



# Northern Watertek Corporation

200 Commerce Road, Vars, ON, Canada K0A 3L0

Tel: (613) 443-1118, Fax: (613) 443-2527

[www.watertek.org](http://www.watertek.org)

May 22, 2003

Mr. Reg Andres, P. Eng.  
Vice President  
R.A. Anderson Associates Limited  
400 – 2001 Sheppard Avenue East  
Toronto, Ontario  
M2J 4Z8

File: P-1741

Dear Mr. Andres:

## **Re: Munster**

Pursuant to our discussion this morning, I have the following comments for the record.

1. I sent you Stavinga's "message of joy" dated May 20, 2003.
2. I also sent you a copy of City of Ottawa report to Committee and the February 19, 2003 addendum to XCG, correcting errors in the original December 16, 2002 report by RVA.
3. Those errors were not corrected in the assessments 20-year, 40-year and 60-year projections and as they represent the base figures/costs, etc. provided by us extensions such as you have made are highly distorted.
4. If the pipeline, as conceived by CRA, is 8" in diameter, then the cost basis for a pipeline to Richmond is underestimated in our opinion. We have commensurate experience to make that assessment. A functioning renovated lagoon must be part of that consideration as well as pumping stations, etc.
5. In a conversation with Wayne Newell this date, he insisted that IF the EA process is again amended, then all options/alternatives will have to be reevaluated. He went on and on as to how long this will take and cost and so on. This is perverse at any level.

This, for the record, is not correct. TSH did the original ESR. CRA amended it and "deliberately" manipulated the process to "prove" a pipeline was the most appropriate alternative. See attachments from MEA – Class EA Planning Process.

### **OMB Hearing and Decision**

Now we all, having been through OMB et. al., know that assessment was patently wrong. It was manipulated to provide a pre-determined result.

Your study was the closest thing to a fair assessment, in spite of the corrections needed.

### **Richmond Upgrade – ROPEC and Pumping Costs**

For the record, I respectfully request that the cost of the Richmond upgrade costs be included and the published cost per cubic meter of treatment at ROPEC and the cost of pumping to ROPEC be carefully reviewed, along with the capital costs for such a pipeline et. al. It must be remembered that City Engineers insisted that the cost to pump Munster sewage to its lagoons a short distance, was \$20,000. What is the cost to pump to ROPEC – 10 to 20 times?

### **Cost Corrections**

As well, I request that the corrections I sent to XCG on February 19, 2003 be made to the submission recently made (second report) to Council so that these numbers will be inserted in the City Engineer's report. The numbers are wrong and must be corrected. The extensions on an economic basis 20/40/60 year become highly distorted and unfairly create the wrong conclusion regarding the comparison of our proposal to the pipeline.

Similarly, an underestimated cost is similarly distorted to be far more favourable than it, in fact, is (i.e.) pipeline costs, blasting, rock removal allowances.

### **Financial Considerations – 20/40/60 Years**

Pursuant to our discussions, 20/40/60 year considerations are wholly financial in nature and have really nothing to do with the physical life of the pipeline. Therefore, as such, no one can predict the financial "chaos" or otherwise that will exist 60 years out from this point that would justify installation of an alternative on such a basis.

In my considered opinion, such consideration is completely facetious and if I heard you correctly, you agree that **no alternative selection should be made on that basis, that as submitted, such is only a consideration.**

Dr. Arch Ritter of the Economics Department at Carleton University agrees with our assessment of such 60-year cost benefit deliberations – "they are virtually useless and unpredictable

Besides, no council can saddle future councils as this pipeline would do vis a vis limiting Munster growth. This pipeline will be scrapped when the no-growth policy with respect to Munster is reversed.

A 60-year basis for this decision is ludicrous in that vein (i.e.) it limits Munster's growth for 60 years...Yes? No?

### **System Similarities**

As also discussed with you, I reiterate that the pipeline option is a good deal of pipe over a relatively long distance, plus a lagoon and a pumping station involving pumps and controls.

This is entirely similar to the system we proposed involving pumps, pipe, lagoon, controls, etc. There is only a simple difference of configuration with a good deal less pipe. Over the terrain to Richmond, you classed a pipeline as "risky" from a sustainable integrity point of view.

So what's the advantage of a pipeline compared to our proposal over one year, ten years, sixty years? I submit none, whatsoever.

### **Procedural Exaggerations**

As noted above, discussion with Wayne Newell of the City was unsatisfactory when he claimed that the City would have to open up a full Class EA procedure once again if anything other than a pipeline was implemented. This is patently incorrect. This "inflated" problem is only to cost on-site treatment as very difficult.

### **Class EA – Specifics for Amendments**

I attach pages A-71 and A-72 from the MEA procedures, with respect to amendments to ESR's. Mr. Newell is wrong in his assessment of what is required here. This document proves our position on this matter is correct. This is something that, in his position, he must know so as to properly carry out his duties.

He also stated that a "bump up" request would delay the project even further and that with such delays, mimicking Ms. Stavinga's outrageous exaggerations, MOE would fine the City some \$6,000,000. This is nonsense.

The MOE cannot override due process, which certainly has been underway since 1995, beginning with TSH's efforts, followed by CRA, OMB, and now RVA. It is now more likely "overdue process".

### **Changes to City Engineer's Report**

Should the City Engineer's report remain unamended, I can assure that due process will indeed be exercised. I am, as a professional, offended by these pronouncements of late from Ms. Stavinga and Mr. Newell's department.

A pipeline cannot be zipped into the ground at an unrealistic price. The total cost for a pipeline will be into 8 figures, 3 to 4 times the price proposed by our group.

### **Operating Costs**

In operating costs, the XCG estimates were way off target and never discussed with us until we saw your December 16, 2002 report. Our February 19, 2003 submission corrected these errors. And, sir, because we agreed that the components of which our system consists are virtually the same as in the total pipeline system but less risky as there is much less pipe, then I cannot see any advantage to the pipeline, capital costs, operating costs, environmental advantage or life expectancy.

### **Tax Cost Savings – Current Activities**

The City of Ottawa is looking for capital and operating cost savings to prevent a 6.5% tax increase. Ostensibly, as much as 25% to 30% that savings on a present value basis can be had on this Munster issue alone if the City et. al. will get off this Stavinga pipeline train.

### **Added-on Costs**

One final item – the budget has added \$800,000 to the cost of our proposal for EA amendments. This is not acceptable in any way. It is a gross exaggeration.

We included in our price, the costs to prepare the EA amendment and obtain the C of A. This is part of engineering. As this is our area of expertise, we retain the right to ensure an approval with the proper conditions is obtained.

If there is a bump up request, we will handle that as well.

### Cost Summary

Capital costs (all costs included), including land purchase if necessary:	< \$3,000,000
Operating costs: this is less than half cost of pipeline, pumping and ROPEC costs	<\$100,000/year (5 years) Renewable with COLA clause

### Time Schedule

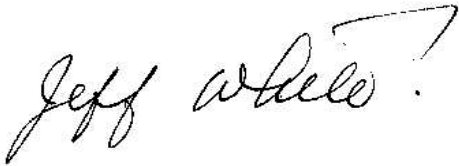
The time of 18 months to manage these proceedings is a gross exaggeration created to falsely elevate time and costs to make a pipeline look more attractive. Our plant, if given the go-ahead now, can be in operation of the end of the year and, at the latest, early 2004. This charade must stop and, Mr. Andres, you must be instrumental in this action accordingly. As a professional, you have no choice!

I, therefore, request that you officially advise the City that **you “must distance yourself” from the documents and pronouncements** made by Stavinga and the City Engineer’s report. I am very serious about this request, as one professional to another.

Failure to do so will cast a further pawl over this whole project and procedure, as well as upon RVA and yourself. I truly regret this admonishment but circumstances leave me no choice.

Respectfully submitted,

**NORTHERN WATERTEK CORPORATION**



Jeffrey A. White, P. Eng.  
President

JAW/lp  
attachments