City of Parksville

REGIONAL DISTRICT OF NANAIMO

Town of Qualicum Beach

ARROWSMITH WATER SERVICE (AWS)

MANAGEMENT COMMITTEE MEETING ✓ #20
MINUTES

DATE: Wednesday, October 31, 2001

ATTENDEES:

Councillor Jim Banks	**City of Parksville**
Rob Roycroft	**City of Parksville**
Gary O'Rourke, P.Eng.	**City of Parksville**
Bob Weir, P.Eng	**Town of Qualicum Beach**
Anton Kruyt	**Town of Qualicum Beach**
Mark Brown	**Town of Qualicum Beach**
Kelly Daniels	**Regional District of Nanaimo**
John Finnie	**Regional District of Nanaimo**
George Holme	**Regional District of Nanaimo**
Joe Stanhope	**Regional District of Nanaimo**

Purpose of Meeting: Review AWS issues.

Minutes Taken By: Gary O'Rourke, P.Eng.

Circulation: All present

~~Called to Order:~~ 11:00 A.M.

~~Item #1: UPDATE~~

The Manager opened the meeting by presenting a verbal update regarding the current status of dam operations.

The reservoir level reached about 75 % of capacity this year and has dropped through the summer, however it is still at about 25 % of capacity. October 31 is the end of the operating period under the Operating Rule. This means the outflow from the dam can now be turned off.

Flows were generally appropriately maintained throughout the season in accordance with the Operating Rule.

It was suggested that arrangements be made to distribute and possibly publish information regarding the success of the first year of operation of the facility, including the benefits to fish from enhanced river flows during dry periods.

Item #2: SIPHON LINE REPAIR COSTS, CONSULTANT RESPONSIBILITY

The Manager presented a report dated October 29, 2001 advising that there have been discussions with Mr. Koers. Mr. Koers still feels he should not be held responsible to cover any of the costs of the subject repairs.

It was noted that a legal opinion could be obtained to assist in deciding whether or not to pursue this issue.

It was also noted that Mr. Koers wished to discuss the matter with the Committee, and could attend this meeting if desired. After discussion the Committee decided not to request Mr. Koers to attend the meeting.

It was noted that in his letter to the Manager dated July 19, 2001, Mr. Koers advised that there were costs incurred by KRC which were never billed to the AWS. Such costs were incurred between the date when KRC anticipated that Substantial Completion would be achieved and the end of the period of the agreed upon fee cap.

The Committee suggested that they would consider crediting the unbilled charges against the subject claim if they could be substantiated by the Consultant. The Manager was requested to obtain further details on these unbilled charges from Mr. Koers for discussion at the next meeting.

Motion

Moved by: Mr. Holme:

"That, the Manager of the AWS be instructed to obtain details, information and backup from Koers & Associates regarding the unbilled charges referenced in the letter from Kopers & Associates to the AWS dated July 19, 2001, for consideration at the next AWS Management Committee Meeting."

Seconded by: Mr. Banks
Carried

Item #3: 2001 OPERATING BUDGET - STATUS

The Manager presented a report dated October 29, 2001 showing the current status of the 2001 Operating Budget.

The final costs for 2001 are projected to be within budget, excluding the unbudgeted amounts required to pay for the siphon line repairs, (currently under consideration), and the Infosat charges (already paid). The total expenditures also depend on the ultimate settlement with Walter/SCI (currently under discussion).

Motion

Moved by: Mr. Banks:

"That the report from the Manager of the Arrowsmith Water Service regarding the status of the 2001 Operation and Maintenance Budget be received for information."

Seconded by: Mr. Holmes
Carried

Item #4: 2002 BUDGET

The Manager presented a report dated October 29, 2001 outlining the proposed 2002 AWS budget. For operating, the only change proposed, as compared to the 2001 budget, is an increase in the budget for licensing and insurance (+ $,9,000) to reflect actual requirements.

For capital, the budget has been adjusted to reflect receipt of a $10,000 planning grant under the Local Government Grants Act (as compared to a grant of $37,500 budgeted in 2001, which was not approved).

It was noted that the engineers recommend that the costs for the capital planning work be shared on an equal basis by the three joint venture partners rather than on the basis of the cost sharing formula used for dam construction.

RDN and Qualicum Beach representatives expressed concern that Parksville does not seem to be putting the same emphasis on the need for capital planning, and Parksville has even drilled wells over the past couple of years to delay the requirement for AWS water.

Parksville representatives advised that no new wells have been constructed in an effort to delay the development of the AWS. While Parksville may not agree on the urgency of, and specific immediate requirements for, capital planning for future phases of the AWS, they agree it is important to move forward and therefore support the recommended budget, including funding for capital planning in 2002.

It was noted that the proposed 2002 budget also includes $8,500 to cover partial funding for a truck to be used by AWS maintenance and operating staff. It is proposed that the cost sharing for the vehicle be on the basis of the formula used for dam construction and maintenance.

Motion

Moved by: Mr. Banks:

"That the proposed 2002 AWS budget outlinee in Table 2 of the report dated October 29, 2001 from the Manager of the Arrowsmith Water Service be recommended for adoption by the City of Parksville and Qualicum Beach Councils, and the RDN Board."

Seconded by: Mr. Kruyt
Carried

Item #5: JOINT VENTURE AGREEMENT

Mr. Roycroft handed out the most recent draft of the proposed agreement and suggested the Committee review the document, and that the topic be discussed at the next meeting of the Management Committee. The hand-out included a brief written summary (dated September 10, 2001), of key related issues.

It was noted that the most recent version of the document appeared to contain clauses and errors which were previously pointed out for change/correction.

It was agreed that the document would be further discussed at the next meeting.

There was no motion made with regard to this item.

Item #6: NEXT MEETING

It was agreed that the next AWS Management Committee Meeting would be held at 10:00 A.M. on Tuesday, November 27, 2001, at the Parksville Civic and Technology Centre.

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

ARROWSMITH WATER SERVICE

Gary J. O'Rourke, P. Eng.
Director of Engineering & Operations

GOR/re
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