



**MINUTES OF THE REGULAR MEETING OF THE
ENGLISHMAN RIVER WATER SERVICE (ERWS) MANAGEMENT BOARD
HELD ON THURSDAY, JUNE 5, 2014
IN THE PARKSVILLE FORUM**

Present:

Director J. Stanhope, Chair	Regional District of Nanaimo
Director G. Holme	Regional District of Nanaimo (alternate)
Mayor C. Burger	City of Parksville

Also in Attendance:

M. Donnelly	Regional District of Nanaimo
R. Alexander	Regional District of Nanaimo
W. Idema	Regional District of Nanaimo
G. St. Pierre	Regional District of Nanaimo
F. Manson	City of Parksville
M. Squire	City of Parksville
V. Figueria	City of Parksville
B. Weir	Town of Qualicum Beach
R. Graves	Recording Secretary

Regrets:

M. Lefebvre	City of Parksville
S. Tanner	Town of Qualicum Beach

CALL TO ORDER

Chair Stanhope called the meeting to order at 1:08 PM.

DELEGATIONS

MINUTES

BUSINESS ARISING FROM THE MINUTES

COMMUNICATIONS/CORRESPONDENCE

REPORTS**ERWS Joint venture Draft Financial Statement, year ending December 2013:** M. McGorman (Verbal Presentation)

M. McGorman presented the draft financial statement and commented that in their opinion, this financial statement presents fairly, in all material respects, the financial position of the Joint Venture as at December 31, 2013 and the results of its operations and accumulated surplus for the year then ended in accordance with Canadian public sector accounting standards.

MOVED Director Burger, SECONDED Director Holme that the ERWS Joint venture Draft Financial Statement be approved.

CARRIED

Preliminary Design Project Update (CH2M Hill – to be presented)

CH2M Hill representatives presented the Preliminary Design on the project background and objectives which included future water demands, project components, preliminary costs and funding and next steps. Slides indicating water demands, watershed climate, average river flows – flow post dam and pre dam periods, flow duration, low flow rating curve at intake site and Arrowsmith Lake (storage reservoir) was also reviewed.

MOVED Director Holme, SECONDED Director Burger that the Preliminary Design Project Update be received.

CARRIED

Preliminary Design, Membrane Procurement and Detailed Design Report (M. Squire – to be presented)

M. Squire reported on the preliminary design and detailed design of the Water Intake, Treatment plant and supply mains and information was read from the report. Significant planning and investigation has been undertaken over the last 20 years in an effort to develop a regional water supply that is sustainable and developed in a phased approach to meet both current and future water demand needs.

M. Squire reviewed CH2M Hill's development of procurement documents to engage water treatment ultrafiltration/microfiltration polymeric membrane vendors for design services and pre-purchasing. The advantages of bringing in the membrane supplier in at the detailed design stage is to gain efficiencies in the overall plant design, meet conditions set in the warranty of the membranes, educate and train operators and save on general contractor markup. Three membrane suppliers were shortlisted to submit detailed proposals and were evaluated through a complex matrix that included capital costs, operations, life cycle costs, technical support, and technical requirements. It was determined that two of the membrane suppliers met all conditions and are both equally weighted. The selection committee made of technical staff from CH2M Hill and ERWS are currently going through the terms and conditions of each vendor's proposal to determine which supplier best meets our terms for delivery, replacement, service and warranty. We expect to be in a position to award the design services to the top rated vendor within several weeks once all the terms and conditions of the contact are satisfactory with ERWS staff.

MOVED Director Burger, SECONDED Director Holme that the Englishman River Water Service Management Board recommend the Joint Ventures adopt the report titled “Predesign Report – Water Intake, Treatment Plant, and Supply Mains”, dated June 5, 2014.

CARRIED

MOVED Director Burger, SECONDED Director Holme that the Englishman River Water Service Management Board direct the Englishman River Water Service Management Committee to continue to proceed with negotiating the terms and conditions with the two top rated membrane vendors for the purpose of engaging the top rated membrane vendor for detailed design services in the amount not to exceed \$415,000 plus GST.

CARRIED

MOVED Director Burger, SECONDED Director Holme that the Englishman River Water Service Management Board authorize the Englishman River Water Service Management Committee to engage CH2M Hill to complete Phase 4 – Detailed Design of the Water Intake, Treatment Plant and Supply Mains for \$1,619, 328 plus GST.

CARRIED

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

NEW BUSINESS

OTHER

The Chair opened the floor to questions from the audience.

Charlie Stone, Parksville, BC

C. Stone questioned what the \$415, 000 covered and enquired if the suppliers were willing to take a risk they are wanting to supply their service?

M. Squire explained that it covers the engineering costs to design services for the membrane and for designing the water treatment plant.

C. Stone how much of this can we do after the referendum versus before the referendum and no matter what we will spend the 2 million?

M. Squire explained that currently we are engaging in the design services and pending referendum results we wouldn't be obligated to purchase the membranes.

Doug Kits, Parksville, BC

D. Kits questioned what the projected operating costs for this new facility would be compared to the existing facility, energy wise and how many more pumps are required to complete this process?

M. Squire replied, in general terms, the existing operating costs are over \$100,000 and in future a 20 year projection might triple.

Elaine Holfard, Parksville, BC

E. Holfard commented that when the Joint Venture first started it was to be a bulk venture and now it seems to be going a lot further. The concept originally was the water was to go to wherever the intake or water treatment plant was and from there it was the responsibility of the partners/members. When did this change? What is the breakdown and how much is this going to cost the tax payers?

M. Squire explained how the plan has changed over time. The original plan started over 20 years ago and envisioned the intake being further upstream. The original plan would still have to be pumped and Department of Fisheries and Oceans wanted the intake as far downstream as possible for fisheries. It was more cost effective to bring it lower down so that more water is available for the fish.

A breakdown was specifically requested from CHM2Hill. There are shared costs and now that the report is approved it is available for public reading with the costs are broken down in the report. It has been made public as of today and will be available for online viewing in one – two weeks.

C. Stone requested an answer before investing in the Detail Design including whether the color part of the treatment would be at each person's home, and even though the budget has been approved but management could decide how to deploy that budget. What if we could have some intermediate study whether or not we want to invest in the color or whether we buy less membranes now and more later?

M. Squire commented that although color, is an asthetic matter, it is a very important component for the public.

C. Burger replied that community work group has been putting a lot of thought into those elements and working through this color issue.

NEXT MEETING will be at the discretion of staff

ADJOURNMENT

The meeting was adjourned at 2:40 PM.

MOVED Director Holme, SECONDED Director Burger that the meeting be adjourned.

CARRIED

J. Stanhope, CHAIRPERSON