



**INFRASTRUCTURE
SERVICES
*Staff Report***

REPORT NO: IS-2024-18
TO: Council
SUBMITTED BY: Jeff Molenhuis, P.Eng., Director of Infrastructure Services
PREPARED BY: Chad Woodhouse, C.E.T., Manager of Public Works
REVIEWED BY: Sharon Chambers, Chief Administrative Officer
DATE: 2024-06-10
SUBJECT: Knipfel Private Drinking Water System Conversion Update

RECEIVED FOR INFORMATION:

THAT Council receive this report for information.

SUMMARY:

This report is provided to give an information update on the Knipfel Drinking Water System conversion project, to outline current priorities and identify next steps. On May 13, 2024, the Township of Wilmot and Region of Waterloo assumed operations and responsibility for the Knipfel Private Drinking Water System, which will be referred to as the Petersburg Distribution Water System (Petersburg DWS) under the Township's license to operate. At the Public Meeting in April, residents requested earlier water meter installations than originally planned. As such, the Township prioritized this project task and procured contracted services to install water meters. This work will take place in June and July.

BACKGROUND:

On January 15, 2024, the Ministry of the Environment, Conservation and Parks ordered the Region of Waterloo and the Township of Wilmot to assume responsibility for the Knipfel Private

Drinking Water System in Petersburg. The system is in the process of conversion to the Petersburg Distribution Water System (Petersburg DWS) under the Township. Operations responsibility transferred to the Township as of May 13, 2024, and full ownership will be transferred to the Township over time. In the Region of Waterloo, the upper tier (Region) is responsible for treating municipal drinking water and the lower tier (Township) is responsible for the municipal distribution system that provides water to customers.

The current water system primarily serves residential areas, including Deerfield Extension, Deerfield Avenue, Alice Crescent, Redford Drive, Notre Dame Drive, and Snyder's Road East. It also provides water to a community park and Emmanuel Lutheran Church.

A public meeting was held on April 4 at the St. Agatha Community Centre to inform property owners connected to the Knipfel Private DWS about the transition. During the meeting, the Township initially projected that water meter installations would be completed in the spring of 2025, based on a conservative estimate prior to securing a contractor and schedule. Residents expressed a desire for an earlier meter installation timeframe.

REPORT:

This report gives an update on the current project priorities and outlines next steps. The installation of water meters was expedited and is currently being organized for implementation.

WATER METER INSTALLATIONS

Bid Process

Local contractors were invited to quote installation services in accordance with Part V of By-law 2021-43 due to the project's local nature and the fact that many plumbers are not registered with Bids and Tenders. This approach aimed to secure the most competitive pricing. The RFQ response resulted in three quotes received. Weitzel Pumps & Water Treatment, in Shakespeare, submitted the lowest bid and was awarded the project.

Water Meter Installation Plan

The Contractor could begin water meter installations as early as the week of June 10-15, estimating to install meters on approximately three properties per day, from 8:30 am to 4:30 pm Monday to Thursday and 8:30 am to 2:00 pm on Friday. The goal is to complete all installations by the end of July.

The installation sequence was initially planned to start at the northwest end of Alice Crescent, moving eastward and then south to cover the exterior properties of the subdivision. Following this, the Contractor will focus on internal properties on Alice Crescent and Deerfield Avenue before completing installations on Notre Dame Drive, Snyders Road E, and Redford Drive. This schedule will depend on resident availability, coordinated between the residents and the Contractor. This plan relies on a cooperative process between the Township, Contractor and system user to complete individual installations as soon as possible.

Township staff from the Public Works and Building departments will collaborate to complete permitting applications and approvals, ensuring compliance with the Township's permitting process and maintaining accurate records.

To ensure compliance with the Ontario Building Code, the Township's Building Department staff will conduct regulatory inspections and approvals immediately following the installations to minimize inconvenience for residents.

The Township will provide the meters and meter transceiver units, which will remain owned by the Township.

Interim Billing

During the interim billing period, from the transfer of ownership of the Knipfel Private DWS to the Petersburg DWS (Township) on May 13 until the completion of the water meter installations, billing will be equal for all users as was communicated during the project Public Meeting in April. The Township will divide the total water supply expense from the Region of Waterloo equally among system users, based on the Region's rate of \$2.304 per m³ of water used. This is the same rate currently billed to users of the New Hamburg, Baden, St. Agatha, Mannheim, and New Dundee water systems. Individual meter billing is expected to begin in August, following the completion of meter installations.

The Township's water service charges include both fixed and variable rates. Fixed charges are based on the size of the water meter and are pro-rated for the billing period. For a 25mm water meter, which will be installed in Petersburg, the fixed portion of the bill is \$130.00 annually, in line with 2024 rates. Variable rates depend on water consumption. The average bi-monthly residential water bill for services connected to Township distribution systems is approximately \$85.34.

Account Transition Plan

After installing and activating the meters, water billing accounts will be set up for each property to allow for individual based meter billing. Residents are required to complete the Account Setup Form available online. This can also be completed through the forms included in the direct mailing package sent to residents from the Township. Submission of the form can be done either online or at the Financial Services Department, Township of Wilmot Administration Complex, located at 60 Snyder's Road West, Baden.

Communication

The Township distributed notification letters on Monday, June 3rd to all customers of the Peterburg DWS via hand deliveries, postal mail, and a post on the Region of Waterloo Engage web page - engagewr.ca/petersburg-water-system. These letters outline the water meter installation process and provide contact information for Weitzel Pumps and Treatment.

Property owners are requested to directly contact the Contractor via phone or email to schedule their water meter installation. The Township has expressed that property owners can contact the Contractor for scheduling and water meter installation inquiries and the Township for any other project related question. The Township will be working with the Contractor throughout the course of the installation, including resolving any issues that arise during scheduling or installation.

PROJECT NEXT STEPS

The Township is currently working with an engineering consultant to gather recommendations on the asset status of the existing Petersburg DWS and developing a plan to upgrade to municipal standards. This includes cost-estimates for the works needed. The review is limited to the existing serviced locations only at this time. The second PIC for this project is planned for late summer/early fall to present anticipated costs and a plan for the system works. Subject to Council approval, staff anticipate undertaking design works to prepare for construction implementation in 2025 or 2026. Both preliminary costing and construction planning will return to Council before proceeding to the next steps of the project. This will also include outlining financial planning options.

In addition to the above, the Township is working with the Ministry on licensing transfer to the Township. This includes creating detailed financial plans, studies and applications needed to be granted a system license.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

This initiative supports the goals and strategies of enhancing Responsible Governance through Active Communications, Fiscal Responsibility, and Infrastructure Investments.

FINANCIAL CONSIDERATIONS:

The expenses for the water meter installation project will be initially covered by the Township's Knipfel Petersburg Private DWS Conversion holding account. These costs will later be recovered by all properties connected to the Petersburg DWS, subject to Council approval.

ATTACHMENTS:

Attachment 1: Petersburg Water Meter Installation Notice Letter