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City of Parksville

Town of Qualicum Beach

ARROWSMITH WATER SERVICE (AWS)

**MANAGEMENT COMMITTEE MEETING
MINUTES OF MEETING**

ATTENDEES:	DATE:	Monday, June 21, 1999
Councillor Jim Banks Gary O'Rourke, P.Eng. Bob Weir, P.Eng Mayor Bill Luchtmeijer John Finnie Wayne Moorman Tony Koers, P.Eng.		City of Parksville City of Parksville Town of Qualicum Beach Town of Qualicum Beach Regional District of Nanaimo (RDN) Regional District of Nanaimo Koers & Associates

Purpose of Meeting: Review progress of dam construction and AWS issues.

Written By: Gary O'Rourke, P.Eng.

Circulation: All present and Mr. Rob Roycroft.

The meeting was called to order.

1. Mr. Koers reviewed progress of construction of the Arrowsmith Dam. He noted that:
 - The contractor suspended work on December 13, 1998;
 - The contract completion date was extended to June 15, 1999;
 - The contractor could not get access to the dam to restart the work until June 14, 1999, mainly due to snow;
 - There is a minor leak in the dam. This needs to be fixed but it is not a great concern. Agra will be carrying out dye testing. Hold-back of twice the estimated value of the work will be retained to cover deficiencies.

Action: Record

2. Mr. Banks reaffirmed the requirement for unanimous support by the partners for issues such as the decision to seek legal costs related to the Spere action. He further advised that he did not vote in favour of seeking full costs at the April 7 meeting. The issue was taken to Parksville City Council where Council determined to seek limited costs up to \$2,500.

Moved by Mr. Banks that the Minutes of the April 7, 1999 meeting of the AWS be amended to reflect that he did not vote in favour of seeking full legal costs from Spere in relation to their court action.

Seconded by Mr. Luchtmeijer

Carried.

Moved by Mr. Banks that the AWS seek an order for payment of legal costs in the amount of \$2,500 from the Society for the Protection of the Englishman River Estuary and its Directors in the matter of Spere vs. AWS.

Seconded by Mr. Finnie for discussion.

The RDN and Qualicum Beach both expressed a desire to pursue full legal costs, and felt the courts should decide the amount, even though it was realized it was unlikely the AWS would actually recover the money. The costs for seeking recovery of the funding were noted to be in the order of \$500.

Mr. Banks noted that seeking a limited amount was actually one of the recommendations of our lawyers.

The motion was defeated.

Action: Record

3. Mr. Weir suggested that the only course of action now would be to have the AWS lawyer ask the Spere lawyers if their side was prepared to offer a settlement of costs

Action: AWS

4. The financial report prepared by Bob Weir, dated June 4, 1999 was discussed. Mr. Banks inquired as to why the financial statement reflects an engineering budget in excess of \$1 million, while the minutes of the April 7 meeting reflect approximately \$830,000.

Mr. Weir advised that the \$830,000 figure did not include some of the change orders.

Action: Record

5. There was discussion on the fact that the total costs of the project are within the referendum amounts, including the cost of the land.

Action: Record

6. Mr. Banks advised that he felt the AWS should provide detailed financial statements showing project costs and budgets. He feels it is important for the AWS to produce statements showing budget to actual figures and the position of the three partners.

Mr. O'Rourke and Mr. Finnie agreed to work on producing this type of statement for the committee to review.

Action: Parksville & RDN

7. Mr. Finnie advised that he has reviewed the Partnership Agreement and has some suggested amendments. Mr. Weir expressed concern that changing the agreement may require another Order in Council. No decisions were made to make amendments at this time.

Action: Record

8. The issue of the request from the Lantzville Improvement District to connect to the AWS system was raised. It was decided to defer discussion of this issue to a future meeting.

Action: Record

9. Councillor Banks noted that a previous resolution of the AWS had the City of Parksville taking over operation of the dam in June. Since the schedule has been delayed he suggested amending the date.

Moved by Mr. Luchtmeijer that the Operation of the Arrowsmith Dam be turned over to the City of Parksville on September 1, 1999.

Seconded by Mr. Banks.

Carried

Action: Record

10. Mr. Koers noted that the Operating Rule for the dam came into effect on June 1, 1999. Such rule generally governs the discharge rate (i.e. the river flow).

Mr. O'Rourke inquired as to who is currently responsible for the operation of the facility, given that the City of Parksville has yet to take over these duties, since construction is not complete. Mr. O'Rourke expressed concern on not knowing who the responsible party is. This issue will be investigated and clarified.

Mr. Koers advised that the specified discharge rate of 1.5 cu.m./sec. was currently being maintained in compliance with the Operating Rule.

Action: Record

11. The issue of an official opening of the dam was discussed. If it is held within the next several weeks it may be possible to discharge water over the spillway during the event. Otherwise the lake level will be too low to do this. There was some concern that more notice will be required in order to properly organize the event. July 12 was noted as a possible date. No decision on the timing or other details were made.

Action: Record

The meeting was adjourned.

The foregoing is the writer's interpretation of the statements and issues addressed at the meeting. Please advise the writer of any disagreement with the information, as presented, within five days of receipt of these Minutes.

ARROWSMITH WATER SERVICE

Gary O'Rourke, P.Eng.

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