



City of Parksville

Town of Qualicum Beach

## ARROWSMITH WATER SERVICE (AWS)

### PROJECT MANAGEMENT COMMITTEE MEETING NUMBER 14 - MINUTES

**LOCATION:** City Hall, City of Parksville  
**DATE:** Tuesday, November 9, 1999

**ATTENDEES:**

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| Rob Roycroft, City of Parksville         | Tony Koers, KRC Consultants                 |
| Gary O'Rourke, City of Parksville        | John Finnie, Regional District of Nanaimo   |
| Jim Banks, City of Parksville            | Kelly Daniels, Regional District of Nanaimo |
| Fred Manson, City of Parksville          | George Holme, Regional District of Nanaimo  |
| Bill Luchtmeijer, Town of Qualicum Beach |   |
| Mark Brown, Town of Qualicum Beach       |   |
| Bob Weir, Town of Qualicum Beach         |   |

**PURPOSE OF MEETING:** Review progress of Dam construction and AWS issues  
(Note: This is a continuation of a meeting held on October 25, 1999)

**WRITTEN BY:** Gary O'Rourke, P.Eng.

**DISTRIBUTION:** All attendees

The meeting was called to order.

Mr. O'Rourke handed out an agenda (revised from the previous meeting), and the minutes of the meeting held on October 25, 1999.

### 3.0 Status of Dam Construction

Mr. Koers advised that the:

- The log boom anchors at the back of the dam will be installed next week;
- The valves in front of the dam were reinstalled and pressure tested (passed);
- The gravity outlet was tested last Friday (November 5, 1999). The pressure test did not pass. The contractor will adjust the actuator to correct this deficiency;
- The draft Operation and Maintenance Manual has been sent to the joint venture partners and "dam safety" for review;
- The satellite system has been partially commissioned. The controller performs as intended. It requires two to three dials to transmit information, which may be a satellite problem. Further commissioning works are required;

- The rectifier alarm has been "on" and does not appear to affect the generator. Correcting this problem may simply involve a reset;
- The level transmitter has yet to be reinstalled;
- There is a pipe support deficiency which has yet to be resolved;
- One piezometer box is deficient;
- The Y2K "confirmation" for the satellite communication system has not yet been received.

#### **4.0 Financial Reporting and**

#### **5.0 Budgets**

Mr. O'Rourke suggested that it is probably an appropriate time to clarify the financial reporting and budget process in that we are now moving from a construction phase to an operating phase. It was confirmed that the City of Parksville will manage the operating budget for the AWS.

Mr. Banks inquired as to whether there was a need for a construction audit. He also inquired as to how the AWS signs off on the construction works. Mr. Manson advised that he is not aware of the need for a construction audit. Mr. Koers advised that the contractor will request "substantial completion" of the project, probably within the next week or two. At that time deficiencies will be identified, appropriate holdback amounts will be retained, and a notice of acceptance will be submitted to the contractor. A final payment minus the deficiency holdback will then be made.

Mr. O'Rourke went over the draft 2000 operating budget. It was noted that:

- Legal and audit fees have been reduced from 1999;
- The proposed operating budget is essentially the same as that proposed for 1999;
- A road maintenance item in the amount of \$10,000 has been added;
- Contract works will include anticipated water quality testing;
- Consulting fees may be used to clarify future issues;
- There is no capital amount appropriated for year 2000.

It was requested that Staff update the expenditures to date for the 1999 budget.

#### **Action Staff**

At 2:01 Mr. Daniels arrived at the meeting.

It was confirmed that the construction of the log boom will not be complete until 2000. It was also noted that there is a need to review the Operation and Maintenance Manual before finalizing the budget.

Mr. Manson advised that the year 2000 AWS budget must be in place by the usual budget date of May 15, and there is a need for a five year budget plan. It was confirmed that such budget would be brought back to the AWS committee for approval.

- 6.0 Transfer of Operating Responsibility to City of Parksville,
- 7.0 AWS Operating Agreement, and
- 8.0 AWS Management Structure

On questioning Mr. Koers advised that he thinks it is an appropriate time for the City of Parksville to take over operation of the AWS. Mr. Banks referred to the minutes of the December 3, 1998 meeting of the AWS. The minutes indicated that Parksville would take over the dam on completion of construction.

**Moved by** Mr. Luchtmeijer, that the operating responsibility for the Arrowsmith Dam be transferred to the City of Parksville upon substantial completion of the construction contract.

**Seconded by** Mr. Banks

**Carried**,

There was a general discussion on the role of the manager of the AWS versus the person responsible for managing the operations of the facility. There was also discussion on staff versus political representation on the AWS committee and the overall structure of the same. These issues require further discussion and clarification.

It was confirmed that Don Lidstone of Lidstone, Young, Anderson drafted the current AWS agreement. It was agreed that all of the partners would review the current agreement and draft suggested changes. The suggestions will be forwarded to Mr. John Finne who will compile the recommendations for future discussions.

**Action** AWS Representatives

It was noted that the agreement would need to be approved by the Province if substantial changes are made. If the changes are "housekeeping" in nature such approval may not be required. Mr. Roycroft noted that it would be appropriate to ask the joint venture lawyer to review the agreement at an appropriate time rather than the lawyer for one of the joint venture partners.

**Moved by** Mr. Holme, that the three administrators of the joint venture partners meet and establish recommendations for the joint venture agreement and management of the AWS.

**Seconded by** Mr. Banks

**Carried**

## 9.0 Meetings with MacMillan Bloedel

Mr. Weir advised that he has discussed this issue with Mr. Pat Phillips and Mr. John Eden. They suggest an annual meeting in January of each year. They also suggested an annual field trip in June. On questioning Mr. Weir advised that he does not anticipate any major changes on MacMillan Bloedel's approach to AWS issues under Weyerhaeuser management.

## 10.0 Official Opening

It was suggested that the official opening be deferred until the summer 2000, at which time the reservoir should be full. Mr. Roycroft suggested adding a budget item for this purpose.

There was general discussion on the need for positive publicity and it was suggested that a press release be prepared for January 2000. Mr. Roycroft advised that the City of Parksville will draft a press release and distribute it to the joint venture partners for review.

Mr. Weir suggested consideration be given to retaining Mr. Roy Ostling for the preparation of the press release.

## 11.0 Engineering Fees

Mr. Roycroft advised that he understood the fees had been previously capped. It now appears that the AWS is being asked to pay for additional consulting services.

Mr. Weir advised that the debris boom was not included in the original design package. He now considers that this an operating item. Also, additional costs for professional liability insurance for the project were not part of what KRC was originally retained to provide (i.e. it was agreed subsequent to starting the project that the AWS would cover these costs.)

Mr. Koers clarified that the AWS specified separate project insurance for this project. The increased cost of this insurance is due to the higher than anticipated fee. It was also noted that there is a requirement for two years of maintenance coverage subsequent to completion of construction.

Mr. Roycroft advised that he was still of the understanding that the fees were previously capped. He also advised that he feels the boom construction is a capital item. Mr. Weir noted that the boom was made a requirement by "dam safety" after construction started. Mr. Koers advised that one year ago it was anticipated that the dam would be complete by May or June 1999. They have spent \$60,000 in unbilled fees since that time. The insurance is not an engineering fee. KRC has honoured the fee cap for all work related to the dam contract.

Mr. Daniels advised that it may be unfortunate that this wasn't discussed at an earlier date, however we cannot get around it at this time. He also feels the boom construction is a capital item.

Mr. Banks advised that he also felt the engineering fees were capped.

On questioning Mr. Weir advised that the total amount being invoiced was \$37,088, including log boom design, some environmental assessment, and dam stability review. All of this work was required by AWS and was not included in the dam design and construction contract. With the exception of the additional insurance cost, all costs on this invoice were covered under the 1999 Operations Budget.

**Moved by** Mr. Holme, that the invoice for engineering fees for boom design, environmental assessment and dam stability review in the amount of \$37,088 be paid.

**Seconded by** Mr. Luchtmeijer

**Carried**

It was agreed that the next meeting of the AWS be held in mid-January, 2000.

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

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

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