



JOINT BOARD OF MANAGEMENT

Wednesday, June 15, 2022

9:30 AM

Ciociaro Club, Salon F

3745 N Talbot Road, Oldcastle

AGENDA

A. Call to Order:

B. Disclosures of Pecuniary Interest:

C. Approval of Minutes:

Minutes of the meeting of the Union Water Supply System Joint Board of
Management Meeting held Wednesday, May 18, 2022
Pages 2 - 6

D. Business Arising Out of the Minutes

E. Items for Consideration:

1. UW/13/22 dated June 10, 2022 re: Status Update of UWSS Operations &
Maintenance Activities and Capital Works to June 10, 2022
Pages 7 - 34

2. UW/14/22 dated June 9, 2022 re: UWSS Restructuring to Municipal Services
Corporation - Next Steps
Pages 35 - 38

F. New Business:

G. Adjournment:

H. Date of Next Meeting: July 19, 2022, 9 am, Location to be determined

/kmj



MINUTES

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

Members Absent Councillor Jones (Temporary Leave of Absence)

Also in Attendance: Rodney Bouchard, Union Water Supply System Manager
Khristine Johnson, Recording Secretary

Municipal Staff Present:
Kevin Girard - Town of Essex
Andrew Plancke, Shaun Martinho - Town of Kingsville
Albert Dionne - Municipality of Lakeshore
Shannon Belleau - Municipality of Leamington

OCWA Staff Present: Dale Dillen, Robin Trepanier

OGVG Rob Petro

Call to Order: 9:01 am

Disclosure of Pecuniary Interest: none

Adoption of Board Minutes:

No. UW-22-22

Moved by: Councillor Dunn

Seconded by: Councillor DeYong

That the Minutes of the UWSS Joint Board of Management meeting of Wednesday, April 20, 2022 is received.

Business Arising out of Minutes:

There was none

Report UW/11/22 dated May 13, 2022 re: Status Update of the UWSS Operations and Maintenance Activities and Capital Works to May 13, 2022

The Manager reviews his report with members of the Board. He explains that Filter #6 flow control actuator failed. This item has now been replaced with an electrically control one and is working well according to staff.

The Manager reminds members of the Board of the ongoing hydrant/pressure monitoring devices that are being installed throughout the system. He confirms they were installed on April 21st and will complement the real time pressure monitoring network. He further notes that an additional 10 smart hydrant devices are being ordered for July 2022 installation. These new devices will be divided amongst all four (4) municipalities. This system will also run on a cloud based website and allow the operator to see what is happening in real time.

The Low Lift pump #7 rehabilitation work is now complete and the pump has been reinstalled by OCWA staff. At this current time the pump is sitting idle as balancing services cannot be completed at this time. The Manager is hoping all of the work can be completed by the end of May. The Manager notes that High Lift pump #9 is still inoperable. The operations staff are reaching to other water treatment plants to locate air relief parts. This is due to current back order of parts.

The new Pipescan analyzer has been installed at the AWT by the supplier, Aquatic Life, Ltd. This unit can analyze 30+ parameters and provide report on the water quality. This piece of equipment is hooked into the operator's screen. The Manager notes that this analyzer will assist in the management of the system. The main wash #2 flow control valve will be converted from pneumatic over to an electric actuator.

The Manager notes that the Leamington Water Tower (LWT) will be taken offline on May 30th for cathodic protection servicing. The Manager explains that that this work is also part of the inspection taking place. He notes that there should be no pressure issues during this down time.

The Manager explains that the Reservoir #2 has a suspected leak. Watech services has been retained to inspect the leak. The divers are expected to be on site at the end of May or beginning of June. The Manager is hoping that the leak can be managed just like last time and he will report if there are any further concerns.

The Manager updates the Board on the DAF project. He notes that a lot of work is occurring at this time. The weather has been cooperating and all the parts have been received. He notes that the auxiliary building is coming along, the wall extension is basically complete, brick work will start shortly and the centre pipe column and bridge work is scheduled to be completed soon, depending on crane services. He notes that an engineering strike has potentially delayed crane services, but he is hoping this will be resolved shortly. He further explains that the project is approximately 10 weeks behind.

Minutes of the Union Water Supply System Joint Board of Management

Date: May 18, 2022

Page 3

Finally, he notes that the flows are down over last year slightly, but still above the four (4) year average. He reminds members of the Board that the system is currently running on three (3) clarifiers and a news release will be forthcoming to inform residents of the delay of the project as well as serve as a reminder of the lawn watering by-laws.

Councillor Dunn asks the Manager if there is an extra pump, as High Lift Pump #9 is out of service at the moment. The Manager explains that UWSS has two (2) other pumps but just not as efficient as #9.

No. UW-23-22

Moved by: Mayor MacDonald

Seconded by: Councillor Walstedt

That Report dated May 13, 2022 re: Status Update of the UWSS Operations and Maintenance Activities and Capital Works to May 13, 2022 is received.

Carried

Report UW/12/22 dated May 12, 2022 re: UWSS - WUC Water Supply Emergency Servicing Study - Next Steps

The Manager reminds members of the Board that the UWSS and the WUC have been conducting a study over the last two years. Most of that initial work has been completed. This study was more than just a desk top analysis, but also involved some hydraulic analysis. The question was posed whether or not emergency servicing could be achieved, in order keep water flowing.

The Manager reported that a meeting has occurred between both systems' management, Chairs and Vice-Chairs to discuss several different scenarios to determine which one might be feasible. From this meeting one preferred scenario was considered the best option.

The Manager then went through the scenarios and options that were considered. He outlined the costs of each scenarios and why the final scenario was the best option for both UWSS and WUC.

The next step in the process is to have a meeting between both boards and determine whether it is feasible to continue with the process.

No. UW-24-22

Moved by: Deputy Mayor Queen

Seconded by: Mayor MacDonald

That report UW/12/22 dated May 12, 2022 re: UWSS - WUC Operations and Maintenance Activities and Capital Works to May 13, 2022 is received.

And further, that the Board agrees to a joint meeting between the UWSS Board and Windsor Utilities Commission (WUC) Board to review and identify next steps in regards to the UWSS-WUC Water Supply Emergency Servicing work.

Carried

Correspondence from Nevan Developments dated May 11, 2022 re: Ruthven Hamlet - Settlement Area

The Manager explains that he received this correspondence from Nevan Developments and had a phone call with Robert Molliconi, of Nevan. He notes that Nevan is looking to have the new properties purchased by UWSS at the south end of Union Avenue to be moved from residential designation over to institutional designation. By UWSS maintaining the new property as institutional this would allow for further residential designated properties to become available for development. The manager indicates that the redesignation would have no effect on proposed UWSS uses, however, a decision on this matter is not within UWSS' mandate.

Deputy Mayor Queen explains that this is a matter that should be dealt with at the Town of Kingsville Council level prior to dealing with the UWSS.

Councillor DeYong asks whether there are details regarding the development mentioned in the letter, specifically Hope Valley Estates. The Manager explains that he only received the attached correspondence.

Mayor Santos also explains that this type of issue should be dealt with at a County level as trading off lands for different designations is not something that has been practised for over 10 years and is not in keeping with the Planning Act.

No. UW-25-22

Moved by: Deputy Mayor Queen

Seconded by: Councillor Walstedt

That correspondence from Nevan Developments dated May 11, 2022 re: Ruthven - Hamlet Settlement Area is received only.

Carried

New Business:

The Manager notes that with only three (3) clarifiers currently working at regular capacity he will be putting out a News Release regarding water capacity and inform the users of the current situation. He will reach out to OGVG to ensure that they are aware of the situation.

Councillor DeYong notes that there was a small leak in the Cottam area that has been delayed in getting repaired due to locate services. With the information regarding reduced water capacity she is concerned that perhaps this leak should be now considered an emergency. The Manager explains that Town staff would be better able to answer that question. Andrew Plancke, Director of Municipal Services for Town of Kingsville, notes

Minutes of the Union Water Supply System Joint Board of Management

Date: May 18, 2022

Page 5

that the leak in question is not an emergency nor a safety issue. He notes the concerns of the residents but this is considered a very small leak. Councillor Patterson notes that the crew is currently on scene. Shaun Martinho, Manager of Public Works and Environmental Services, Town of Kingsville, explains difference between what is considered an emergency and what isn't. He further notes that the Town of Kingsville has a very low water loss rate

There is a brief discussion about the upcoming June meetings and whether they should be in person. It is noted that there should be enough space within any room chosen to ensure that we are able to distance ourselves from each other.

Adjournment:**No. UW-26-22****Moved by:** Deputy Mayor Verbeke**Seconded by:** Councillor Dunn**Time:** 9:42 am

Date of Next Meeting: June 15, 2022, Ciociaro Club, 3745 N. Talbot Rd.
Oldcastle, NOR 1L0 - start time 9:30 am

Joint meeting with Windsor Utilities Commission to start at 10:30am following our regular board meeting

/kmj

To: Chair and Members of the Union Water Supply
System Joint Board of Management

From: Rodney Bouchard, UWSS General Manager

Date: June 10, 2022

Re: Status Update of UWSS Operations & Maintenance Activities and Capital
Works to June 10, 2022



Aim:

To inform the UWSS Board about operational and maintenance activities and capital works projects for the Union Water Supply System since the last Board meeting on May 18, 2022.

Discussion:

The UWSS General Manager conducts regular meeting with OCWA Operations staff in regards to on-going operations and maintenance programs for the UWSS facilities. The following provides an update on UWSS operations, regular maintenance and major maintenance and Capital Works at UWSS facilities:

1. On May 30th, 2022 Watech Services Inc. was onsite to inspect Reservoir #2 for potential leak. A draft inspection report was provided. The report indicated that the reservoir was generally in good condition and that no obvious leak was noted during the “diving” inspection. However the report notes that camera inspection of the reservoir “underdrain” system was to be completed to try and identify the possible leak and that further diving inspection may be needed once the camera inspection work was done. Hurricane Hydrovac was onsite on June 7th to inspect the underdrain system using a remote camera system. A report has not yet been received.
2. On May 30th, 2022, OCWA Union operations staff isolated and began draining the Leamington Tower for an inspection scheduled for May 31st. As per AWWA Standards, it is recommended that water towers be inspected every 3-5 years. The last inspection was completed in 2018.

On June 1st, Corpro Companies Inc. completed warranty work on the cathodic protection system at the Leamington Tower. This work could only be completed when the tower was empty.

On June 3rd, the disinfection procedure started for bringing the Leamington Tower back into service. The tower was placed back into service on the afternoon of June 7th. OCWA Union staff kept regular communication with Leamington water dept. staff during the shutdown of the Leamington tower. No issues were reported with Leamington water system during the shutdown period.

3. Low Lift Pump #7 rehab work was fully completed on May 20, 2022 and the pump has been returned to service.

Re: UW/13/22 - Status Update of UWSS Operations & Maintenance Activities and Capital Works to June 10, 2022

4. High Lift #4 pump motor refurbishment work has been completed and the pump has been returned to service.
5. High Lift pump #9 is still inoperative. Air relief valve parts for this pump are still expected to be received before the end of June 2022 so that the pump can be put back into service upon installation of parts and disinfection of pump.
6. UWSS has retained Summa Engineering to design, construct and install a new PLC panel and cabinet for Cottam Booster Station. The design and construction of PLC cabinet is anticipated to take 16 weeks to complete. The new PLC panel/cabinet will be installed around the end of October/ early November 2022.
7. DAF Phase 1 Update: The Auxiliary building work is moving along. Brick work has been started and will be completed during the week of June 13. Interior electrical and HVAC work is on-going. Saturation skids have been delivered and are situated in the auxiliary building. Piping work and electrical work will occur over the next 4 weeks to tie in the saturations skids to the water line and recirculation piping between the DAF tank and auxiliary building.

The DAF tank wall extension work was completed with satisfactory concrete strength testing achieved by May 20th. The DAF tank system assembly work was started with the installation of the DAF bridge on May 25th, 2022. The system installation work is progressing very well.

Factory acceptance testing (FAT) for the DAF's SCADA process and control has been completed satisfactorily

The work for next 4 weeks will focus on installation of DAF tank equipment, installation of all DAF related equipment in auxiliary building; installation of electrical MCC; completion of electrical and piping work.

The DAF system start up is anticipated for the first week of August 2022 and will include a 30-day testing run as per the contract. As per the DAF's design engineer, it is anticipated that the DAF will generate "usable" water upon completion of initial system component testing, which is 7 days after initiation of the 30 day testing period.

A copy of the weekly progress report for the week ending May 31st, 2022, prepared by UWSS' consultant (Associated Engineering) site inspector, is attached to this report.

Re: UW/13/22 - Status Update of UWSS Operations & Maintenance Activities and Capital Works to June 10, 2022

The first chart shows comparative flows for 2018 through 2022 in Mega Litres (ML) and the second chart shows Millions of Imperial Gallons (MIG) for the period January 1st to June 8, 2022.

	2018	2019	2020	2021	2022
Flow to Date (ML)	6,291.50	6,207.66	7,118.46	8,192.59	8,006.98
Max Day (ML)	70.57	63.95	83.66	93.83	92.14
Min Day (ML)	23.56	20.13	25.44	26.74	27.58
Average Day (ML)	39.57	39.04	44.49	51.53	50.36
No of Days	159	159	160	159	159

	2018	2019	2020	2021	2022
Flow to Date (MG)	1383.96	1365.52	1565.87	1802.15	1761.99
Max Day (MGD)	15.52	14.07	18.40	20.64	20.27
Min Day (MGD)	5.18	4.43	5.60	5.88	6.07
Average Day (MGD)	8.70	8.59	9.79	11.33	11.08
No of Days	159	159	160	159	159

Flows to date are down 185.61 ML (40.16 MIG) or 2.2% from last year. The 2022 flows to date are up 15.2% over the previous 4 year average.

Recommendation:

That this report be received by the UWSS Board for information purposes.

Respectfully submitted,



Rodney Bouchard, General Manager
 Union Water Supply System Joint Board of Management
 /kmj

Filename: t:\union wtr\reports to board\2022\uw13-22 uwss operations report for june 2022.docx

Prepared By:	Sommer Lee, SI/CA	Date:	2022-05-31	File:	2020-5461.05.05
		Report No.:	36	Proj. No.	2020-5461
		Report Period:	2022-05-23 to 2022-05-27		
		Client :	Union Water Supply System (UWSS)		
		Client Contact :	Rodney Bouchard		
		Project:	UWSS Ruthven WTP DAF Retrofit Project Phase 1		

PROGRESS REPORT

TOTAL DAYS ON SITE THIS WEEK	DAYS LOST TO WEATHER THIS WEEK	REMAINING DAYS TO CONTRACT COMPLETION
5	0	As of 2022-05-31 , -3 days to contract completion (Original Contract Completion 2022-05-17 + 8 days lost to weather + 2 days from Delay Notice 1 → Revised Contract Completion of 2022-05-27) (Note the contract completion will be adjusted pending completed compilation of Delay Notices 2 and 3 from Contractor)

KEY EQUIPMENT ON SITE

QTY.	NAME	USE	DAYS IN OPERATION
1	Crawler Loader	N/A	N/A
1	Crane	Lift Centre Cage out and into DAF No. 1 Lift Bridge into DAF No. 1 Lift 3.5 and 11 m floc wells (distribution plates) into DAF No. 1	2022-05-24 2022-05-25 2022-05-26
1	Skid Steer	N/A	N/A
1	Excavator	N/A	N/A
1	Plate Compactor	N/A	N/A
1	Jumping Jack Compactor	N/A	N/A
1	Bulldozer	N/A	N/A
1	Dump Truck	N/A	N/A
1	Mini Excavator	N/A	N/A
1	Telescopic Handler	DAF No. 1 Works and General Cleaning/set-up	2022-05-24 to 2022-05-26
2	Skyjack	DAF No. 1 Tank Works - Wall Works, Bridge Installation, Centre Well Installations	2022-05-24 to 2022-05-26
1	Boomlift	DAF No. 1 Tank Works – Centre Cage Modifications, Bridge Installation, Centre Well Installations	2022-05-24 to 2022-05-26
	Miscellaneous Tools & Equipment		2022-05-24 to 2022-05-27

KEY DELIVERIES TO SITE

DATE	MATERIALS / EQUIPMENT DELIVERED	NOTES
2022-05-24	<ul style="list-style-type: none"> Remaining Items for DAF Packing List 9 	<ul style="list-style-type: none"> Remaining Saturation Diffusers, Scraper Modification Pieces for Change Directive 2, Mixer Housing, Remaining Checker Plates for Bridge
2022-05-26	<ul style="list-style-type: none"> Brick Products (Mortar and Cellvent) 	
2022-05-27	<ul style="list-style-type: none"> Mortar Drop Control 	

WORK COMPLETED

DATE & WEATHER	SUMMARY OF WORK	ASSOCIATED PHOTOS
2022-05-23 Partly Cloudy 19°C/12°C	<ul style="list-style-type: none"> No contractors or sub-contractors on site (Statutory Holiday). 	No photos to include for this date
2022-05-24 Sunny 19°C/12°C	<ul style="list-style-type: none"> Lancaster Group Inc. installing refrigerant lines for the Fan Coil Units in the Auxiliary Building. Maple working with Ayr Welding to adjust the centre cage. Cameron Crane on site with crane to lift drive off the centre cage and place after centre cage modifications (in response to the drive/centre cage interference encountered on 2022-05-19). Napier Reid on site to direct the centre cage modifications. The interference was resolved. Napier Reid on site to work with Maple and Ayr Welding on the centre cage modifications. Napier Reid also inspecting DAF equipment on site. Adam Luffman with Urethane Foam Consultants (UFC) on site to complete spray foam insulation inspection on the Auxiliary Building on the lower portion of the cavity walls. Cutting Edge Insulation completed modifications per UFC's inspection including scrapping some insulation along the bottom edge to provide more uniformity. 	1 – 26
2022-05-25 Partly Cloudy 18°C/16°C	<ul style="list-style-type: none"> Moir Crane on site for DAF No. 1 bridge installation. Maple Electric on site to observe DAF No. 1 bridge installation and ensure no interference with on-bridge conduit and electrical equipment. Napier Reid on site to observe DAF No. 1 bridge installation and anchorage. Lancaster Group Inc. on site installing refrigerant lines for the Fan Coil Units in the Auxiliary Building. Maple and Ayr Welding working to install the DAF No. 1 bridge in place. Maple removing form ties from interior of DAF No. 1 tank. Tarpon filling in form tie holes on interior of DAF No. 1 tank and chipping away concrete ridges from wall extension pour in preparation for reinforcing fabric and cem-kote flex ST application. 	27 – 56
2022-05-26 Mostly Cloudy with Morning Rain 21°C/16°C	<ul style="list-style-type: none"> Maple and Ayr Welding installing the first DAF No. 1 well after the centre column (3.5 m inlet well). Maple and Ayr Welding installing the new 750 mm DAF No. 1 influent line within DAF No. 1 Tank. Tarpon completing type 4 repair (crack repair by polyurethane injection) to several leak spots within the DAF No. 1 Tank interior wall from previous un-used chemical line penetrations. 	57 – 72

	<ul style="list-style-type: none"> Tarpon working within the DAF No. 1 Blowdown Chamber to complete coating the top of the 1st level floor slab with SikaTop 111 to a smooth finish. Maple completing removing form ties from interior of DAF No. 1 tank with Tarpon completing filling in the form tie holes. Maple and Tarpon pressure washed the interior of the concrete wall extension of DAF No. 1 tank. 	
2022-05-27 Mostly Sunny 21°C/12°C	<ul style="list-style-type: none"> Moir Crane on site for DAF No. 1 installs (11.5 m Flocculation Well). Vito Masonry commencing brick installation on the Auxiliary Building exterior walls. Cellvent installed every third brick of the first course along the foundations. Mortar drop control was included after site instruction given per base scope. Maple and Ayr commencing installing the bottom plates and side well pieces of the 11.5 m flocculation well into DAF No. 1 Tank. The DAF No. 1 influent line (750 mm custom transition piece from the existing Clarifier No. 2 effluent pipe stub to the DAF No. 1 Inlet Well) was removed due to coatings port window missing. Tarpon working on installing the reinforcing fabric and cem-kote flex ST + 2 layers of cem-kote flex ST on the wall extension of the DAF No. 1 Tank. Completed a ~55 foot length section near the existing pipe stubs. 	73 –84

KEY CONTRACTORS AND SUBCONTRACTORS ON SITE

- Maple Reinders Constructors Ltd. (Maple), 2022-05-24 to 2022-05-27
- Maple Electric, 2022-05-25
- NJS Excavation (NJS), N/A
- Velez Construction (Velez), N/A
- Tarpon, 2022-05-24 to 2022-05-27
- Lakeshore / Lake Erie Concrete Supply, N/A
- AGF, N/A
- KT Excavating, N/A
- Jake's Crane Service, N/A
- Moir Crane Service, 2022-05-25 and 2022-05-27
- Tri County Crane & Machinery Moving, N/A
- Brevon Concrete Cutting and Coring, N/A
- Red Line Contracting, N/A
- Gillett Roofing, N/A
- Vito Masonry, N/A
- Cutting Edge Insulation, 2022-05-24
- Aluma Safway, N/A
- Napier Reid, 2022-05-24 to 2022-05-25
- Greatario, N/A
- Prestressed Systems Incorporated (PSI), N/A

- Earl S Ross, N/A
- Stonhard, N/A
- Lancaster Group Inc., 2022-05-24 to 2022-05-25
- Ayr Welding, 2022-05-24 to 2022-05-27
- Cameron Crane, 2022-05-24

VISITORS AND PURPOSE OF VISIT:

- Adam Luffman (Urethane Foam Consultants) – Spray Foam Insulation Inspection for Auxiliary Building, 2022-05-24

REQUESTED REVISIONS OR INTERPRETATIONS, FIELD INSTRUCTIONS, CHANGE DIRECTIVES

- None received during this period.

NONCONFORMING WORK REPORTED TO CONTRACTOR:

- None to note during this period.

ISSUES THAT MAY LEAD TO DELAYS IN PROJECT DELIVERY:

- None to note during this period.

ATTACHMENTS AND OTHER INSPECTION/OBSERVATION REPORTS:

- None to include during this period.

PHOTOS



1. DAF No. 1 Tank (2022-05-24)



2. DAF No. 1 Bridge with Conduit and Conduit Supports (2022-05-24)



3. DAF No. 1 Bridge with Conduit and Conduit Supports (2022-05-24)



4. DAF No. 1 Bridge with Conduit and Conduit Supports (2022-05-24)



5. DAF No. 1 Bridge with Conduit and Conduit Supports (2022-05-24)



6. DAF No. 1 Bridge with Conduit and Conduit Supports (2022-05-24)



7. DAF No. 1 Bridge with Conduit and Conduit Supports (2022-05-24)



8. DAF No. 1 Bridge with Conduit and Conduit Supports (2022-05-24)



9. DAF No. 1 Bridge with Conduit and Conduit Supports (2022-05-24)



10. DAF No. 1 Bridge with Conduit and Conduit Supports (2022-05-24)



11. DAF No. 1 Bridge with Conduit and Conduit Supports (2022-05-24)



12. DAF No. 1 Bridge with Conduit and Conduit Supports (2022-05-24)



13. Auxiliary Building – Spray Foam Completion (2022-05-24)



14. Auxiliary Building – Spray Foam Completion (2022-05-24)



15. Auxiliary Building – Spray Foam Completion (2022-05-24)



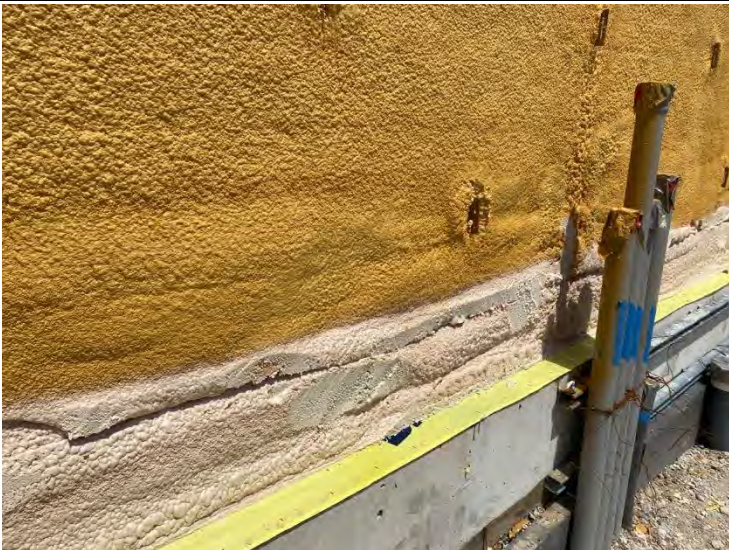
16. Auxiliary Building – Spray Foam Completion (2022-05-24)



17. Auxiliary Building – Spray Foam Completion (2022-05-24)



18. Auxiliary Building – Spray Foam Completion (2022-05-24)



19. Auxiliary Building – Spray Foam Completion (2022-05-24)



20. DAF No. 1 – Corrections to Centre Cage due to Interference from Centre Cage / Drive Interference (2022-05-24)



21. DAF No. 1 – Corrections to Centre Cage due to Interference from Centre Cage / Drive Interference (2022-05-24)



22. Auxiliary Building – Approach Slab Control Joint (2022-05-24)



23. Auxiliary Building – Approach Slab Control Joint (2022-05-24)



24. DAF No. 1 Influent and Effluent Piping (750mm) (2022-05-24)



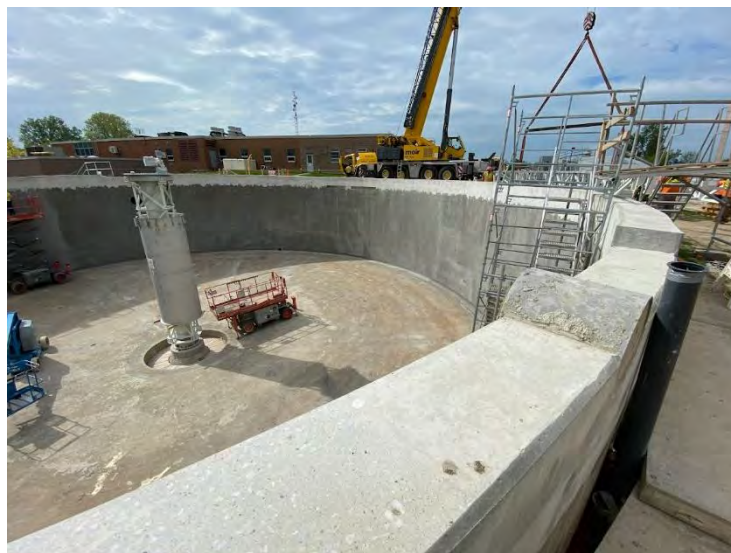
25. DAF No. 1 – Centre Cage and Column (2022-05-24)



26. DAF No. 1 – Centre Cage and Column: Cage and Drive Interference Corrected (2022-05-24)



27. DAF No. 1 – Bridge Bearing Plates (2022-05-25)



28. DAF No. 1 – Preparation for Bridge Install (2022-05-25)



29. DAF No. 1 – Removal of Form Ties and Fill in Form Tie Holes (2022-05-25)



30. DAF No. 1 – Removal of Form Ties and Fill in Form Tie Holes (2022-05-25)



31. DAF No. 1 – Removal of Form Ties (2022-05-25)



32. DAF No. 1 – Removal of Form Ties (2022-05-25)



33. DAF No. 1 Bridge Install (2022-05-25)



34. DAF No. 1 Bridge Install (2022-05-25)



35. DAF No. 1 Bridge Install (2022-05-25)



36. DAF No. 1 Bridge Install (2022-05-25)



37. DAF No. 1 Bridge Install (2022-05-25)



38. DAF No. 1 Bridge Install (2022-05-25)



39. DAF No. 1 Bridge Install (2022-05-25)



40. DAF No. 1 Bridge Install (2022-05-25)



41. DAF No. 1 Bridge Install (2022-05-25)



42. DAF No. 1 Bridge Install (2022-05-25)



43. DAF No. 1 Bridge Install (2022-05-25)



44. DAF No. 1 Bridge Install (2022-05-25)



45. DAF No. 1 Bridge Install: Bearing Plates for Bridge Edge Distance (2022-05-25)



46. DAF No. 1 Bridge Install: Bearing Plates for Bridge Edge Distance (2022-05-25)



47. DAF No. 1 Bridge Install (2022-05-25)



48. DAF No. 1 Bridge Install (2022-05-25)



49. DAF No. 1 Tank (2022-05-25)



50. DAF No. 1 Tank (2022-05-25)



51. DAF No. 1 Tank (2022-05-25)



52. DAF No. 1 Tank: Form Ties Removed and Filled (2022-05-25)



53. DAF No. 1 Tank: Form Ties Removed and Filled (2022-05-25)



54. DAF No. 1 Tank: Form Ties Removed and Filled (2022-05-25)



55. DAF No. 1 Bridge (2022-05-25)



56. DAF No. 1 Bridge (2022-05-25)



57. DAF No. 1 Equipment Installations (Centre Well) (2022-05-26)



58. Auxiliary Building (2022-05-26)



59. Cement for Brick Install (2022-05-26)



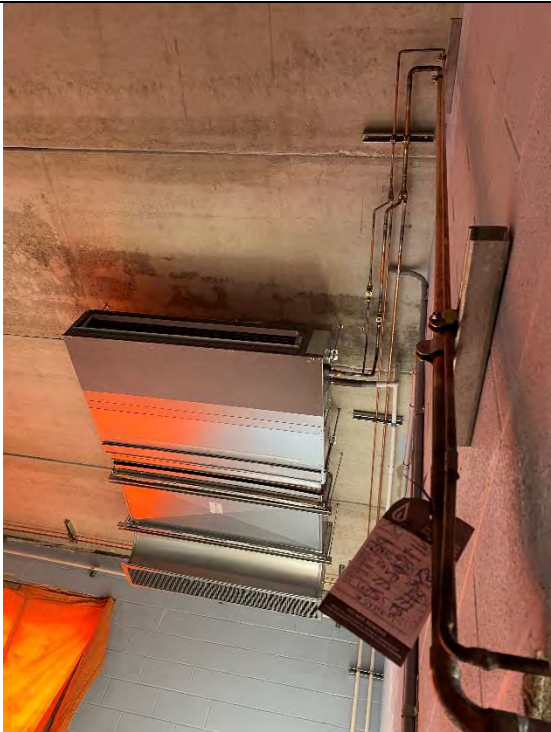
60. DAF No. 1 Equipment Installations (Influent Line) (2022-05-26)



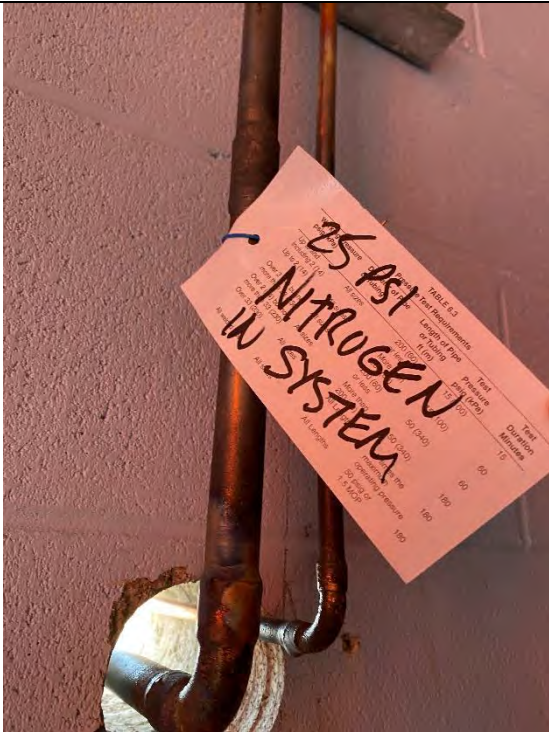
61. DAF No. 1 Equipment Installations (Influent Line) (2022-05-26)



62. DAF No. 1 Equipment Installations (Influent Line) (2022-05-26)



63. Auxiliary Building – Fan Coil Unit 1 (2022-05-26)



64. Auxiliary Building – Fan Coil Unit 1 (2022-05-26)



65. Auxiliary Building – Fan Coil Unit 2 (2022-05-26)



66. Auxiliary Building – Fan Coil Unit Lines (2022-05-26)



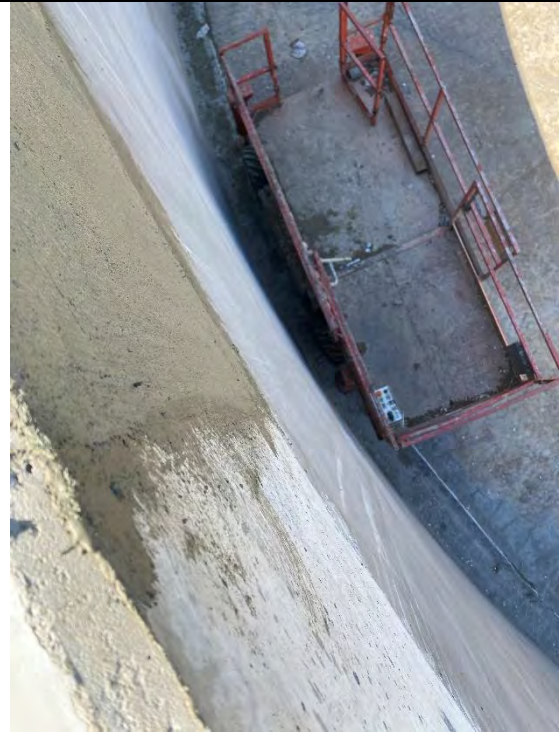
67. Auxiliary Building – Fan Coil Unit 2 (2022-05-26)



68. DAF No. 1 Tank – Influent Well Installation (2022-05-26)



69. DAF No. 1 Tank – Coatings on Wall Extension (2022-05-26)



70. DAF No. 1 Tank – Coatings on Wall Extension (2022-05-26)



71. DAF No. 1 Tank – Coatings on Wall Extension (2022-05-26)



72. DAF No. 1 Tank – Center Well Pieces (11.5m) (2022-05-26)



73. DAF No. 1 – Center Well (11.5m) Installation (2022-05-27)



74. DAF No. 1 Tank Wall Extension Coatings (2022-05-27)



75. Auxiliary Building – Brick Install Commencement (2022-05-27)



76. Auxiliary Building – Brick Install (2022-05-27)



77. Auxiliary Building – Brick Install (2022-05-27)



78. Auxiliary Building – Brick Install (2022-05-27)



79. Auxiliary Building – Brick Install (2022-05-27)



80. Auxiliary Building – Brick Install (2022-05-27)



81. Auxiliary Building: Mortar Drop Control for Brick Install (2022-05-27)



82. Auxiliary Building – Brick Install Air Gap of 1" (2022-05-27)



83. Auxiliary Building: Cell Vent Example (2022-05-27)



84. Auxiliary Building: Brick Install (2022-05-27)

UW/14/22

**To: Chair and Members of the Union Water
Supply System Joint Board of Management**

From: Rodney Bouchard, Union Water Manager

Date: June 9, 2022

**Re: UWSS Restructuring to Municipal Services Corporation - Next
Steps**



Recommendation:

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

That the UWSS Board directs the UWSS General Manager to request audience with the Councils of the Municipality of Leamington, Town of Kingsville, Town of Essex and Municipality of Lakeshore, as owners in common of the Union Water Supply System, to present and seek Councils adoption of the Legal and Financial Business Case for Restructuring the UWSS into a Municipal Services Corporation.

Background:

Since 2017, the Union Water Supply System (UWSS) has been working towards the restructuring of UWSS from a “Joint Board of Management” structure that is owned as tenants-in-common by the municipalities of Essex, Kingsville, Lakeshore and Leamington into a Municipal Services Corporation under Section 203 and Ontario Regulation 599/06 of the Municipal Act 2001. Municipal ownership of the UWSS Municipal Corporation would be as shareholders of the corporation.

At the direction of the UWSS Board, UWSS retained Price Waterhouse Coopers (PwC) and Willis Business Law of Windsor to complete the financial and legal aspects of this work. The UWSS restructuring team (UWSS, PwC and Willis Business Law), have been working diligently to draft the Restructuring Business case and all the supporting documents needed for the restructuring. Although it was the initial hope to complete this work much sooner than now, progress on the restructuring was affected by a number of events including the 2018 municipal election, changes to the UWSS Board, municipal administrative staffing changes, and the COVID-19 pandemic.

June 9, 2022 -UW/14/22

Re: UWSS Restructuring to Municipal Services Corporation - Next Steps

Discussion:

As of Spring 2021, the UWSS restructuring team has been working closely with administration and senior staff of the four owner municipalities to ensure success for the UWSS restructuring. Numerous meetings have been held with senior municipal administrative, legal and financial to complete the necessary documents and review possible changes to municipal processes associated with the restructuring.

Willis Business Law has prepared the legal business case and documents needed to create and incorporate UWSS into a Municipal Services Corporation (MSC) under Section 203 and Ontario Regulation 599/06 of the Municipal Act 2001. The new corporate structure would consist and achieve the following:

- Four owner municipalities become shareholders of UWSS Inc. instead of owners in common. Ownership shares would be determined by water demand from each municipality.
- Ownership shares would consist of “tracking shares” that would be reviewed every 4 years based on water demand from each municipality
- UWSS Board of Directors would consist of 12 Board members. Each shareholder would appoint one (1) Director to the UWSS Board. Shareholders would also appoint one (1) additional Director to the UWSS Board for every 10 percent water demand for their respective municipalities.
- A maximum of two (2) Directors appointed by each municipal shareholder would be either elected or employed municipal members. For example, the Town of Kingsville would be able to appoint four (4) Directors to the UWSS Board since it is a shareholder and also uses over 30% of UWSS water output. However, only two (2) of the appointed directors could be an elected councillor or municipal staff. The other appointed directors would need to be independent of the municipal corporation.
- When appointing Independent Directors, municipal shareholders shall consider the required competencies of prospective Board members including, but not limited to, legal, accounting, information technologies and engineering competencies.
- A corporate UWSS would be liable for itself and provide better liability protection to municipal shareholders
- Existing UWSS “common” assets would be transferred from joint municipal ownership to UWSS Inc ownership. Any disputes on asset ownership would be reduced. A policy would be developed between UWSS Inc and municipal shareholders on any new future watermain/ transmission infrastructure in regards to finance and ownership.

In regards to the financial aspect of the restructuring, PwC prepared a report titled “Union Water Supply System Financial Structure Business Case” that details a financial structure for UWSS that can achieve the above legal criteria and outlines an implementation plan and schedule for the corporate structure. The PwC report concludes that a financial restructuring of UWSS can achieve the following:

June 9, 2022 -UW/14/22

Re: UWSS Restructuring to Municipal Services Corporation - Next Steps

- Have the ability to independently obtain grants from senior governments;
- Become a credit worthy entity with the ability to secure its own debt;
- Become financially independent from the owner municipalities
- Develop a financial planning structure that would address future capital requirements without creating “rate shock” to the end users customers
- Have the ability to develop rates for different sectors to accommodate sector growth;
- Develop agreements between UWSS and shareholder municipalities for revenue recovery and address “bad debt” accounts. These agreements would minimize any changes to existing municipal financial billing processes

PwC has developed the financial model and plan for the UWSS for 50 year into the future. This plan accommodates the proposed UWSS capital plan for 2023-2030 that is valued at over \$120 million and includes new reservoir #3 at the plant, replacement of some large watermain, expansion of Cottam Booster and construction of a new membrane “peaker” treatment plant. This plan is based on a lower annual base rate increase that is currently being used in the existing financial plan.

It should be noted that the legal and financial business case and associated restructuring documents, including the PwC financial plan, have been prepared with extensive collaboration with senior staff of the owner municipalities.

Concluding Remarks:

The legal advice provided by Willis Business Law as part of the legal restructuring business cases provides sound reasoning from a legal perspective that the UWSS and its owner municipalities would benefit from a governance restructuring of UWSS into a Municipal Services Corporation. Further, the PwC Financial Restructuring Business, including the financial model and plan, recommends a financial structure that appears to be financially sound and would provide future financial stability to UWSS and its municipal shareholders while also addressing future infrastructure needs.

It's the UWSS General Manager's belief that the re-structuring of the UWSS into a Municipal Services Corporation would result in considerable benefit to the UWSS and to its owner municipalities. The result would be a resilient and sustainable corporate water utility that is able to self-finance and incur debt; can obtain senior government grants for water related works; provides increased liability protection to its shareholder municipalities, Board directors, and UWSS staff.

In order to achieve this goal, the UWSS requires the adoption of the UWSS Restructuring Business Case (legal and financial) by the UWSS' four owner municipalities. Thus, it is the UWSS General Manager's recommendation that the UWSS Board direct the UWSS General Manager to request audience with the Councils of the four owner municipalities for the following purposes:

June 9, 2022 -UW/14/22

Re: UWSS Restructuring to Municipal Services Corporation - Next Steps

- To allow UWSS and its retained legal counsel, Willis Business Law, to present the legal advice and business case on UWSS Restructuring;
- To allow UWSS and its retained financial consultant, PwC, to present the UWSS Financial Restructuring Business Case
- To seek municipal council adoption of the legal and financial business cases for restructuring of UWSS into a Municipal Services Corporation.

It is the UWSS General Manager's intent to present this information to each of the 4 municipal councils before the end of July 2022.

Respectfully submitted,



Rodney Bouchard, General Manager
Union Water Supply System Joint Board of Management

rb/kmj

Filename: t:\union wtr\reports to board\2022\uw14-22 uwss restructuring to municipal services corporation-next steps.docx