



THE MUNICIPALITY OF
LAMBTON SHORES

**Grand Bend and Area Joint Sewage Board
AGENDA**

Meeting #: 03-2019
Date: Friday, September 6, 2019
Time: 9:30 a.m.

Pages

1. Call to Order

The Chair called the Grand Bend and Area Joint Sewage Board Meeting to order at a.m.

2. Declaration of Pecuniary Interest

3. Approval of the Agenda

RECOMMENDATION:

THAT the Agenda for the September 6, 2019 Grand Bend and Area Joint Sewage Board meeting be approved.

4. Minutes of Previous Meeting

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RECOMMENDATION:

THAT the Minutes of the June 7, 2019 Grand Bend and Area Joint Sewage Board Meeting as presented, be approved.

5. Correspondence

There was no correspondence submitted.

6. Presentations & Delegations

7. Staff Reports

7.1 2019 Second Quarter Operations Report

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RECOMMENDATION:

THAT Report STB 04-2019 regarding the "2019 Second Quarter Operations Report" be received.

RECOMMENDATION:

**THAT Report STB 5-2019 regarding the "2020 Draft Budget" be received;
and**

**THAT the Grand Bend Area Joint Sewage Board recommends that the
2020 Budget attached be forwarded to the Municipal Councils of
Lambton Shores and South Huron for comment.**

8. Other Business

9. Closed Session

10. Adjournment

RECOMMENDATION:

THAT the September 6, 2019 meeting adjourn at a.m.



THE MUNICIPALITY OF
LAMBTON SHORES

The Municipality of Lambton Shores
Grand Bend and Area Joint Sewage Board
Minutes

Friday, June 7, 2019
9:30 a.m.

Members Present: Bill Weber, Lambton Shores, Chair
Doug Cook, Lambton Shores, Member
Jim Dietrich, South Huron, Member
George Finch, South Huron, Member
Dave Maguire, Lambton Shores, Member
Marissa Vaughan, South Huron, Member
Barb Willard, South Huron, Alternate

Member Absent: Dan Sageman, Lambton Shores, Member

Staff Present: Stephen McAuley, Lambton Shores, Director of Community Services
Janet Ferguson, Lambton Shores, Treasurer

Staff Present: Don Giberson, South Huron, Director of Infrastructure and Development
Alex Wolfe, South Huron, Recording Secretary
Rebekah Msuya-Collison, Clerk

Others Present Jordan Rudanycz, BDO Canada LLP
Rick Marsh, Jacobs Area Manager

1. Call to Order

The Chair called the meeting to order at 9:30 am.

2. Declaration of Pecuniary Interest

None.

3. Approval of the Agenda

Motion: 19-0607-01

Moved By: D. McGuire

Seconded By: G. Finch 19-0607-01

THAT the Agenda for the June 7, 2019 Grand Bend and Area Joint Sewage Board meeting be approved.

Carried

4. Minutes of Previous Meeting

Motion: 19-0607-02

Moved By: J. Dietrich

Seconded By: D. Cook

THAT the Minutes of the April 12, 2019 Grand Bend and Area Joint Sewage Board Meeting as presented, be approved.

Carried

5. Correspondence

None.

6. Presentations & Delegations

None.

7. Staff Reports

7.1 2018 Draft Audited Financial Statements

Report presented by Jordan Rudanycz, BDO. Mr. Rudanycz presented an outline of the 2018 draft Audited Financial Statements and noted that the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting.

The Committee noted that R. Msuya-Collison and J. Ferguson would prepare the letter the auditors with regards to fraud and error on the audited financial statements.

Chair Weber gave an overview of voting rights for members and alternates for the Board.

Motion: 19-0607-03

Moved By: D. Cook

Seconded By: J. Dietrich

THAT Report TR-14-2019 regarding the 2018 Draft Audited Financial Statements be received; and

THAT the Draft 2018 Audited Financial Statements be approved.

Carried

7.2 2019 First Quarter Operations Report

Director McAuley presented the operation report. He advised that he would confirm the actual flow numbers.

Motion: 19-0607-04
Moved By: D. Maguire
Seconded By: D. Cook

THAT Report STB 02-2019 regarding the “2019 First Quarter Operations Report” be received.

Carried

7.3 2019 Proposed Board Meeting Dates

Director McAuley advised that the proposed dates were set up with the budget in mind. Chair B. Weber advised he will not be available for July 26, 2019.

Motion: 19-0607-05
Moved By: D. Maguire
Seconded By: G. Finch

THAT Report STB 03-2019 regarding the “2019 Proposed Board Meeting Dates” be received, and;

THAT the following dates be set for future Board meetings:

July 26, 2019

September 6, 2019 – Budget meeting

September 20, 2019 –Budget meeting (if required)

November 1, 2019

January 24, 2020

Carried

8. Other Business

None.

9. Closed Session

10. Adjournment

Motion: 19-0607-06
Moved By: J. Dietrich
Seconded By: D. Cook

THAT the June 7th, 2019 meeting adjourn at 9:57 a.m.

Carried

GRAND BEND AREA JOINT SEWAGE BOARD

Report STB 04-2019

Board Meeting Date: September 6, 2019

TO: Chairman Weber and Members of the Board
FROM: Steve McAuley, Director of Community Services, Lambton Shores
RE: 2019 Second Quarter Operations Report

RECOMMENDATION:

THAT Report STB 04-2019 regarding the “2019 Second Quarter Operations Report” be received.

SUMMARY

This report is a summary of the operations for the Second quarter of 2019 for the Grand Bend Sewage Treatment Facility.

BACKGROUND

Attached is the second quarter operations report for the Grand Bend Sewage Treatment Facility up to July 31, 2019. The report includes year-to-date financial summary, a summary of flows experienced over that time and a summary of the monthly average effluent quality testing results.

Year-to-date financials show no areas of concerns at this point. As discussed with the Board in the past, MPAC has reassessed the plant, as such the tax expenses shown in the financials is the actual tax assessed.

The flow data attached shows flows from the various contributors to the system. In addition, the flow split between South Huron and Lambton Shores is shown for reference. It should be noted that the final division of costs is calculated based on the annual flows, the split shown in this report is for reference only. In response to a question raised regarding flows from Grand Cove, South Huron staff has reported that the Grand Cove flow meter was not calibrated correctly, and was over reading by 32%. Grand Cove flows in this report have been adjusted accordingly.

Second quarter effluent testing results show that the effluent quality has met or exceeded the established effluent limits in all cases, and in most cases has exceeded the objective limits. Overall the plant is producing extremely high quality effluent.

No major maintenance issues were noted during the first quarter of 2019, however the planned addition of a new alum line is proceeding forward, and will be installed by years end.

ALTERNATIVES TO CONSIDER

None, this report is information only.

RECOMMENDED ACTIONS

This report is prepared in accordance to the Board's Quarterly Report Policy 01-2017. Staff recommends the report be received for information by the Board.

FINANCIAL IMPACT

None

CONSULTATION

CH2M – Plant Operators

GRAND BEND AREA JOINT SEWAGE BOARD

Report STB 5-2019

Board Meeting Date: September 6, 2019

TO: Chair Tomes and Board Members
FROM: Steve McAuley, Director of Community Services, Lambton Shores
RE: 2020 Draft Budget

RECOMMENDATION:

THAT Report STB 5-2019 regarding the “2020 Draft Budget” be received; and

THAT the Grand Bend Area Joint Sewage Board recommends that the 2020 Budget attached be forwarded to the Municipal Councils of Lambton Shores and South Huron for comment.

SUMMARY

This report presents the draft 2020 budget for the Board’s review. If the Board is satisfied with the budget, it can be forwarded to the Participating Municipalities for comment.

BACKGROUND

The 2020 draft budget is attached for the Boards review. The financial budget portion includes the 2019 Budget and year-to-date as of July 31, 2018, as well as 2019 budget projections. The 2020 proposed budget is presented with a comparison in dollars between the 2019 budget and the proposed 2020 budget.

With each line item, the split between Lambton Shores and South Huron is shown along with the basis for the split. The legend at the bottom explains the different cost sharing formula used to calculate the cost to each municipality.

The Flow Calculation attached forms the basis for calculating the cost sharing for each municipality. For the purposes of budgeting, flows are calculated on a three (3) year rolling average. In the case of the 2020 budget, flows from 2017, 2018, and 2019 are used. In order to calculate an entire year of flows for 2019, actual flows are used up to and including July flows, with the remaining flows based on 2018 flows for their respective months. It should be noted that as per Report STB 5-2019, Grand Cove flows have been adjusted according to the corrected calibration of the flowmeter.

Based on the average flows calculated, the percentage split for the plant and for PS2 is calculated and shown in the Municipal Flow Apportionment Table.

The Revenue Calculation table shows the revenue required to be collected from each municipality based on the proposed 2020. It is important to note that the actual amount

billed to each municipality is based on actual monies spent and actual flows in the budget year.

General the 2020 draft budget maintains the level of fund previously set in the 2019 budget with the following notes:

- Taxes and Administration charges have been adjust by 2% of budget
- Municipal taxes are now shown as assessed by MPAC which results in a significant reduction from what was previously planned for.
- The Transfer to Capital Replacement has increased by 2% as per the Boards direction.
- Insurance has been adjusted by 5% of actual
- Utility costs have been adjusted to try and better match actual usage.
- Building repairs and maintenance has been increased by \$5,000 to allow for minor maintenance requirements.

Overall the draft 2020 Budget shows a net reduction of \$18,026.79 representing a decrease of 2.5%.

ALTERNATIVES TO CONSIDER

The draft 2020 budget is presented for the Boards information and discussion. No approval is required from the Board at this point, only the direction to send the budget to Lambton Shores and South Huron for comment.

RECOMMENDED ACTIONS

THAT Report STB 5-2019 regarding the “2020 Draft Budget” be received; and

THAT the Grand Bend Area Joint Sewage Board recommends that the 2020 Budget attached be forwarded to the Municipal Councils of Lambton Shores and South Huron for comment.

FINANCIAL IMPACT

The 2020 draft budget currently is established at \$722,044.12 which includes a transfer to reserve of \$213,282.00 for Capital replacement. Based on the flow data to date, the municipal split is estimated as follows:

Lambton Shores: \$437,251.95 – An decrease of \$19,078.64 over 2019

South Huron : \$284,792.17 – An increase of 1,051.85 over 2019

Actual municipal invoicing will be based on actual flows realized at the end of the year.

CONSULTATION

CH2M – for flow data

GRAND BEND AREA JOINT SEWAGE OPERATIONS
Proposed 2020 Budget - September 2019 1st Draft

	2019 BUDGET	2018 DRAFT YTD To July 31, 2019	2019 Projection	2020 BUDGET	Budget Increase/Decrease				
OWNER CONTRIBUTION									
LAMBTON SHORES CONTRIBUTION	456,330.59	228,166.18	456,330.59	437,251.95	-19,078.64				
SOUTH HURON CONTRIBUTION	283,740.32	141,870.32	283,740.32	284,792.17	1,051.85				
Intrest on Reserve	-	2,585.38	4,000.00	-	-				
TOTAL REVENUE	740,070.91	372,621.88	744,070.91	722,044.12	-18,026.79				
						Lambton Shores Share	South Huron Share	Basis of Cost Split	
ADMINISTRATIVE AND GOVERNANCE									
GENERAL ADMIN CHARGE STF	3,937.08		3,937.08	4,015.82	78.74	2,598.24	1,417.59	1	
INSURANCE STF	18,905.24	19,188.36	19,188.36	20,147.78	1,242.54	13,035.61	7,112.17	1	
INSURANCE PS2 & FORCEMAIN	-			0.00	0.00				
AUDIT	7,200.00	1,677.64	7,200.00	7,344.00	144.00	4,751.57	2,592.43	1	
ACCOUNTING SERVICES	2,040.00		2,040.00	2,080.80	40.80	1,346.28	734.52	1	
IT	500.00	49.86	400.00	500.00	0.00	323.50	176.50	1	
SCADA SUPPORT STF	2,000.00	1,099.04	1,500.00	2,000.00	0.00	1,294.00	706.00	1	
ENGINEERING STF	2,000.00			2,000.00	0.00	1,294.00	706.00	1	
LEGAL	1,000.00			1,000.00	0.00	647.00	353.00	1	
TAXES STF	81,116.62	21,858.05	42,844.01	43,700.89	-37,415.73	28,274.48	15,426.41	1	
TAXES PS2	1,819.97	1,140.38	1,140.38	1,163.19	-656.78	581.59	581.59	2	
Transfer to Capital Reserve Fund	209,100.00	104,550.00	209,100.00	213,282.00	4,182.00	137,993.45	75,288.55	1	
Intrest Fund Allocation		2,585.38	4,000.00	-	-				
TOTAL PART A	329,618.91	152,148.71	291,349.83	297,234.48	-32,384.43	192,139.72	105,094.76		
FIXED MTC & OPERATIONAL COSTS									
TELEPHONE STF	2,000.00	694.84	2,000.00	2,000.00	0.00	1,154.61	845.39	3	
TELEPHONE PS2	\$2,000.00	1,216.97	2,000.00	2,000.00		1,000.00	1,000.00	2	
COMPUTER EXPENSE	500.00			500.00	0.00	288.65	211.35	3	
BUILDING REPAIRS & MAINT. STF	20,000.00		18,000.00	25,000.00	5,000.00	14,432.67	10,567.33	3	
GROUNDS MAINTENANCE	3,000.00		-	2,000.00	-1,000.00	1,154.61	845.39	3	
ANNUAL PREVENTIVE MAINTENANCE *	10,176.00	5,936.00	10,176.00	10,176.00	0.00	5,874.68	4,301.32	3	
WETLAND PEST CONTROL	1,000.00		750.00	1,000.00	0.00	577.31	422.69	3	
TOTAL PART B	38,676.00	7,847.81	32,926.00	42,676.00	0.00	24,482.54	18,193.46		
VARIABLE OPERATIONAL COSTS (RELATED TO FLOWS)									
OMI ADMINISTRATIVE COSTS STF *	34,325.00	20,022.17	34,325.00	38,908.95	4,583.95	22,462.41	16,446.54	3	
OPERATOR WAGES STF *	100,378.00	58,553.88	100,378.00	102,926.17	2,548.17	59,419.99	43,506.18	3	
ELECTRICAL COSTS STF	110,250.00	43,205.36	100,000.00	105,000.00	-5,250.00	60,617.22	44,382.78	3	
ELECTRICAL COSTS PS2	9,450.00	6,964.25	9,000.00	9,500.00	500.00	5,504.86	3,995.14	4	
UNION GAS STF	38,850.00	13,077.83	35,000.00	38,850.00	0.00	22,428.37	16,421.63	3	
WATER STF	18,000.00	16,489.91	25,000.00	25,000.00	7,000.00	14,432.67	10,567.33	3	
WATER PS2	500.00	97.36	200.00	400.00	-100.00	231.78	168.22	4	
CHEMICALS *	45,097.00	26,306.56	45,097.00	46,242.80	1,145.80	26,696.29	19,546.51	3	
LABORATORY SAMPLING *	14,926.00	8,706.88	14,926.00	15,305.72	379.72	8,836.10	6,469.62	3	
TOTAL PART C	371,776.00	193,424.20	363,926.00	382,133.64	10,357.64	220,629.70	161,503.94		
TOTAL EXPENSES	740,070.91	353,420.72	688,201.83	722,044.12	-18,026.79	437,251.95	284,792.17		

Legend for Basis of cost split	
Capital split for plant (64.7% LS, 35.3% SH)	1
Capital split for PS2 (50% LS, 50% SH)	2
Flow Proportion to Plant	3
Flow Proportion to PS2	4

GRAND BEND AREA JOINT SEWAGE OPERATIONS
2020 Flow Calculations

2020 FLOW CALCULATION PROJECTION (m3)						
Month	PS2	POG	HC Playhouse	Pinery	Oakwood	Grand Cove
Jan	22901	1074	77	42	1820	11162
Feb	21219	1490	59	28	1384	9298
Mar	17879	815	67	30	1363	8520
Apr	30527	1922	87	126	1570	12971
May	23108	862	107	747	1529	6951
June	22020	664	194	1114	1633	5724
July	35569	907	292	5575	3152	5726
Aug	30269	1067	459	5941	2402	5719
Sept	25763	484	386	2214	2247	5664
Oct	15571	698	140	594	1459	8174
Nov (2016)	27590	1154	67	46	1205	10230
Dec (2016)	14540	670	53	50	1148	7615
Total	286956	11807	1988	16507	20912	97753
Avg Month	23913	984	166	1376	1743	8146
Avg Annual	286956	11807	1988	16507	20912	97753
Replaces 2017 actual flows						

2018 FLOW CALCULATION ESTIMATE (m3)				
	2020 (3 YR AVG)	2019 (projection)	2018	2017
Main Pump (PS2)	286,053	286,956	294,672	276,530
GRAND COVE	98,364	97,753	109,263	88,076
OAKWOOD	21,933	20,912	20,707	24,179
Lambton Shores (PS2 - GC & Oakwood)	165,756	168,291	164,702	164,275
POG	11,338	11,807	13,274	8,932
HCP	2,445	1,988	2,674	2,674
Pinery	17,368	16,507	17,427	18,170
Grand Total Flows To GB plant (PS2 Flow Plus Remaining Sources)	317,204	317,258	328,047	306,306
MUNICIPAL TOTALS				
SOUTH HURON	134,080	132,460	145,918	123,861
LAMBTON SHORES	183,124	184,798	182,129	182,445
TOTAL	317,204	317,258	328,047	306,306

MUNICIPAL FLOW APROPORTIONMENT

	Lambton Shores	South Huron
PS2 Flow Proportions	57.95%	42.05%
GB Plant Proportions	57.73%	42.27%

Revenue Calculation			
	Total	Lambton Shores	South Huron
Part A - per agreement			
PS 2- 50% LS, 50% SH	1,163.19	581.59	581.59
Treatment Facility - 64.7% LS, 35.3% SH	296,071.29	191,558.12	104,513.17
Total Part A	297,234.48	192,139.72	105,094.76
Part B - Flow Based			
PS2	-	-	-
Plant	42,676.00	24,637.15	18,038.85
Total Part A	42,676.00	24,637.15	18,038.85
Part C - Flow Based			
PS2	9,900.00	5,736.65	4,163.35
Plant	372,233.64	214,893.05	157,340.59
Total Part C	382,133.64	220,629.70	161,503.94
Total	722,044.12	437,406.56	284,637.55