

A G E N D A

**THE THIRD MEETING OF THE SECONDARY WATER BOARD
OF THE CITY OF ST. THOMAS 2019**

COMMITTEE ROOM #304
CITY HALL

5:00 P.M.

THURSDAY
OCTOBER 24, 2019

DISCLOSURE OF INTEREST

MINUTES

Confirmation of the minutes of the meeting held on June 25, 2019.

DISCLOSURES OF INTEREST

REPORTS

SWB04-19 – St. Thomas Secondary Water Supply System - 2020 Water Rate

Report SWB04-19 of the Manager of Development and Compliance - **Pages 2**

SWB05-19 – STASWSS Capital Projects Update

Report SWB05-19 of the Manager of Development and Compliance - **Pages 3-4**

UNFINISHED BUSINESS

Agreement – Elgin Area Primary Water System:

City Engineer to provide verbal update to the committee on the EMPS ownership issue between the Primary and Secondary Boards.

NEW BUSINESS

Next Meeting

To be determined.

ADJOURNMENT

Directed to: Councillor Justin Pennings and Members of the Board of Management of the St. Thomas Area Secondary Water Supply System

Date Authored:
October 11, 2019
Meeting Date:
October 24, 2019

Department: Environmental Services

Attachment

Prepared By: Karel Kamerman, B.Sc.
Compliance Coordinator

Subject: **St. Thomas Area Secondary Water Supply System – 2020 Water Rate**

Recommendation:

THAT: Report SWB 04-19, St. Thomas Area Secondary Water Supply System – 2020 Water Rate, be received for information; and further,

THAT: The Secondary Rate for the St. Thomas Area Secondary Water Supply System of \$0.5255/m³, effective January 1, 2020, be approved.

Origin:

The St. Thomas Area Secondary Water Supply System (STASWSS), which obtains water from the Elgin Area Primary Water Supply System (EAPWSS), provides drinking water to the City of St. Thomas, the Municipality of Central Elgin and the Township of Southwold.

In order to recover the costs related to the maintenance and operations of the infrastructure, as well as meet the requirements of provincial water legislation and build an adequate reserve balance to help fund future rehabilitation and renewal projects for the St. Thomas Area Secondary Water Supply System infrastructure, each benefitting municipality must establish water rates that include cost recovery for the use of the EAPWSS and STASWSS infrastructure.

In 2015, Watson & Associates, in association with GM BluePlan Engineers were retained to complete a Water Rate Study to forecast the full costs (including infrastructure renewal and rehabilitation) of supplying water through the STASWSS to the year 2024. The Study recommends the *Secondary Rates* that are required in order for the system to be financially self-sustaining, based on anticipated flows to the various benefitting municipalities. The full version of the 2015 Secondary Rate Study is available on the City of St. Thomas website.

Analysis and Financial Considerations:

The EAPWSS Joint Board of Management approved the 2020 Primary Rate at their October 3, 2019 meeting. Effective January 1, 2020, the *Primary Rate* will be increased by 4%, and is scheduled to be changed from \$0.8369/m³ to \$0.8704/m³.

In order to meet the requirements of provincial water legislation and build an adequate reserve balance to help fund future rehabilitation and renewal projects, the *Secondary Rate* is recommended to increase from \$0.4773/m³ to \$0.5255/m³, a 10.1% increase. The *Secondary Rate* increase being recommended is aligned with the STASWSS Water Rate Study completed in 2015.


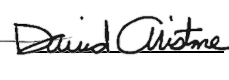
Respectfully,



Karel Kamerman, B.Sc.
Compliance Coordinator



Nathan Bokma, P. Eng.
Manager of Development and Compliance

Reviewed By:   _____

ES

Treasury

HR

City Clerk

City Manager

Directed to: Chairman Justin Pennings and Members of the Board of Management of the St. Thomas Area Secondary Water Supply System

Date Authored:
October 10, 2019

Meeting Date:
October 24, 2019

Department: Environmental Services

Attachment

Prepared By: Nathan Bokma, P. Eng.
Manager of Development and Compliance

Subject: STASWSS Capital Projects Update

Recommendation:

THAT: Report SWB 05-19, STASWSS Capital Projects Update, be received for information.

Background:

Staff have been working on various capital projects and major maintenance items for the STASWSS over the past few months. Here is a brief update on a few upcoming projects:

Ford Tower Removal

The Ford Water Tower is nearing the end of its useful life, and staff reviewed the feasibility to rehabilitate the tower or remove it. Through discussions with the Secondary Board over the last 5 years, it was decided to move ahead with the tower removal. The first step was the replacement of the EMPS pumps in 2018/2019 with VFD's that could provide sufficient pressure and controls. A water modelling assignment was completed in 2019 to analyze the STASWSS with and without the FWT in place.



The consultant noted that the tower can be removed with the installation of combined air valves (CAVs) along the secondary water system. Staff are now proceeding with finalizing implementation of the modelling report's recommendations to remove the tower and complete other upgrades along the STASWSS in 2020.

Anticipated cost for the tower removal and upgrades is estimated at \$500,000, which will be funded through Secondary Water Reserves.

2020 STASWSS Rate Study and Financial Plan

Every 5 years, a new rate study and financial plan are required as per Ontario Regulation 453/07. Staff are reviewing the rates to ensure that the system is financially stable, and future capital projects can be appropriately funded through the Secondary Water Reserves.

Staff are completing the financial plan and rate study internally, which will save approximately \$50,000, and the report will be peer reviewed prior to finalization. The rate study and financial plan will be brought forward to the Secondary Board in Spring 2020 for their consideration.

Future Capital Projects (2020 and beyond)

Staff are looking at future capital projects and the Secondary Water Reserve now to plan for future replacements of large pipe sections of the STASWSS. By planning for this infrastructure now, staff can coordinate work with all partner municipalities to avoid duplicate work along the corridor of the STASWSS. An example of this coordination

is the City's planned 2025 Capital Project to reconstruct South Edgeware Line within the City. This project would be advantageous of the STASWSS to coordinate the replacement of the watermain within the project limits in 2025.

Major Maintenance Items

There are several other major maintenance projects active at the EMPS. A summary can be seen in the table below.

Item	Capital Project	Project Value	Status
1	Process Electrical & HVAC SCADA PLC Server	\$35,000	In progress
2	Replacement of 1050mm Suction Header Valve and Actuator (33% of \$125k share with London and Aylmer)	\$42,000	Work scheduled later in 2019
3	Replacement of suction header coupling between St. Thomas header and London Header	\$12,500	Work scheduled later in 2019
4	Pump Discharge Control Valve Rebuilding	\$20,000	Completed
5	Replace all light fixture upper and lower level	\$15,000	Completed

Financial Considerations:

No financial considerations to consider at this time.

Respectfully,



Nathan Bokma, P. Eng.
 Manager of Development and Compliance

Reviewed By: _____
 Treasury Env. Services City Manager