



Information Memorandum

for Richmond Community Water Inc. Customers

Questions/Concerns – Richmond Community Water Operations and Services

Bayham Council has received a number of concerns and questions regarding the operation, costs, and future of Richmond Community Water. The following information is intended to provide some additional information, and respond to some of those specific questions. Though the information may not resolve many of the issues expressed, it is hoped it will alleviate some concerns.

OVERVIEW

Ministry of the Environment (MOE) Order

The Municipality and Richmond Community Water Inc. representatives were approached by the Ministry of the Environment in October 2009 with a draft Order, requiring the Municipality to assume the Richmond Community Water System ownership and operation, to address operational issues and supply/treatment concerns they had identified. Pursuant to the Safe Drinking Water Act, the MOE has the authority to issue such an Order. The Municipality put forward concerns with the draft Order, attempting to maintain operations by the Richmond Operators. The Municipality would then concentrate solely on addressing the water supply and treatment. Though the Municipality was not fully successful in its appeal, the final Order issued was changed to provide that Richmond Community Water Inc. would retain ownership of the system, and the Municipality would be required to operate the system only until the supply and treatment issues are addressed. At such time as that is addressed, Richmond Community Water Inc. may then reassume operations. This was a significant item for Richmond, as it may be able to return to its own operators. It is planned to have this in place within approximately 18 months.

To learn more about the MOE and reasons for the Order, Richmond Community Water users may wish to refer to the MOE Order itself, dated January 20, 2010. A copy is available on the Municipal Website. The Order also contains a copy of the MOE Inspection Report and Orders issued to Richmond Community Water Inc. in 2007.

Pursuant to the final MOE Order, there are two components of Richmond Community Water that the Municipality is required to address:

1. Operation of the current system, and
2. Examination and solution of current water supply and treatment issues.

Operation of the Current System

Starting in March 2010, the Municipality commenced operating the Richmond System, as ordered by the MOE. To make the transition as easy as possible, staff did seek the input of the volunteer operators in place for Richmond Community Water Inc. for as much background information as they could provide. The municipal Water/Wastewater Department was fully occupied operating the current municipal system supplying Vienna and Port Burwell areas. In order to accommodate the additional duties in Richmond, and to ensure that overtime hours are not required for regular operations, the Municipality did contract some additional part-time assistance with a certified Operator. This did not mean that one staff person is permanently assigned to Richmond, but the overall staff pool will be carrying out these additional duties. As mentioned, overtime is not generally required for daily operations, however for call-out situations, overtime may occur.

There are of course costs incurred to provide the operation of the Richmond system. In the same way the current Vienna/Port Burwell system is operated, direct costs for operating in Richmond are being tracked, and are billed to Richmond Water customers. Only actual expenses for the Richmond System will be invoiced to the system. No costs for operations in other systems are being allocated to Richmond, or vice versa.

Water Supply and Treatment System

At the same time as operating the existing system, the Municipality has been ordered to find solutions to address MOE concerns regarding the existing supply and treatment system. The Municipality has commenced an examination of options, with the assistance of Stantec engineering. The general steps in this review will include the following:

1. Hydrogeological Review
2. Options examination (Class 2 EA or similar process)
3. Detailed design etc. of selected solution
4. Construction of selected solution

Currently, Stantec has commenced step 1. It is expected that it will complete through June, and Step 2 will then commence shortly after.

SPECIFIC COMMUNITY QUESTIONS

The following are questions received by Council at its meeting June 3rd, 2010 (in italics). The information provided for each will hopefully provide additional information regarding the above overview.

Richmond Community Water Questions

1. *Why is bottled drinking water not supplied to the residents of Richmond by the Municipality?*

In part, since the system has not been a municipal system, and has been under an Advisory for some time, alternate drinking water sources has not been considered. However, following the principal of user pay, the costs would likely be included in

fees for the system users, as with other water areas. The only other option is to ask other residents of Bayham to finance Richmond water.

2. *Why were building permits issued for the construction of new homes in Richmond? The Municipality was aware of the water problems Richmond was facing.*

The Municipality was not privy to all details regarding Richmond Community Water Inc. in recent years. Further development was permitted, but only where the developer could confirm access to water. Additions to Richmond Community Water occurred only where the developer provided proof Richmond Community Water Inc. was in agreement.

3. *Can the \$145 rate be lowered to help ease the hardship on the Residents of Richmond?*

The current \$145 amount is the estimated average monthly cost. The costs will be reconciled, with only actual costs incurred for Richmond water to be billed. This is currently planned for the end of 2010. Should the actual be less than the estimate, adjustments will be made.

4. *If it is a part-time municipal worker is who is testing Richmond Water, why hasn't Vienna & Port Burwell rates increased? Based on a municipal worker testing Vienna and Richmond.*

Due to the additional daily requirements to add Richmond water operations to the current workload, Bayham did need to add part-time staffing to the Water and Wastewater Department, in part to ensure overtime costs would not be incurred for regular daily operations. The operation of the Vienna/Port Burwell system and Richmond System is pooled within the department. No individual employee is assigned to any one system exclusively.

5. *Why are we paying benefits for a part-time worker?*

Without detailing individual employment arrangements, the Municipality is not paying benefits to part-time employees. However, as per question #4, the overall Water/Wastewater operations including Richmond Water is pooled within the department. No individual employee is assigned to one system exclusively.

6. *Is there any kind of resource to help pay for this?*

The Municipality does not have any specific resources to direct to the Richmond System. Currently, other Bayham residents are not being asked to fund Richmond Water costs. Application was made to the Community Adjustment Fund grant program, but was not successful. The Municipality continues to watch for any funding programs, and has been in contact with the area MP and MPP. Both have advised their offices will apprise the Municipality should any funding programs become available.

7. *Is it possible to have a posting of water testing results available to the community via email, website or mailbox posting?*

Municipal staff plan to circulate a quarterly report to all Richmond Water System users, that includes a summary of testing results. This report will be in the same format/content as quarterly reports currently provided to Bayham Council for the Vienna/Port Burwell system. The first quarterly report will be prepared in July. We can also make the report available on the Municipal website.

8. *What happens if no water is found that meets MOE standards?*

The process to address water supply and treatment issues will need to identify options for consideration, which could range from de-fragmentation (individual wells) to extension of the current municipal system. This will be further detailed in Step 2 of the Stantec review.

9. *Is finding a new source the solution? The MOE said that there will still be upgrades etc. which the Hamlet of Richmond can't afford.*

As mentioned in question #8, the process to be followed will need to identify options for consideration. The final solution is not determined as of yet, though a new source well is a key option being examined. It is expected there will be significant capital costs, and Bayham Council has indicated the intent that for any such costs, long-term payment plans will be implemented.

10. *Why is there a 5% interest fee tacked on to water bills if not paid?*

This late payment fee is the same as is in place for the Vienna/Port Burwell system billings, and the intent is to ensure collection of utility costs. Without collection of operating costs for utilities, other Bayham residents/taxpayers are financing the users of that utility.

11. *What is the breakdown of hours in April 2010 for the Richmond Pumphouse.*

Logs identify 29.25 hours for the Richmond pumphouse in April, plus one call-in of 4 hours. It should be noted that routine operations at the pumphouse are not all requirements for operation of the Richmond system. Other duties such as lab work, reporting to MOE and MOH, MOE consultations, etc. are part of routine operations, and the department also responds to items such as source water issues where required.

12. *Why were the residents of Richmond not notified about the Drinking Water Advisory issued on May 14th, before 5:00 pm?*

Operations staff responded to alarms at the Richmond system at approximately 10:00 am on May 14th, and proceeded in accordance with applicable regulations in cooperation with the MOE and Elgin/St. Thomas Health Unit. The Health Unit was contacted by 10:30 am and they issued their Advisory at 3:00 pm. The Advisory issued by the Health Unit was delivered by Operations staff immediately upon receipt.

13. Were we not already under a Drinking Water Advisory?

There was an existing advisory, called an operating authority drinking water advisory, issued by Richmond Community Water Inc. prior to operation by the Municipality. The event on May 14th necessitated a Health Unit Drinking Water Advisory due to turbidity levels. Notice of an operating authority advisory is not required to be delivered door to door as a Health Unit Advisory is. Subsequently the Health Unit has revised their Advisory to stay in effect until the Richmond source water is dealt with. This will ultimately save staff time in dealing with future door to door notice delivery every time there is a turbidity issue.

14. Why are we paying \$3855.00 monthly for a part-time employee?

As mentioned in question #4, the operation of the Vienna/Port Burwell system and Richmond System is pooled within the department. No individual employee is assigned to any one system exclusively. The estimated monthly fee is based on the total number of hours required to operate the system by the department, and also includes staff time required to address not only daily operations, but also some of the efforts to address the long-term solution for water source and treatment needs.

15. Please explain what Sundry is?

As mentioned in the Information Notice of April 7, 2010, Sundry is comprised of engineering costs relating to the MOE Order and engineering review of the existing system. These fees, totalling \$14,700, have been budgeted to be recovered in the monthly fee over a twelve-month period.

16. Which Richmond residents are paying \$14,700 a year?

Please see the response in question #15. These costs are included in the monthly fee being applied to all residents part of the Richmond Community Water System.

17. Why are we paying benefits for a municipal worker when some residents of Richmond can't afford basic benefits themselves?

Wage and benefit costs for Water/Wastewater operators is a function of retaining qualified and certified workers required to operate water systems in accordance with provincial legislation. These workers have made a career choice as Water Operators and as with any profession, pressures such as market demands are a factor in compensation requirements.

18. Will it ever be possible for Richmond residents to get off this system and drill their own well?

As part of the review of options mentioned in question #8, fragmentation (individual wells) is one option that may be included for review. The following response from the MOE to the same inquiry may better answer this question:

“Thank you for bringing this concern where a system or its users are considering fragmentation.

Fragmentation occurs when a system is replaced or altered in such a way that the new system is no longer regulated under the Safe Drinking Water Act (SDWA). The SDWA s.52 (3) sets out specific requirements that must be met in order to fragment a system while ensuring that there is an alternate supply of water that is sufficient in quantity and quality for all users previously served by the system. The system owner must submit the following to the Ministry of the Environment in order to fragment a system:

1. A completed Application for Approval Related to Municipal and Non-municipal Drinking Water Systems (4178e01). This application can be obtained from our local Ministry office or from the Ministry website at www.ene.gov.on.ca under the Publications sections.
2. A letter from the Medical Officer of Health (MOH) for the respective area, advising the Ministry that the MOH has been contacted about the proposed fragmentation and clearly indicating any concerns that the MOH may have with a potential fragmentation.
3. Documentation showing that notice was given to each user of the system who would cease to be served by the system if the fragmentation proceeds, including a summary of all comments, and measures to accommodate any user opposed to the fragmentation.
4. Written documentation to support that the fragmentation will not expose users of the system to a drinking water health hazard and will not endanger the natural environment (such as water quality results for the system). The documentation referred to in item 4 is normally satisfied through the submission of a report prepared by a professional engineer.”

19. Why are we paying vehicle maintenance at \$330./month? When a non-municipal vehicle has been seen working on this system. If this is a personal vehicle, are we being billed for it as well, and is this individual being paid mileage?

The Municipality charges an hourly rate for its equipment to the “job” on which it is used, to allocate the maintenance and replacement cost appropriately. Similar to an employee hourly wage, it is applied only as the vehicle is actually dispatched to the Richmond system. If an employee is required to respond to the Richmond system in a personal vehicle, there would be no charge for a Municipal vehicle. Employees required to respond with personal vehicles are however reimbursed via a mileage rate.

20. Who was it that set the \$145.00 monthly rate? The MOE or the Municipality of Bayham? --- If it was the Municipality, shame on them for even thinking that the Richmond residents can afford this!

The monthly fee has been determined by Bayham, based on estimated costs to operate the Richmond system in accordance with regulations. Additionally, the estimate includes engineering costs required to address the MOE Order and review of the current system. Again, only actual costs incurred will be allocated to the Richmond System. Recovery of the actual costs is contemplated from the Richmond Community Water system users themselves, to ensure that other Bayham residents are not being required to finance Richmond water supply.

21. What happened to the water on Sat. May 29th?

Staff responded on May 29th to the report of no water. On-site examination did not show any operation/equipment issues, but it appears that demand simply exceeded the supply ability of the current system.

22. *Are the people who take care of our system dedicated to this job only? If they have additional duties, is the amount we pay the municipality paid to them as overtime?*

As mentioned in question #4, the operation of the Vienna/Port Burwell system and Richmond System is pooled within the Water/Wastewater department. No individual employee is assigned to any one system exclusively. In order to accommodate the additional duties in Richmond, and to ensure that overtime costs are not generally incurred for regular daily operations, the Municipality contracted some additional part time assistance. Overtime therefore is not generally required for daily operations, however for situations such as call-outs, overtime may occur.

23. *Stantec said they would in Richmond drilling and putting in test wells to find a new source of water. To this date, I haven't seen them. Are they charging is by the day too?*

Stantec has been retained to assist in examining options for source water and treatment issues, including a Hydrogeological Study. This study has been initiated, and the first steps include well records review and other "desktop" works. Once this step is completed, test wells will be initiated on site. These desktop steps are required in order to ensure expensive well drilling is minimized as much as possible. Stantec will only invoice for actual time spent working on the Richmond Water system – there is no daily retainer or similar charges.