

Meeting Minutes

Victoria Water & Sewage Commission
Meeting – Saturday, January 28th, 2023
8:30 AM – Old School
730 Victoria Road, Victoria

In Attendance: Brian Clapson (Chair), Tom Wright (Vice-chair), Ian Dennison, Jamie-Lee Brown, Sharlene MacEachern, Christina Wright, and Hilary Price (Projects Support).

Absent: Nil

Meeting called to order:

Meeting was called to order by the Chair at 0830 AM.

Introductory Remarks by the Chair

The Chair took this opportunity to welcome all the members to the commission. The following comments were then made:

- o Reminder to the Commission of the many significant issues and challenges, including the current major projects, that will be before them for consideration.
- o The creation of the Commission as a stand-alone corporate structure has each commissioner functioning in many ways as a corporate board member, along with all the responsibilities and liabilities associated with that.
- o The relationship of the Commission with council is primarily through nominating council members to the commission and approval of the Water and Sewer utility budgets. All the responsibility for oversight and governance for the water and sewer utility is placed upon the commission members with the COA responsible for operational side, including supervision of the operator and management of all projects.
- o As we move forward to accept the minutes of the last commission, this then is our start point into assuming this commission's role in oversight of the Victoria Municipal Water and Sewer Utility.

Approval of Agenda:

Hilary Price submitted a written scope change within the causeway bridge water line project to enable coverage under Canada Communities Building Fund, for consideration, and possible approval by the commission.

Motion moved to approve the agenda with the above addition if time permits. Moved by Sharlene MacEachern, seconded by Ian Dennison. Motion carried.

Conflict of Interest:

No declaration of conflict of interest.

Approval of Minutes of October 27th, 2022

As none of the current commission members were active at that time, no errors or omissions could be noted.

Motion moved to state that the current commission does not have the background knowledge and current resources to interpret the minutes. Motion moved by Christina Wright seconded by Tom Wright. Motion carried.

Public Presentations – none

Business Arising from Minutes:

- Wharf sewage infrastructure – Hilary Price updated the members on the history, design challenges and subsequent changes, and implementation plan. The current state of the project is near the tendering phase. Payment for this is through the Canada Communities Building Fund, previously known as the Gas Tax Fund. The restaurant expansion on the wharf was brought up and if it would affect the design by changes in user capacity.

Action Point: Hilary Price to contact the restaurant in question for more information about seating capacity.

- Water line over the causeway – Hilary Price updated the members on the history, design challenges and subsequent changes. Currently, the commission is in violation of the timeline for the repair of the leak. The current state is in the design phase which would next move to tendering. This project will also be covered through the Canada Communities Infrastructure Fund through an application to change the current capital projects list through council.

Currently approximately 13,000.00 has been spent on a temporary repair that continues to leak.

- IRAC Submission – Hilary Price updated the members on the successful submission and that the fee increase will be retroactive to April of last year.
- Water and Sewer Operator Contract – to the best of the current administrative memory and search, there is no signed contract for either last year or this year. A discussion occurred on how to solve this issue.

Action Point: with the hiring of the new CAO, effort will be made to address this deficiency and enter a discussion with the operator.

Motions and Actions List From the last commission meeting

1. Motion to approve hiring Stantec as engineers for the causeway repair – completed.
2. Motion to submit the fee increase to IRAC – completed. Hilary Price provided background and updated the commission on this process.
3. Incomplete Action Items
 - Provision of operator bill – not available currently.
 - Process for notifying residents of balance due – currently in progress by the municipality.
 - Writing-off the non-used assets such as the water meter asset value – A short discussion around this topic was short of facts and understanding as to why this was an action item. More information will be required on this topic but will await the new CAO.
 - Follow-up on the post Hurricane Fiona water and sewer issues – nothing to date has been completed on this topic. This is a very important aspect of the water and sewer resiliency and requires follow-up.

Action Item – brief and assist the new CAO in putting together a listing of water and sewer issues from the storm for follow-up.

Reports and Updates

1. Monthly Operator Report – Not available
2. Water Test Summary – for informational purposes. A general discussion around interpretation and rationale of testing left the commission without an understanding of the current assessment system.
3. CAO Update – Marsha Empson is currently the acting CAO, with active recruitment currently in process.

New Business

- a. Safety Issue at the electrical panel – wharf location (verbal concern identified by the operator, there is no written report available). Apparently, this fall when the pumps were being removed for the winter there was smoke arising from the electrical connections. The operator will not re-install the pumps unless this is corrected.

Action Point – to get more information on this issue, CAO to engage appropriate trade (electrician) to meet with the operator and tour the area of concern. (Preferably with CAO in attendance, due to the urgency of this issue.)

- b. Completing Due Diligence Process / Discussion of the current situation of the Water and Sewer Commission. Due diligence may be defined as the care a reasonable person exercise to avoid harm to other persons or their property. In the case of the commission, to do your homework, identifying that there are the resources, administrative structure and supports, to provide the oversight and governance as mandated by the corporate structure of the commission. The members of the commission discussed the following aspects of due diligence:

- 1) *Legal Liability* – the commission, individual members, CAO and the municipality all bear significant responsibility for the operations of a safe and well managed water and sewer utility. This liability extends not only to the customers (residents) but also the operator and contractors as well as the Province of PEI and Government of Canada through various legislative acts. The provision of water and sewer services, through a commission carries key duties, that each member actively provide oversight on risks, due diligence with ongoing projects, state of the system and direction to the CAO. The CAO occupies a key interface between the system, the operator, the customers, and the commission. With this position unreliably filled in the past year, the small amount of time devoted to the water and sewer at 4 hours per week, lack of specific experience and training to manage such, has further compounded the commission and the utilities operation.

At this point the insurance coverage provided for the members of the commission and the CAO – has not been assessed to being fit for purpose or commensurate with the risk.

- 2) *Financial* – A discussion occurred around the subject of receiving good value for the dollar. As the utility is currently in debt and is paying for the current projects out of the Canada Community Building Fund, it is not self-funding. Further, with the many changes to the current projects, a significant amount of money has been spent on design changes with yet no work being completed. We do not have the resources in place to provide expertise with the management of complex projects, to ensure good value through each consultant's contract.

The utility operates without a contingency fund, relying on forward spending of the Gas Tax Fund (Canada's Community Building Fund) to cover off large capital expenses. This is really in the form of a loan that is forgiven each year. The current projects will be utilizing this resource the absolute maximum for many years, thus compromising any other needs within the municipality.

- 3) *Commercial (service to our customers)*. To answer the question of service quality, the commission lacks any standardized reporting from the operator nor feedback from residents as to their experience. The ability to quickly communicate with the customer base is not available, as was shown during and after the most recent weather event (Hurricane Fiona). There is currently no data held within the records

to provide an update on the general state of the utility to provide the service, its degree of maintenance or overall system planning needs. We are operating within a vacuum, devoid of key processes and information.

Motion to employ Hilary Price in a part-time administrative support position for the two ongoing projects – Causeway Water Line and the Wharf upgrade. Motion moved by Ian Dennison and seconded by Tom Wright. Motion carried.

- c. Schedule Dates for the next 12 months of commission meetings. A short discussion was carried out on possibly creating a schedule. Because of the urgency of the current issues, it was felt that the next meeting would be called after the upcoming council meeting.
- d. Scope change within the causeway bridge water line project to enable coverage under Canada Communities Building Fund was submitted for consideration of the commission by Hilary Price and signing by the chair. Background on this is the previous council had applied for funding under the former Gas Tax Fund – to upgrade the water line on the causeway with a view to possibly supply water to customers outside of our current boundaries. The current water line issue would be corrected as part of this and discussions with government is positive for this to be covered. Council would have to rework its current list of capital projects for this to happen.

A discussion around whether this would then require the municipality to provide water and service to outside customers when we are currently experiencing great difficulty with the many problems before the utility.

Minutes amended, by motion made at March 23, 2023 meeting, to include the following:

Councillor Tom Wright moved to accept the Change of Scope as presented, Councillor Brown seconded. Ian Dennison called for the vote and all present voted in favor, except for Member Christina Wright who abstained from voting.

In / Out Correspondence – none submitted

No other business conducted.

Adjournment

Motion to adjourn at 10:30am, moved by Tom Wright. Meeting adjourned.

Submitted by Brian Clapson, Chair