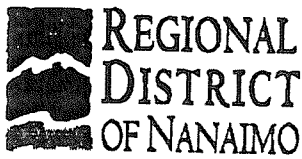


5600-01



5

AWS - Budget Approval

REGIONAL DISTRICT OF NANAIMO

DEC 16 1998

	GMCS	
CAO	GMDS	
	GMES	<input checked="" type="checkbox"/>

John - I believe the budget is to be approved by each party.

Please clarify.

City of Parksville

Town of Qualicum Beach

ARROWSMITH WATER SERVICE (AWS)

PROJECT MANAGEMENT COMMITTEE MEETING NUMBER 10 - MINUTES

LOCATION: City Hall, City of Parksville
DATE: December 3, 1998 at 2:15 p.m.

ATTENDEES:

- | | |
|----------------------------|------------------------------|
| Bob Weir, P.Eng. (BW) | Town of Qualicum Beach |
| Wayne Moorman, P.Eng. (WM) | Regional District of Nanaimo |
| Greg Scott, P.Eng. (GS) | City of Parksville |
| Tony Koers, P.Eng. (KRC) | KRC Consultants |
| Jim Banks | City of Parksville |
| George Holme | Regional District of Nanaimo |
| Bill Luchtmeijer | Town of Qualicum Beach |

DISTRIBUTION:

All attendees

- 1.0 Minutes of meeting of August 31, 1998 - distributed to all parties prior to the meeting.
- 2.0 1999 Budget - Finance

ACTION	DESCRIPTION	ACTION BY
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2.1 Greg Scott presented the proposed budget summary (attached) showing Administration (\$30,267.), Operation (\$15,435.09), Dam Maintenance (\$78,720.88), 1999 Capital (\$66,000.), and Transfer to Reserves (\$25,000.) for a total of \$215,422.97.
 Moved by Bill Luchtmeijer, seconded by George Holme:
 "That the budget be accepted as presented." **CARRIED.**

2.2 The proposed capital budget included a cost of \$65,000.00 for a debris boom. A final decision has not yet been made on whether or not to install the boom, which was not included in the original contract but was budgetted for in 1999. Anchors and chains for the boom have been installed, in the event that a log boom is deemed necessary.

Date	DEC 15 1998	Page 4 of 4	
Post-it Fax Note	7671E		
From	GEORGE HOLME		
To	KEG SCOTT		
Co./Dept.			
Phone #			
Fax #			

ACTION

DESCRIPTION

ACTION BY

3.0 AWS Manager

Bob Weir and Greg Scott advised that the management of the dam should be passed to the City of Parksville, who will be the major user and who also have the SCADA system in place for monitoring water flow. It was decided to keep the current status in place until the new Parksville engineer has become familiar with the project.

Moved by Jim Banks, seconded by George Holme

"That the financial function of the AWS will be transferred to Parksville next year, together with the management responsibility, with a target date of June 30, 1999."

CARRIED.

3.0 Sierra Legal Defense Fund Update

Bob Weir gave a brief update on the proceedings. There has been a three day hearing, following which judgment was reserved. The presence of an intervenor from the Ministry of the Attorney General was of benefit, as he presented interesting arguments. The judge seemed to want to comprehend technical details.

The AWS will be applying for costs. They may not be awarded, but it would set a precedent if they were. The ruling may come down by the end of December. Worst case scenario would mean that AWS would have to make application for an assessment from the Environmental Assessment Branch, whose regulations are now being amended.

4.0 Construction Progress - Tony Koers provided a detailed progress report.

4.1 Reservoir

99% complete. Still some floating logs to be removed from lake surface.

4.2 Road and Site Grading

90% complete. Contractors must widen road to top of dam, and complete general site grading and cleanup. Cannot do inspection because of the snow.

4.3 Concrete Dam

99% complete. Must finish concrete in selected areas, and install tell-tale movement gauges at block joints. Snow is preventing work.

ACTION	DESCRIPTION	ACTION BY
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4.4 Piping and Valve Chambers
95% complete. Some outstanding items are to be completed before testing and inspection.

4.5 Flow Channels
97% complete. The channel must be cleared to required dimensions under and downstream of bridge and debris removed from flow channels.

4.6 Electrical and Instrumentation
80% complete. Wiring to Valve Chamber 2, the diesel generator system, installation of drain pumps in chambers, flow and pressure transmitters, programs and graphics for SCADA system, and satellite communication system are still to be completed as part of the outstanding work on this section.

4.7 Genset Building
90% complete. Contractor must caulk joints in plywood, waterproof exterior walls and paint exterior wood with preservative, provide weather stripping for door, and grade around slab to improve drainage.

4.8 General
20% complete. Still to come is site cleanup, commissioning, deactivating road and winterizing site, providing an as-constructed survey and drawing markups, operations and maintenance manuals, seeding of batch plant site, and demobilization.

Apart from the electrical /control/instrumentation/communication system, the dam piping and valve system is functional for bringing the lake up to full storage level over the winter. The dam cannot be monitored remotely at this time. The contractor has been put on notice that the installed equipment is their responsibility.

4.9 Construction Budget
AWS met on September 3 to discuss outstanding claims and change orders with Walter Construction, and agreed upon a new Guaranteed Maximum Price of \$3,660,000.00. This amount takes into account all known items as of that date, and no claims are to be re-opened.

Since that meeting, KRC has issued Change Orders 22 to 25, to increase the GMP to \$3,681,510.31. The Engineering budget has been revised to \$863,235.00.

KRC stated that the overall project budget has been achieved including the unbudgetted land purchase. The entire project cost is

expected to be somewhat less than 5% over the authorized project budget. The amount agreed to under the referendum was \$5,650,000. Bob Weir advised a report would be coming from the RDN, Parksville or Qualicum Beach.

The project is two months behind schedule, due to tricky rock conditions, problems with the sub-contractors, disorganization and re-organization of the prime contractor, the sub-standard road around the reservoir, the late start in 1977, environmental costs, and delays in 1998. Questions from the members in attendance were answered regarding the road, which had been in the contract but was later removed from the contract, and which will skew the over-run figures, on whether or not the contingency fund had been used up, and if the contractor should be penalized for failing to perform on the bid. It was decided that the issue could not be resolved at this meeting.

BW,GS,WM

Staff will work on proposals to deal with the over-run of the figure agreed to by referendum, complete a report, and present it to the Joint Ventures Partners Board in mid-January.

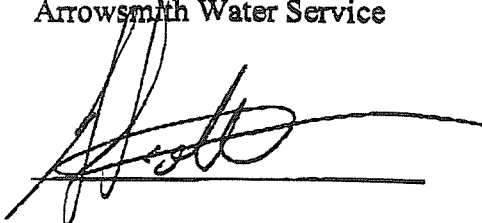
5.0 Next Meeting

The next meeting will be held in mid-January, at the call of the Chair, at City Hall, Parksville.

BW

Please advise the writer of any errors or omissions in the minutes. Unless otherwise advised in writing, the minutes shall stand as an accurate representation of the items discussed.

Arrowsmith Water Service



GS:jr
ga/water/aws/mindec03