

PETERBOROUGH UTILITIES COMMISSION

May 19, 2020

COMMISSION AGENDA
2020:05:26

NOTICE & AGENDA

AGENDA FOR THE **VIRTUAL** MEETING OF THE PETERBOROUGH UTILITIES COMMISSION TO BE HELD ON **TUESDAY, MAY 26, 2020 AT 2:00 P.M.** THE MEETING WILL BE HELD USING MICROSOFT TEAMS. A LINK TO THE MEETING IS IN THE EMAIL. THE PUBLIC CAN JOIN THE MEETING BY USING THE PHONE NUMBER POSTED ON THE PETERBOROUGH UTILITIES CALENDAR ON THE WEBSITE.

0.01 **CALL TO ORDER**

0.02 **DECLARATION OF PECUNIARY INTEREST**

1. **CONSENT AGENDA**

1.01 MINUTES – DECEMBER 5, 2019

1.02 OPERATING REPORTS

- NOVEMBER 2019
- DECEMBER 2019
- JANUARY 2020
- FEBRUARY 2020
- MARCH 2020

2. **REPORTS**

2.01 FISCAL 2019 AUDITOR'S REPORT

2.02 FISCAL 2019 AUDITED FINANCIAL RESULTS

2.03 WATER DEVELOPMENT CHARGES FOR THE YEAR ENDED DECEMBER 31, 2019

2.04 INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2020

2.05 TENDER CONTRACT W-2020-3 CONSTRUCTION OF NEW BULK WATER FILL STATION

2.06 2019 MANAGEMENT REVIEW RESULTS FOR THE DRINKING WATER QUALITY MANAGEMENT SYSTEM

2.07 2019 SUMMARY REPORT FOR MUNICIPALITIES PETERBOROUGH WATER
TREATMENT PLANT

3. **COMMUNICATIONS**

4. **NEW BUSINESS**

5. **DATE OF NEXT MEETING**

JUNE 25, 2020

6. **ADJOURNMENT**

John Stephenson
President & CEO

MINUTES OF THE MEETING OF THE PETERBOROUGH UTILITIES COMMISSION HELD ON **THURSDAY, DECEMBER 5, 2019** BEGINNING AT 6:00 P.M. THE MEETING WAS HELD IN THE BOARDROOM OF PETERBOROUGH UTILITIES GROUP, LOCATED AT 1867 ASHBURNHAM DRIVE, PETERBOROUGH, ONTARIO.

0.01 **CALL TO ORDER**

0.02 **DECLARATION OF PECUNIARY INTEREST**

1. **CONSENT AGENDA**

1.01 MINUTES – NOVEMBER 7, 2019

2. **REPORTS**

2.01 2020 OPERATING AND CAPITAL BUDGET (**SECOND READING**)

2.02 2020 WATER UTILITY RATE SCHEDULE (**SECOND READING**)

3. **COMMUNICATIONS**

2020 COMMISSION MEETING SCHEDULE

4. **NEW BUSINESS**

5. **DATE OF NEXT MEETINGS**

MARCH 2019

6. **ADJOURNMENT**

Chair

Read and approved this

day of

2020

MINUTES OF THE MEETING OF THE PETERBOROUGH UTILITIES COMMISSION HELD ON **THURSDAY, DECEMBER 5, 2019** BEGINNING AT 6:00 P.M. THE MEETING WAS HELD IN THE BOARDROOM OF PETERBOROUGH UTILITIES GROUP, LOCATED AT 1867 ASHBURNHAM DRIVE, PETERBOROUGH, ONTARIO.

Present: Councillor Don Vassiliadis, Vice-Chair
Councillor Gary Baldwin
Councillor Steven Wright
Councillor Dean Pappas

Regrets: Mayor Diane Therrien, Chair

Staff members present: Mr. John Stephenson, President & CEO
Mr. Kyle Davis, CFO
Mr. Pat Devlin, Vice-President, Water Utility Services
Ms. Patricia Skopelianos, Water Quality Manager
Mr. David Whitehouse, Vice President Customer & Corporate Services
Ms. Chrissy Rusaw, Executive Assistant

0.01 CALL TO ORDER

The Chair called the meeting to order at 6:00 p.m.

0.02 DECLARATION OF PECUNIARY INTEREST

None

1. CONSENT AGENDA

1.02 MINUTES – NOVEMBER 7, 2019

It was moved by Councillor G. Baldwin, seconded by Councillor S. Wright and carried:

“THAT the consent agenda be approved.”

2. REPORTS

2.01 2020 OPERATING AND CAPITAL BUDGET (SECOND READING)

It was moved by Councillor D. Pappas, seconded by Councillor G. Baldwin and carried:

Chair

“THAT the 2020 operating and capital budget reflecting a water rate increase of 2.4%, an operating surplus of \$2.92 million, and capital expenditures of \$8.48 million be approved.”

2.02 2020 WATER UTILITY RATE SCHEDULE (SECOND READING)

It was moved by Councillor S. Wright, seconded by Councillor D. Pappas and carried:

“THAT the 2020 Water Utility Rate Schedule reflecting a water rate increase of 2.4% be approved.”

3. COMMUNICATIONS

2020 COMMISSION MEETING SCHEDULE

It was moved by Councillor S. Wright, seconded by Councillor D. Pappas and carried:

“THAT the 2020 Commission Meeting schedule be received.”

4. COMMUNICATIONS

None

5. NEW BUSINESS

None

6. DATE OF NEXT MEETINGS

March 26, 2020

7. ADJOURNMENT

The Chair accepted a motion of adjournment by Councillor D. Pappas at 6:11 p.m.

Chair

Read and approved this

day of

2020

PETERBOROUGH UTILITIES COMMISSION **REPORT**

December 4, 2019

1.02

COMMISSION AGENDA
2020:05:26

OPERATING REPORT – NOVEMBER 2019

INFORMATION ITEM

The following monthly operating report is provided for the Commission's information.

Prepared by: Ginette Power, Administrative Assistant

Submitted by: Patrick Devlin, Vice-President Water Utility Services

Approved for Submission by: _____
President & CEO

Management Discussion

Following is the Operating Report for the month of November 2019 for the various departments:

Water Distribution Department

	<u>November 2019</u>	<u>November 2018</u>	<u>Increase Or Decrease</u>
Services Installed	0	0	0
Services Repaired	7	6	+1
Services Replaced	0	0	0
Services Cut-Off	0	0	0
Services Lowered or Insulated	0	1	0
Service Valves and Posts Repaired	18	1	+17
Fire Hydrants Installed	0	0	0
Fire Hydrants Replaced	0	0	0
Fire Hydrants Repaired	12	2	+10
Mainline Valves Installed	0	0	0
Mainline Valves Replaced	0	0	0
Mainline Valves Repaired	0	0	0
Mainline Valve Box Repairs	0	0	0

Customer Service Interruptions

<u>Address</u>	<u>Reason</u>	<u>Length of Interruption</u>	<u>No. of Customers Affected</u>
283 Townsend Street	Broken main	1.5 hrs	10
485 Armour Road	Service repair	1 hr	1
1487 Fairmount Boulevard	Service repair	0	0

<u>Address</u>	<u>Reason</u>	<u>Length of Interruption</u>	<u>No. of Customers Affected</u>
80 Victoria Avenue	Service repair	0	0
270 Woodbine Avenue	Broken main	1.4 hrs	15
307 Frederick Avenue	Service repair	1.05 hrs	15
276 Thomas Avenue	Service repair	0.05 hrs	12

Two hundred and sixty backflow tests and 60 backflow prevention surveys were completed.

Five Operators attended a Safe Drinking Water Act & Regulations course.

One Operator received his Class 1 Wastewater Collection Certificate.

Staff continued with frozen service inspections.

Water Treatment Plant and Pumping Stations

	<u>November 2019</u>	<u>November 2018</u>	<u>Increase Or Decrease</u>	<u>%</u>
<u>Water Pumpage (ML)</u>				
Total Pumpage (ML)	745.2	758.6	-13.4	-2%
<u>Rate of Pumpage (ML per day)</u>				
Maximum Day	26.5	28.3	-1.8	-6%
Average Day	24.8	25.2	-0.4	-2%
<u>Chemical Treatment (Average) (Milligrams per Litre)</u>				
Contact Tank – Chlorine	2.2	2.1	0.1	5%
Coagulant (Alum)	46.4	45.0	1.4	3%
Coagulant (PaCl)				
BW46 M Sodium Silicate (Corrosion Control & pH Adjustment)	0	0		

	November <u>2019</u>	November <u>2018</u>	Increase Or <u>Decrease</u>	<u>%</u>
Fluoride – Total	0.6	0.6	0	
Water °C	4.0	3.9	0.1	
Precipitation (mm)	47.3	102.9	-55.6	

Water Treatment Plant

The capital project to sponge blast the paint in the low lift commenced and is approximately fifty percent complete. A temporary disinfection verification analyzer was setup to avoid the need to have staff enter the low lift area while sponge basting was occurring.

Repair paving of the Water Treatment Plant parking area was completed.

Annual flow meter calibrations were completed at the WTP and various remote sites.

Flocculation and Sedimentation Basins #1 & #2 were taken out of service for cleaning and maintenance on the sludge collection system.

Reservoirs & Pumping Stations

Sherbrooke Elevated Tank- Rehabilitation of the elevated tank and fill pipe was completed. After disinfection and bacteriological analysis were complete the tank was placed back into service.

Fairmount Pumping Station – the roof was resealed and the SCADA antenna was relocated back to its original location.

Pumphouse

Full turbine maintenance was completed on Generator #1.

Normal maintenance and repairs were carried out.

Riverview Park and Zoo

In November, the Rotary Education Centre had 1 daytime booking and 9 evening bookings.

On November 8, the Manager & Curator and the Program Supervisor operated a booth at a placement fair hosted by Trent University's School of Education. Several students have subsequently applied to complete their placements at the Park and Zoo.

On November 6 the Manager and Curator provided a short behind-the-scenes tour for students participating in the “Take Your Kids to Work Day” program.

The Park and Zoo’s 2019 – 2020 Zoo Crew parent and tot education program kicked off the year with three sessions in November. Each of this year’s fall – winter sessions are completely sold out.

On November 15 the Peterborough-Kawartha Rotary Club donated \$30,000 towards new musical playground equipment. Members met at the Rotary Education Centre to assemble the equipment in preparation for its installation.

Changes to the animal collection in November included the birth of two slender-tailed meerkats, the acquisition of one red-necked wallaby and the death of one domestic rabbit (cause indeterminate).

Regular/planned animal health activities included preventative medications provided as prescribed to camels, lemur, macaws and river otter.

In November, the Animal Health Team wrapped up the 2019 planned health program completing the annual health checks for the Bactrian camels, meerkats, domestic yaks, two-toed sloth, Sichuan takin and capybara.

Two hundred and twenty-four enrichment activities were performed with a variety of species within the collection during the month of November.

Twenty-one active individual or group training sessions representing 3 species and 5 individual specimens occurred during the month of November.

Park and Zoo staff were busy with wrapping up the 2019 capital program, the new web site project, regular operations, maintenance and the winterizing of seasonal buildings and facilities.

Scheduled Public Hours

Weekday and Weekends

PARK PROPERTY	ZOO EXHIBITS	SNACK BAR	TRAIN RIDE
dawn - dusk	8:30 am – dusk	Closed	Closed

GUEST SERVICES	NORTH WASHROOM	SOUTH WASHROOM	PICNIC AREA & WASHROOM
Closed	8:30 am – dusk	Closed	Closed

Budget and Financial Implications

There were no significant changes in expenditures that would upset the budget or have financial implications.

Risk Evaluation

There were no significant changes in risk profile during this operating period.

Attachments: Nil

PETERBOROUGH UTILITIES COMMISSION **REPORT**

January 8, 2020

1.02

COMMISSION AGENDA
2020:05:26

OPERATING REPORT – DECEMBER 2019

INFORMATION ITEM

The following monthly operating report is provided for the Commission's information.

Prepared by: Ginette Power, Administrative Assistant

Submitted by: Patrick Devlin, Vice-President Water Utility Services

Approved for Submission by: _____
President & CEO

Management Discussion

Following is the Operating Report for the month of December 2019 for the various departments:

Water Distribution Department

	<u>December 2019</u>	<u>December 2018</u>	<u>Increase Or Decrease</u>
Services Installed	1	0	+1
Services Repaired	3	3	0
Services Replaced	0	1	-1
Services Cut-Off	0	0	0
Services Lowered or Insulated	0	0	0
Service Valves and Posts Repaired	2	13	-11
Fire Hydrants Installed	0	0	0
Fire Hydrants Replaced	0	0	0
Fire Hydrants Repaired	1	1	0
Mainline Valves Installed	0	0	0
Mainline Valves Replaced	2	0	+2
Mainline Valves Repaired	0	0	0
Mainline Valve Box Repairs	0	0	0

Customer Service Interruptions

<u>Address</u>	<u>Reason</u>	<u>Length of Interruption</u>	<u>No. of Customers Affected</u>
745 Lansdowne Street W	Service repair	0	1
499 Sherbrooke Street	Service repair	2.5 hrs	1
690 Otonabee Drive	Broken main	6 hrs	24

<u>Address</u>	<u>Reason</u>	<u>Length of Interruption</u>	<u>No. of Customers Affected</u>
Opposite 613 Neal Drive	Broken main	1.35 hrs	10
645 Walkerfield Avenue	Service repair	0.05 hrs	1

One hundred and thirty-eight backflow tests and 13 backflow prevention surveys were completed.

Four Operators completed a Groundwater and Well Basics course.

Four Operators completed a Groundwater and Well Advanced course.

Water Treatment Plant and Pumping Stations

	<u>December 2019</u>	<u>December 2018</u>	<u>Increase Or Decrease</u>	<u>%</u>
<u>Water Pumpage (ML)</u>				
Total Pumpage (ML)	758.3	759.6	-1.3	
<u>Rate of Pumpage (ML per day)</u>				
Maximum Day	33.8	30.4	3.4	11%
Average Day	24.4	24.5	-0.1	
<u>Chemical Treatment (Average) (Milligrams per Litre)</u>				
Contact Tank – Chlorine	2.0	2.0	0	
Coagulant (Alum)	49.9	45.9	4.0	9%
Coagulant (PaCl)				
BW46 M Sodium Silicate (Corrosion Control & pH Adjustment)	0	10.0	-10.0	-100%
Fluoride – Total	0.6	0.6	0	
Water °C	0.2	0.7	-0.5	
Precipitation (mm)	80.1	71.6	8.5	

Water Treatment Plant

Capital project to sponge blast the paint in the low lift was completed.

Cast iron discharge piping for Zone 2 Pump #1 and the service water supply line were replaced with stainless steel piping. Two isolation valves and one wafer style check valve were also replaced with the piping.

The angle drive for Zone 2 Pump #1 was rebuilt and reinstalled. In addition, the shaft and mechanical seals for the pump were replaced.

A number of staff participated in Transportation of Dangerous Goods Training.

Pumphouse

Upgrades to the heating system in the East Pumphouse were completed by WTP staff.

Diving Services completed the annual trash rack cleaning and inspections.

Normal maintenance and repairs were carried out.

Riverview Park and Zoo

In December, the Rotary Education Centre had 1 daytime booking and 8 evening bookings.

The Park and Zoo's 2019 – 2020 Zoo Crew parent and tot education program carried on with three sessions in December. The session theme for December was animals with hooves.

Changes to the animal collection in December included the laying of 18 dwarf crocodile eggs.

Regular/planned animal health activities included preventative medications provided as prescribed to camels, lemur, macaws and river otter. Our bobcat was examined and assessed after staff noted irregular behaviour. She remains under close observation.

Five hundred and forty-four enrichment activities were performed with a variety of species within the collection during the month.

Five active individual or group training sessions representing 1 species and 1 individual specimen occurred during the month of December.

With the holidays and significant vacation bookings, Park and Zoo staff efforts were mostly limited to regular operations/duties.

Scheduled Public Hours**Weekday and Weekends**

PARK PROPERTY	ZOO EXHIBITS	SNACK BAR	TRAIN RIDE
dawn - dusk	8:30 am – dusk	Closed	Closed

GUEST SERVICES	NORTH WASHROOM	SOUTH WASHROOM	PICNIC AREA & WASHROOM
Open Wednesdays (10:00am – 3:00pm) to support Animal Adoption Sales	8:30 am – dusk	Closed	Closed

Budget and Financial Implications

There were no significant changes in expenditures that would upset the budget or have financial implications.

Risk Evaluation

There were no significant changes in risk profile during this operating period.

Attachments: Nil

PETERBOROUGH UTILITIES COMMISSION **REPORT**

February 4, 2020

1.02

COMMISSION AGENDA
2020:05:26

OPERATING REPORT – JANUARY 2020

INFORMATION ITEM

The following monthly operating report is provided for the Commission's information.

Prepared by: Ginette Power, Administrative Assistant

Submitted by: Patrick Devlin, Vice-President Water Utility Services

Approved for Submission by: _____
President & CEO

Management Discussion

Following is the Operating Report for the month of January 2020 for the various departments:

Water Distribution Department

	<u>January 2020</u>	<u>January 2019</u>	<u>Increase Or Decrease</u>
Services Installed	0	0	0
Services Repaired	2	4	-2
Services Replaced	0	1	-1
Services Cut-Off	0	0	0
Services Lowered or Insulated	0	0	0
Service Valves and Posts Repaired	1	5	-4
Fire Hydrants Installed	0	0	0
Fire Hydrants Replaced	1	0	+1
Fire Hydrants Repaired	2	4	-2
Mainline Valves Installed	0	0	0
Mainline Valves Replaced	0	0	0
Mainline Valves Repaired	0	0	0
Mainline Valve Box Repairs	0	0	0

Customer Service Interruptions

<u>Address</u>	<u>Reason</u>	<u>Length of Interruption</u>	<u>No. of Customers Affected</u>
268 Thomas Street	Service repair	0.75	10
Opposite 335 Sunset Boulevard	Broken main	0.5 hrs	28
39 Springbrook Drive	Replace hydrant	6.5 hrs	25

Three hundred and seventeen backflow tests and 40 backflow prevention surveys were completed.

Staff were trained on new valve exercising software.

Water Treatment Plant and Pumping Stations

	January <u>2020</u>	January <u>2019</u>	Increase Or <u>Decrease</u>	<u>%</u>
<u>Water Pumpage (ML)</u>				
Total Pumpage (ML)	764.1	783.3	-19.2	-2%
<u>Rate of Pumpage</u> (ML per day)				
Maximum Day	33.1	37.1	-4.0	-11%
Average Day	24.6	25.2	-0.6	-2%
<u>Chemical Treatment</u> (Average) (Milligrams per Litre)				
Contact Tank – Chlorine	2.0	2.1	-0.1	-5%
Coagulant (Alum)	50.4	47.4	3.0	6%
Coagulant (PaCl)				
BW46 M Sodium Silicate (Corrosion Control & pH Adjustment)	0	7.3	-7.3	-100%
Fluoride – Total	0.6	0.6	0	
Water °C	0.2	0.1	0.1	
Precipitation (mm)	132.8	65.1	67.7	

Water Treatment Plant

Zone 2 pump #1 angle drive was taken out of service and sent away for warranty work.

Sedimentation Basin #5 was taken out service and drained to complete maintenance on the sludge collection car.

Calibrations were completed on the Chlorine monitoring system in the chlorine storage room and chlorinator room.

Staff provided several tours for Sir Sandford Fleming College students.

Pumphouse

Generator #5 failed. As a result, the generator was taken out of service and sent out for a rebuild.

Pumping Stations

Lansdowne PS: A blown incoming electrical meter was replaced along with several fuses and leads.

Normal maintenance and repairs were carried out.

Riverview Park and Zoo

In January, the Rotary Education Centre had 2 daytime bookings and 10 evening bookings.

The Park and Zoo's 2019 – 2020 Zoo Crew parent and tot education program carried on with 3 sessions in January. The session theme for January was animals with webbed feet.

On January 21 the Manager and Curator and Park and Zoo Supervisor visited the Toronto Zoo to tour the animal holding areas of their cat exhibits and to meet with their Animal Care Staff. This visit was made to support the planning and design process for the 2020 renovations of our cat exhibit holdings.

On January 23, Park and Zoo staff attended Otonabee Conservation's annual general meeting and were pleased to accept their Conservation Partnership Award on behalf of the Park and Zoo.

The Park and Zoo hosted the 25th Peterborough Brownies on January 24-25 for our Night Critters educational sleep over program.

On Friday January 31 Park and Zoo staff provided an educational program to drop-in visitors at the Millbrook Public Library.

Changes to the animal collection in January were limited to the laying of 6 yellow footed tortoise eggs and 1 Sulawesi forest turtle egg.

Regular/planned animal health activities included preventative medications provided as prescribed to camels, lemur, macaws and river otter.

Additionally, our Brazilian agouti required surgery to address an abdominal/digestive issue. Our female river otter was examined to treat a facial abscess and investigate bleeding from her vulva.

Two hundred and thirty-two enrichment activities were performed with a variety of species within the collection during the month.

One active individual or group training sessions representing 1 species and 1 individual specimen occurred during the month of January.

Park and Zoo staff were busy with regular animal care, facility maintenance, snow removal and ice control as well as making a start on our 2020 capital projects.

Scheduled Public Hours

Weekday and Weekends

PARK PROPERTY	ZOO EXHIBITS	SNACK BAR	TRAIN RIDE
dawn - dusk	8:30 am – dusk	Closed	Closed

GUEST SERVICES	NORTH WASHROOM	SOUTH WASHROOM	PICNIC AREA & WASHROOM
Open Wednesdays (10:00am – 3:00pm) to support Animal Adoption Sales	8:30 am – dusk	Closed	Closed

Budget and Financial Implications

There were no significant changes in expenditures that would upset the budget or have financial implications.

Risk Evaluation

There were no significant changes in risk profile during this operating period.

Attachments: Nil

PETERBOROUGH UTILITIES COMMISSION **REPORT**

March 9, 2020

1.02

COMMISSION AGENDA
2020:05:26

OPERATING REPORT – FEBRUARY 2020

INFORMATION ITEM

The following monthly operating report is provided for the Commission's information.

Prepared by: Ginette Power, Administrative Assistant

Submitted by: Patrick Devlin, Vice-President Water Utility Services

Approved for Submission by: _____
President & CEO

Management Discussion

Following is the Operating Report for the month of February 2020 for the various departments:

Water Distribution Department

	<u>February 2020</u>	<u>February 2019</u>	<u>Increase Or Decrease</u>
Services Installed	0	0	0
Services Repaired	1	7	-6
Services Replaced	0	0	0
Services Cut-Off	0	0	0
Services Lowered or Insulated	0	0	0
Service Valves and Posts Repaired	3	1	+2
Fire Hydrants Installed	0	0	0
Fire Hydrants Replaced	0	0	0
Fire Hydrants Repaired	0	0	0
Mainline Valves Installed	1	0	+1
Mainline Valves Replaced	0	0	0
Mainline Valves Repaired	0	0	0
Mainline Valve Box Repairs	0	0	0

Customer Service Interruptions

<u>Address</u>	<u>Reason</u>	<u>Length of Interruption</u>	<u>No. of Customers Affected</u>
469 Murray Street	Service repair	0.75	1
674 Ross Street	Broken main	2.5 hrs	17

One hundred and seventy-nine backflow tests and 21 backflow prevention surveys were completed.

Water Treatment Plant and Pumping Stations

	February <u>2020</u>	February <u>2019</u>	Increase Or <u>Decrease</u>	<u>%</u>
<u>Water Pumpage (ML)</u>				
Total Pumpage (ML)	717.8	708.3	9.5	1%
<u>Rate of Pumpage</u> (ML per day)				
Maximum Day	30.9	33.5	-2.6	-8%
Average Day	24.7	25.2	-0.5	-2%
<u>Chemical Treatment</u> (Average) (Milligrams per Litre)				
Contact Tank – Chlorine	1.9	1.9		
Coagulant (Alum)	52.9	49.0	3.9	8%
Coagulant (PaCl)				
BW46 M Sodium Silicate (Corrosion Control & pH Adjustment)	0	7.9	-7.9	-100%
Fluoride – Total	0.5	0.6	-0.1	-17%
Water °C	0	0		
Precipitation (mm)	41.0	53.0	-12.0	

Water Treatment Plant

Repairs to Zone 2 pump #1 angle drive were completed and the pump was returned to service.

Annual filter maintenance was being completed on the Water Treatment Plant's eleven filters.

A new air dryer for the sludge collection system was installed. The new unit is more energy efficient and wastes less air.

Pumping Stations

Airport BS: As a preventative measure Fire Pump #1 was taken out of service and pulled out of the fire reservoir. Once the pump was out of the fire reservoir, all bolts on the pump casing were replaced and the impeller was inspected.

Normal maintenance and repairs were carried out.

Riverview Park and Zoo

In February, the Rotary Education Centre had 2 daytime bookings and 10 evening bookings.

The Park and Zoo's 2019 – 2020 Zoo Crew parent and tot education program carried on with three sessions in February. The session theme for February was Animals with Webbed Feet.

On February 8, the Park and Zoo hosted a job fair at the Rotary Education Centre in support of the recruitment of student/seasonal staff. The event was well-attended and numerous prospects were identified. Follow-up interviews were scheduled over the following two weeks.

On February 11 the Park and Zoo Supervisor travelled to Brantford to provide animal care support to Humane Society International with the relocation of a Bactrian camel. The camel had been seized by the Montreal SPCA from a zoo in Quebec that had been ordered closed. We assisted with moving the camel to a new location where it will be held until it can be exported to a sanctuary in the United States.

The Park and Zoo Manager and Curator and the Chair of the Advisory Committee conducted interviews for two new Advisory Committee members on February 29. Two new members were selected to serve four-year terms on the Committee.

Changes to the animal collection in February were limited to the laying of 1 Sulawesi forest turtle egg.

Regular/planned animal health activities included preventative medications provided as prescribed to camels, lemur, macaws and river otter. Our female otter was also transported to the Veterinary College at Guelph University for a laparoscopic hysterectomy.

Three hundred and fifty enrichment activities were performed with a variety of species within the collection during the month.

Four active individual or group training sessions representing 1 species and 1 individual specimen occurred during the month of February.

Park and Zoo staff were well occupied with regular animal care, facility maintenance, snow removal and ice control, recruiting, as well work on our new web site.

Scheduled Public Hours

Weekday and Weekends

PARK PROPERTY	ZOO EXHIBITS	SNACK BAR	TRAIN RIDE
dawn - dusk	8:30 am – dusk	Closed	Closed

GUEST SERVICES	NORTH WASHROOM	SOUTH WASHROOM	PICNIC AREA & WASHROOM
Open Wednesdays (10:00am – 3:00pm) to support Animal Adoption Sales	8:30 am – dusk	Closed	Closed

Budget and Financial Implications

There were no significant changes in expenditures that would upset the budget or have financial implications.

Risk Evaluation

There were no significant changes in risk profile during this operating period.

Attachments: Nil

PETERBOROUGH UTILITIES COMMISSION **REPORT**

April 22, 2020

1.02

COMMISSION AGENDA
2020:05:26

OPERATING REPORT – MARCH 2020

INFORMATION ITEM

The following monthly operating report is provided for the Commission's information.

Prepared by: Ginette Power, Administrative Assistant

Submitted by: Patrick Devlin, Vice-President Water Utility Services

Approved for Submission by: _____
President & CEO

Management Discussion

Following is the Operating Report for the month of March 2020 for the various departments:

Water Distribution Department

	<u>March 2020</u>	<u>March 2019</u>	<u>Increase Or Decrease</u>
Services Installed	0	0	0
Services Repaired	3	2	+1
Services Replaced	0	0	0
Services Cut-Off	0	0	0
Services Lowered or Insulated	0	0	0
Service Valves and Posts Repaired	1	3	-2
Fire Hydrants Installed	0	0	0
Fire Hydrants Replaced	0	0	0
Fire Hydrants Repaired	1	2	-1
Mainline Valves Installed	0	0	0
Mainline Valves Replaced	2	0	+2
Mainline Valves Repaired	0	0	0
Mainline Valve Box Repairs	0	0	0

Customer Service Interruptions

<u>Address</u>	<u>Reason</u>	<u>Length of Interruption</u>	<u>No. of Customers Affected</u>
519 Cameron Street	Broken main	0.2 hrs	4
584 Homewood Avenue	Service repair	0.1 hrs	27
160 Sherbrooke Street	Service repair	2 hrs	10

One hundred and thirty-eight backflow tests and 14 backflow prevention surveys were completed.

Crews have separated due to the pandemic.

Water Treatment Plant and Pumping Stations

	<u>March 2020</u>	<u>March 2019</u>	<u>Increase Or Decrease</u>	<u>%</u>
<u>Water Pumpage (ML)</u>				
Total Pumpage (ML)	759.5	767.1	-7.6	-1%
<u>Rate of Pumpage (ML per day)</u>				
Maximum Day	28.9	27.4	1.5	5%
Average Day	24.5	24.7	-0.2	-1%
<u>Chemical Treatment (Average) (Milligrams per Litre)</u>				
Contact Tank – Chlorine	2.1	2.4	-0.3	-13%
Coagulant (Alum)	52.5	50.8	1.7	3%
Coagulant (PaCl)				
BW46 M Sodium Silicate (Corrosion Control & pH Adjustment)	0	5.0	-5.0	-100%
Fluoride – Total	0.4	0.7	-0.3	-43%
Water °C	1.6	0.6	1.0	
Precipitation (mm)	61.2	70.9	-9.7	

Water Treatment Plant

Annual filter maintenance continued on the Water Treatment Plant's eleven filters.

Quarterly calibrations were completed on all inline and portable chlorine, turbidity and pH analyzers.

The angle drive for Zone 2 Pump #1 was reinstalled after repairs and the pump was put back into service.

Pumphouse

ABB completed preventative maintenance on all electrical switchgears and transformers for the pumphouse electrical equipment.

Generator #5 was completely rebuilt, reinstalled and put back into service.

Generator #4 operating cylinder was removed and sent out to be rebuilt.

Normal maintenance and repairs were carried out.

Riverview Park and Zoo

In March, the Rotary Education Centre had 3 daytime bookings and 5 evening bookings. All other bookings were canceled as part of our response to the COVID-19 pandemic.

The Park and Zoo's 2019 – 2020 Zoo Crew parent and tot education program carried on with one of three sessions in March. The remaining sessions, originally scheduled for after March 14, were canceled.

On March 6, the Park and Zoo hosted staff from Otonabee Conservation and students from Trent University for an educational program on the remediation/naturalization project for the stream at the train station.

On March 10, the Park and Zoo implemented an operational response to the COVID-19 pandemic. Staff set up a second and independent base of operations in the Rotary Education Centre. Operational plans/routines for staff were revised with non-essential staff relocating to work from home and with essential staff segregating into two teams working from the separate operating centres. Contracts for non-essential services were also suspended or canceled. These measures provide isolation and redundancy with the intent of reducing the impact of any potential infection and/or quarantine involving staff.

There were no changes to the animal collection in March.

Regular/planned animal health activities included preventative medications provided as prescribed to camels, lemur, macaws and river otter. Our female Brazilian/red-rumped agouti was also transported to the Toronto Emergency Veterinary Clinic for specialty dental surgery.

There were 576 enrichment activities performed with a variety of species within the collection during the month.

Twenty-five active individual or group training sessions representing 4 species and 5 individual specimens occurred during the month of March.

With the number of Park and Zoo staff physically on-site reduced in response to the COVID-19 outbreak, the majority of their time was spent on essential animal care and facility maintenance. Remote staff worked on a variety of administrative tasks including final revisions to the new web site and an increased presence on our social media pages.

Scheduled Public Hours

Weekday and Weekends

*****The Park and Zoo closed effective Saturday March 14 as a precautionary measure in response to the COVID-19 outbreak.**

PARK PROPERTY	ZOO EXHIBITS	SNACK BAR	TRAIN RIDE
dawn - dusk	8:30 am – dusk	Closed	Closed

GUEST SERVICES	NORTH WASHROOM	SOUTH WASHROOM	PICNIC AREA & WASHROOM
Open Wednesdays (10:00am – 3:00pm) to support Animal Adoption Sales	8:30 am – dusk	Closed	Closed

Budget and Financial Implications

There were no significant changes in expenditures that would upset the budget or have financial implications.

Risk Evaluation

There were no significant changes in risk profile during this operating period.

Attachments: Nil

PETERBOROUGH UTILITIES COMMISSION **REPORT**

May 10, 2020

2.01

COMMISSION AGENDA
2020:05:26

FISCAL 2019 AUDITOR'S REPORT

INFORMATION

The following Fiscal 2019 Auditor's Report is provided for the Commission's information.

Prepared by: Kyle Davis, CFO

Submitted by: Kyle Davis, CFO

Approved for Submission by: _____
President & CEO

May 21, 2020

Members of the Commission
Peterborough Utilities Commission
1867 Ashburnham Drive
PO Box 1425, Station Main
Peterborough, Ontario
K9J 6Z5

Baker Tilly KDN LLP
272 Charlotte St.
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Re: Audit of the Financial Statements of Peterborough Utilities Commission

We have been engaged to express an audit opinion on the financial statements of Peterborough Utilities Commission ("the company") for the year ended December 31, 2019. We have substantially completed our audit and are pleased to report on the following items.

The purpose of this report is to summarize certain aspects of the audit that we believe to be of interest to the Commission. This report should be read in conjunction with the draft financial statements and our report thereon.

Auditor Independence

Canadian Auditing Standards ("CAS") require communications with audit committees, or other appropriate parties responsible for governance, at least annually, regarding all relationships between the company and our Firm that, in our professional judgement, may reasonably be thought to bear on our independence.

Through our planning process, we identify any potential independence threats and communicate any concerns we identify. The company, management and the Commission have a proactive role in this process, and are responsible for understanding the independence requirements applicable to the company and its auditor. You must bring to our attention any concerns you may have, or any knowledge of situations or relationships between the company, management, personnel (acting in an oversight or financial reporting role) and our Firm, its partners/principals and audit team personnel that may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of Ontario and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) Economic dependence on a client; and
- (e) Provision of services in addition to the audit engagement.

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

In accordance with our professional requirements, we advise you that we are not aware of any relationships between the company and our Firm that, in our professional judgement, may reasonably be thought to bear on our independence.

Accordingly, we hereby confirm that our audit engagement team, our Firm and the other Baker Tilly Canada offices are independent with respect to the company within the meaning of the Code of Professional Conduct Rule 204 of the Chartered Professional Accountants of Ontario.

Our Responsibilities as Auditor

As stated in the engagement letter, our responsibility as auditor of your company is to express an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the company in accordance with Canadian Public Sector Accounting Standards.

An audit is performed to obtain reasonable but not absolute assurance as to whether the financial statements are free of material misstatement. Due to the inherent limitations of an audit, there is an unavoidable risk that some misstatements of the financial statements will not be detected (particularly intentional misstatements concealed through collusion), even though the audit is properly planned and performed.

Our audit includes:

- Assessing the risk that the financial statements may contain material misstatements that, individually or in the aggregate, are material to the financial statements taken as a whole;
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used, and their application;
- Assessing the significant estimates made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern; and
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

As part of our audit, we obtained a sufficient understanding of the business and internal control structure of the company to plan the audit. This included management's assessment of:

- The risk that the financial statements may be materially misstated as a result of fraud and error; and
- The internal controls put in place by management to address such risks.

The engagement team undertook a documented planning process prior to commencement of the audit to identify concerns, address independence considerations, assess the engagement team requirements, and plan the audit work and timing.

An audit does not relieve management or those responsible for governance of their responsibilities for the preparation of the company's financial statements.

Commission's Responsibilities

The Commission's role is to act in an objective, independent capacity as a liaison between the auditor and management to ensure the auditor has a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

The Commission's responsibilities include:

- Being available to assist and provide direction in the audit planning process when and where appropriate;
- Meeting with the auditor as necessary and prior to release and approval of financial statements to review audit, disclosure and compliance issues;
- Where necessary, reviewing matters raised by the auditor with appropriate levels of management, and reporting back to the auditor their findings;
- Making known to the auditor any issues of disclosure, corporate governance, fraud or illegal acts, non-compliance with laws or regulatory requirements that are known to them, where such matters may impact the financial statements or Independent Auditor's Report;
- Providing guidance and direction to the auditor on any additional work the auditor feels should be undertaken in response to issues raised or concerns expressed;
- Making such enquiries as appropriate into the findings of the auditor with respect to corporate governance, management conduct, cooperation, information flow and systems of internal controls; and
- Reviewing the draft financial statements prepared by management, including the presentation, disclosures and supporting notes and schedules, for accuracy, completeness and appropriateness, and approving same to be passed to directors for approval.

Audit Approach

Outlined below are certain aspects of our audit approach which are intended to help you in discharging your oversight responsibilities. Our general approach to the audit of Peterborough Utilities Commission was to assess the risks of material misstatement in the financial statements and then respond by designing audit procedures.

Independent Auditor's Report

We anticipate that our Independent Auditor's Report will be issued without modification.

Our Independent Auditor's Report will be dated no earlier than the date on which we have obtained sufficient appropriate audit evidence on which to base our audit opinion on the financial statements, including evidence that all the statements and disclosures that comprise the financial statements have been prepared and the Board of Directors has approved the financial statements.

Illegal Acts, Fraud, Intentional Misstatements and Errors

Our auditing procedures, including tests of your accounting records, were limited to those considered necessary in the circumstances and will not necessarily disclose all illegal acts should any exist. Under CAS, we consider the company's control environment, governance structure, circumstances encountered during the audit and the potential likelihood of fraud and illegal acts occurring.

These procedures are not designed to test for fraudulent or illegal acts, nor will they necessarily detect such acts or recognize them as such, even if the effect on the financial statements is material. However, should we become aware that an illegal or possibly illegal act or act of fraud may have occurred, other than one considered clearly inconsequential, we will communicate directly to the Commission.

It is management's responsibility to detect and prevent illegal action. If such acts are discovered or the Commission members become aware of circumstances under which the company may have been involved in fraudulent, illegal or regulatory non-compliance situations, such circumstances must be disclosed to us.

Testing during our audit did not reveal any illegal, improper or questionable payments or acts, nor any acts committed with the intent to deceive, involving either misappropriation of assets or misrepresentation of assets or misrepresentation of financial information.

Related Party Transactions

During our audit, we conduct various tests and procedures to identify transactions considered to involve related parties. Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management, directors and their immediate family members and companies with which these individuals have an economic interest.

All related party transactions that were identified during the audit have been represented by management to have been disclosed in the notes to financial statements, recorded in accordance with Canadian Public Sector Accounting Standards, and have been reviewed with you.

Management has advised that no other related party transactions have occurred that have not been disclosed to us. The Commission is required to advise us if it is aware of or suspects any other related party transactions have occurred, which have not been disclosed in the financial statements.

Significant Accounting Principles and Policies

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The significant accounting principles and policies are disclosed in the notes to the financial statements.

The accounting policies adopted may be acceptable policies under Canadian Public Sector Accounting Standards; however, alternative policies may also be acceptable under Canadian Public Sector Accounting Standards. The company and the Commission have a responsibility to not adopt extreme or inappropriate interpretations of Canadian Public Sector Accounting Standards that may have inappropriate or misleading results. Alternative policies, if adopted, may produce significant changes in the reported results of the operations, financial position and disclosures of the company.

The Commission has a responsibility to review the accounting policies adopted by the company, and where alternative policies are available, make determinations as to the most appropriate policies to be adopted in the circumstances. If members of the Commission believe that the adoption or change in accounting policy may produce an inappropriate or misleading result in financial reporting or disclosure, this concern must be discussed with management and us.

There were no new accounting policies adopted or changes to the application of accounting policies of the company during the year.

Accounting Estimates

Management is responsible for the accounting estimates included in the financial statements. Estimates and the related judgements and assumptions are based on management's knowledge of the business and past experience about current and future events.

Our responsibility as auditor is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analyzing of key factors such as underlying management assumptions;
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole;
- Estimate's sensitivity to variation and deviation from historical patterns;
- Estimate's consistency with the entity's business plans; and
- Other audit evidence.

Risk-based

Our risk-based approach focuses on obtaining sufficient appropriate audit evidence to reduce the risk of material misstatement in the financial statements to an appropriately low level. This means that we focus our audit work on areas that have a higher risk of being materially misstated.

Materiality

Materiality is used throughout the audit and in particular when:

- a) Identifying and assessing risk of material misstatement;
- b) Determining the nature, timing and extent of further audit procedures; and
- c) Evaluating the effect of uncorrected misstatements, if any, on the financial statements and in forming an opinion on the Auditor's Report.

Materiality is defined as:

Materiality is the term used to describe the significance of financial statement information to decision makers. An item of information, or an aggregate of items, is material if it is probable that its omission or misstatement would influence or change a decision. Materiality is a matter of professional judgement in the particular circumstances.

We used an overall materiality of \$380,000 and a performance materiality of \$323,000. The overall materiality for last year's audit was \$380,000 and the performance materiality was \$323,000.

Audit Procedures

The objective of the tests of controls is to evaluate whether certain controls operated effectively. The objective of the tests of details is to detect material misstatements in the account balances and transaction streams. Substantive analytical procedures are used to identify differences between recorded amounts and predictable expectations in larger volumes of transactions over time.

In response to our risk assessment and based on our understanding of internal controls, we adopted a combined approach for the audit.

Evaluation of Internal Controls

Audits include a review and evaluation of the system of internal controls to assist in determining the level of reliance that may or should be placed on the system in assessing the nature and extent of audit procedures to be undertaken.

There are no internal control matters that we wish to bring to your attention.

Written Representations Requested From Management

As part of our audit, we request that management prepare a letter to us to re-affirm various representations that they have provided to us and we have relied upon. A copy of this letter is attached for your convenience.

Significant Misstatements

In the course of our audit, we have not found any material misstatements or unadjusted items that, in aggregate, exceed materiality thresholds established for the audit, nor have we found significant misstatements that would likely cause future financial statements to be materially misstated.

Uncorrected Misstatements

In the course of our audit, we have not identified any uncorrected financial statement misstatements.

Significant Unusual Transactions

We are not aware of any significant transactions entered into by the company that you should be informed about.

Disagreements with Management

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to the company's financial statements or Auditor's Report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgements for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the Auditor's Report.

In the course of our audit, we did not have any significant disagreements with management, nor were we under any significant time pressures or poor working conditions. We are not aware of any cause for concern as to management's attitude, competence or credibility with respect to matters affecting the financial statements.

Difficulties Encountered During the Audit

We encountered no significant difficulties during our audit that should be brought to the attention of the Commission.

Management Letter

During our audit, we did not note any significant issues on internal controls to report to management.

Conclusion

We wish to express our appreciation for the co-operation we received during the audit from the company's management.

Should any member of the Commission wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Yours very truly,

Baker Tilly KDN LLP

per: Joanna Park, CPA, CA
Partner

Schedule of Uncorrected Misstatements

Description of Misstatement	Proposed Adjustments Dr (Cr)				
	Statement of Income		Balance Sheet		
	Identified Misstatements	Likely Aggregate Misstatements	Assets	Liabilities	Opening Equity
a) Totals	-	-	-	-	-
b) Misstatements corrected by management	-	-	-	-	-
c) Likely aggregate misstatements net of corrections (a - b)	-	-	-	-	-
d) Effect of unadjusted misstatements from previous year's errors	-	-	-	-	-
e) Aggregate likely misstatements (c + d)	-	-	-	-	-
f) Final overall materiality	380,000	380,000	380,000	380,000	380,000
g) Amount remaining for further possible misstatement (f - e)	380,000	380,000	380,000	380,000	380,000

Peterborough Utilities Commission
1867 Ashburnham Drive
PO Box 1425, Station Main
Peterborough, Ontario
K9J 6Z5

May 21, 2020

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, Ontario
K9J 2V4
Canada
Attention: Joanna Park, CPA, CA

Dear Madam:

This representation letter is provided in connection with your audit of the financial statements of Peterborough Utilities Commission (the "commission") for the year ended December 31, 2019 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards.

We confirm that:

Financial statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 1, 2019 for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards; in particular, the financial statements are fairly presented in accordance therewith.
2. We have assessed that the commission is able to continue as a going concern and the financial statements have been prepared on a going concern basis.
3. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
4. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Public Sector Accounting Standards.
5. All events subsequent to the date of the financial statements and for which Canadian Public Sector Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
6. Unrecorded adjustments at year end are trivial in amount and nature, therefore the effects of unrecorded adjustments are, both individually and in the aggregate, immaterial to the financial statements.
7. The accounting policies selected and the application thereof is appropriate, including those for complex areas of accounting and areas involving management's judgement and estimates, for example, revenue recognition, fair value measurements, and hedging relationships.
8. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

9. We are aware of the environmental laws and regulations that impact on our organization and we are in compliance. There are no known environmental liabilities that have not been accrued for or disclosed in the financial statements.
10. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
11. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
12. We confirm that there are no derivative or off-balance sheet financial instruments held at year end.
13. We have made the appropriate determination, accounting and disclosure in the financial statements of the costs, assets and obligations associated with employee future benefits.
14. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
15. The commission has satisfactory title to all assets, and there are no liens or encumbrances on the commission's assets.

Information provided

16. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the commission from whom you determined it necessary to obtain audit evidence.
17. All transactions have been recorded in the accounting records and are reflected in the financial statements.
18. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
19. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the commission and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
20. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the commission's financial statements communicated by employees, former employees, analysts, regulators or others.
21. We have disclosed to you, and the commission has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debts.
22. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

23. We have disclosed to you the identity of the commission's related parties and all the related-party relationships and transactions of which we are aware.
24. The minute books of the commission are a complete record of all meetings and resolutions of the commission throughout the year and to the present date.

Yours very truly,

Name, Title

Signature

PETERBOROUGH UTILITIES COMMISSION REPORT

April 15, 2020

COMMISSION AGENDA
2020:05:26

2.02

FISCAL 2019 FINANCIAL RESULTS

INFORMATION ITEM

The Peterborough Utilities Commission draft audited financial statements for the year ended December 31, 2019 are presented for the Commission's information.

Prepared by: Kyle Davis, CFO

Submitted by: Kyle Davis, CFO

Approved for Submission by: _____
President & CEO

BUSINESS OF THE PETERBOROUGH UTILITIES COMMISSION

The Peterborough Utilities Commission (“PUC”) is responsible for supplying Peterborough residents and businesses with safe, clean water. Peterborough has a plentiful supply of source water from the Otonabee River. This water is treated in a government-inspected facility before being distributed throughout the City. Each year the external and PUC labs perform approximately twenty thousand tests to ensure that the drinking water both surpasses health-related standards and is aesthetically pleasing.

The PUC Commission also provides the Riverview Park and Zoo (“RP&Z”) for the enjoyment and education of the public. The RP&Z strives to provide the citizens of Peterborough with an outstanding recreational and educational facility located in a park setting and endeavors to create an environment suitable for conservation and preservation of wildlife and parkland.

SUMMARY

The surplus for the year ended December 31, 2019 is \$1.36 million compared to \$3.90 million in 2018.

Selected interim comparative financial data is presented in the following tables:

Financial Activities						
(unaudited, \$ thousands)	Year ended December 31,				2019 Budget	% of Budget
	2019	2018	\$ Change	% Change		
Revenues	20,430	21,921	(1,491)	-7%	22,139	92%
Expenditures						
Operating	12,558	11,593	965	8%	12,116	104%
Amortization	6,185	6,044	141	2%	6,390	97%
Interest	326	380	(54)	-14%	478	68%
	19,069	18,017	1,052	6%	18,984	100%
Surplus	1,361	3,904	(2,543)	-65%	3,155	43%

The 2019 surplus was under budget by \$1.79 million, driven primarily by decreases in development charges received during the year.

A summary of financial position is as follows:

Financial Position		
(unaudited, \$ thousands)	As at	
	December 31, 2019	December 31, 2018
Cash	15,108	15,683
Other financial assets	4,808	4,766
Liabilities	(16,214)	(17,219)
Net financial assets	3,702	3,230
Capital assets	122,125	121,580
Other non-financial assets	714	370
Net non-financial assets	122,839	121,950
Accumulated surplus	126,541	125,180

FUND ACCOUNTING

The following summary represents the consolidated results of the Restricted Reserve, Contributed Capital and Current funds.

Surplus Summary			
(unaudited, \$ thousands)	Year ended December 31,		2019 Budget
	2019	2018	
Restricted Reserve	1,168	3,062	2,773
Contributed Capital	214	108	518
Operating	1,676	2,184	1,326
Riverview Park and Zoo	(1,697)	(1,450)	(1,462)
Surplus	1,361	3,904	3,155

The surplus for the year ended December 31, 2019 is \$1.36 million. This result is \$2.54 million below the prior year, and \$1.79 thousand below budget.

The components of the surplus are discussed in the following paragraphs.

(a) Restricted Reserve Funds Annual Surplus

Restricted reserve funds surplus for the year ended December 31, 2019 is \$1.17 million, compared to \$3.06 million during 2018 and a total year budget amount of \$2.77 million.

The Restricted funds balance consists of three specific reserve funds. Revenues received for these funds are mainly derived from water revenues, developer activity, public donations and internal transfers.

The following table provides the source of the restricted funds, the fund balances, and the percentage of actual to budget.

Composition of Restricted Funds Annual Surplus				
(unaudited, \$ thousands)	Year ended December 31,		2019 Budget	% Budget
	2019	2018		
Water Treatment Plant	902	842	873	4.167% of water revenues, 103% plus interest
Development Charges Act	221	2,137	1,810	12% Developer charges
Riverview Park and Zoo	45	83	90	50% Donations, SOGR contributions
	1,168	3,062	2,773	42%

Funds restricted under the Water Treatment Plant fund are \$60 thousand greater than the prior year, and 103% of the total year budget. This increase is due to increased revenue from the sale of water during 2019, as well as higher interest earned on the reserve balance.

Development Charge Act ("DCA") revenue earned in 2019 was 12% of budget, and \$1.59 million lower than in 2018. DCA revenues are based on new development activities and are authorized under the City of Peterborough by-laws. Planned residential developments that were originally expected to begin construction in 2019 were delayed and are now expected to begin in 2020/2021.

Restricted funds relating to the Riverview Park and Zoo received during 2019 of \$45 thousand is 50% of budget. No contribution was made to the State of Good Repairs fund in 2019 as operating expenditures exceeded budget.

(b) Contributed Capital Fund Annual Surplus

The Contributed Capital fund surplus for the year ended December 31, 2019 is \$214 thousand compared to \$108 thousand in 2018, and a budget of \$518 thousand.

The Contributed Capital fund includes frontage charges, distribution systems assumed from developers and cost recovery from system installations. The value of the systems installed by developers is recorded as revenue in the year in which the PUC assumes ownership.

(c) Operating Fund Annual Surplus

The Operating fund surplus for the year ended December 31, 2019 is \$1.68 million thousand compared to \$2.18 million in 2018. The increase is due to operating expenses increasing at a greater rate than water revenue compared to the prior year. The departmental costs will be discussed in detail below.

(d) Riverview Park and Zoo Annual Surplus

Net operating activities in the Riverview Park and Zoo accounted for \$1.70 million in 2019 compared to \$1.45 in 2017 and a budget of 1.46 million. Continued increases in animal health and wellness costs contributed to the raise in net expenditures.

Revenues:

Revenue from all sources for the year ended December 31, 2019 was \$20.43 million, compared to \$21.92 million in the prior year.

Revenue					
	Year ended December 31,			2019	% of
(unaudited, \$ thousands)	2019	2018	\$ Change	Budget	Budget
Sale of Water	17,539	17,395	144	17,615	100%
Capital installation charges	214	108	106	518	41%
Development charges	219	2,120	(1,901)	1,810	12%
Fire Protection	650	650	0	650	100%
Sewer surcharge billings	414	406	8	414	100%
Riverview Park & Zoo	241	233	8	223	108%
Riverview Park & Zoo - donations	19	17	2	25	76%
Interest	336	301	35	229	147%
Electricity	418	467	(49)	425	98%
Other	380	224	156	230	165%
	20,430	21,921	(1,491)	22,139	92%

(a) Sale of Water

Revenue from the sale of water of \$17.54 million is \$144 thousand more than the prior year and 100% of the 2019 budget. Water revenues are directed to the operating fund, 95.833%, and to the WTP Reserve fund, 4.167%.

(b) Development Charges

Revenue from development charges was \$219 thousand in 2019 compared to \$2.12 million in 2018. The budget included a total of \$1.81 million, with \$1.71 million relating to the expected expansion of the Lily Lake subdivision. This next phase of development at Lily Lake was delayed in 2019, with current expectations that it begins in 2020 with further development in 2021.

(c) Other sources of revenue

Revenue from all other sources is \$2.67 million compared to \$2.41 million in 2018 and a budget of \$2.71 million. Other revenue remained consistent with the prior year, with increases in interest income and other administrative revenues.

Expenses:

Expenses are \$19.07 million for the year compared to \$18.02 million last year, and were 100% of budget.

Expenditures						
(unaudited, \$ thousands)	Year ended December 31,				2019 Budget	% of Budget
	2019	2018	\$ Change	% Change		
Water treatment and storage	4,216	3,986	230	6%	4,511	93%
Distribution systems	2,580	2,501	79	3%	2,255	114%
Administrative	1,268	1,033	235	23%	1,185	107%
Support Services	2,556	2,390	166	7%	2,480	103%
Riverview Park and Zoo	1,938	1,683	255	15%	1,685	115%
Interest	326	380	(54)	-14%	478	68%
Amortization	6,185	6,044	141	2%	6,390	97%
	19,069	18,017	1,052	6%	18,984	100%

(a) Water Treatment and Storage

The total cost of water treatment and storage is \$4.22 million compared to \$3.99 million in 2018 and represents 93% of the annual budget.

The increase in comparison to 2018 was the result of additional savings in the prior year. Overall 2019 results remained under budget with no significant budget variances throughout the operating segments.

(b) Distribution Systems

Distribution expenses of \$2.58 million are 114% of budget, and \$79 thousand higher than 2018. While in line with the prior year, the distribution system expenditures exceeded budget due to an increased number of service repairs required.

(c) Administrative

Administrative expense is made up of primarily building rent, insurance and equipment rental fees and are \$235 thousand higher than the prior year and 107% of the annual budget. The main change compared to both the prior year and budget is the increase in property taxes of \$160 thousand that were charged on the Water Treatment Plant in 2019 that had not been charged in previous years.

(d) Support Services

Support services for the year ended December 31, 2019 were \$2.56 million compared to a budget amount of \$2.48 million and \$2.39 million recorded in 2019. Support services allocations are based upon the level of support required by PUC from related company service departments during the year. There were no significant changes to the allocations from PUSI during the year with the administration department above budget on increased professional fees, and most other departments finishing at or below budgeted amounts.

(e) Riverview Park and Zoo

The expenses to operate the Riverview Park & Zoo were \$1.94 million in 2019, an increase from \$1.68 million in 2018 and 111% of budget. While costs to operate and maintain both the park and train were near budget, animal care continues to drive up the overall operating costs. Total animal care and zoo maintenance costs were 125% of budget 2019, with the increase driven by the cost of food and health care.

Revenue from the park and zoo, was above both budget and 2018 results. Revenue at the park and zoo is earned from train rides, food sales, gift shop purchases, and education program offerings, with almost all of these segments earning above budget.

(f) Interest expense

Interest expense of \$326 thousand was 68% of budget as new debt that was budgeted to be taken during 2019 was deferred until 2020.

(g) Amortization

Amortization for the year was \$6.19 million compared to \$6.04 million in 2018 and a budget of \$6.39 million. Amortization was lower than budgeted due to less capital work being completed in both 2018 and 2019 than had been originally budgeted. Total capital expenditures incurred in 2018 was \$8.00 million compared to a budget of \$8.92 million, with 2019 actual spend at \$6.73 million compared to a budget of \$8.92 million.

Liquidity and Cash Balance:

Cash at the end of the year is \$15.11 million, a decrease of \$577 thousand from the January 1 opening cash balance of \$15.69 million.

Changes in Cash Position			
(unaudited, \$ thousands)	Year ended December 31,		2019 Budget
	2019	2018	
Cash, beginning of period	15,683	14,321	14,625
Cash provided by operating activities	7,317	10,617	8,982
Cash (used) in investing activities	(6,516)	(7,891)	(8,401)
Cash provided by (used in) financing activities	(1,376)	(1,362)	4,624
Cash, end of period	15,108	15,685	19,830

The fund cash balances as of December 31, 2019 are as follows:

Fund Balance			
(unaudited, \$ thousands)	Year ended December 31,		2019 Budget
	2019	2018	
Current	5,647	7,173	10,779
Restricted:			
Water treatment plant	8,276	7,374	8,230
Development charges act	-	-	-
Riverview Park and Zoo	1,185	1,138	821
Total Restricted	9,461	8,512	9,051
Total Cash	15,108	15,685	19,830

Operating Activities

Cash generated by operations for the year was \$7.31 million compared to \$10.62 million in 2018 and was \$1.67 million below budget. The main decrease compared to the prior year is the decrease in the surplus resulting from the development charges received in 2018.

Investing Activities

Cash used for capital expenditures (excluding contributed capital) was \$6.73 million in 2019 compared to \$8.00 million in 2018 and a budget of \$8.92 million.

The following table summarizes the capital expenditures for the period.

Capital Expenditures				
(unaudited, \$ thousands)	Year ended December 31,		2019 Budget	% of Budget
	2019	2018		
Water treatment plant	435	115	515	84%
Pumphouse and dam	328	231	435	75%
Booster pumping stations	29	75	55	53%
Reservoirs and storage tanks	1,020	505	1,400	73%
Trunkmains	74	581	520	14%
Distribution mains	162	224	375	43%
New water services	86	14	390	22%
Rehabilitation of distribution system	3,964	5,412	4,400	90%
Hydrants	-	-	60	-
Meters	204	200	297	69%
Riverview Park & Zoo	428	642	472	91%
	6,730	7,999	8,919	75%

The largest capital projects for 2019 were as follows:

- Reservoirs and storage tanks (budget - \$1.40 million; actual 2019 costs \$1.02 million) – Of the total, \$878 thousand relates to the rehabilitation of the Sherbrooke Water Tower that was completed during the year.
- Continued rehabilitation of the distribution system (budget - \$4.40 million; actual 2019 costs \$3.96 million).
- Bulk water fill station – The tender for this project was completed by the end of 2019 with construction planned for Q2 2020. The new bulk fill station is to be located at the Milroy tower site, with the current station at the PUSI office on Ashburnham Drive to be decommissioned upon completion.

Financing Activities

Cash used by financing activities was \$1.38 million in 2019, which all relates to the repayment of debentures. No additional debt was taken on during the year.

Attachments:

- Quarterly Certification
- PUC draft audited financial statements for the year ended December 31, 2019

QUARTERLY CERTIFICATION

With respect to Peterborough Utilities Commission,

We hereby certify that:

1. Statutory Obligations

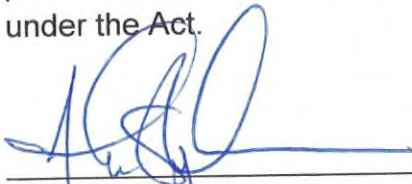
As of December 31, 2019 that all statutory obligations required to be paid or actions required to be performed, have been paid, performed or submitted to the relevant statutory bodies or agencies. To the best of our knowledge there are no material regulatory or legal actions with respect to these matters.

2. Health and Safety, Litigation

As of December 31, 2019 and to the best of our knowledge there are no material violations of Health and Safety regulation or law, or material matters of litigation that have not been disclosed.

3. Safe Drinking Water Act

As of December 31, 2019 and to the best of our knowledge there are no violations of the Safe Drinking Water Act, and the Commission has been provided with the necessary information required to fulfill their Standard of Care under the Act.



John Stephenson
President and CEO



Kyle Davis
CFO



Pat Devlin
VP Water Utility

Dated: May 12, 2020

PETERBOROUGH UTILITIES COMMISSION
FINANCIAL STATEMENTS
AT DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Chair and Members of the Peterborough Utilities Commission

Opinion

We have audited the financial statements of Peterborough Utilities Commission (the Commission), which comprise the statement of financial position as at December 31, 2019 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
April 23, 2020

PETERBOROUGH UTILITIES COMMISSION

STATEMENT OF FINANCIAL POSITION

At December 31, 2019

	2019 \$	2018 \$
FINANCIAL ASSETS		
Cash (Note 3)	15,108,328	15,682,690
Accounts receivable		
Customer accounts	955,369	886,668
Sewer surcharge	903,535	876,985
Sundry	285,532	434,896
Unbilled water revenue on customer accounts	1,362,000	1,316,000
Unbilled sewer surcharge	1,300,000	1,251,000
	19,914,764	20,448,239
LIABILITIES		
Accounts payable and accrued charges	2,923,470	2,705,865
Sewer surcharge payable	2,971,495	2,914,539
Long term debt (Note 4)	9,605,703	10,981,703
Customer deposits	714,327	616,421
	16,214,995	17,218,528
NET FINANCIAL ASSETS	3,699,769	3,229,711
NON-FINANCIAL ASSETS		
Inventories	423,339	363,471
Tangible capital assets (Note 5)	122,125,221	121,580,113
Prepaid expenses	291,424	6,587
	122,839,984	121,950,171
ACCUMULATED SURPLUS (Note 6)	126,539,753	125,179,882

Approved By The Commission

_____, Chair

_____, Member

The accompanying notes are an integral part of this financial statement.

PETERBOROUGH UTILITIES COMMISSION
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For The Year Ended December 31, 2019

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Sale of water	17,615,000	17,539,039	17,394,669
Contributed capital installation charges	518,000	213,590	107,905
Development charges earned	1,810,000	218,888	2,119,948
Fire protection	650,000	650,000	650,000
Sewer surcharge billings	414,000	414,000	406,000
Riverview Park and Zoo (Note 11)	223,000	241,318	232,597
Interest	229,000	336,191	301,136
Other	230,000	348,919	200,934
Electricity	425,000	417,942	467,134
Donations	25,000	19,401	16,908
	22,139,000	20,399,288	21,897,231
EXPENSES			
Water treatment and storage	4,511,000	4,216,040	3,985,702
Water distribution	2,255,000	2,550,019	2,478,251
Riverview Park and Zoo (Note 11)	1,685,000	1,938,691	1,682,650
Administration	3,665,000	3,823,270	3,421,714
Amortization	6,390,000	6,185,433	6,043,949
Interest	478,000	325,964	379,704
	18,984,000	19,039,417	17,991,970
ANNUAL SURPLUS	3,155,000	1,359,871	3,905,261
OPENING ACCUMULATED SURPLUS	125,139,000	125,179,882	121,274,621
CLOSING ACCUMULATED SURPLUS	128,294,000	126,539,753	125,179,882

The accompanying notes are an integral part of this financial statement.

PETERBOROUGH UTILITIES COMMISSION
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2019

	2019 \$	2018 \$
CASH PROVIDED BY (USED IN):		
OPERATIONS		
Annual surplus	1,359,871	3,905,261
Add: Non-cash charges to operations		
Amortization	6,185,433	6,043,949
Contributed capital installation charges	(213,590)	(107,905)
	7,331,714	9,841,305
Change in non-cash working capital items (Note 8)	(13,125)	774,832
	7,318,589	10,616,137
INVESTING ACTIVITY		
Purchase of tangible capital assets	(6,516,951)	(7,891,223)
FINANCING ACTIVITIES		
Repayment of long term debt	(1,376,000)	(1,363,080)
NET CHANGE IN CASH DURING THE YEAR	(574,362)	1,361,834
CASH POSITION - BEGINNING OF YEAR	15,682,690	14,320,856
CASH POSITION - END OF YEAR	15,108,328	15,682,690

The accompanying notes are an integral part of this financial statement.

PETERBOROUGH UTILITIES COMMISSION
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For The Year Ended December 31, 2019

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
Annual Surplus	3,155,000	1,359,871	3,905,261
Acquisition Of Tangible Capital Assets	(8,919,000)	(6,730,541)	(7,999,128)
Amortization Of Tangible Capital Assets	6,390,000	6,185,433	6,043,949
Decrease (Increase) in Inventories	-	(59,868)	(140,214)
Decrease (Increase) in Prepaid Expenses	-	(284,837)	83,272
Change In Net Financial Assets	626,000	470,058	1,893,140
Net Financial Assets, beginning of year	2,638,000	3,229,711	1,336,571
Net Financial Assets, end of year	3,264,000	3,699,769	3,229,711

The accompanying notes are an integral part of this financial statement.

PETERBOROUGH UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2019

1. NATURE OF ORGANIZATION

Operating under the authority of the Municipal Act, the Peterborough Utilities Commission (the "Commission") provides water services to the residents of the City of Peterborough along with operational governance and funding for the Riverview Park and Zoo.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Peterborough Utilities Commission have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their local boards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

Significant aspects of the accounting policies adopted by the Commission are as follows:

(a) Recognition of Revenue and Expenses

Revenue is recorded using the accrual basis of accounting, as water is used by customers. Unbilled revenue is calculated as the estimated consumption between the last meter reading date and the year end date.

The value of distribution systems installed by developers is recorded in revenue as capital installation charges in the year in which the Commission assumes ownership at the fair market value.

Development charges are recognized as revenue when they are transferred out of the reserve fund and spent on growth related projects.

Revenue from fire protection, sewer charges and electricity is recognized when the service is provided.

Expenses are recognized in the period the goods or services are acquired and a legal liability is incurred by transfers are due.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Significant estimates and assumptions used in the preparation of financial statements include, but are not limited to: estimates of revenue, allowance for doubtful accounts, and amortization rates and carrying values of property, plant and equipment. Actual results could differ from these estimates.

(c) Inventories

Inventories consist of maintenance supplies and construction materials and are valued at the lower of moving average cost and replacement cost.

(d) Tangible Capital Assets

Tangible capital assets are stated at cost or deemed cost. Amortization on the water treatment plant and reservoirs, distribution system and Riverview Park and Zoo (purchased from operating and donated funds) is recorded on a declining balance basis at a rate of 5% per annum. Water meters are amortized on a straight line basis over 20 years. The Commission capitalizes assets with a value of \$5,000 or greater.

Tangible capital assets categorized as construction-in-progress are not amortized until they are put into service.

PETERBOROUGH UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(e) Reserve Funds

Certain amounts as approved by the Commission and those required under legislative or other authority are set aside in reserve funds for future operating or capital purposes. Transfers to and/or from reserve funds are an adjustment to the respective fund when approved or required by agreement.

The following reserve funds are included in the accumulated surplus:

(i) Water Treatment Plant Reserve Fund

In December 1990, the City of Peterborough passed a by-law authorizing the Peterborough Utilities Commission to establish a reserve fund for the purpose of upgrading the water treatment plant. The established practice is to appropriate 4.2% of the water revenues to this fund each year. Utilization of these funds is authorized by the Commission.

(ii) Development Charges Act Reserve Fund

The Peterborough Utilities Commission is authorized under the City of Peterborough by-law to establish a reserve fund for development charges. The purpose of the fund is to cover growth related net capital costs incurred by the Water Utility for water treatment, storage and distribution systems.

(iii) Park And Zoo Major Projects Reserve Fund

In September 1993, the City of Peterborough passed a by-law authorizing the Peterborough Utilities Commission to establish a reserve fund for major projects at the Riverview Park and Zoo. The revenues received for this fund include donations from estates and the general public, the utility's share of profits from the refreshment booth operations and profits from the sale of birds and animals. Utilization of these funds is authorized by the Commission on a project by project basis based upon the recommendation of the Riverview Park and Zoo Advisory Committee.

(iv) Park and Zoo Animal Care Reserve Fund

In July 1999, the City of Peterborough passed a by-law authorizing the Peterborough Utilities Commission to establish a reserve fund for animal care at the Riverview Park and Zoo. The fund was established through a capital donation from a Peterborough resident. The income generated annually will be used for the care, treatment, habitat or display of the animals at the Riverview Park and Zoo for special or exceptional purposes beyond standard care.

(v) Park and Zoo State of Good Repair Reserve Fund

In November 2016, the Commission authorized the establishment of an internally restricted Riverview Park and Zoo state of good repair reserve fund. The purpose of the fund is to cover major repair and maintenance costs incurred by the Riverview Park and Zoo that would be required to maintain the quality of its tangible capital assets.

(f) Non-Financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Commission because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Commission unless they are sold.

PETERBOROUGH UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2019

3. CASH

	2019 \$	2018 \$
Unrestricted cash	5,649,929	7,169,688
Restricted cash	9,458,399	8,513,002
	15,108,328	15,682,690

4. LONG TERM DEBT

Long term debt is issued on behalf of the Commission by The Corporation of the City of Peterborough and consists of the following:

Date of Maturity/Payment Terms	Interest Rate %	2019 \$	2018 \$
March 5, 2020, annual principal payments of \$660,000, interest paid semi-annually	3.893	660,000	1,320,000
July 5, 2027, semi-annual blended payments of \$274,120	3.180	3,845,703	4,261,703
November 6, 2036, semi-annual principal payments of \$150,000 plus interest	2.790	5,100,000	5,400,000
		9,605,703	10,981,703

Future repayments for the long term debt are as follows:

	Principal \$	Interest \$	Total \$
2020	1,389,334	274,740	1,664,074
2021	743,095	236,956	980,051
2022	757,297	214,384	971,681
2023	771,955	191,356	963,311
2024	787,083	168,157	955,240
Thereafter	5,156,939	715,670	5,872,609
	9,605,703	1,801,263	11,406,966

PETERBOROUGH UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2019

5. TANGIBLE CAPITAL ASSETS

	Water Treatment Plant and Reservoirs \$	Water Distribution System \$	Riverview Park and Zoo \$	Other \$	Construction In Progress \$	Total \$
Cost Or Deemed Cost						
Balance at January 1, 2018	50,596,273	167,677,934	9,938,277	17,403	2,334,331	230,564,218
Additions	114,745	5,298,214	615,32	-	1,970,838	7,999,128
Balance At December 31, 2018	50,711,018	172,976,148	10,553,608	17,403	4,305,169	238,563,346
Additions	313,710	9,544,779	733,859	-	(3,861,807)	6,730,541
Balance At December 31, 2019	51,024,728	182,520,927	11,287,467	17,403	443,362	24,529,387
Accumulated Amortization						
Balance at January 1, 2018	23,571,974	82,922,683	4,427,382	17,235	-	110,939,284
Amortization for the year	1,241,599	4,511,414	290,828	8	-	6,043,949
Balance At December 31, 2018	24,813,513	87,434,107	4,178,310	17,243	-	116,893,233
Amortization for the year	1,190,231	4,685,083	310,111	8	-	6,185,433
Balance At December 31, 2019	26,003,804	92,119,190	5,028,421	17,251	-	123,168,666
Net Book Value						
At December 31, 2018	25,897,445	85,542,041	5,835,298	160	4,305,169	121,580,113
At December 31, 2019	25,020,924	90,401,737	6,259,046	152	443,362	122,125,221

PETERBOROUGH UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2019

6. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019 \$	2018 \$
Operating surplus	4,561,836	6,068,470
Investment in tangible capital assets		
Tangible capital assets - net book value	122,125,221	121,580,113
Long term debt	(9,605,703)	(10,981,703)
Reserve funds (Note 10)	9,458,399	8,513,002
	126,539,753	125,179,882

7. RELATED PARTY AND INTER-ENTITY TRANSACTIONS

The Commission is a board of the City of Peterborough and is consolidated with the City's financial statements. In the ordinary course of business, the Commission enters into transactions with the Corporation of the City of Peterborough and other related corporations. These transactions, which include the sale of water and the purchase and sale of other goods and services, are exchanged at the same prices and terms as arm's length customers. The affiliated corporations of the Commission are:

The City of Peterborough Holdings Inc.,
Peterborough Utilities Services Inc.,
Peterborough Distribution Inc.,
Peterborough Utilities Inc., and
PUG Services Corp.

Details of services provided to Peterborough Utilities Commission during the year by Peterborough Utilities Services Inc. are as follows:

	2019 \$	2018 \$
Expenditures		
Professional services	9,029,241	8,628,889
Building rent	393,618	384,729
Software and equipment rent	104,000	114,000
	9,526,859	9,127,618

Billing and collecting for the sewer surcharge is done by the Commission for the City of Peterborough. During the year \$414,000 (2018 - \$406,000) was recognized as revenue for providing this service. At December 31, the sewer surcharge payable of \$2,971,495 (2018 - \$2,914,539) recognized on the statement for financial position is payable to the City of Peterborough. All amounts owing to the City are unsecured, without interest and no specific terms of repayment.

PETERBOROUGH UTILITIES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended December 31, 2019

8. CHANGE IN NON-CASH WORKING CAPITAL ITEMS AND OTHER INFORMATION

	2019 \$	2018 \$
Accounts receivable	54,113	(141,693)
Unbilled revenue and sewer surcharge	(95,000)	136,000
Inventories	(59,868)	(140,214)
Prepaid expenses	(284,837)	83,272
Accounts payable and sewer surcharge payable	274,561	828,656
Customer deposits	97,906	8,811
	(13,125)	774,832
Other information:		
Interest paid	325,964	375,836

9. BUDGET FIGURES

The budget, approved by the Commission, for 2019 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with Public Sector Accounting Board reporting requirements. Budget figures are not subject to audit.

PETERBOROUGH UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2019

10. RESERVE FUNDS

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
TRANSFERS FROM OPERATIONS:			
Sale of water	735,000	728,877	728,152
Development charges	1,810,000	218,889	2,119,948
Interest	153,000	199,650	147,394
Donations	25,000	19,401	16,860
Riverview park and zoo	50,000	-	50,000
	2,773,000	1,166,817	3,062,354
TRANSFERS			
For tangible capital assets	(2,030,000)	(221,420)	(2,136,828)
CHANGE IN RESERVE FUNDS	743,000	945,397	925,526
OPENING RESERVE FUNDS	8,308,000	8,513,002	7,587,476
CLOSING RESERVE FUNDS	9,051,000	9,458,399	8,513,002
ANALYZED AS FOLLOWS:			
INTERNALLY RESTRICTED			
Water treatment plant reserve fund	8,230,000	8,274,498	7,374,136
Park and zoo state of good repair reserve fund	153,000	102,835	100,633
	8,383,000	8,377,333	7,474,769
EXTERNALLY RESTRICTED			
Park and Zoo major projects reserve fund	606,000	594,745	562,551
Park and Zoo major animal care reserve fund	62,000	486,321	475,682
	668,000	1,081,066	1,038,233
	9,051,000	9,458,399	8,513,002

PETERBOROUGH UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2019

11. OPERATIONS FOR RIVERVIEW PARK AND ZOO

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
EXPENSES			
Maintenance park	659,000	677,966	606,668
Maintenance train	99,000	98,476	70,834
Animal care and zoo maintenance	927,000	1,162,249	1,005,148
	1,685,000	1,938,691	1,682,650
REVENUES			
Train	130,000	106,037	133,573
Miscellaneous	93,000	135,281	99,024
	223,000	241,318	232,597
NET EXPENSES FOR THE YEAR	1,462,000	1,697,373	1,450,053

12. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Commission's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Commission's operations. The extent of the impact of this outbreak and related containment measures on the Commission's operations cannot be reliably estimated at this time, and no amounts have been recorded in these financial statements.

PETERBOROUGH UTILITIES COMMISSION **REPORT**

April 15, 2020

2.03

COMMISSION AGENDA
2020:05:26

WATER DEVELOPMENT CHARGES FOR THE YEAR ENDING DECEMBER 31, 2019

INFORMATION

This report is presented for the Commission's information.

Prepared by: Kyle Davis, Chief Financial Officer

Submitted by: Kyle Davis, Chief Financial Officer

Approved for Submission by: _____
President & CEO

Background

Development charges (*Development Charges Act, 1997, S.O.*) provide a mechanism for funding additional major system capacity to service new growth. All new users contribute on an equitable basis to fund new service through additions to the citywide utility system or expansions to existing services. Future capacity includes changes to the treatment plant, pumping and booster stations, reservoirs and trunk mains. These funds are not used to pay for ongoing operations or maintenance, or replacement capital of existing facilities, unless capacity is being increased, and then only to fund the portion relating to the increase.

Management Discussion

Attached to this report is a copy of the Statement of Continuity of Reserve Funds for Development Charges ("DC") and supporting statements summarizing cash receipts, balance due to general funds and eligible development costs incurred for the fiscal year ending December 31, 2019.

The DCA reserve fund had an opening balance on January 1, 2019 of nil. A total of \$218,889 was collected during the year and the fund earned interest of \$2,531 for a total fund value of \$221,420.

In 2019, no capital expenditures incurred were eligible for addition to the reserve fund. The opening balance from eligible expenditures in the prior years was \$3,650,580 of which, the total available for transfer of \$221,420 was transferred from the reserve fund to the general fund. The reserve fund balance at December 31, 2019 was nil.

A copy of this report will be submitted to Richard Freymond, Financial Services Manager, for presentation to City Council. The *Development Charges Act, 1997*, states that the Treasurer of the Municipality shall furnish to Council statements in respect of each Reserve Fund. The Treasurer must also forward this information to the Minister of Municipal Affairs and Housing within 60 days of the DCA statements being reported to City Council.

Budget and Financial Implications

There is no budget or financial implications as this report summarizes the prior year transactions affecting the Development Charges Reserve Fund.

Risk Evaluation

None. This report is provided as a status update to the Commission.

**PETERBOROUGH UTILITIES COMMISSION
WATER DEVELOPMENT CHARGES
ANNUAL STATEMENTS
For the Year ended December 31, 2019**

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**PETERBOROUGH UTILITIES COMMISSION
WATER DEVELOPMENT CHARGES
STATEMENT OF CONTINUITY OF RESERVE FUND
FOR THE YEAR ENDING DECEMBER 31, 2019**

	2019	2018
Balance, as at January 1,	\$ -	\$ -
Add:		
Cash Receipts	218,889	2,119,948
Interest Earned	2,531	16,880
Total Available	221,420	2,136,828
Less:		
Contributions to Capital Operations	221,420	2,136,828
Balance, as at December 31	-	-

Balance due to General Funds:

	2019	2018
Balance, as at January 1,	\$ 3,650,580	\$ 5,214,780
Eligible expenditures	-	572,628
Transferred to General Funds	(221,420)	(2,136,828)
Balance, as at December 31,	3,429,160	3,650,580

**PETERBOROUGH UTILITIES COMMISSION
WATER DEVELOPMENT CHARGES
SUMMARY OF CASH RECEIPTS
FOR THE YEAR ENDING DECEMBER 31, 2019**

	2019	2018
Residential	\$ 208,091	\$ 2,088,724
Non-residential	10,798	31,224
Balance, as at December 31,	218,889	2,119,948

**PETERBOROUGH UTILITIES COMMISSION
WATER DEVELOPMENT CHARGES
SUMMARY OF DEVELOPMENT COSTS
FOR THE YEAR ENDING DECEMBER 31, 2019**

Project #	Description	2019 Expenditures	Growth Factor	Growth Related Portion of Expenditures
None				

PETERBOROUGH UTILITIES COMMISSION DEVELOPMENT ACT CHARGES

**BY-LAW 13-174
EFFECTIVE DECEMBER 31, 2019**

Residential

Planning Area	Res. A Singles & Semis	Res. B Other Multiples	Res.C Apart- ments
1. Auburn North	\$2,251	\$1,941	\$1,320
2. Jackson	\$2,636	\$2,272	\$1,545
3. Carnegie West (Zone 3N)	\$2,186	\$1,884	\$1,281
4. Chemong	\$1,738	\$1,498	\$1,019
5. Lily Lake	\$2,572	\$2,217	\$1,507
6. Liftlock	\$1,761	\$1,518	\$1,032
7. Coldsprings	\$2,215	\$1,909	\$1,298
8. Outside Planning Areas	\$1,422	\$1,226	\$834
9. Carnegie East (Zone 2)	\$675	\$582	\$396
10. Chemong East	\$1,026	\$885	\$602

Non-Residential, all planning areas \$5.82 /m²

PETERBOROUGH UTILITIES COMMISSION REPORT

May 4, 2020

2.04

COMMISSION AGENDA
2020:05:26

INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2020

INFORMATION ITEM

The Peterborough Utilities Commission financial statements for the three month period ending March 31, 2020 are presented for the Commission's information.

Prepared by: Kyle Davis, CFO

Submitted by: Kyle Davis, CFO

Approved for Submission by: _____
President & CEO

BUSINESS OF THE PETERBOROUGH UTILITIES COMMISSION

The Peterborough Utilities Commission ("PUC") is responsible for supplying Peterborough residents and businesses with safe, clean water. Peterborough has a plentiful supply of source water from the Otonabee River. This water is treated in a government-inspected facility before being distributed throughout the City. Each year the external and PUC labs test thousands of water samples to ensure that Peterborough's drinking water is safe and aesthetically pleasing. About twenty thousand tests are conducted each year to ensure the drinking water surpasses health-related standards.

The PUC Commission also provides the Riverview Park and Zoo ("RP&Z") for the enjoyment and education of the public. The RP&Z strives to provide the citizens of Peterborough with an outstanding recreational and educational facility located in a park setting and endeavors to create an environment suitable for conservation and preservation of wildlife and parkland.

SUMMARY

Management continues to monitor the impact of the COVID-19 Pandemic on the operations and cash flow of the PUC. As the pandemic was officially declared by the World Health Organization on March 11, 2020 and in Ontario on March 17, the majority of the impact will be experienced by PUC will in subsequent months. Additional information on the expected impact of the pandemic is provided at the end of this report.

The surplus for the period ended March 31, 2020 is \$480 thousand compared to \$237 thousand for the same period in 2019.

Selected interim comparative financial data is presented in the following tables:

Financial Activities						
(unaudited, \$ thousands)	Three months ended March 31,				2020 Budget	% of Budget
	2020	2019	\$ Change	% Change		
Revenues	4,888	4,715	173	4%	22,319	22%
Expenditures						
Operating	2,695	2,757	(62)	-2%	12,563	21%
Amortization	1,618	1,598	20	1%	6,470	25%
Interest	95	123	(28)	-23%	367	26%
	4,408	4,478	(70)	-2%	19,400	23%
Surplus	480	237	243	103%	2,919	16%

Total revenue has increased by \$173 thousand compared to the prior year primarily as a result of the 2.4% increase in water rates in 2020. Operating expenses are 2% lower than the prior year while interest expense has decreased based on actual debenture interest expense incurred for 2020. These will all be discussed in detail below.

Financial Position		
(unaudited, \$ thousands)	As at	
	March 31, 2020	December 31, 2019
Cash	14,042	15,108
Other financial assets	4,837	4,807
Liabilities	(13,938)	(16,214)
Net financial assets	4,941	3,701
Capital assets	121,339	122,125
Other non-financial assets	740	714
Net non-financial assets	122,079	122,839
Accumulated surplus	127,020	126,540

FUND ACCOUNTING

The following summary represents the consolidated results of the Restricted Reserve, Contributed Capital and Current funds.

Surplus Summary			
(unaudited, \$ thousands)	Three months ended March 31,		2020 Budget
	2020	2019	
Restricted Reserve	212	218	2,541
Contributed Capital	6	0	350
Operating	654	371	1,473
Riverview Park and Zoo	(392)	(352)	(1,445)
Surplus	480	237	2,919

The surplus is \$480 thousand at March 31 and is budgeted to be \$2.92 million by year end. The components of the surplus are discussed in the following paragraphs.

(a) Restricted Reserve Funds Annual Surplus

Restricted reserve funds surplus for the three month period ended March 31, 2020 is \$212 thousand, compared to \$218 thousand during 2019 and a total year budget amount of \$2.54 million.

The Restricted funds balance consists of three specific reserve funds. Revenues received for these funds are mainly derived from water revenues, developer activity or donations.

The following table provides the source of the restricted funds, the fund balances, and the percentage of actual to budget.

Composition of Restricted Funds Annual Surplus					
(unaudited, \$ thousands)	Three months ended March 31,		2020 Budget	%	Funding Source
	2020	2019			
Water Treatment Plant	206	212	908	23%	4.167% of water revenues, plus interest
Development Charges Act	3	0	1,542	0%	Developer charges
Riverview Park and Zoo	3	6	91	3%	Donations, SOGR contributions
	212	218	2,541	8%	

Funds restricted under the Water Treatment Plant fund are \$6 thousand less than the prior year, and 23% of the total year budget. The decrease compared to the prior year is the result of a decrease in interest rates lowering the amounts earned on the fund balance.

The Company received \$3 thousand in development charges during the quarter, with the majority of the charges budgeted for later in the year.

Donations and related interest revenue, received during the first three months of 2020 of \$3 thousand is 3% of the annual budget.

(b) Contributed Capital Fund

The Contributed Capital fund surplus for the three month period ended March 31, 2020 is \$6 thousand compared to \$nil in 2019. The total year budget is \$315 thousand.

The Contributed Capital fund includes frontage charges, distribution system assumed from developers and cost recovery from system installations. The value of the systems installed by developers is recorded as revenue in the year in which the PUC assumes ownership. The majority of this account is typically recorded at year-end.

(c) Operating Fund

The Operating fund surplus for the three month period ended March 31, 2020 is \$654 thousand compared to \$371 thousand in 2019. The increase is due to the increase in water revenue during the first quarter, as well as the decreased operating expenditures compared to the prior year.

(d) Operating Fund – Riverview Park & Zoo

Net operating activities in the Riverview Park and Zoo accounted for \$392 thousand in 2020 compared to \$352 thousand in 2019.

Revenues:

Revenue from all sources for the three months ended March 31, 2020 of \$4.89 million, compared to \$4.72 million in 2019.

Revenue					
(unaudited, \$ thousands)	Three months ended March 31,			2020 Budget	% of Budget
	2020	2019	\$ Change		
Sale of Water	4,363	4,153	210	18,096	24%
Capital installation charges	6	0	6	350	2%
Development charges	3	0	3	1,542	0%
Fire Protection	163	163	0	650	25%
Sewer surcharge billings	105	103	2	422	25%
Riverview Park & Zoo	2	3	(1)	281	1%
Riverview Park & Zoo - donations	0	0	0	25	0%
Interest	75	86	(11)	228	33%
Electricity	70	117	(47)	425	16%
Other	101	90	11	300	34%
	4,888	4,715	173	22,319	22%

Revenue from the sale of water of \$4.36 million is \$210 thousand higher than the prior year as a result of the 2.4% increase in water rates. Water revenues are directed to the operating fund, 95.833%, and to the WTP Reserve fund, 4.167%.

Water revenue in January and February was consistent with 2019 consumption levels, though these remain well below historical averages. March was trending in line with 2019 until the pandemic was declared forcing the closure of many businesses, including heavier users such as restaurants. The decrease in the second half of March dragged down total water pumpage to its lowest level in 10 years. This impact will be discussed further at the end of this report.

Revenue from all other sources is \$525 thousand compared to \$562 thousand in 2019.

Expenses:

Expenses are \$4.41 million year-to-date compared to \$4.48 million last year, a decrease of 2%.

Expenditures						
(unaudited, \$ thousands)	Three months ended March 31,				2020 Budget	% of Budget
	2020	2019	\$ Change	% Change		
Water treatment and storage	904	958	(54)	-6%	4,629	20%
Distribution systems	518	593	(75)	-13%	2,268	23%
Administrative	328	299	29	10%	1,418	23%
Support Services	551	552	(1)	0%	2,522	22%
Riverview Park and Zoo	394	355	39	11%	1,726	23%
Interest	95	123	(28)	-23%	367	26%
Amortization	1,618	1,598	20	1%	6,470	25%
	4,408	4,478	(70)	-2%	19,400	23%

(a) Water Treatment and Storage

The total cost of water treatment and storage is \$904 thousand compared to \$958 thousand for the first three months of 2019, and is 20% of the annual budget. These results are in line with typical expenditures at the water treatment plant, when larger maintenance projects are scheduled for later in the year.

(b) Distribution Systems

Distribution expenses of \$518 thousand are 23% of budget, and \$75 thousand lower than 2019. Through the first quarter of 2020, PUC has experienced below average water main breaks, leading to the decrease in operating costs.

(c) Administrative

Administrative expenses made up of primarily building rent, insurance and equipment rental/software fees are \$29 thousand above the prior year and 23% of the annual budget with no unexpected budget variances.

(d) Support Services

Support services costs are \$1 thousand below the prior year and 22% of budget. It is expected that most of these departments will trend below budget during the first quarter as many of the amounts budgeted for in the departments have not yet been incurred.

(e) Riverview Park and Zoo

The expenses to operate the Riverview Park & Zoo are \$394 thousand compared to \$355 thousand in 2019 and are 23% of the annual budget. These expenses will increase during the second quarter as operations increase and additional maintenance work is performed during the summer months.

(f) Interest expense

Interest expense of \$95 thousand is 26% of budget based on the scheduled repayment of the debentures.

(g) Amortization

Amortization for the three month period ended March 31, 2020 of \$1.62 million is based on the capital expenditures budget of \$8.48 for the year.

Liquidity and Cash Balance:

Cash at the end of the period is \$14.04 million, a decrease of \$1.07 million from the January 1 opening cash balance of \$15.11 million.

Changes in Cash Position			
(unaudited, \$ thousands)	Three months ended March 31,		2020 Budget
	2020	2019	
Cash, beginning of period	15,108	15,683	14,028
Cash provided by operating activities	633	(90)	9,132
Cash (used) in investing activities	(826)	(238)	(8,130)
Cash provided by (used in) financing activities	(873)	(865)	4,611
Cash, end of period	14,042	14,490	19,641

The fund cash balances as of March 31, 2020 are as follows:

Fund Balance			
	Three months ended March 31,		2020
(unaudited, \$ thousands)	2020	2019	Budget
Current	4,371	5,759	9,401
Restricted:			
Water treatment plant	8,482	7,586	9,133
Development charges act	3	0	-
Riverview Park and Zoo	1,186	1,145	1,107
Total Restricted	9,671	8,731	10,240
Total Cash	14,042	14,490	19,641

Operating Activities

Cash generated by operations for the first three months was \$633 thousand compared to \$(90) thousand in 2019. The difference was primarily attributable to the increased surplus reported in Q1 2020 and the change in non-cash working capital.

Investing Activities

Cash used for capital expenditures was \$832 thousand in 2020 compared to \$238 thousand for the same period in 2019.

The following table summarizes the capital expenditures for the period.

Capital Expenditures				
	<u>Three months ended March 31,</u>		2020	% of
<u>(unaudited, \$ thousands)</u>	2020	2019	Budget	Budget
Water treatment plant	0	-	384	-
Pumphouse and dam	6	29	895	1%
Booster pumping stations	0	6	20	-
Reservoirs and storage tanks	614	49	535	115%
Trunkmains	4	3	395	1%
Distribution mains	45	36	450	10%
New water services	1	-	240	0%
Rehabilitation of distribution system	117	84	4,530	3%
Hydrants	2	-	42	5%
Meters	29	26	637	5%
Riverview Park & Zoo	14	5	352	4%
	832	238	8,480	10%

Of the total capital expenditures, \$600 relates to the electrical relocation work required at the High Street water tower. Excluding this item, total capital expenditures were \$232 thousand, in line with previous years first quarters.

Current forecast capital activities for 2020 will be discussed in greater detail later in this report.

Financing Activities

During the first three months of 2020, the PUC reduced its long term debt facilities by \$873 thousand. No advances were taken during the first quarter. The budget anticipates an additional debenture of \$6 million to be taken later in the year.

COVID-19 Pandemic

As discussed, Management continues to monitor the impact of the COVID-19 Pandemic. A revised financial forecast will be provided with the second quarter results that will take into account the different factors impacting the PUC along with Management's responses. A summary of currently identified items follows:

- Water consumption
 - While January and February were consistent with 2019, March and April have seen continued decreases in consumption, with both months posting their lowest levels in the past 10 years. As the pandemic continues and many businesses remain at least temporarily closed, this decrease is expected to endure.
- Other revenue
 - As a result of the pandemic, PUC stopped charging interest and other administrative charges on overdue accounts in late March. In 2019, these amounts collected exceeded \$200 thousand for the year. While the amounts are not material to the overall operations of the PUC, this will result in a decrease in revenues while providing needed relief to customers.
- Delays in collection
 - As PUC is not charging interest on overdue accounts, it is expected that late payments and overall accounts receivable may increase. Unpaid accounts can eventually be added to a customer's tax roll meaning ultimate collection is reasonably expected, however significant delays in timing would negatively impact cash flows.
- Capital spending
 - The majority of discretionary capital work for 2020 will be deferred until 2021. As much of the capital work is contracted out to third parties, this will result in a cash savings to PUC in 2020, while extending the current capital plans by one year. PUC management will continue to evaluate to status of capital work in light of both public/employee safety and system reliability requirements.
- Riverview Park & Zoo
 - The Pandemic will have a significant impact on the operations at the RPZ as it is currently closed to the public. Revenues will be significantly impacted as the train is not expected to run in 2020 (budget revenue \$130 thousand), while other revenues from the gift shop, food sales, education offerings etc. (budget revenue \$151 thousand) will all be negatively impacted due to the current closure and potential restrictions once the RPZ reopens to the public. Management at the Zoo is currently evaluating its standard operating procedures, and options for safe reopening when it both allowed by the government and deemed appropriate.

Attachments:

- Quarterly Certification
- PUC unaudited financial statements for the three months ended March 31, 2020

QUARTERLY CERTIFICATION

With respect to Peterborough Utilities Commission,

We hereby certify that:

1. Statutory Obligations

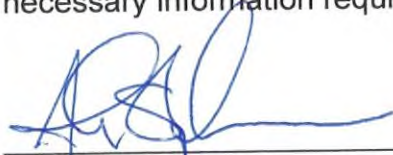
As of March 31, 2020 that all statutory obligations required to be paid or actions required to be performed, have been paid, performed or submitted to the relevant statutory bodies or agencies. To the best of our knowledge there are no material regulatory or legal actions with respect to these matters.

2. Health and Safety, Litigation

As of March 31, 2020 and to the best of our knowledge there are no material violations of Health and Safety regulation or law, or material matters of litigation that have not been disclosed.

3. Safe Drinking Water Act

As of March 31, 2020 and to the best of our knowledge there are no violations of the Safe Drinking Water Act, and the Commission has been provided with the necessary information required to fulfill their Standard of Care under the Act.



John Stephenson
President and CEO



Kyle Davis
CFO



Pat Devlin
VP Water Utility

Dated: May 12, 2020

PETERBOROUGH UTILITIES COMMISSION

FINANCIAL STATEMENTS

Unaudited for the three months ended March 31, 2020

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PETERBOROUGH UTILITIES COMMISSION
STATEMENT OF FINANCIAL POSITION

Unaudited as at,
 (\$'s in thousands)

	31-Mar 2020	31-Dec 2019
ASSETS		
FINANCIAL ASSETS		
Cash	14,042	15,108
Accounts receivable		
Customer accounts	980	955
Sewer surcharge	961	904
Sundry	210	286
Unbilled revenue on customer accounts	1,379	1,362
Unbilled sewer surcharge	1,307	1,300
	18,879	19,915
LIABILITIES		
Accounts payable and accrued charges	1,367	2,923
Sewer surcharge payable	3,106	2,971
Debenture debt	8,733	9,606
Customer deposits	732	714
	13,938	16,214
NET FINANCIAL ASSETS	4,941	3,701
NON-FINANCIAL ASSETS		
Inventories	413	423
Tangible capital assets	121,339	122,125
Prepaid expenses	327	291
	122,079	122,839
ACCUMULATED SURPLUS	127,020	126,540

PETERBOROUGH UTILITIES COMMISSION
STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN ACCUMULATED SURPLUS

Unaudited for the three month period ended March 31,
(\$'s in thousands)

	Mar 31 2020	Mar 31 2019	2020 Budget	Actual % of Budget
REVENUES				
Revenue from sale of water	4,363	4,153	18,096	24%
Capital installation charges	6	-	350	2%
Development charges	3	-	1,542	0%
Contributions to RP&Z Reserve Funds	-	-	25	-
Fire protection	163	163	650	25%
Sewer surcharge billings	105	103	422	25%
Riverview Park and Zoo - (Schedule E)	2	3	281	1%
Interest income	75	86	228	33%
Other	101	90	300	34%
Electricity	70	117	425	16%
	4,888	4,715	22,319	22%
EXPENDITURES				
Water treatment and storage (Schedule A)	904	958	4,629	20%
Distribution systems (Schedule B)	518	593	2,268	23%
Administrative (Schedule C)	328	299	1,418	23%
Support Services (Schedule D)	551	552	2,522	22%
Riverview Park and Zoo (Schedule E)	394	355	1,726	23%
Interest	95	123	367	26%
Amortization	1,618	1,598	6,470	25%
	4,408	4,478	19,400	23%
SURPLUS	480	237	2,919	16%
OPENING ACCUMULATED SURPLUS	126,540	125,183	126,845	100%
CLOSING ACCUMULATED SURPLUS	127,020	125,420	129,764	98%
SUMMARY OF SURPLUS BY ACTIVITY				
Operating Activities	654	371	1,473	44%
Operating Activities - RP&Z	(392)	(352)	(1,445)	27%
Restricted Reserve Fund Activities	212	218	2,541	8%
Contributed Capital Activities	6	-	350	2%
SURPLUS FOR THE PERIOD	480	237	2,919	16%

PETERBOROUGH UTILITIES COMMISSION
STATEMENT OF CHANGES IN FINANCIAL POSITION

Unaudited for the three month period ended March 31,
(\$'s in thousands)

	Mar 31 2020	Mar 31 2019	2020 Budget
OPERATIONS			
Surplus	480	237	2,919
Add: items not requiring cash			
Amortization	1,618	1,598	6,470
Capital installation charges	(6)	-	(350)
Increase/(decrease) in customer deposits	18	(39)	-
	2,110	1,796	9,039
Change in non-cash working capital items	(1,477)	(1,886)	93
	633	(90)	9,132
INVESTING ACTIVITIES			
Additions to tangible capital assets	(832)	(238)	(8,480)
Net of contributed capital	6	-	350
	(826)	(238)	(8,130)
FINANCING ACTIVITIES			
Debentures issued	-	-	6,000
Decrease in debenture debt	(873)	(865)	(1,389)
	(873)	(865)	4,611
NET CHANGE IN CASH DURING THE PERIOD	(1,066)	(1,193)	5,613
CASH POSITION - BEGINNING OF YEAR	15,108	15,683	14,028
CASH POSITION - END OF PERIOD	14,042	14,490	19,641
Ending cash balance comprised of the following:			
Unrestricted cash	4,371	5,759	9,401
<u>Restricted cash:</u>			
Water Treatment Plant, Restricted Reserve Fund	8,482	7,586	9,133
Development Charges Act, Restricted Reserve Fund	3	-	-
Park and Zoo Major Projects, Restricted Reserve Fund	597	566	634
Park and Zoo Animal Care, Restricted Reserve Fund	487	479	266
Park and Zoo, State of Good Repair Reserve Fund	102	100	207
	9,671	8,731	10,240
	14,042	14,490	19,641
Change in non-cash working capital items comprised of the following:			
Accounts receivable	(6)	466	(1)
Unbilled revenue	(24)	(75)	(6)
Inventories	10	(22)	-
Prepaid expenses	(36)	(290)	-
Accounts payable and accrued charges	(1,421)	(1,965)	100
	(1,477)	(1,886)	93

PETERBOROUGH UTILITIES COMMISSION
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Unaudited for the three month period ended March 31,
(\$'s in thousands)

	Mar 31 2020	Mar 31 2019	2020 Budget
Surplus	480	237	2,919
Acquisition of Tangible Capital Assets	(832)	(238)	(8,480)
Amortization of Tangible Capital Assets	1,618	1,598	6,470
Decrease (Increase) in Inventories	10	(22)	-
Decrease (Increase) in Prepaid Expenses	(36)	(290)	-
	1,240	1,285	909
Net Financial Assets, beginning of year	3,701	3,233	3,192
Net Financial Assets, end of year	4,941	4,518	4,101

PETERBOROUGH UTILITIES COMMISSION
STATEMENT OF RESERVE FUNDS

Unaudited for the three month period ended March 31,
(\$'s in thousands)

	Mar 31 2020	Mar 31 2019	2020 Budget
WATER TREATMENT PLANT RESERVE FUND			
Opening balance	8,276	7,374	8,225
Revenue from sale of water	181	171	755
Interest	25	41	153
Transfers to General Fund	-	-	-
Closing Balance	8,482	7,586	9,133
DEVELOPMENT CHARGES RESERVE FUND			
Opening balance	-	-	-
Contributions	3	-	1,542
Interest	-	-	-
Transfers to General Fund	-	-	(1,542)
Closing Balance	3	-	-
RIVERVIEW PARK & ZOO MAJOR PROJECTS RESERVE FUND			
Opening balance	595	563	598
Contributions	-	-	25
Interest	2	3	11
Transfers to General Fund	-	-	-
Closing Balance	597	566	634
RIVERVIEW PARK & ZOO ANIMAL CARE RESERVE FUND			
Opening balance	486	476	264
Contributions	-	-	-
Interest	1	3	2
Transfers to General Fund	-	-	-
Closing Balance	487	479	266
RIVERVIEW PARK & ZOO STATE OF GOOD REPAIR RESERVE FUND			
Opening balance	102	100	154
Contributions	-	-	50
Interest	-	-	3
Transfers to General Fund	-	-	-
Closing Balance	102	100	207
TOTAL RESERVE FUND BALANCE	9,671	8,731	10,240

PETERBOROUGH UTILITIES COMMISSION
SCHEDULE A - COST OF WATER TREATMENT AND STORAGE

Unaudited for the three month period ended March 31,
(\$'s in thousands)

	Mar 31 2020	Mar 31 2019	2020 Budget	Actual % of Budget
Process Waste Treatment	10	24	278	4%
Water Treatment Plant	738	762	3,569	21%
Pumphouse/Dam	88	80	368	24%
Pumping station	36	59	223	16%
Reservoirs	32	33	191	17%
	904	958	4,629	20%

PETERBOROUGH UTILITIES COMMISSION
SCHEDULE B - DISTRIBUTION SYSTEM

Unaudited for the three month period ended March 31,
(\$'s in thousands)

	Mar 31 2020	Mar 31 2019	2020 Budget	Actual % of Budget
Trunk mains	-	-	15	-
Distribution mains	62	151	338	18%
Locate and records	66	54	260	25%
Flushing	6	5	64	9%
Valves and boxes	75	45	244	31%
General maintenance	67	47	214	31%
Hydrants	75	76	257	29%
Service pipes	106	161	665	16%
Meters	26	16	117	22%
Water Distribution Engineering	35	38	94	37%
	518	593	2,268	23%

PETERBOROUGH UTILITIES COMMISSION
SCHEDULE C - ADMINISTRATIVE

Unaudited for the three month period ended March 31,
(\$'s in thousands)

	Mar 31 2020	Mar 31 2019	2020 Budget	Actual % of Budget
Advertising and public relations	4	8	17	24%
Water conservation	22	29	56	39%
Donations	-	-	25	-
Commission Expenses	-	-	4	-
Building Rent	108	106	433	25%
Insurance	99	93	404	25%
Equipment rental	42	40	169	25%
Professional fees	7	4	61	11%
Memberships and subscriptions	2	4	20	10%
Property taxes	37	11	199	19%
Bad Debts	-	-	-	-
Gain/loss on sale of assets	-	-	-	-
Miscellaneous	7	4	30	23%
	328	299	1,418	23%

PETERBOROUGH UTILITIES COMMISSION
SCHEDULE D - SUPPORT SERVICES

Unaudited for the three month period ended March 31,
(\$'s in thousands)

	Mar 31 2020	Mar 31 2019	2020 Budget	Actual % of Budget
Finance	19	28	85	22%
Administration	105	123	581	18%
Peterborough Technology Services	140	107	577	24%
Customer Service	176	189	773	23%
Billing intergration and infrastructure	41	38	170	24%
Human Resources	44	42	232	19%
Purchasing	26	25	104	25%
	551	552	2,522	22%

PETERBOROUGH UTILITIES COMMISSION
SCHEDULE E - STATEMENT OF OPERATIONS FOR RIVERVIEW PARK AND ZOO

Unaudited for the three month period ended March 31,
(\$'s in thousands)

	Mar 31 2020	Mar 31 2019	2020 Budget	Actual % of Budget
REVENUE				
Train	-	-	130	-
Miscellaneous	2	3	151	1%
	2	3	281	1%
EXPENSES				
Maintenance Park	68	107	650	10%
Maintenance Train	-	1	94	-
Animal Care and Zoo Maintenance	326	247	982	33%
	394	355	1,726	23%
Contribution to state of good repair fund	-	-	50	-
NET EXPENSES FOR PERIOD	392	352	1,495	26%

PETERBOROUGH UTILITIES COMMISSION
SCHEDULE F - STATEMENT OF CAPITAL EXPENDITURES

Unaudited for the three month period ended March 31,
(\$'s in thousands)

	2020 Actual	2020 Budget	Actual % of Budget
WATER TREATMENT PLANT			
Filter caps		75 -	
Wood stave tank		110 -	
Low life #3 storage tank		9 -	
Arc Flash Study		50 -	
General rehab and painting		70 -	
SCADA		60 -	
Miscellaneous		10 -	
	-	384 -	
PUMPHOUSE AND DAM			
Dam pier repairs	6	875	1%
General Improvements - pumphouse		10	-
General Improvements - pumphouse dam		10	-
	6	895	1%
BOOSTER PUMPING STATIONS			
General improvements		20 -	
	-	20 -	
RESERVOIRS AND ELEVATED WATER STORAGE TANKS			
Clonsilla pump room		100 -	
High street elevated tank	596	425	
General improvements	18	10	-
	614	535	115%
TRUNKMAINS			
Bethune Trunkmain	4	50	8%
General improvements		25	
Bulk water meter station		320	-
	4	395	1%
DISTRIBUTION SYSTEM			
New Watermains in New Subdivisions	45	210	21%
	45	210	21%
New Watermains on Existing Streets			
General Improvements	-	240 -	
	-	240 -	

PETERBOROUGH UTILITIES COMMISSION
STATEMENT OF CAPITAL EXPENDITURES - continued

Unaudited for the three month period ended March 31,
(\$'s in thousands)

	2020 Actual	2020 Budget	Actual % of Budget
NEW WATER SERVICES			
New water services in residential subdivisions by private developers		150	-
SFR		20 -	
Non-SFR	1	20	
Valves & boxes		50 -	
	1	240	0%
REHABILITATION OF EXISTING WATER DISTRIBUTION SYSTEM			
Service replacement - 20mm	2	190	1%
Service replacement > 20mm		10	-
Main valve/box replacement - new		8	-
Main replacement	15	400	4%
Cleaning/lining	99	3,910	3%
Records upgrade	1	12	8%
	117	4,530	3%
HYDRANTS			
New	-	20	-
Replacement	2	22	-
	2	42	-
METERS			
New residential	29	195	15%
New meters - existing residential		65 -	
Replacement residential		15	-
New ICI		10	-
Existing ICI		2	-
Replacement ICI		350	-
	29	637	5%
RIVERVIEW PARK AND ZOO			
New facilities - Park		-	
Portable vending cart		16 -	
Lockers		7 -	
Animal proof waste/recycling	7	7	100%
Roadway, parking improvements		80 -	
Replacement facilities - Park		-	
Repairs to Dobbin Building		50 -	
Accessibility Upgrades	1	45	2%
North Washroom		15 -	
Snack Bar Flooring		5 -	
Stumps		5 -	
Road & path repairs		20 -	
Train station rehab		10 -	
New facilities - Zoo		-	
Barn upgrades		7 -	
Fencing rails for Takin		15 -	
Capybara pool heater		5 -	
Quarantine room upgrades	6	15	40%
Replacement facilities - Zoo		-	
Aluminum barn upgrades		5 -	
Cat house upgrades		15 -	
Remove swan pond		15 -	
Replace fowl pool		10 -	
Replace shifting		5 -	
	14	352	4%
TOTAL CAPITAL EXPENDITURES	832	8,480	10%

PETERBOROUGH UTILITIES COMMISSION **REPORT**

May 12, 2020

2.05

COMMISSION AGENDA
2020:05:26

TENDER CONTRACT W-2020-3 CONSTRUCTION OF NEW BULK WATER FILL STATION

RECOMMENDATION

THAT tender W-2020-3 for the construction of a new bulk water fill station be awarded to **Coco Paving Inc.** for the tendered amount of **\$445,615.83 (including Provisional Items and Contingency Allowance)**.

Prepared by: Michael Meyers, P. Eng., Water Utility Manager

Submitted by: Patrick Devlin, Vice-President Water Utility Services

Approved for Submission by: _____
President & CEO

Background

As part of the approved 2020 capital budget, this project work includes construction of a new bulk water fill station at 280 Milroy Drive adjacent to the Milroy Water Tower. The main purpose of this project is to construct a new bulk water fill station to service Peterborough and surrounding area prior to decommissioning the existing bulk water fill station currently located at the Peterborough Utilities office on Ashburnham Drive. The existing bulk water fill station is 26 years old and is at the end of its life. It has many obsolete components that are no longer available for purchase. Further, the location of the existing station has been identified as a safety concern by the Joint Health and Safety Committee.

The proposed new bulk water fill station is to be located on existing property owned by Peterborough Utilities, and the location is considered to be a substantial improvement from a safety perspective. The bulk dispensing service is used by many local farmers within Peterborough County. The new station will accept payment with credit/debit cards directly at the user interface which will greatly simplify maintenance and revenue collection.

Management Discussion

The tender for contract W-2020-3 was called and closed at 2:00 p.m. Friday March 27th, 2020.

The work includes:

- Site grading and paving to facilitate vehicular access and full turn-around mobility.
- Civil works including underground water supply piping and electrical.
- Concrete pad and installation of prefabricated bulk water fill station manufactured by Flowpoint Environmental Systems.

Budget and Financial Implications

This tender follows the intent of the Water Distribution Program approved at the December 2019 Commission meeting, in the report titled “Water Utility – Capital Budget 2020”.

Three (3) tenders were received and all were acceptable for evaluation. Tenders were evaluated based on three criteria – safety, experience and price. The overall scores of the three (3) tenders were as follows:

Coco Paving Inc.	97.50
Nick Carchidi Excavating Limited	83.65
Robert B. Somerville Co. Limited	69.00

The tender pricing ranged from \$445,615.83 to \$698,961.00 (including Provisional Items and Contingency Allowance).

The highest rated bidder was Coco Paving Inc. who had an acceptable bid of \$445,615.83 (including Provisional Items and Contingency Allowance), and is within budget.

Risk Evaluation

Three (3) bids were received and all were deemed to be acceptable. The bids were scrutinized by staff to ensure that an appropriate level of due diligence was performed. Aspects considered by staff were total cost, ensuring a balanced bid, bidder competency and experience, and company safety. The submitted bids provided a range of pricing as noted above which is indicative of a competitive bidding process.

Staff completed an internal investigation with respect to current construction restrictions put in place by the Government of Ontario due to the current pandemic, which included a review of projects considered an essential service. An internal memo was prepared by the Manager of Purchasing and issued to the Vice-President Water Utility Services on April 27th, 2020 which concluded that the scope of this project is considered an essential service and as such is within allowable projects to proceed to award and construction at this time.

Attachments: nil

PETERBOROUGH UTILITIES COMMISSION **REPORT**

2.06

March 17, 2020

COMMISSION AGENDA
2020:05:26

2019 MANAGEMENT REVIEW RESULTS FOR THE DRINKING WATER QUALITY MANAGEMENT SYSTEM

INFORMATION ITEM

Attached are the action items as a result of the 2019 Management Review for the Drinking Water Quality Management System.

Prepared by: P. Skopelianos, Water Utility Quality Assurance Manager

Submitted by: P. Devlin, Vice-President Water Utility Services

Approved for Submission by: _____
President & CEO

Background

The Drinking Water Quality Management Standard requires a complete review of the Quality Management System (QMS) every 12 months. This review covers all aspects of the QMS including, regulatory non-compliance, water quality, operational performance and infrastructure review. The intention of this review is to ensure the continuing suitability, adequacy and effectiveness of the quality management system. Element 20 requires that the results of the Management Review including identified deficiencies, discussion and action items are reported to the Owner of the drinking water system.

Management Discussion

There were no major or significant issues that arose during the Management Reviews. All discussion details and action items are described in the meeting minutes. At this time there are no major outstanding issues and the quality management system is operating effectively.

Budget and Financial Implications

The resources currently allocated to the maintenance of the Drinking Water Quality Management System are sufficient.

Risk Evaluation

Communication of the Management Review results to the Owner is a requirement under the DWQMS. The Management Review procedure is subject to an audit by an external third party. Failure to notify the Owner of the Management Review results could lead to a corrective action identified against the drinking water system.

Attachments: Management Review Meeting 2019 minutes, 10 pages

DATE: March 9, 2020
1:00 PM
PUG Boardroom

Agenda

1.0	Peterborough Drinking Water System	2
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1.2	Incidence of Adverse Drinking Water Tests.....	2
1.3	Deviations from Critical Control Point Limits and Response Actions	2
1.4	Risk Assessment Process	3
1.5	Results of Audits	4
1.6	Results of Emergency Response Testing.....	5
1.7	Operational Performance, Raw Water Supply & Drinking Water Quality Trends	6
1.8	Follow-up on Action Items.....	6
1.9	Changes Affecting the Quality Management System	6
1.10	Consumer Feedback.....	7
1.11	Resources Needed to Maintain the Quality Management System	7
1.12	Infrastructure Review Results	7
1.13	Operational Plan Review of Updates	8
1.14	Staff Suggestions.....	8
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The Management Review results described in this report are from January 2019 – December 2019

1.0 Peterborough Drinking Water System

1.1 Regulatory Non-Compliance Issues

During 2019, there was a Ministry of the Environment, Conservation & Parks (MECP) Inspections on November 4, 2019, report # 1-L4FPN. The Peterborough Drinking Water System received a 100% compliance rating. There were no recommended best practices noted in the report.

Decision/Discussion: None

1.2 Incidence of Adverse Drinking Water Tests

There were zero incidents of adverse drinking water quality in 2019.

Decision/Discussion: None

1.3 Deviations from Critical Control Point Limits and Response Actions

The critical control points for the Peterborough treatment and distribution systems have been determined to be as follows:

◆ Primary Disinfection - SOP-02-111

The primary disinfection internal alarm level for SCADA is set at a range of 1.2 mg/L – 2.5 for the clearwells. Operators would perform CT calculation if results are 1.0 mg/L or below. The range of recorded results for both clearwells was 1.21 – 2.12 mg/L.

All recorded levels below 1.2 mg/L were a result of analyzer switching, maintenance or generator use. Operational staff records were appropriate and described in the logbook. The data determined that there were no true deviations (results lower than 1.2 mg/L) during 2019.

◆ Secondary Disinfection – SOP-02-109

Critical limits were set and are monitored through SCADA at 1.06 – 2.2 mg/L at Zone 1 and the post chlorine analyzer and 0.2 mg/L in the distribution system. The review of the data on SCADA in 2019 showed results within SCADA parameters; any deviations recorded on SCADA were due to analyzer change outs and plant maintenance. The Operator responses to the deviations were appropriate and described in the logbook.

◆ Filter Water Turbidity – SOP-02-110

The eleven filters at the Water Treatment Plant are monitored continuously through the SCADA system with an alarm at 0.15 NTU. Notations made in the Operator's logbook verify deviations were a result of the backwashing procedure. 2019 Range was 0.02 – 1.02 NTU.

◆ Loss of Coagulant – SOP-02-112

A coagulant is required at all times during the production of drinking water. The SOP requires a minimum dose of coagulant of 35-50 mg/L. A review of the dosage calculations in the electronic daily operations spreadsheet shows that there were no instances of dosage below 35 mg/L. The process for alum dose calculation is over an 8-hour period based on volume of water treated and coagulant used.

◆ Protection of Chemical Supply – SOP-02-113

SOP-03-005 "Delivery of Chemicals" describes the quality assurance conditions that must be met prior to off-loading any chemicals to the tanks at the plant. There were no instances of deviation of stated QA/QC requirements with respect to chemical during 2019.

Decision/Discussion: None

1.4 Risk Assessment Process

The risk assessment was reviewed on January 31, 2019. This review was considered an interim review and included the DWQMS updates. The following risks were updated or added;

- Considered long term impact of climate change as required by MECP
- In draft, SOP for Blue/Green Algae for Peterborough, expected by end of March 2020
- Added risk for long term outage of reservoirs and elevated tanks
- Added Extreme weather and sustained high/low risk as required by MECP

Decision/Discussion: The risk assessment process continues to be effective.

1.5 Results of Audits

An internal audit was conducted in August 2019 the audit was conducted over a one-week period covering specific processes of the Drinking Water System as outlined in SOP-02-101. The audit is a process- audit that is on a three-year cycle where all 21 elements will be audited over that period of time. In 2019 the following processes were audited;

Maintenance and Infrastructure
Regulatory & QMS documentation
Water Treatment Process

The Operational Plan and associated standard operating procedures (SOP's) were well documented. There were no non-conformances that were issued relating to the Peterborough's QMS, and three "opportunity for improvements" (OFI). They are described below;

OFI & Preventive Actions	Action
There is an opportunity with in the current DWQMS procedures to streamline the process for tracking continual improvement, action items and corrective and preventive actions to a single data base. Additionally the DWQMS Rep should continue to develop the SharePoint process for paperless document review.	This will be considered with the SharePoint migration with an online adobe form, QMS Rep will review with BMP with other Municipalities for clarification estimated
The internal audit checklist SOP-02-119 should be updated to include all new requirements in revision 2 of the standard to ensure continued compliance. Additionally the SOP-02-101 section 4.2 should include a description of preventive action to be in line with SOP-02-107 DWQMS Continual Improvement.	Completed
Peterborough WTP should consider migrating to the asset management program developed by the Generations group. Discussions on the MP2 program by Supervisors describe it as difficult and not intuitive.	Under discussion with WTP Supervisor

Action Item**René Gagnon**

To prepare implementation plan for the change to the asset management program, for inclusion in the 2021 budget.

Completion Target 2020-09-30

The accreditation body, NSF International conducted an off-site audit of the DWQMS September 2019. There were zero non-conformances issued and six “opportunity for improvements” (OFI). They are described below;

OFI	Action
Suggested the Operational Plan be dated by each member of Top Management	Completed
Consider logging changes to SOP in a Revision Table	Will consider this change with SharePoint migration of SOP, estimated by end of 2020
Consider documenting emergency situations for each drinking water system,	ERP meeting notes will describe emergencies testing exercise listed in SOP-02-108
Suggested a second auditor for some of QMS Representatives Roles	This was an atypical year with the external audit moved up, this impacted the second auditor's availability.
Update SOP-02-100 to include Best Management Practices in SOP	Completed
Consider documenting preventive action in corrective action form and QMS Tracking Log should include improvements form affective corrective action	This will be considered with the SharePoint migration with an online adobe form, QMS Rep will review with BMP with other Municipalities for clarification estimated

Decision/Discussion: As described above

1.6 Results of Emergency Response Testing

There was an emergency response testing on June 12, 2019. The ERP team met to discuss and review current emergency list in SOP-02-108. The scenario for 2019 involved a water main break in a small system (Woodland Acres.).

Decision/Discussion: from meeting minutes

- The exercise scenario stated that after excavation the break would be a Category 1 break. However Operational staff determined that the break would maintain positive pressure and is therefore not subject to Category 1,
- Operations staff has the ability to track another coupling for repair (in the past from Kingston). Staff would drive to retrieve. There would be a delay of water restoration for 4-6 hours,
- Operator staff would maintain the safety of the dig whole by elevating the water main, proving gravel underneath and ensure no contamination (positive pressure),

- Communication – to homeowners on duration of break,
- Mobile water station could be set up to provide water off a hydrant attached to Hetherington. If homeowners require water.

All actions items (administrative updates to SOP) from meeting have been completed.

1.7 Operational Performance, Raw Water Supply & Drinking Water Quality Trends

This section is reviewed completely in the Water Quality Report in June of each year. This report is submitted to the Commission for their information.

Decision/Discussion: None

Action Item

Patricia Skopelianos

To submit the Water Quality Report to the Commission.

Completion Target 2020-06-25

1.8 Follow-up on Action Items

a) Status of Management Action items from previous reviews:

- Manager to review new requirements for Infrastructure review and Long term planning
- To update the Operational plan with the new mayor.
- To submit the Water Quality Report to the Commission.
- To finalize SOP with the assistance of WTP Manger. Blue Green Algae

Decision/Discussion: The SOP for the sampling of Blue Green Alga is in final draft. SOP-02-120, *Harmful Algal Bloom Monitoring and Sampling Plan*.

Action Item

Patricia Skopelianos

René Gagnon

To finalize the SOP-02-120 *Harmful Algal Bloom Monitoring and Sampling Plan*.

Completion Target 2020-03-31

b) Status of Management Action items identified between reviews:

Decision/Discussion: None

1.9 Changes Affecting the Quality Management System

Decision/Discussion: None

1.10 Consumer Feedback

There has been no feedback from customers on the DWQMS. Consumer concerns about the water system are tracked by calls into the Water Department and the Water Treatment Plant. This data is stored in the UMS Work Order System under the customer's address and is reviewed annually in the Water Quality Report.

Decision/Discussion: None

1.11 Resources Needed to Maintain the Quality Management System

The resources that have been designated so far for the DWQMS are sufficient to maintain the system. In order to assist in budgetary planning PUG Services Corp. should be aware of the annual cost from the accreditation body, NSF International and associated costs with maintaining the DWQMS.

In December 2020, the Municipal Drinking Water Licence renewal application will require the Owner to submit an approved Financial Plan to accompany the application. The requirements of the Financial Plan are in O Reg. 453/07.

<u>Action Item</u>	<u>Patricia Skopelianos</u>
---------------------------	------------------------------------

Follow up with Financial Plan Requirements with the PUG Services Corp. by July 31, 2020. This document must be approved by the Owner.

Decision/Discussion: Scheduled October 2020

On site audit 2020 \$3,800.00

1.12 Infrastructure Review Results

The Water Utility Engineer reviews the linear infrastructure annually in the fall in order for the recommendations to be incorporated into the budgetary process and presented to the Commission for approval. This process also included the Water Treatment Plant Manager. These reviews include the treatment, pumping and storage infrastructure annually in the fall in order for the recommendations to be incorporated into the budgetary process and presented to the Commission for approval. The following projects capital projects were completed in 2019;

- 150 m of distribution water mains were replaced on Euclid Avenue, Rogers Street, Armour Road, and Parkhill Road West
- 2.2 km of new water main was installed on Lily Lake East Subdivision, Harper Road, and Parkhill Road West
- Cleaning and lining of approximately 4.5 km of existing distribution water mains took place on various streets
- Structural lining of approximately 1.5 km of existing distribution water mains took place on Lansdowne Street East

- Rehabilitation and painting of Sherbrook Street Tank

Decision/Discussion: The current utility infrastructure review program is effective in incorporating annual data for recommendations to the upcoming year's projects.

1.13 Operational Plan Review of Updates

The Operational Plan was updated on October 25, 2019; changes included updates to forms, timelines and inserting a date for each signatory. The current version is available on the intranet (ShockWave) site as well as the Peterborough Utilities website.

Decision/Discussion: None

1.14 Staff Suggestions

Decision/Discussion: None

1.15 Review of Best Management Practices

This is a new DWQMS requirement, during the Management Review we will discuss previous Ministry BMPs that were reviewed by staff. The DWQMS requires a review and the consideration of applicable Best Management Practices, including any published by the Ministry of Environment, Conservation & Parks, available on www.ontario.ca/drinkingwater.

- Staff attended OWWA Conference
- DWQMS Annual Workshop – Continual improvement process
- Source Water Protection Committee –
- Review of latest Ministry Inspection –
- Update internal Audit checklist to include new requirements
- Use single tracking system for corrective and preventive actions
- All others were highlighted in the audit section of the report

Decision/Discussion: None

1.16 Report to Commission

Decision/Discussion:

Action Item

Patricia Skopelianos

The final Management Review meeting minutes are to be submitted to the Owners as Report to Commission.

Completion Target 2020-03-26

Appendix A – Summary Table of Management Review Decisions & Action Items

Agenda	Decision/Deficiency	Action Item	Assigned To:	Target Completion
Regulatory Non-Compliance	100% Compliance			
Incidence of Adverse Water Quality	No adverse incidence in 2019			
Deviation from CCP	No deviation from CCP			
Risk Assessment Process	Risk assessment process continues to be effective			
Audit Results	All OFI's are completed with the exception of revision log is SOP's.	To prepare implementation plan for the change to the asset management program, for inclusion in the 2021 budget.	René Gagnon	September 30, 2020
Emergency Response Testing	All actions items (administrative updates to SOP) from meeting have been completed			
Operational Performance	None	To submit the Water Quality Report to the Commission		June 25, 2020
Previous Management Review Action Items	The SOP for the sampling of Blue Green Alga is in final draft. SOP-02-120, Harmful Algal Bloom Monitoring and Sampling Plan.	To finalize the SOP-02-120 Harmful Algal Bloom Monitoring and Sampling Plan.	Patricia Skopelianos René Gagnon	March 31, 2020
Changes Affecting the QMS	None			
Consumer Feedback	None			
Resources	External audit cost is \$3,800.00 Scheduled in October	Follow up with Financial Plan Requirements with the PUG Services Corp. by July 31, 2020. This document must be approved by the Owner.	Patricia Skopelianos	July 31, 2020

Agenda	Decision/Deficiency	Action Item	Assigned To:	Target Completion
Infrastructure Review	The current utility infrastructure review program is effective in incorporating annual data for recommendations to the upcoming year's projects.			
Operational Plan Updates	None			
Staff Suggestions	None			
Review of Best Management Practices	None			
Report to Commission		Management Review meeting minutes are to be submitted to the Owners	Patricia Skopelianos	March 26, 2020

PETERBOROUGH UTILITIES COMMISSION **REPORT**

March 17, 2020

2.07

COMMISSION AGENDA
2020:05:26

2019 SUMMARY REPORT FOR MUNICIPALITIES PETERBOROUGH WATER TREATMENT PLANT

INFORMATION ITEM

Attached is the **Summary Report for Municipalities**, as required to be completed under O. Reg 170/03 for the Peterborough Water Treatment Plant (WTP).

Prepared by: P. Skopelianos, Water Quality Assurance Manager

Submitted by: Patrick Devlin, Vice-President Water Utility Services

Approved for Submission by: _____
President & CEO

Background

The Summary Report for Municipalities is required under Schedule 22 of O. Reg. 170/03 of the Safe Drinking Water Act. The purpose of this report is to provide information to the owner of the drinking water system so that they may assess the capability of the system to meet the existing and planned uses.

This report for Peterborough must also be supplied to the Township of Selwyn as the Peterborough system supplies the Woodland Acres development.

Management Discussion

This report does not have to be submitted to the Ministry of the Environment, Conservation & Parks, but must be given to the Commission prior to March 31st of each year. This report does not have to go to City Council, unless it is the Commission's wish. Please note that the period covered by this report is from January 1, 2019 to December 31, 2019.

The primary focus of the report is on the system's ability to meet the regulatory and flow requirements. The report is somewhat redundant with the Ministry's inspection report and the Permit to Take Water Report sent to the Ministry annually.

Results in the report indicate that the Peterborough water treatment plant and distribution system continue to meet the needs of its customers in the City of Peterborough.

Budget and Financial Implications

There are no cost implications with this report.

Risk Evaluation

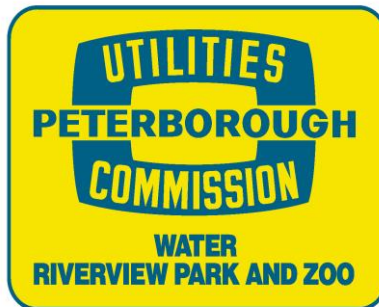
This report is intended to provide the Peterborough Utilities Commission the information necessary to determine if their drinking water system is capable of meeting the needs for which it is intended. This will in turn assist the Commission in mitigating their risks based on informed decision-making.

Attachments: Summary Report for Municipalities 2019, 3 pages

2019 SUMMARY REPORT FOR MUNICIPALITIES

Peterborough Water Treatment Plant

PERIOD: JANUARY 1, 2019 – DECEMBER 31, 2019



Municipal Drinking Water Licence: 145-101, Issue No. 5

Municipal Waterworks No: 220000497

February 3, 2020

Capability of Water System

The annual summary of water delivered in 2019 is as follows:

Month	Average Day (M³/d)	Maximum Day (M³/d)	Peak Flows (L/m)
January	26,267	37,126	25,782
February	25,298	33,555	23,302
March	24,745	27,430	19,049
April	24,458	29,005	20,142
May	25,380	28,543	19,822
June	28,180	30,558	21,221
July	32,896	37,619	26,124
August	31,109	40,067	27,824
September	28,236	30,701	21,320
October	25,234	27,478	19,082
November	24,842	26,505	18,406
December	24,463	33,843	23,502
Rated Capacity	----	104,000	----
Maximum Taken per day (Permit to Take Water 5167-9BVR6A)	----	190,680	132,743 L/m

The Municipal Drinking Water Licence rates the plant at 104,000 M³/day; therefore there were no exceedences of this Licence. The Permit to Take Water allows a maximum raw water taking of 190.68 ML/day, therefore there were no exceedences of this permit. The Permit to Take Water also stipulates a maximum allowable limit of 132,743 L/m, again there were no exceedences.

Submission of this Report

Schedule 22, section 22-2(1) of O. Reg. 170/03 under the Safe Drinking Water Act requires this report be submitted to the Peterborough Utilities Commission as it is the Peterborough drinking water system owner and a municipal service board under the Municipal Act, 2001.

Period Covered by this Report

Schedule 22, section 22-2(5) of O. Reg. 170/03 under the Safe Drinking Water Act requires this report cover the period of January 1, 2019 to December 31, 2019.

Failure to Meet Requirements of the Safe Drinking Water Act and Regulations

There are no known failures to meet the requirements of the Safe Drinking Water Act, 2002 or any current regulation made under this Act.

Failure to Meet Requirements of the Municipal Drinking Water Licence

There are currently no known failures to meet the requirements of the terms and conditions of Municipal Drinking Water Licence, number 145-101, Issue No.5.

Failure to Meet Requirements of Provincial Officer Orders

There were no Provincial Officer's Orders issued during the period covered by this report. Any previously issued orders have been addressed. There are currently no known failures to meet the requirements of the terms and conditions of any Provincial Officer's Orders.

Water Supplied to Others

The Township of Selwyn's Woodland Acres development receives all of its drinking water from the Peterborough municipal water system. A copy of this report has been provided to the Township of Selwyn as required by Schedule 22, section 22-2(4) of O. Reg. 170/03 under the Safe Drinking Water Act.

This report has been prepared by Patrick J. Devlin, HBSc., PUG Services Corp., representative of the contracted operating authority.

Patrick J. Devlin, HBSc.
Vice-President, Water Utility Services
PUG Services Corp.