

Recommendation:

That the Recreation Facilities-2022-03 report, April 19, 2022, regarding Warsaw CC Chiller Failure be received; and

That Council agrees to pay our insurance deductible of \$10,000.00 and proceed to have the Warsaw CC shell and tube chiller replaced.

Overview:

The Township of Douro-Dummer, Parks and Recreation Department is looking to purchase a new shell and tube chiller for the Warsaw Community Centre. The current 2009 chiller has failed.

On December 29th, 2021 Staff had identified a leak of ammonia in the refrigeration room at the Warsaw CC. After some investigation they were not able to determine where the leak was coming from. At that time staff had called Cimco Refrigeration to look into the issue further. While Cimco was on site they indicated that the leak was coming from our brine expansion tank. Once the location was identified they ran a series of tests to determine the cause. Their diagnostics identified an internal failure of the shell and tube chiller. These Chillers are not a repairable item.

This was an unforeseeable premature failure of the internal tubes that is supposed to separate the ammonia gas from the brine refrigerant in the chiller. We are required to replace the shell and tube chiller every 20 - 25 years as per TSSA and our Insurer, so this kind of situation does not happen. This item wouldn't be scheduled for replacement until 2029 - 2034. We keep up on our regular maintenance each year as well as take a brine analysis every 1-2 years and make the proper adjustments to our brine to prevent this situation from occurring. Considering this was not a normal failure staff investigated the possibilities of insurance coverage.

Conclusion:

Staff have worked with our Insurer Aviva and provided them with all of the required material to proceed with the Warsaw Community Centre chiller failure claim. After working with our insurer, it has been indicated that it will be covered through them. The coverage includes the cost of replacing the existing shell and tube chiller and installation at \$99,400.00 plus H.S.T, as well as the flushing of the contaminated brine in the ice surface floor at \$25,464.00 for initial flush and each additional flush at \$9,344.00 required plus H.S.T. The coverage also includes loss of revenue from Dec 30th, 2021 – Mar 16th, 2022, minus the provincial lockdown from Jan 5th – Jan 30th, 2022 of \$26,122.85 H.S.T included.

Financial Impact:

Insurance will be covering the following costs:

- Chiller replacement - \$99,400.00 plus H.S.T
- Flushing of contaminated brine - \$25,464.00 plus \$9,344.00 for each additional if required plus H.S.T

- Loss of revenue of \$26,122.85; this amount is based on the revenue lost from January to April 2022, excluding the timeframe where the facility would not have been open due to Provincial mandates.

The Township's deductible for the claim will be \$10,000.00 and will be paid through the self-insurance reserve.

Strategic Plan Applicability: To develop and/or assist with the development and delivery of social and recreational programs as well as effectively maintaining and updating recreational facilities to promote healthy lifestyles and meet the broad range of community needs.

Sustainability Plan Applicability: None

Report Approval Details

Document Title:	Warsaw CC - Chiller Failure.docx
Attachments:	
Final Approval Date:	Apr 14, 2022

This report and all of its attachments were approved and signed as outlined below:

Martina Chait-Hartwig

Elana Arthurs