

# Memorandum

**To:** Larry Plourde, Administrator  
**From:** Michael Lott, Utilities Supervisor  
**Date:** October 5, 2017  
**Re:** Biosolids Project – Centrifuge

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The budget for the 2017 Bio-Solids Project under the “Sewer Capital Projects” is \$650,000. The Village of Gold River (VoGR) applied for funding of this capital project through the Canada/BC Clean Water and Wastewater Funding Grant Program (CWWF). The VoGR was successful in the grant application. The capital project cost based on our Project Engineering company, Opus Dayton-Knight Ltd. estimate was \$596,310 and was the capital project cost estimate used in the grant application. The breakdown in the project costing was \$101,373 (17%) VoGR and \$494,937 (83%) (CWWF) grant funding. The VoGR added \$50,000 to the project budget to cover anticipated costs to install new piping and appurtenances from the sewer treatment plant to the dewatering building.

In May 2017 a proposed revision to the capital project that added on a new building “Pole Barn” for bin loading area was priced out and incorporated into the overall project. A revised project budget was provided to the VoGR by our Opus Dayton-Knight, raising the cost of the project to \$638,100.

In September 2017 the VoGR project team members had a teleconference meeting to work out the final technical details for the project tendering phase. At this time I requested an updated capital project cost estimate. The revised capital project cost estimate was significantly higher at \$1,345,000 then the last capital project cost estimate of \$638,100.

*October 5, 2017*

At this point I informed our senior Project Engineer Seamus Frain of Opus Dayton-Knight Engineering Ltd. that I no longer had authority to proceed any further with this project until I received a renewed guidance from the VoGR Administrator and Council.

In comparing the revised capital project cost estimates from May 2017 and September 2017 where there are no changes in the "Scope of Work" the estimates for most components of the budget are significantly different (see all attached documents).

Respectfully submitted,

Michael Lott  
Utilities Supervisor