

**REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION
MEETING OF TUESDAY, 1 MAY 2007**

SUBJECT DEVELOPMENT COST CHARGE (DCC) PROJECTS
BEAR MOUNTAIN RESERVOIR #2, PUMP STATION #2 UPGRADE AND PIPELINE

PURPOSE

To present the updated cost estimate from the Bear Mountain Master Partnership (BMMP) to construct Reservoir #2, upgrade Pump Station #2 and construct the pipeline using their own forces (single source purchase).

BACKGROUND

In July 2006, the Juan de Fuca Water Distribution Commission approved a recommendation for a negotiated contract with the Bear Mountain Master Partnership for the construction of the Skirt Mountain reservoir, pipeline and upgrades to Pump Station #2, and that they be reimbursed for the costs from the Development Cost Charge fund, subject to the negotiation of a satisfactory agreement. The estimated cost in July 2006 was \$4,483,434.

ALTERNATIVES

- Alternative 1. Approve the service contract.
Alternative 2. Call for public tenders for construction.

FINANCIAL IMPLICATIONS

The design has now been completed and the revised cost estimate is shown on the attached letter, dated March 29, 2007, in the amount of \$4,769,043, an increase of \$285,609.

Staff has worked closely with BMMP and the consultant in developing the design and agrees with the cost estimate shown. The main reasons for the cost increase are:

1. Concrete prices have increased.
2. A separate electrical room has been added to house the controls.
3. Mechanical and electrical changes requested by CRD.
4. Increased engineering costs.

As noted in the July report, the cost estimate for this 10,800 cubic metre reservoir still appears reasonable when compared with recently tendered reservoirs:

- Triangle Mountain – 4,500 cubic metres - \$3.96 million (including pump station and pipe line); and
- McTavish Reservoir – 6,900 cubic metres - \$4.38 million (reservoir only).

RECOMMENDATIONS

That the Juan de Fuca Water Distribution Commission approve the construction of Bear Mountain Reservoir, pipeline and upgrades to Pump Station #2 by the Bear Mountain Master Partnership in the amount of \$4,767,043, plus GST.

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