



**ENGLISHMAN RIVER WATER SERVICE JOINT VENTURE
MANAGEMENT BOARD MEETING**

WEDNESDAY, MAY 3, 2017

***Parksville Community and Conference Centre
131 Jensen Ave. E.***

A D D E N D U M

REPORTS

- 2-14 ERWS Revised 2017 – 2021 Financial Plan. (verbal/to be distributed)
- 15-17 Contract 2 Award-Springwood Reservoir Transmission Main. (Verbal/to be distributed)

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englishman river
WATER SERVICE

DATE: May 3, 2017

REPORT TO: ENGLISHMAN RIVER WATER SERVICE MANAGEMENT BOARD

FROM: ENGLISHMAN RIVER WATER SERVICE MANAGEMENT COMMITTEE

SUBJECT: ENGLISHMAN RIVER WATER SERVICE (ERWS)
REVISED 2017 - 2021 FINANCIAL PLAN

PURPOSE: ADOPTION OF THE ERWS REVISED 2017 - 2021 FINANCIAL PLAN

EXECUTIVE SUMMARY:

The ERWS 2017 - 2021 Financial Plan sets out the financial requirements needed to advance the objectives of bulk water supply to the Joint Venture Communities.

On March 15, 2017, the project was awarded over \$ 6 million dollars through the Clean Water and Wastewater Fund (CWWF). During the application process for the Clean Water and Wastewater Fund, it was important to ensure all components being applied for were separate and distinct from those already awarded under the New Building Canada Fund: Small Communities Fund.

The proposed revised capital budget is required to account for the additional revenue, entertain key contract site servicing options, provide additional contingency funds to support Island Corridor Foundation requests and provide potential funding for First Nation archeological field services monitoring. The total budget estimate of these additional expenditures to entertain such key components of the project and provide adequate contingencies are \$ 3 million and are fully subsidized by the additional grant monies received through the CWWF grant on March 15, 2017. The total requisition for the City of Parksville and the Regional District of Nanaimo does not increase from the previously approved financial plan and the remainder of the grant monies received of \$ 3 million will go towards additional revenue that will benefit water rate users (taxpayers).

RECOMMENDATION(S):

1. THAT the report from the Englishman River Water Service Management Committee, dated May 3, 2017, entitled ERWS Revised 2017 - 2021 Financial Plan be received.
2. THAT the Englishman River Water Service Management Board accept the Revised 2017 - 2021 Financial Plan as outlined in Table 1 attached to the May 3, 2017 report.
3. THAT the Englishman River Water Service Management Board recommend the Joint Ventures adopt their portion of the Revised 2017 - 2021 Financial Plan as outlined in Table 2 attached to the May 3, 2017 report.

BACKGROUND:

The ERWS project is now in the final stages of the implementation plan with the construction of the water treatment plant, intake, pump station and transmission mains to Top Bridge Park and Springwood Reservoir.

With the announcement of an additional grant of over \$ 6 million from the Clean Water and Wastewater Fund (CWWF) on March 15, 2017, it now allows the project to continue to the full extent and provide adequate contingencies for contracts of this scale and magnitude. The additional revenue allows key components of the project that were deferred due to budget constraints, to be completed as part of the current contract. This is more efficient and financially constructive than incurring these costs in the future.

The below Table 1 is a summary of the CWWF grant, showing the description of eligible funds grant application funds, the total federal and provincial share (83 %), and the respected Regional District of Nanaimo and the City of Parksville's shares based on the current Joint Venture Cost Sharing Agreement.

Table 1 - CWWF Grant

Description	Grant Application Amount	Fed. / Prov. Funding (83 %)	RDN Share	CoP Share
CoP Transmission Mains	\$ 4,444,428	\$ 3,688,875	\$ -	\$ 3,688,875
ERWS Transmission Main to Top Bridge Park	\$ 789,746	\$ 655,489	\$ 170,427	\$ 485,062
WTP Secondary Stage Backwash	\$ 224,969	\$ 186,724	\$ 48,548	\$ 138,176
Sand Separation at River Pump Station	\$ 221,910	\$ 184,185	\$ 47,888	\$ 136,297
Additional UV Module	\$ 275,395	\$ 228,578	\$ 59,430	\$ 169,148
WTP Mechanical Upgrades	\$ 264,000	\$ 219,120	\$ 56,971	\$ 162,149
Design / Engineering Fees	\$ 933,067	\$ 774,446	\$ 201,356	\$ 573,090
Environmental Assessments / Permitting Requirements	\$ 82,514	\$ 68,487	\$ 17,807	\$ 50,680
Total:	\$ 7,236,029	\$ 6,005,904	\$ 602,427	\$ 5,403,477

During the application process for the CWWF, through discussions with provincial staff, it was clearly indicated that in order for the grant to be successful it was important to ensure components being applied for were separate and distinct from those already awarded under the New Building Canada Fund: Small Communities Fund.

The 2017 - 2021 revised budget includes additions to the project scope of work resulting in extra expenses. The additional proposed items identified since the Provisional Budget adopted on November 1, 2016 prior to receiving tender bids are summarized below:

- Full site servicing and storm water drainage control,
- Landscaping,
- Irrigation,
- Island Health requirements for additional ultraviolet disinfection module to treat waste from the primary membranes to the secondary membranes,
- Provide a 10 % contingency for Contract 1: Intake, Pump Station, Treatment and transmission main to Top Bridge Park
- Provide a 15 % contingency for Contract 2: Transmission Main to Springwood Park given the potential unknown environmental challenges with crossing the Englishman River and Shelly Creek
- Support additional requirements requested by the Island Corridor Foundation
- Support the potential to have full time environmental monitoring performed by representatives of Nanoose First Nation

The proposed budget adjustments required to the Revised 2017 - 2021 Financial Plan accounts for an overall increase of approximately 9.2% compared to the Provisional 2017 - 2021 last year. Table 2 below summarizes the changes:

Table 2 - Summary of the Revised 2017 - 2021 Financial Plan

Budget Item	Provisional 2017 - 2021 Budget	Revised 2017 - 2021 Budget	Difference	CoP Share	RDN Share
River Intake / Pump Station:	\$6,810,000	\$6,910,000	\$100,000	\$74,000	\$26,000
Water Treatment:	\$18,990,000	\$21,120,000	\$2,130,000	\$1,576,200	\$553,800
Joint Transmission Line:	\$1,000,000	\$1,000,000	\$0	\$0	\$0
Springwood Transmission Main:	\$5,700,000	\$6,470,000	\$770,000	\$770,000	\$0
Sub-Total Direct Costs:	\$32,500,000	\$35,500,000	\$3,000,000	\$2,420,200	\$579,800

In summary, the total additional expenditures to entertain key components and provide adequate contingencies are \$ 3 million and are fully subsidized by the additional grant monies received through the CWWF. The total requisition for the City of Parksville and the RDN does not increase from the previously approved financial plan. The remainder of the grant monies received of \$ 3 million will go towards benefiting water rate users (taxpayers) and additional revenue into reserves as each jurisdiction so requires.

A Revised 2017 - 2021 Financial Plan has been prepared for consideration by the ERWS Management Board. Table 1 attached outlines the detailed total ERWS project cost and Table 2 attached references each jurisdiction's share to take forward to each respected Council / Board for ratification.

OPTIONS:

1. Accept the Revised ERWS 2017 - 2021 Financial Plan as presented in Table 1 attached.
2. Provide the ERWS Management Committee with further direction.

ANALYSIS:

Option 1

This is consistent with the ERWS Management Committee recommendation to proceed with the project and would allow completion by June 2019.

Option 2

The 2017 - 2021 Financial Plan sets out the financial requirements needed for ERWS to carry out projects necessary to advance ERWS objectives.

FINANCIAL IMPACT:

Cost sharing for the Englishman River Water Service budget is established based on ownership (i.e. Parksville 74 % and RDN 26 %) as referenced in Schedule "C" of the Englishman River Water Service Joint Venture, dated July 1, 2011.

The ERWS has received over \$12 million in funding from senior government that will help augment the additional costs.

The ERWS 2017 - 2021 Financial Plan sets out the financial requirements needed for the ERWS staff to carry out the project for the next several years.

REFERENCES:

ERWS 2017 - 2021 Provisional Financial Plan adopted on November 1, 2016

Table 1, dated April 24, 2017 showing the recommended ERWS Revised 2017 - 2021 Financial Plan and Table 2 showing each Joint Venture's requisition share.

TABLE 1 ENGLISHMAN RIVER WATER SERVICE 2017 - 2021 REVISED FINANCIAL PLAN (\$)											
	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
REVENUE											
Joint Venture Requisitions											
Parksville Requisition (74 %)	1,082,538	225,017	443,183	593,655	468,754	1,634,991	11,986,367	5,911,180	696,403	978,450	397,745
RDN Requisition (26%)	380,351	79,060	155,713	208,581	164,697	409,309	3,067,778	2,278,533	2,009,547	343,780	139,748
Total Joint Venture Requisitions	1,462,889	304,077	598,896	802,236	633,452	2,044,300	15,054,145	8,189,713	2,705,949	1,322,229	537,494
Other Revenue											
Grants - Small Communities Fund & CWWF	0	483,801	669,172	581,257	0	828,854	5,171,146	6,005,904	0	0	0
Transfer From Reserves	0	0	0	0	0	0	0	0	0	0	0
Total Other Revenue	0	483,801	669,172	581,257	0	828,854	5,171,146	6,005,904	0	0	0
TOTAL REVENUE	1,462,889	787,878	1,268,068	1,383,493	633,452	2,873,154	20,225,291	14,195,617	2,705,949	1,322,229	537,494
EXPENDITURES											
Operating											
Administration (Operating)											
Salaries / Wages 7-2-28-7310-300	1,950	0	259	0	258	1,214	0	0	84,000	84,000	84,000
Training 7-2-28-7310-306	0	2,060	0	59	0	0	102	104	106	108	110
Conferences / Seminars 7-2-28-7310-307	0	1,006	0	0	0	0	0	0	0	0	0
Memberships 7-2-28-7310-311	0	273	301	0	0	0	0	0	0	0	0
Contracts 7-2-28-7310-330	1,628	748	5,109	1,819	0	0	2,040	2,081	2,122	2,165	2,208
Consulting 7-2-28-7310-331	256	0	0	470	0	0	0	0	0	0	0
Legal Fees 7-2-28-7310-332	0	2,596	0	0	3,427	0	3,570	3,641	3,714	3,789	3,864
Audit Fees 7-2-28-7310-333	0	4,172	4,100	4,100	4,100	3,900	7,500	7,650	7,803	3,900	3,978
Tel / Cable 7-2-28-7310-422	0	809	924	602	0	0	510	520	531	541	552
Meeting Costs 7-2-28-7310-423	8	478	608	1,276	1,901	1,219	1,243	1,268	1,293	1,319	1,346
Licences and Insurance 7-2-28-7310-400	0	0	0	0	884	1,675	510	520	531	541	552
Advertising 7-2-28-7310-410	0	0	0	766	11,382	0	204	208	212	216	221
Printing 7-2-28-7310-413	0	0	0	0	1,920	225	0	0	0	0	0
Courier 7-2-28-7310-452	0	0	0	44	29	0	102	104	106	108	110
Small Tools, Equipment & Furniture 7-2-28-7310-450	81	1,631	139	356	0	85	510	520	531	541	552
Hydro 7-2-28-7310-461	0	0	0	0	53	1,397	0	0	0	0	0
7-2-28-7310-451	0	0	0	0	0	0	0	0	0	0	0
Minor Capital - Contracts 7-2-28-7350-330	1,209	0	0	0	0	0	0	0	0	0	0
Minor Capital - Parts / Materials 7-2-28-7350-450	503	0	0	0	0	0	0	0	0	0	0
Intake, Raw Watermain and Joint Transmission Mains	0	0	0	0	0	0	0	0	150,000	150,000	150,000
Water Treatment Plant	0	0	0	0	0	0	0	0	225,000	225,000	225,000
ASR	0	0	0	0	0	0	0	0	0	0	0
Total Administration (Operating)	5,634	13,772	11,440	9,492	23,954	9,714	16,291	16,617	475,949	472,229	472,494
Total Operating	5,634	13,772	11,440	9,492	23,954	9,714	16,291	16,617	475,949	472,229	472,494

Capital - Program Summary

Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Property Acquisition - Administration	7-6-28-9750-300	13,683	-4,070	11,203	0	0	0	0	0	0	0	0
Property Acquisition - Contracts	7-6-28-9750-330	4,983	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Consulting	7-6-28-9750-331	6,574	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Equipment Res Charge Out	7-6-28-9750-800	136	739	0	0	0	0	0	0	0	0	0
Property Acquisition - Parts Materials / Supplies	7-6-28-9750-450	1,200,550	0	0	0	0	0	0	0	0	0	0
Total Property Acquisition		1,225,925	-3,331	11,203	0	0	0	0	0	0	0	0
River Intake / Supply Mains - Administration	7-6-28-9751-300	48,421	34,906	39,635	35,808	15,212	19,719	42,000	42,000	0	0	0
River Intake / Supply Mains - Contracts	7-6-28-9751-330	358	256	0	1,031	1,450	0	4,770,000	1,380,000	180,000	0	0
River Intake / Supply Mains - Engineering	7-6-28-9751-331	10,685	17,681	338,863	490,301	236,921	579,263	280,000	300,000	0	0	0
River Intake / Supply Mains - Legal	7-6-28-9751-332	0	0	0	0	1,592	0	0	0	0	0	0
River Intake / Supply Mains - Advertising	7-6-28-9751-410	0	0	0	603	0	0	0	0	0	0	0
River Intake / Supply Mains - Meetings	7-6-28-9751-423	0	103	3,822	790	780	0	0	0	0	0	0
River Intake / Supply Mains - Parts / Supplies	7-6-28-9751-450	3,023	389	1,008	443	489	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Charge Out	7-6-28-9751-800	2,189	727	19	0	1,188	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Lease / Rent	7-6-28-9751-340	28	0	915	0	0	0	0	0	0	0	0
Joint Transmission Main - Contracts	7-6-28-9754-330						6,586	560,000	310,000	50,000		
Joint Transmission Main - Consulting	7-6-28-9754-331						122,540	40,000	40,000			
COP Transmission Main - Contracts	7-6-28-9755-330						9,717	3,030,000	2,720,000	100,000		
COP Transmission Main - Consulting	7-6-28-9755-331						460,317	225,000	395,000			
RDN - Craig Bay Pump Station / Top Bridge Transmission										1,800,000		
Total River Intake / Supply Mains		64,703	54,062	384,263	528,976	257,632	1,198,143	8,947,000	5,187,000	2,130,000	0	0
Water Treatment - Administration	7-6-28-9752-300	23,513	44,296	41,016	33,595	16,831	54,192	42,000	42,000	0	0	0
Water Treatment - Travel	7-6-28-9752-307	0	0	6,420	0	0	0	0	0	0	0	0
Water Treatment - Contracts	7-6-28-9752-330	27,222	20,167	0	1,032	45,327	173,868	10,600,000	8,200,000	100,000	850,000	0
Water Treatment - Engineering	7-6-28-9752-331	78,978	123,760	127,492	490,301	161,300	1,391,297	620,000	750,000	0	0	0
Water Treatment - Equip. Lease / Rental	7-6-28-9752-340	9,057	22,949	0	0	0	20,063	0	0	0	0	0
Water Treatment - Rent & Lease	7-6-28-9752-345	900	1,614	0	0	0	0	0	0	0	0	0
Water Treatment - Insurance / Permits	7-6-28-9752-400	102	102	0	0	0	0	0	0	0	0	0
Water Treatment - Advertising	7-6-28-9752-410	0	0	0	603	511	500	0	0	0	0	0
Water Treatment - Meeting Costs	7-6-28-9752-423	0	0	0	791	0	0	0	0	0	0	0
Water Treatment - Parts and Materials	7-6-28-9752-450	1,759	525	0	443	2,782	18,722	0	0	0	0	0
Water Treatment - Courier	7-6-28-9752-452	0	611	0	0	485	1,770	0	0	0	0	0
Water Treatment - Equip Res Charge	7-6-28-9752-800	0	306	739	0	485	2,726	0	0	0	0	0
Water Treatment - Gas & Oil	7-6-28-9752-460	689	0	0	0	0	0	0	0	0	0	0
Water Treatment - Hydro	7-6-28-9752-461					553	2,159					
Total Water Treatment		142,219	214,330	175,666	526,765	228,274	1,665,297	11,262,000	8,992,000	100,000	850,000	0

Capital - Program Summary

Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Aquifer Storage and Recovery - Administration	7-6-28-9753-300	0	47,966	68,824	42,248	10,218	0	0	0	0	0	15,000
Aquifer Storage and Recovery - Contracts	7-6-28-9753-330	0	184,135	234,995	135,486	99,833	0	0	0	0	0	0
Aquifer Storage and Recovery - Engineering	7-6-28-9753-331	24,407	263,943	229,267	128,733	13,232	0	0	0	0	0	50,000
Aquifer Storage and Recovery - Equip Rental	7-6-28-9753-340	0	1,806	1,619	605	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Meeting Costs	7-6-28-9753-423	0	120	134	754	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Advertising	7-6-28-9753-410				603	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Parts / Materials	7-6-28-9753-450	0	9,491	136,424	5,894	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Small Tools	7-6-28-9753-451	0	0	5,832	39	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Courier	7-6-28-9753-452				161	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Hydro	7-6-28-9753-461	0	0	500	1,652	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Equip Res Charge Out	7-6-28-9753-800	0	1,585	7,901	2,086	309	0	0	0	0	0	0
Total Aquifer Storage and Recovery		24,407	509,045	685,496	318,261	123,592	0	0	0	0	0	65,000
Total Capital		1,457,254	774,107	1,256,628	1,374,001	609,498	2,863,440	20,209,000	14,179,000	2,230,000	850,000	65,000
TOTAL EXPENDITURES		1,462,889	787,878	1,268,068	1,383,493	633,452	2,873,154	20,225,291	14,195,617	2,705,949	1,322,229	537,494

TABLE 2
Parkville Requisition - ERWS
2017 - 2021 REVISED FINANCIAL PLAN (\$)

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
REVENUE											
Joint Venture Requisitions											
Parkville Requisition (74%)	1,082,538	225,017	443,183	593,655	468,754	1,634,991	11,986,367	5,911,180	696,403	978,450	397,745
Other Revenue											
Grants - Small Communities Fund & CWWF	0	358,013	495,187	430,130	0	613,352	3,826,648	5,403,477	0	0	0
Transfer From Reserves	0	0	0	0	0	0	0	0	0	0	0
Total Other Revenue	0	358,013	495,187	430,130	0	613,352	3,826,648	5,403,477	0	0	0
TOTAL REVENUE	1,082,538	583,030	938,370	1,023,785	468,754	2,248,343	15,813,016	11,314,657	696,403	978,450	397,745
EXPENDITURES											
Operating	74%	74%	74%	74%	74%	74%	74%	74%	74%	74%	74%
Administration (Operating)											
Salaries / Wages 7-2-28-7310-300	1,443	0	192	0	191	898	0	0	62,160	62,160	62,160
Training 7-2-28-7310-306	0	1,524	0	44	0	0	75	77	79	80	82
Conferences / Seminars 7-2-28-7310-307	0	744	0	0	0	0	0	0	0	0	0
Memberships 7-2-28-7310-311	0	202	223	0	0	0	0	0	0	0	0
Contracts 7-2-28-7310-330	1,205	554	3,780	1,346	0	0	1,510	1,540	1,571	1,602	1,634
Consulting 7-2-28-7310-331	189	0	0	348	0	0	0	0	0	0	0
Legal Fees 7-2-28-7310-332	0	1,921	0	0	2,536	0	2,642	2,695	2,749	2,803	2,860
Audit Fees 7-2-28-7310-333	0	3,087	3,034	3,034	3,034	2,886	5,550	5,661	5,774	2,886	2,944
Tel / Cable 7-2-28-7310-422	0	599	684	445	0	0	377	385	393	400	409
Meeting Costs 7-2-28-7310-423	6	354	450	944	1,407	902	920	938	957	976	996
Licences and Insurance 7-2-28-7310-400	0	0	0	0	654	1,239	377	385	393	400	409
Advertising 7-2-28-7310-410	0	0	0	566	8,423	0	151	154	157	160	163
Printing 7-2-28-7310-413	0	0	0	0	1,421	167	0	0	0	0	0
Courier 7-2-28-7310-452	0	0	0	33	21	0	75	77	79	80	82
Small Tools, Equipment & Furniture 7-2-28-7310-450	60	1,207	103	263	0	63	377	385	393	400	409
Hydro 7-2-28-7310-461	0	0	0	0	39	1,034	0	0	0	0	0
Minor Capital - Contracts 7-2-28-7350-330	895	0	0	0	0	0	0	0	0	0	0
Minor Capital - Parts / Materials 7-2-28-7350-450	372	0	0	0	0	0	0	0	0	0	0
Intake, Raw Watermain and Joint Transmission Mains									111,000	111,000	111,000
Water Treatment Plant									166,500	166,500	166,500
ASR									0	0	0
Total Administration (Operating)	4,169	10,191	8,465	7,024	17,726	7,189	12,056	12,297	352,203	349,450	349,645
Total Operating	4,169	10,191	8,465	7,024	17,726	7,189	12,056	12,297	352,203	349,450	349,645

Capital - Program Summary

Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
		74%	74%	74%	74%	74%	74%	74%	74%	74%	74%	74%
Property Acquisition - Administration	7-6-28-9750-300	10,125	-3,011	8,290	0	0	0	0	0	0	0	0
Property Acquisition - Contracts	7-6-28-9750-330	3,688	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Consulting	7-6-28-9750-331	4,865	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Equipment Res Charge Out	7-6-28-9750-800	101	547	0	0	0	0	0	0	0	0	0
Property Acquisition - Parts Materials / Supplies	7-6-28-9750-450	888,407	0	0	0	0	0	0	0	0	0	0
Total Property Acquisition		907,185	-2,465	8,290	0	0	0	0	0	0	0	0
River Intake / Supply Mains - Administration	7-6-28-9751-300	35,832	25,830	29,330	26,498	11,257	14,592	31,080	31,080	0	0	0
River Intake / Supply Mains - Contracts	7-6-28-9751-330	265	190	0	763	1,073	0	3,529,800	1,021,200	133,200	0	0
River Intake / Supply Mains - Engineering	7-6-28-9751-331	7,907	13,084	250,759	362,823	175,322	428,655	207,200	222,000	0	0	0
River Intake / Supply Mains - Legal	7-6-28-9751-332	0	0	0	0	1,178	0	0	0	0	0	0
River Intake / Supply Mains - Advertising	7-6-28-9751-410	0	0	0	446	0	0	0	0	0	0	0
River Intake / Supply Mains - Meetings	7-6-28-9751-423	0	76	2,828	585	577	0	0	0	0	0	0
River Intake / Supply Mains - Parts / Supplies	7-6-28-9751-450	2,237	288	746	328	362	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Charge Out	7-6-28-9751-800	1,619	538	14	0	879	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Lease / Rent	7-6-28-9751-340	21	0	677	0	0	0	0	0	0	0	0
Joint Transmission Main - Contracts	7-6-28-9754-330	0	0	0	0	0	4,874	414,400	229,400	37,000	0	0
Joint Transmission Main - Consulting	7-6-28-9754-331	0	0	0	0	0	90,680	29,600	29,600	0	0	0
COP Transmission Main - Contracts	7-6-28-9755-330	0	0	0	0	0	9,717	3,030,000	2,720,000	100,000	0	0
COP Transmission Main - Consulting	7-6-28-9755-331	0	0	0	0	0	460,317	225,000	395,000	0	0	0
RDN - Craig Bay Pump Station / Top Bridge Transmission										0		
Total River Intake / Supply Mains		47,880	40,006	284,354	391,442	190,648	1,008,835	7,467,080	4,648,280	270,200	0	0
Water Treatment - Administration	7-6-28-9752-300	17,399	32,779	30,352	24,860	12,455	40,102	31,080	31,080	0	0	0
Water Treatment - Travel	7-6-28-9752-307	0	0	4,751	0	0	0	0	0	0	0	0
Water Treatment - Contracts	7-6-28-9752-330	20,144	14,924	0	764	33,542	128,662	7,844,000	6,068,000	74,000	629,000	0
Water Treatment - Engineering	7-6-28-9752-331	58,444	91,582	94,344	362,823	119,362	1,029,560	458,800	555,000	0	0	0
Water Treatment - Equip. Lease / Rental	7-6-28-9752-340	6,702	16,982	0	0	0	14,846	0	0	0	0	0
Water Treatment - Rent & Lease	7-6-28-9752-345	666	1,195	0	0	0	0	0	0	0	0	0
Water Treatment - Insurance	7-6-28-9752-400	75	75	0	0	0	0	0	0	0	0	0
Water Treatment - Advertising	7-6-28-9752-410	0	0	0	446	378	370	0	0	0	0	0
Water Treatment - Meeting Costs	7-6-28-9752-423	0	0	0	585	0	0	0	0	0	0	0
Water Treatment - Parts and Materials	7-6-28-9752-450	1,301	388	0	328	2,059	13,855	0	0	0	0	0
Water Treatment - Courier	7-6-28-9752-452	0	452	0	0	359	1,310	0	0	0	0	0
Water Treatment - Equip Res Charge	7-6-28-9752-800	0	226	547	0	359	2,018	0	0	0	0	0
Water Treatment - Gas & Oil	7-6-28-9752-460	510	0	0	0	0	0	0	0	0	0	0
Water Treatment - Hydro	7-6-28-9752-461					409	1,598					
Total Water Treatment		105,242	158,604	129,993	389,806	168,923	1,232,320	8,333,880	6,654,080	74,000	629,000	0

Capital - Program Summary												
Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Aquifer Storage and Recovery - Administration	7-6-28-9753-300	0	35,495	50,930	31,263	7,561	0	0	0	0	0	11,100
Aquifer Storage and Recovery - Contracts	7-6-28-9753-330	0	136,260	173,896	100,260	73,876	0	0	0	0	0	0
Aquifer Storage and Recovery - Engineering	7-6-28-9753-331	18,061	195,318	169,658	95,263	9,792	0	0	0	0	0	37,000
Aquifer Storage and Recovery - Equip Rental	7-6-28-9753-340	0	1,336	1,198	447	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Meeting Costs	7-6-28-9753-423	0	89	100	558	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Advertising	7-6-28-9753-410	0	0	0	446	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Parts / Materials	7-6-28-9753-450	0	7,023	100,954	4,361	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Small Tools	7-6-28-9753-451	0	0	4,316	29	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Courier	7-6-28-9753-452	0	0	0	119	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Hydro	7-6-28-9753-461	0	0	370	1,222	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Equip Res Charge Out	7-6-28-9753-800	0	1,173	5,846	1,544	228	0	0	0	0	0	0
Total Aquifer Storage and Recovery		18,061	376,694	507,267	235,513	91,458	0	0	0	0	0	48,100
Total Capital		1,078,368	572,839	929,905	1,016,761	451,028	2,241,155	15,800,960	11,302,360	344,200	629,000	48,100
TOTAL EXPENDITURES		1,082,538	583,030	938,370	1,023,785	468,754	2,248,343	15,813,016	11,314,657	696,403	978,450	397,745

TABLE 2
Regional District of Nanaimo Requisition - ERWS
2017 - 2021 REVISED FINANCIAL PLAN (\$)

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
REVENUE											
Joint Venture Requisitions											
RDN Requisition (26%)	380,351	79,060	155,713	208,581	164,697	409,309	3,067,778	2,278,533	2,009,547	343,780	139,748
Other Revenue											
Grants - Small Communities Fund & CWWF	0	125,788	173,985	151,127	0	215,502	1,344,498	602,427	0	0	0
Transfer From Reserves	0	0	0	0	0	0	0	0	0	0	0
Total Other Revenue	0	125,788	173,985	151,127	0	215,502	1,344,498	602,427	0	0	0
TOTAL REVENUE	380,351	204,848	329,698	359,708	164,697	624,811	4,412,276	2,880,960	2,009,547	343,780	139,748
EXPENDITURES											
Operating	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
Administration (Operating)											
Salaries / Wages 7-2-28-7310-300	507	0	67	0	67	316	0	0	21,840	21,840	21,840
Training 7-2-28-7310-306	0	536	0	15	0	0	27	27	28	28	29
Conferences / Seminars 7-2-28-7310-307	0	261	0	0	0	0	0	0	0	0	0
Memberships 7-2-28-7310-311	0	71	78	0	0	0	0	0	0	0	0
Contracts 7-2-28-7310-330	423	195	1,328	473	0	0	530	541	552	563	574
Consulting 7-2-28-7310-331	66	0	0	122	0	0	0	0	0	0	0
Legal Fees 7-2-28-7310-332	0	675	0	0	891	0	928	947	966	985	1,005
Audit Fees 7-2-28-7310-333	0	1,085	1,066	1,066	1,066	1,014	1,950	1,989	2,029	1,014	1,034
Tel / Cable 7-2-28-7310-422	0	210	240	157	0	0	133	135	138	141	144
Meeting Costs 7-2-28-7310-423	2	124	158	332	494	317	323	330	336	343	350
Licences and Insurance 7-2-28-7310-400	0	0	0	0	230	435	133	135	138	141	144
Advertising 7-2-28-7310-410	0	0	0	199	2,959	0	53	54	55	56	57
Printing 7-2-28-7310-413					499	59					
Courier 7-2-28-7310-452	0	0	0	11	8	0	27	27	28	28	29
Small Tools, Equipment & Furniture 7-2-28-7310-450	21	424	36	93	0	22	133	135	138	141	144
Hydro 7-2-28-7310-461					14	363					
Minor Capital - Contracts 7-2-28-7350-330	314	0	0	0	0	0	0	0	0	0	0
Minor Capital - Parts / Materials 7-2-28-7350-450	131	0	0	0	0	0	0	0	0	0	0
Intake, Raw Watermain and Joint Transmission Mains									39,000	39,000	39,000
Water Treatment Plant									58,500	58,500	58,500
ASR									0	0	0
Total Administration (Operating)	1,465	3,581	2,974	2,468	6,228	2,526	4,236	4,320	123,747	122,780	122,848
Total Operating	1,465	3,581	2,974	2,468	6,228	2,526	4,236	4,320	123,747	122,780	122,848

Capital - Program Summary

Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Property Acquisition - Administration	7-6-28-9750-300	3,558	-1,058	2,913	0	0	0	0	0	0	0	0
Property Acquisition - Contracts	7-6-28-9750-330	1,296	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Consulting	7-6-28-9750-331	1,709	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Equipment Res Charge Out	7-6-28-9750-800	35	192	0	0	0	0	0	0	0	0	0
Property Acquisition - Parts Materials / Supplies	7-6-28-9750-450	312,143	0	0	0	0	0	0	0	0	0	0
Total Property Acquisition		318,741	-866	2,913	0	0	0	0	0	0	0	0
River Intake / Supply Mains - Administration	7-6-28-9751-300	12,590	9,075	10,305	9,310	3,955	5,127	10,920	10,920	0	0	0
River Intake / Supply Mains - Contracts	7-6-28-9751-330	93	67	0	268	377	0	1,240,200	358,800	46,800	0	0
River Intake / Supply Mains - Engineering	7-6-28-9751-331	2,778	4,597	88,104	127,478	61,599	150,608	72,800	78,000	0	0	0
River Intake / Supply Mains - Legal	7-6-28-9751-332	0	0	0	0	414	0	0	0	0	0	0
River Intake / Supply Mains - Advertising	7-6-28-9751-410	0	0	0	157	0	0	0	0	0	0	0
River Intake / Supply Mains - Meetings	7-6-28-9751-423	0	27	994	206	203	0	0	0	0	0	0
River Intake / Supply Mains - Parts / Supplies	7-6-28-9751-450	786	101	262	115	127	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Charge Out	7-6-28-9751-800	569	189	5	0	309	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Lease / Rent	7-6-28-9751-340	7	0	238	0	0	0	0	0	0	0	0
Joint Transmission Main - Contracts	7-6-28-9754.330	0	0	0	0	0	1,712	145,600	80,600	13,000	0	0
Joint Transmission Main - Consulting	7-6-28-9754.331	0	0	0	0	0	31,860	10,400	10,400	0	0	0
COP Transmission Main - Contracts	7-6-28-9755-330	0	0	0	0	0	0	0	0	0	0	0
COP Transmission Main - Consulting	7-6-28-9755-331	0	0	0	0	0	0	0	0	0	0	0
RDN - Craig Bay Pump Station / Top Bridge Transmission										1,800,000		
Total River Intake / Supply Mains		16,823	14,056	99,908	137,534	66,984	189,308	1,479,920	538,720	1,859,800	0	0
Water Treatment - Administration	7-6-28-9752-300	6,113	11,517	10,664	8,735	4,376	14,090	10,920	10,920	0	0	0
Water Treatment - Travel	7-6-28-9752-307	0	0	1,669	0	0	0	0	0	0	0	0
Water Treatment - Contracts	7-6-28-9752-330	7,078	5,244	0	268	11,785	45,206	2,756,000	2,132,000	26,000	221,000	0
Water Treatment - Engineering	7-6-28-9752-331	20,534	32,178	33,148	127,478	41,938	361,737	161,200	195,000	0	0	0
Water Treatment - Equip. Lease / Rental	7-6-28-9752-340	2,355	5,967	0	0	0	5,216	0	0	0	0	0
Water Treatment - Rent & Lease	7-6-28-9752-345	234	420	0	0	0	0	0	0	0	0	0
Water Treatment - Insurance	7-6-28-9752-400	26	26	0	0	0	0	0	0	0	0	0
Water Treatment - Advertising	7-6-28-9752-410	0	0	0	157	133	130	0	0	0	0	0
Water Treatment - Meeting Costs	7-6-28-9752-423	0	0	0	206	0	0	0	0	0	0	0
Water Treatment - Parts and Materials	7-6-28-9752-450	457	136	0	115	723	4,868	0	0	0	0	0
Water Treatment - Courier	7-6-28-9752-452	0	159	0	0	126	460	0	0	0	0	0
Water Treatment - Equip Res Charge	7-6-28-9752-800	0	79	192	0	126	709	0	0	0	0	0
Water Treatment - Gas & Oil	7-6-28-9752-460	179	0	0	0	0	0	0	0	0	0	0
Water Treatment - Hydro	7-6-28-9752-461					144	561					
Total Water Treatment		36,977	55,726	45,673	136,959	59,351	432,977	2,928,120	2,337,920	26,000	221,000	0

Capital - Program Summary

Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Aquifer Storage and Recovery - Administration	7-6-28-9753-300	0	12,471	17,894	10,984	2,657	0	0	0	0	0	3,900
Aquifer Storage and Recovery - Contracts	7-6-28-9753-330	0	47,875	61,099	35,226	25,957	0	0	0	0	0	0
Aquifer Storage and Recovery - Engineering	7-6-28-9753-331	6,346	68,625	59,609	33,471	3,440	0	0	0	0	0	13,000
Aquifer Storage and Recovery - Equip Rental	7-6-28-9753-340	0	470	421	157	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Meeting Costs	7-6-28-9753-423	0	31	35	196	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Advertising	7-6-28-9753-410	0	0	0	157	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Parts / Materials	7-6-28-9753-450	0	2,468	35,470	1,532	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Small Tools	7-6-28-9753-451	0	0	1,516	10	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Courier	7-6-28-9753-452	0	0	0	42	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Hydro	7-6-28-9753-461	0	0	130	429	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Equip Res Charge Out	7-6-28-9753-800	0	412	2,054	542	80	0	0	0	0	0	0
Total Aquifer Storage and Recovery		6,346	132,352	178,229	82,748	32,134	0	0	0	0	0	16,900
Total Capital		378,886	201,268	326,723	357,240	158,469	622,285	4,408,040	2,876,640	1,885,800	221,000	16,900
TOTAL EXPENDITURES		380,351	204,848	329,698	359,708	164,697	624,811	4,412,276	2,880,960	2,009,547	343,780	139,748



englishman river
WATER SERVICE

DATE: April 10, 2017

REPORT TO: ENGLISHMAN RIVER WATER SERVICE MANAGEMENT BOARD

FROM: ENGLISHMAN RIVER WATER SERVICE MANAGEMENT COMMITTEE

SUBJECT: ENGLISHMAN RIVER WATER SERVICE (ERWS)
CONTRACT 2: SPRINGWOOD RESERVOIR TRANSMISSION MAIN

PURPOSE: TO AWARD CONTRACT SERVICES FOR CONTRACT 2: SPRINGWOOD
RESERVOIR TRANSMISSION MAIN

EXECUTIVE SUMMARY:

The tender for Contract 2: Springwood Reservoir Transmission Main is the final contract for the ERWS project. Contract 1: Intake, Water Treatment Plant and Transmission Main to Top Bridge Reservoir has been awarded to Knappett Projects Incorporated and is currently underway. Once these projects are complete, the community's water system will ensure high quality safe water that will exceed Canadian Drinking Water Guidelines and will be sized to handle water demands for future generations.

The ERWS Management Committee request the ERWS Management Board to award Contract 2: Springwood Reservoir Transmission Main to IDL Projects Incorporated in the amount of \$4,944,700 (plus GST).

Should the ERWS Board award the tender at this meeting, construction work would begin in approximately four to six weeks. It is expected that the first stage of construction will primarily involve clearing of the existing brush and vegetation in June followed by trenching for underground utility construction. The Englishman River and Shelly Creek crossings are expected to start in July of this year. The expectation is that the project will be completed by the summer of 2018. The construction formal schedule will be confirmed at the construction kickoff meeting.

RECOMMENDATION(S):

1. THAT the report from the Englishman River Water Service Management Committee dated April 10, 2017 entitled ERWS Contract 2: Springwood Reservoir Transmission Main be received;

2. THAT staff be authorized to award Contract 2: Springwood Reservoir Transmission Main to IDL Projects Incorporated in the amount of \$ 4,944,700 (plus GST).

BACKGROUND:

Pre-qualifications for general contractors for Contract 2: Springwood Reservoir Transmission Main were advertised through a Request for Qualifications in August 2016. After technical evaluation based on previous experience, resources, project management and relative project size and bonding capabilities, the following general contractors were notified on October 11, 2016 and selected to bid on the following ERWS contract:

Contract 2: Springwood Reservoir Transmission Main

- Copcan Civil Ltd.
- IDL Projects Inc.
- Knappett (2006) Industries Ltd.
- Pedre Contractors Ltd.

The tender period for Contract 2 started on January 26, 2017, and a mandatory site meeting was held on March 6, 2017. A total of five addenda were issued during the tender period to clarify items in the tender document and it closed on April 4, 2017 at 2:00pm PST. Two bids were received and the total tender price including all adjustments, provisional items, optional items and cash allowances are summarized below:

Prequalified General Contractor Bidder	Contract 2: Total Base Bid (incl. GST)
IDL Projects Inc.	\$ 5,191,935
Knappett Industries (2006) Ltd.	\$ 5,995,259

Kerr Wood Leidal Associates Ltd. (KWL) reviewed the tenders for Contract 2 and found both tenders to be conforming. Following an initial review it has been determined bids are competitive and indicate the lowest bid represents the best current market value of the work. The prices tendered by IDL were compared to KWL's Class A cost estimate on an item to item basis and found to be within 6 % - 13 % of KWL's cost estimate. After a further thorough review of all bids to ensure and analysis of any calculation errors with Contract 2 specifications, KWL has recommended that we accept the low bid from IDL Projects Incorporated of \$ 5,191,935 (including GST).

OPTIONS:

1. Accept all bids received; authorize staff to award the construction contract for Contract 2: Springwood Reservoir Transmission Main, in the amount of \$4,944,700 (plus GST) to IDL Projects Inc.
2. Reject all bids and/or provide alternative direction to staff.

ANALYSIS:

Option 1.

The lowest bid, submitted by IDL Projects Inc., is complete and responsive. They are a reputable and qualified Vancouver Island Contractor with prior success on larger scale projects. Acceptance would allow the construction contract to be executed and construction of this high priority project to proceed at the earliest possible date. This would allow the construction phase to proceed and be in compliance with Vancouver Island Health's Operating Conditions and provide cost savings to the tax payer.

Option 2.

This will further delay the project and the risk would be Island Health's willingness to amend the current Operating Conditions for treatment.

FINANCIAL IMPACT:

Accepting the low bid from IDL Projects Inc. for Contract 2 would result in a total project costs of: \$ 4,944,700 (Plus GST). It is recommended that a 20 % contingency for this project be in place to account for any unknown costs that may be encountered in the Englishman River / Shelly Creek crossings and Island Corridor Foundation additional requirements that were determined during the tender period. A revision to the ERWS 2017 - 2021 Financial Plan would be required to account for the 20 % contingency.

REFERENCES:

January 24, 2017 report from Englishman River Water Service Management Committee regarding ERWS Project Implementation Strategy

November 1, 2016 report from Englishman River Water Service Management Committee regarding ERWS 2017 - 2021 Financial Plan