

Hydro One estimate jumps over \$200,000

At the August 31st Council meeting, WSP engineer Jamie Witherspoon spoke to Council via speaker phone to go over the details of a technical memorandum prepared for the Town regarding issues with Well #7, including a \$221,196.39 estimate increase by Hydro One for power supply to the new pumphouse. The poor quality of the phone connection did nothing to improve Council's reception of Witherspoon's explanation for what Mayor Bennington described as another "whoops" by the engineering firm. Increases in the original cost estimates by WSP for Well #7 have taken more than one swipe at the Town's budget as the project moves forward. Witherspoon reported that previous to the estimate hike, two letters had been received from Hydro One in 2015 regarding the pumphouse connection. He noted the first correspondence required a design fee of \$5,831.25 which the Town paid; the second explained that a preliminary cost estimate for the 1,555 m length of new line extension to the pumphouse property was \$140,000. Hydro One said they would support an investment amount of \$140,000 towards the project bringing the Town's commitment to \$0. On August 18th, the Town received a letter from Hydro One stating that the Town would now be responsible for \$221,196.39 to fund the project based on the completed model. Engineer Witherspoon, who called the increase "an unfortunate surprise," said that in subsequent discussions between Hydro and WSP it was revealed by Hydro that the increase from \$0 to \$221,196.39 was correct and that the preliminary estimate had not included the cost for the new poles that were required at approximately \$10,000 per pole. Witherspoon commented, "Hydro believes it is within their cost estimate requirements? I don't necessarily agree," he added. Town CAO and Clerk John Telfer asked Mr. Witherspoon how many poles Hydro would be constructing. Witherspoon responded 24 or 25 and confirmed that they were similar to wind turbine transmission poles. The CAO inquired further, "Why can't they add a three phase line to existing poles?" The engineer answered that taller lines with adequate separations were required "Hydro One does not supply a lot of detail until the design stage," he said, "This is a bit of an anomaly." Mr. Telfer later remarked, "Hydro One should stop giving preliminary cost estimates because they don't really mean anything." The CAO and Councillors urged WSP to negotiate further with Hydro One. The engineer responded, "I can, but they (Hydro One) treat every customer the same." Mr. Telfer said he did not agree, "As a customer, we (the Town) are a constant." He pointed out that Hydro One needed to understand that "this is just phase one of our project ? (hydro) consumption is guaranteed for the life of the town." The engineer admitted it was the "furthest out of town water supply" he had worked on, and said that he had "not run into this before." "Bottom line," said Witherspoon, "Hydro One has us over a barrel ? we need the line to complete the project." Councillor Mills responded, "You are telling us we don't have a choice?" Witherspoon replied, "Yes." Mayor Bennington expressed his disappointment to the engineer, and told him that with an increase of over \$200,000 he was "hard pressed to think due diligence was done."

By Marni Walsh