

**COMMUNICATION 131029**

Received From: Dave Young, Director of Public Works  
Addressed To: Committee of the Whole  
Date: February 4, 2020  
Topic: Wastewater Treatment Plant Heat Exchanger

**SUMMARY**

The replacement of the heat exchanger at the Wastewater Treatment Plant has been identified in the Town's long-term financial plan. The project was tendered by the Ontario Clean Water Agency in late 2019 with the resulting tender results coming in significantly over the budgeted amount. Staff is seeking Council's support to proceed with the project with the difference coming from the major maintenance budget for the plant.

**BACKGROUND**

Town staff has received a report from the Ontario Clean Water Agency (OCWA) relating to the proposed replacement of the existing heat exchanger at the Carleton Place Wastewater Treatment Plant. The heat exchanger is located in the Digester Building and the existing unit has been in place since 1993. This unit is responsible for converting heat energy from burning biogas or natural gas into maintaining an appropriate temperature in the Primary Digester. The replacement of the existing unit was identified a number of years ago and a cost estimate incorporated into the long-term financial plan.

**COMMENTS**

OCWA staff completed the tender process in late 2019 and the preferred unit came in at a considerably higher price than originally estimated. Contributing factors to the higher cost include:

- the requested unit incorporates the capability to accommodate expansion;
- communication capabilities with the new SCADA system were incorporated into the technical requirements; and
- the fact that the original estimate was developed a number of years ago.

**FINANCIAL IMPLICATIONS**

The original budget for this project was \$70,000. The bid received that met all specification requirements was the Claro ModuTube in the amount of \$138,212.90.

As a result of a review and reconciliation of 2019 year end, it has been determined that there is an adequate surplus within the Major Maintenance Budget for the water and wastewater treatment plants to accommodate the difference in costs without having an impact on any other budget line. The reasons for the surplus in this major maintenance budget are a combination of some identified projects coming in below estimates and the fact that some projects that had been identified were not completed in 2019.

One of OCWA's contractual obligations to the Town is the development and implementation of a long-term capital program related to water and wastewater. The Major Maintenance item that appears in the Town's Water and Sewer budget is implemented by OCWA with ongoing communication and approval by Town Staff. Over the course of the year adjustments are typically made in the program to address unforeseen issues and/or emergency items that require immediate attention by OCWA's operators. Items that are identified but not implemented are reprioritized and the long-term plan is updated. Items that were not completed in 2019 will be reviewed and OCWA will determine the priority of timing for the completion of these projects.

**STAFF RECOMMENDATION**

THAT Council supports utilizing funds from the 2019 Water and Wastewater Major Maintenance surplus to pay for the budget deviation of \$68,212.90 (\$13,212.90 less \$70,000 budget) for the replacement of the existing heat exchanger at the Town's Wastewater Treatment Plant.