dates were proposed:

January 24, 2017 at the West Elgin Council Chambers

April 25, 2017 at the Water Treatment Plant

July 25, 2017 at the West Elgin Council Chambers

October 24, 2017 at the West Elgin Council Chambers

December 12, 2017 at the West Elgin Council Chambers

The meetings schedule will be set by resolution at the January 2017 meeting as per Procedural By-law Number 13.

6. CLOSED SESSION

No closed session.

7. ADJOURNMENT

Moved by Purcell

Seconded by Fleck

That this meeting be adjourned at p.m. to meet again for a Regular Meeting on December 13, 2016 at 7:00 p.m. at the West Elgin Council Chambers or at the call of the Chair or Vice Chair.

Carried Motion 2016-33

Cameron M^oWilliam- Chairperson

Scott Gawley - Recording Secretary

3. a)

TRI COUNTY WATER BOARD
STATEMENT OF REVENUE AND EXPENDITURES
PERIOD ENDED NOVEMBER 30, 2016
(unaudited)

		2014	2015	2016	2016	2016
		ACTUAL	ACTUAL	As of NOV	FORECAST	BUDGET
REVENUE						
Dutton/Dunwich		-336,342.71	-240,166.00	-240,324.48	-273,564.67	-286,189.79
Southwest Middlesex		-392,958.42	-382,119.00	-315,656.12	-363,840.24	-293,870.52
Newbury		0.00	0.00	0.00	0.00	-40,600.00
Chatham-Kent		0.00	0.00	0.00	0.00	-73,892.00
West Elgin		-339,643.36	-362,143.00	-303,951.92	-381,648.54	-367,670.09
West Elgin Line Losses		-20,275.74	-21,206.97	-16,696.53	-20,326.58	-19,292.31
Interest -.98%			-2,015.70	0.00	-2,030.00	-2,030.00
Misc. - Sale of Equipment		0.00	0.00	0.00		0.00
TOTAL REVENUE		-1,089,220.23	-1,007,650.67	-876,629.05	-1,041,410.03	-1,083,544.71
EXPENDITURES						
TRI COUNTY WATER SYSTEM	731.500.000					
TRANS RESERVE/TERM DEPOS	731.500.018	0.00	0.00	0.00	0.00	0.00
ADMIN/MISC EXP	731.500.200	15,419.83	19,838.04	26,851.37	26,851.37	28,926.64
ADMIN/LEGAL	731.500.205	10,778.50	1,425.61	0.00	-	5,000.00
PHONE	731.500.210	0.00	0.00	0.00		0.00
HYDRO	731.500.215	249,326.20	285,202.89	240,557.22	320,744.22	307,086.17
WTP-U GAS	731.500.216	17,852.06	13,136.26	9,868.29	13,156.29	19,000.00
P/P & WL TOWER OPER	731.500.220	470,072.73	409,025.04	378,688.75	413,115.00	413,115.00
P/P-SAMPLE TESTING	731.500.221	0.00	0.00	0.00		0.00
P/P-TAXES	731.500.222	0.00	66,803.27	66,416.42	66,416.42	69,957.00
P/P & WL TOWER WAGES	731.500.225	0.00	0.00	0.00		0.00
P/P CHEMICALS	731.500.230	0.00	0.00	0.00		0.00
P/P UNIFORMS/SAFETY EQUIP	731.500.235	0.00	0.00	0.00		0.00
WATER CONSUMPTION-INTERCO	731.500.240	151,045.82	0.00	0.00		0.00
MUNICIPAL TRANS MAINS R&M	731.500.250	0.00	0.00	0.00		0.00
P/P & WL TOWER - R & M	731.500.255	0.00	0.00	0.00		0.00
EQUIPMENT - REP & MAINT	731.500.260	23,455.92	0.00	0.00		0.00
DWQMS-TRICTY	731.500.261	1,637.32	0.00	0.00		0.00
TOTAL OPERATIONS		939,588.38	795,431.11	722,382.05	840,283.30	843,084.81
CAPITAL PROJECTS						
COMRIF-INTAKE 2	731.500.312	0.00	0.00	0.00		0.00
WTP UPGRADES	731.500.304	0.00	59,637.77	0.00		114,500.00
CAPITAL PROJECTS	731.500.300	0.00	0.00	19,318.02	36,000.00	0.00
TRI-CTY GEN CAPITAL	731.500.309	27,169.93	0.00	0.00		3,000.00
SOURCE WATER PROTECTION	731.500.314	0.00	0.00	0.00		0.00
EMERGENCY INTAKE	731.500.316	0.00	0.00	0.00		0.00
TOTAL CAPITAL PROJECTS		27,169.93	59,637.77	19,318.02	36,000.00	117,500.00
NET OPERATIONS		-122,461.92	-152,581.79	-134,928.98	-165,126.73	-122,959.90
TRANSFER TO RESERVE		122,461.92	152,581.79	134,928.98	165,126.73	122,959.90
NET TRI COUNTY WATER		0.00	0.00	0.00	0.00	0.00

COMMENTS:

	2014	2015	2016	2016	2016
Consumption	<u>DECEMBER</u>	<u>DECEMBER</u>	<u>OCTOBER</u>	<u>FORECAST</u>	<u>BUDGET</u>
Dutton/Dunwich	441,611	298,041	234,597	273,565	350,241
SWMiddlesex	511,466	474,297	308,124	363,840	499,062
West Elgin	443,070	449,020	296,711	367,551	450,053
West Lorne Losses (West Lorne Actual Consumption @ 15%)	26,305	26,443	16,697	20,327	23,513

Revenue to read date of AUTOREAD=MAY 20, 2016, bill date JUNE 13, 2016

Revenue - Manual Read to MAY 30, 2016

Hydro at WTP to AUGUST 30, 2016

Union Gas to OCT 2, 2016

Southwold to NOVEMBER 30 , 2014

OCWA to NOV 30 , 2016

prepared by Magda Badura 12/06/2016

Tri-County Water Board

TO: Tri-County Water Board
FROM: Scott Gawley, C.A.O./Clerk
DATE: December 13, 2016
SUBJECT: 2017 Insurance Renewal

RECOMMENDATION:

THAT Tri-County Water Board approves the Insurance Renewal from Frank Cowan Company Limited for year 2016 for a premium of \$12,987 with \$5,000 deductible.

INTRODUCTION:

The Insurance provides the coverage for Casualty, Crime, Property, Equipment breakdown and Automobile for year 2017.

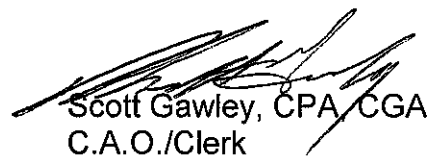
BACKGROUND:

The Water Board have purchase the insurance coverage to mitigate the risk of loss for casualty, crime, equipment breakdown property and automobile. The purchase of the insurance policy helps to mitigate the risk and reduce the liability for the Board. The insurance renewal is an annual process.

DISCUSSION:

The 2017 Premium of \$ 12,987 represents less than 1% (0.7%) increase in premium over the 2016 (\$ 12,985). The change in premium is related to increase in the Property due to inflation. There was no change in the deductible of \$5,000 which is same as last year.

Respectfully Submitted by:


Scott Gawley, CPA, CGA
C.A.O./Clerk

Attachments Cost Analyis report provided by Frank Company Ltd.

Cost Analysis

	<u>Expiring Program Term</u>	<u>Renewal Program Term</u>
Casualty		
General Liability	\$ 4,217	\$ 4,217
Errors and Omissions Liability	2,500	2,500
Non-Owned Automobile Liability	100	100
Crime	500	500
Property		
Property	3,760	3,834
Equipment Breakdown	1,818	1,836
<u>Total Annual Premium</u>	\$ 12,895	\$ 12,987
(Excluding Taxes Payable)		

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Equipment Breakdown (TechAdvantage)

Coverage Description	(\$) Deductibles / Waiting Period	(\$) Limit of Insurance
Direct Damage	5,000	50,000,000 Per Accident
Extra Expense		250,000
Spoilage		50,000
Expediting Expense		Included
Hazardous Substances		250,000
Ammonia Contamination		250,000
Water Damage		250,000
Professional Fees		250,000
Civil Authority or Denial of Access		30 days
Errors and Omissions		250,000
Data Restoration		50,000
By-Law Cover		Included
Off Premises Transportable Object		10,000
Brands and Labels		100,000
Green Coverage		50,000
Environmental Efficiency *Will not show on Declarations Page		Up to 150% of Loss
Anchor Locations		Included
Service Interruption *Will not show on Declarations Page		Included Within 1000 metres

Account Premium

<i>Prior Term</i>	<i>Total Annual Premium (Excluding Taxes Payable)</i>	\$ 12,895	Total Annual Premium	\$ 12,987
			<i>(Excluding Taxes Payable)</i>	

Please refer to the insurance contract for all limits, terms, conditions and exclusions that apply. The premium Quoted is subject to a 15% minimum retained (unless otherwise stated).

Changes to Your Insurance Program

Please be advised of the following changes to your insurance program that now apply:

Please note the change of Insurer(s), participation percentage and/or policy number(s).

Liability, Errors and Omissions and Cyber Risk Insurance (if coverage is applicable)

- Please refer to 'IMPORTANT PRODUCT CHANGES – DATA' regarding changes to the above coverages.

Crime Coverage

- Computer and Transfer Fraud has been updated to clarify the intent of coverage. We now specify that coverage is to apply when a computer system is used to fraudulently transfer funds.

Property Policy

- Building values have been increased in order to reflect inflationary trends.

Equipment Breakdown Coverage

- Coverage has been expanded and limits increased. For product information refer to Equipment Breakdown TechAdvantage Highlights Sheet.

Tri-County Water Board

TO: Tri-County Water Board
 FROM: Magda Badura, Treasurer
 DATE: December 13, 2016
 SUBJECT: 2017 Budget

RECOMMENDATION:

THAT Tri-County Water Board approves the proposed 2017 Water Budget with \$.02 per m³ increase effective July 1, 2017. The proposed \$.02 or 2% increase is a reasonable raise and will be used for the purpose of development of reserves in the future years.

INTRODUCTION:

The budget has been developed to continue the building of reserves for the future replacement of the Water Treatment Plant capital assets.

DISCUSSION:

The budget proposal is the starting point for the Board consideration of the operating and capital requirements. Replacement of aging infrastructure is a priority therefore an overall plan to increase capital spending to reach sustainable levels of reserves has been developed.

The attached budget has been calculated based on two options:

Option 1 – an increase of \$.02 per m³ of consumption as of July 1, 2017 will raise our reserve capital by \$199,620.80; cover capital project spending Budgeted for 2017 in the amount of \$173,500.00 and will have a positive net effect of \$26,120.80.

Option 2 – an increase of \$.04 per m³ of consumption as of July 1, 2017 will raise our reserve balance by \$213,030.94; cover capital project spending budgeted for 2017 in the amount of \$173,500 and will have a positive net effect of \$39,530.94.

For every % increase in rates, based on the current usage, the reserve amount increases.

Rate \$.83 - current	Annual Capital Funding - \$201,126.73
Rate \$.85 – proposed	Annual Capital Funding - \$199,620.80
Rate \$.87 – proposed	Annual Capital Funding - \$213,030.94

Our Reserve funds are projected to increase overall from \$255,628.94 in 2015 to \$309,376.47 by the end of 2017 and will continue to grow as funds are set aside for significant future projects.

Amortization

The 2015 Audited Financial Statements show the following depreciation tables:

Buildings	50 years
Infrastructure and equipment	25 years
Waterlines	75 years

Currently our annual amortization expense is set at \$649,287.

CONCLUSION:

I would recommend that the Board continues to increase the rates for the purpose of development of reserves in the future years.

Prepared by:



Magda Badura
Treasurer

Reviewed by:



R. Scott Gawley
C.A.O. Clerk

Year	Reserves			Balance
	Opening Balance	Transfers To	Transfers From Interest	
2013	-	(29,717.88)	-	(29,717.88)
2014	(29,717.88)	(73,329.87)	-	(103,047.75)
2015	(103,047.75)	(152,581.19)	-	(1,009.87)
2016	(255,628.94)	(165,126.73)	(36,000.00)	(2,505.16)
2017	(456,755.67)	(26,120.80)	173,500.00	4,476.21
				(309,376.47)

COMMENTS:

Note ¹ Revenues are based on prior year's actual m³ consumption.

Note ² Administration Expense:

Includes Audit fees - \$4,000, Bookkeeping \$6,000 and Insurance \$12,987

Note ³ Hydro Expense:

Based on 2015/2016 usage trend

Note ⁴ Gas Expense:

Based on the 2015/2016 usage trend.

Operating Costs- P/P & WL Tower:

Note ⁵ Based on the OCWA Contract for Operations of the Water Treatment Plant - value for 2017 is \$417,246.00

P.I.L. - Taxes was previously included in the Operating Costs of the Water Treatment Plant

Note ⁶ Equipment - Repair & Maintenance:

The repairs are now part of the OCWA Noncontract or included as a Capital Repair below.

Tri County Water Treatment Plant
10 year Recommended Capital / Major Maintenance

The Ontario Clean Water Agency has identified the following capital projects / major maintenance for your recommendations approval.

Project Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total	Compliance Risk	H & S Risk	Repair	Lifecycle Replacement	Improvement	Approved in Current Year	Completed	Comments	
Intake	\$3,500			\$4,000			\$4,500														
Intake structure inspection	\$70,000	\$70,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$70,000	X	X	X	X	X	X	X	Requires cleaning	
pH Control System	\$4,000					\$4,000					\$4,500	\$230,000	X							ECA amendment Required; continued cost for rental equipment and chemical supply	
Surge Relief Valve Rebuild												\$0									
Treatment Plant																					
Replace packing on Strainer drive shafts	\$6,000	\$4,000					\$10,000					\$8,000									
PALL Inspection - Autopsy	\$6,000	\$10,000					\$20,000					\$16,000								Improvements to system based on PALL Autopsy inspection	
PALL Inspection - Programming Recommendations	\$6,000	\$5,000			\$5,000		\$5,000	\$10,000			\$5,000	\$31,000								96 actuators throughout the plant	
Pneumatic actuator rebuild kits	\$5,000	\$5,000					\$5,000					\$53,000								Upgrade completed in 2015; minor additions recommended	
SCADA Improvements	\$4,000	\$4,000					\$5,000					\$20,000								Current 7yrs old; rebuild toward 10-15yrs	
Inplant process Motors	\$4,000	\$4,000					\$5,000					\$24,000								4 chemical transfer pumps which are replaced every 4-5 years	
Chemical transfer pump replacement	\$6,000	\$6,000					\$6,000					\$24,000								Currently 7yrs old; replace before failure	
Chlorine and Peroxide feed pumps	\$6,000	\$6,000					\$6,000					\$24,000								Recommended every 5 yrs (6 probes throughout system)	
Chlorine Analyzer probes	\$6,000	\$6,000					\$6,000					\$24,000								Critical process equipment - replacement before failure	
Turbidimeter replacement	\$6,000	\$20,000						\$10,000				\$30,000								System is 10 yrs old	
UV system replacement parts	\$4,000	\$4,000							\$3,000			\$11,000								Scheduled every 5 years - inspected 2014	
Storage Tank Inspections	\$7,000	\$30,000										\$38,000								Rusting heavily from chemicals in room	
Air Manifold card replacement - 3 year cycle	\$10,000	\$10,000							\$5,000			\$15,000								Replacement recommended every 10 yrs - \$30k ea.	
Chemical Room Pipe and Hanger replacement	\$10,000	\$10,000						\$4,000				\$14,000									
Air Compressors	\$4,000	\$4,000										\$8,000									
Post Chlorination	\$4,000	\$4,000										\$8,000									
Strainer improvements	\$4,000	\$4,000										\$8,000								352 modules within plant. installed in 2008	
PALL membranes	\$4,000	\$4,000										\$8,000								Proposal being developed to upgrade Communication system	
PALL membrane Rack Positioners	\$4,000	\$4,000										\$8,000									
Radio Communications upgrade	\$10,000	\$10,000										\$20,000									
Highlift and Lowlift Pumps	\$3,000	\$3,000										\$6,000									
Lowlift motor rebuilds	\$10,000	\$10,000						\$10,000				\$40,000								New Premium efficiency motors - currently 7 yrs old	
Highlift motor replacement	\$5,000	\$5,000						\$9,000				\$19,000								New Premium efficiency motors - currently all 4 motors have new bearings	
Highlift pump rebuild	\$10,000	\$10,000										\$20,000								1 of 4 pumps have had bearings replaced to date	
Structural	\$10,000	\$10,000										\$20,000									
Raw well Condition Survey	\$4,000	\$4,000										\$8,000									
Chamber repairs	\$60,000	\$60,000										\$120,000									
Full facility Condition Assessment	\$20,000	\$20,000										\$40,000									
Repairing/ replacing Stainless pipe	\$5,000	\$5,000										\$10,000								Repair pth holes if possible - replace pipe if not	
Standpipe	\$5,000	\$5,000										\$10,000									
Altitude valve replace/ rebuild inspection	\$13,500	\$13,500										\$27,000								Life cycle replacement - awaiting final quotes	
Contingency	\$173,500	\$173,500										\$347,000								Completed 2015	
15%	\$13,500	\$13,500										\$27,000									
Total Estimate - Recommended Capital	\$114,500	\$173,500	\$149,150	\$170,975	\$111,775	\$114,625	\$307,750	\$303,250	\$266,460	\$282,950	\$273,250	\$2,266,175									
Planned Capital Completed to Date	\$24,000											\$24,000									
Unexpected Capital Completed	\$12,000											\$12,000									
Total Capital Completed	\$36,000											\$36,000									

2016 Recommended Capital Presented by: Dan MacLeod

Date 31-Oct-16

2016 Recommended Capital Approved by:

Tri-County Water Board

TO: TRI-COUNTY WATER BOARD
 FROM: Spencer Pray, Deputy Clerk
 DATE: December 13, 2016
 SUBJECT: Annual Meeting in January

RECOMMENDATION:

THAT the Report - Annual Meeting from the Deputy Clerk be received for information.

INTRODUCTION:

The Procedural By-law governs the way in which the Tri-County Water Board conducts its meetings. This report is a reiteration of what needs to occur the annual meeting in January 2017. Sections of the Procedural By-law are listed below.

BACKGROUND:

Chair and Vice-Chair:

7. The Chair and Vice-Chair of the Board will be elected from among the Members to serve for a one (1) year term.
8. The Chair and Vice-Chair cannot be from the same municipality.
9. Elections for the Chair and Vice-Chair will be conducted during the January meeting annually.
10. In the absence of the Chair, the Vice-Chair will act as Chair of the Board.

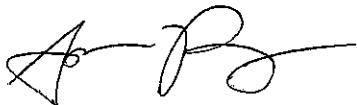
Be prepared to elect a Chair and Vice-Chair at the first January meeting.

Meetings:

11. The Board shall meet quarterly, or more often as requested by a majority of the Members, or at the call of the Chair or Vice-Chair.
12. The first meeting of each calendar year shall be held in January.
13. At the January meeting of each year, the Board shall establish a schedule of all regular Board meeting dates for that calendar year.
14. The Board may, by resolution, alter the date and/or time of a regular meeting or the calling of a meeting.

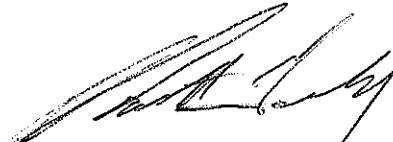
The schedule will be set by resolution at the first January meeting.

Respectfully Submitted,



Spencer Pray, MBA
 Deputy Clerk

Reviewed and Approved by,



R. Scott Gawley, CPA, CGA
 C.A.O.-Clerk