



Requestor Name: Panorama Subdivision Owners Association (PSOA)
Information Request No: Final Submission
To: Corix Multi-Utility Services Inc. (CMUS) Panorama Water
Date: November 23, 2020
Reference No: 7677
Application Name: 2020 – 2022 Water Revenue Requirements Application

Further to Corix responses and information received by the PSOA in the Corix Response to PSOA IR1 2020 – 10 – 30 and the Corix Confidential Attachment 3 PSOA 2.1 2.2 documents, the PSOA would submit as our final submission in this application the following:

1.0 Reference: Panorama Water Utility Revenue Requirement & Rate Application for 2020 – 2022
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Explanation: On July 10, 2018, the Utility submitted the final cost estimates and physical design to the Comptroller and requested approval to proceed with construction of the project with an estimated completion date of July 2019. Through Order No. 2531, dated July 30, 2018, the Comptroller ordered that the: "...final cost estimate of \$6,934,974 and the physical design for the GSDP Project are accepted and approval to proceed with the construction of the project is granted. Corix is to file a Revenue Requirements and Rate Application by December 31, 2019".

Request: 1.1 What major cost factors caused this relatively straightforward construction project to cost so much and to run \$604,319 over the "final cost estimate" approved by the BC Comptroller of Water Rights?

Corix Response:

The GSDP Project has a number of factors that make it more challenging than a "straightforward construction project". The project site was on the side of a mountain at an elevation of approximately 1,300 meters above sea level. The location had difficult terrain and varying geological formations. Access to the construction site was limited by weather and the operations of the ski hill. There was no or limited access from November to April. Primary access was from May to October. There were also delays from the Interior Health Authority in the permitting process. The application filed with IHA required months to approve due to a backlog of applications from other water systems.

PSOA Response:

All of the conditions listed above as reasons for these cost overruns were known, or should have been known by any competent contractor capable of completing a project such as this and Corix's answer in no way reasonably explains this huge cost overrun. Additionally, with respect to delays by the IHA in the permitting process.....the \$100,000 included in Schedule A Contract Pricing 1.9 Schedule Impact – Delayed Start appears without further explanation to be a totally arbitrary number adding significantly to this cost overrun.

2.0 Reference: Panorama Water Utility Revenue Requirement & Rate Application for 2020 – 2022 Page 7

Explanation: Corix states: Additional work beyond the scope of the approved budget was also required. The provided contingency of \$345,973 was not sufficient for these additional items. These items are, for the most part, typical for a project of this magnitude and include costs for winter work, unknown conditions and addressing on-site conditions related to rock and ski hill infrastructure. The cost of these works in excess of the contingency provided was \$63,781.65. Corix further states: The remaining difference \$109,000 relate to contract issues on unit price portions.

Request:

2.1 Provide details of work done for the \$63, 781.65 in excess of the contingency provided

Corix Response:

To be responsive to the question Corix is providing the confidential Panorama Progress Sheet from Acres attached as Confidential Attachment 3: Corix Response to PSOA IR1 Questions 2.1 and 2.2 regarding the details of the excess spend for the Acres portion of the GSDP project. **This confidential information is provided solely to the Comptroller and the Interveners in this hearing. Interveners may only use this information for the purposes of this hearing and it is not to be reproduced and/or disseminated to other parties.**

Explanation of the Panorama Progress Sheet from Acres.

The Progress Sheet consists of three parts. The first part depicts the contracted items, the second part is time and material (T&M) items, and the third part is changes to the project scope (itemized as 'C', or 'CCO' – "change" or "contract change order").

The first part has fifteen sections for different components of the project. The first four columns after the item description are the unit of measurement (LS=lump sum), the quantity, the unit cost, and the extended cost (the product of the quantity and unit cost). As the project progressed, unit quantities varied depending on site conditions. For example, item 4.12, "50mm PVC Electrical and Control Conduit in Common". The contract originally budgeted for 400 meters, but only 194 meters was used. This was due to routing all wiring on the front side of the reservoir in a common Corix Panorama Water | Response to PSOA IR No. 1 4 of 9 conduit, rather than routing certain items on the back side of the reservoir. This led to a \$6,489 savings to the project.

The second part is for time and material items. In general, these are items that cannot be accurately budgeted in advance, or for items that were not anticipated in the original project scope. For example, HDPE pipe that had been fused in advance and stored over the winter had to be re-fused since Panorama Mountain Resort staff had cut the pipe to accommodate the requests of homeowners whose properties back on to the platter lift.

The third part is for changes in the project scope. For example, the regulator, Interior Health Authority, required changes to the design submitted for approval. Specific examples are the addition of isolation valves for the source water piping crossing the Toby Creek (\$4,000), and automated isolation valves on the ultra-violet disinfection reactors (\$20,135.61).

The Progress Sheet provides the detail on cost variances for the Acres portions of the project.

2.2 Provide details of contract issues resulting in additional charges of \$109,000 to the cost of this project.

Corix Response:

At the time of the Evidentiary Update Corix was anticipating additional charges due to contract issues. Corix was able to settle many of the issues favourably. Please see the response to Question 2.1 and confidential Attachment 1 that provides the full variances for the Acres portion of the project.

PSOA Response:

The PSOA acknowledges and respects the confidentiality of the materials supplied in the above response.

Request:

Please provide clarification of the following (seemingly) duplicate costs included in Schedule A Contract Pricing:

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Also included in Schedule A Contract Pricing the following:

Under Section 1 General Requirements:

3.2 Hydroseeding [REDACTED]

Request:

Has this Hydroseeding been completed and if so where on the project was this done?

Respectfully Submitted

J. Bruce Hamstead

Panorama Subdivision Owners Association, 2020

[REDACTED] Panorama, BC V0A 1T0

[REDACTED]