



GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT (GVSD&DD)

BOARD OF DIRECTORS

BOARD MEETING

Friday, July 24, 2026

9:00 am

The meeting will be held electronically on the Zoom platform

ON TABLE

1. Updated Information has been added to Page 5 of Report G2.2 - Apportionment of the \$235 Million North Shore Wastewater Treatment Plant Settlement. The update, highlighted in red box, was received after publishing.

pg. 2

To: GVS&DD Board of Directors

From: Linda Sabatini, Chief Financial Officer / General Manager, Financial Services

Date: July 14, 2026 Meeting Date: July 24, 2026

Subject: **Apportionment of the \$235 Million North Shore Wastewater Treatment Plant Settlement**

RECOMMENDATION

THAT the GVS&DD Board receive for information the report dated July 14, 2026, titled “Apportionment of the \$235 Million North Shore Wastewater Treatment Plant Settlement”.

EXECUTIVE SUMMARY

The GVS&DD and Acciona entered into a Project Agreement for the design and construction of the North Shore Wastewater Treatment Plant (NSWWTP). Project-related disputes arose in 2021, leading both parties to initiate legal action. Following mediation, on May 1, 2026 the parties reached a settlement, wherein the contractor provided \$235 million to the GVS&DD.

The *GVS&DD Cost Apportionment Bylaw No. 283, 2014*, as amended (“*Cost Apportionment Bylaw*”), sets out the methodology for apportionment of GVS&DD’s annual estimated expenditures to GVS&DD’s member municipalities. Board members will recall that in 2024, the GVS&DD Board approved amendments to the *Cost Apportionment Bylaw* to create a special apportionment methodology for NSWWTP costs in excess of \$1.06 billion and up to a maximum of \$3.86 billion (referred to in this report as the “special apportionment”).

As of the date of the settlement (May 1, 2026) the NSWWTP project costs, net of revenues, were \$717.0 million. Since the \$1.06 billion threshold for special apportionment has not been reached, the \$235 million settlement will be apportioned using the standard bylaw apportionment methodology. This will result in apportionments to the four sewerage areas shown in **Table 1** and reductions to the estimated Household Impact in the four sewerage areas over 2027-2030, as shown in **Table 2**.

Both the City of North Vancouver and District of North Vancouver Councils have written to the Board requesting that the full \$235 million settlement be applied only to the North Shore Sewerage Area (**Attachments 1 and 2**). A potential Board resolution is included in this report in the event the Board wishes to give effect to two members’ request.

PURPOSE

To provide the GVS&DD Board with information regarding the apportionment of the \$235 million legal settlement for the NSWWTP across the four sewerage areas based on the methodology established in the *Cost Apportionment Bylaw*.

Apportionment of the \$235 Million North Shore Wastewater Treatment Plant Settlement

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APPORTIONMENT OF THE \$235 MILLION NSWWTTP SETTLEMENT

The GVS&DD and its former contractor were parties to a Project Agreement to design and construct the NSWWTTP. In 2021, issues arose during the project which resulted in both parties filing lawsuits against the other. The parties mediated and in April 2026, reached a settlement agreement wherein the contractor provided \$235 million to the GVS&DD. This settlement agreement was reached on May 1, 2026.

Under the *GVS&DD Act*, the GVS&DD must, for each calendar year, prepare a “detailed estimate” of the money it will need to satisfy its expected expenditures and financial obligations for the year, including contributions to reserves and repayment of any debt from a previous year. This is referred to in the *Act* as the “annual estimate”. The *GVS&DD Act* further stipulates that the annual estimate must be apportioned to member municipalities, and permits GVS&DD to adopt a bylaw for the purposes of determining such apportionment.

The *Cost Apportionment Bylaw* sets out the methodology for apportionment of GVS&DD’s annual estimate to GVS&DD’s member municipalities.

Board members will recall that in 2024, the GVS&DD Board approved amendments to the *Cost Apportionment Bylaw*, to create special apportionment methodology for NSWWTTP costs in excess of \$1.06 billion and up to a maximum of \$3.86 billion (referred to in this report as the “special apportionment”).

As of the date of the settlement (May 1, 2026) the NSWWTTP project costs, net of revenues, were \$717.0 million. Since the \$1.06 billion threshold for special apportionment has not been reached, the \$235 million settlement will be apportioned using the standard bylaw apportionment methodology, which results in the apportionments shown in **Table 1** below.

Table 1: Apportionment of the \$235M Settlement to the Four Sewerage Areas

	Apportionment	
Sewerage Area	Percentage	\$
Vancouver	21.5%	\$ 50.5M
North Shore	45.7%	\$107.4M
Lulu Island West	3.9%	\$ 9.2M
Fraser	28.9%	\$ 67.9M
Total	100.0%	\$235.0M

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Such apportionment will result in reductions to the estimated Liquid Waste Services Household Impact (HHI), in all four sewerage areas over 2027-2030, as shown in **Table 2**.

Table 2. Impact on Estimated HHI for the Four Sewerage Areas – Standard Bylaw Apportionment

Liquid Waste HHI	2025	2026	2027	2028	2029	2030
Vancouver Sewerage Area						
2026-2030 Plan	\$650	\$661	\$664	\$696	\$749	\$786
Reduction	-	-	(13)	(13)	(13)	(13)
Adjusted	\$650	\$661	\$651	\$683	\$736	\$773
Lulu Island West Sewerage Area						
2026-2030 Plan	\$418	\$462	\$503	\$516	\$520	\$533
Reduction	-	-	(7)	(7)	(7)	(7)
Adjusted	\$418	\$462	\$496	\$509	\$513	\$526
Fraser Sewerage Area						
2026-2030 Plan	\$421	\$432	\$440	\$475	\$507	\$562
Reduction	-	-	(8)	(8)	(8)	(8)
Adjusted	\$421	\$432	\$432	\$467	\$499	\$554
North Shore Sewerage Area						
2026-2030 Plan	\$782	\$952	\$1,077	\$1,209	\$ 1,331	\$1,347
Reduction	-	-	(44)	(44)	(44)	(44)
Adjusted	\$782	\$952	\$1,033	\$ 1,165	\$1,287	\$1,303

REQUEST FROM THE CITY OF NORTH VANCOUVER AND THE DISTRICT OF NORTH VANCOUVER

On July 9, 2026, the City of North Vancouver and the District of North Vancouver sent letters to Board Chair Hurley and Directors (**Attachments 1 and 2**) requesting that 100% of the \$235 million NSWWTP settlement be apportioned to the North Shore Sewerage Area (NSSA). Apportioning the settlement using this method would result in a \$100 annual reduction to the estimated NSSA's Liquid Waste HHI, with no reductions to the other three sewerage areas.

If the GVS&DD Board wishes to give effect to the two members' request, the Board could adopt the following resolution:

That the GVS&DD Board direct staff to prepare amendments to GVS&DD Cost Apportionment Bylaw No. 283, 2014 to apportion 100% of the \$235 million NSWWTP settlement to the three North Shore municipalities within the North Shore Sewerage Area.

These bylaw amendments would be presented to the GVS&DD Board for its consideration in October 2026 along with the approval of the 2027 Budget and endorsement of the 2027-2031 Financial Plan.

Apportionment of the \$235 Million North Shore Wastewater Treatment Plant Settlement

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Added Subsequent to publishing, Board Directors requested that the following table be presented to show the HHI impact of apportioning 100% of the NSWWTTP settlement to the NSSA.

Table 3: HHI Impact by apportioning the full \$235M Settlement to NSSA

Liquid Waste HHI	2025	2026	2027	2028	2029	2030
Vancouver Sewerage Area						
2026-2030 Plan	\$650	\$661	\$664	\$696	\$749	\$786
Reduction	-	-	-	-	-	-
Adjusted	\$650	\$661	\$664	\$696	\$749	\$786
Lulu Island West Sewerage Area						
2026-2030 Plan	\$418	\$462	\$503	\$516	\$520	\$533
Reduction	-	-	-	-	-	-
Adjusted	\$418	\$462	\$503	\$516	\$520	\$533
Fraser Sewerage Area						
2026-2030 Plan	\$421	\$432	\$440	\$475	\$507	\$562
Reduction	-	-	-	-	-	-
Adjusted	\$421	\$432	\$440	\$475	\$507	\$562
North Shore Sewerage Area						
2026-2030 Plan	\$782	\$952	\$1,077	\$1,209	\$1,331	\$1,347
Reduction	-	-	(100)	(100)	(100)	(100)
Adjusted	\$782	\$952	\$ 977	\$ 1,109	\$1,231	\$1,247

ALTERNATIVES

This is an information report, no alternatives are presented.

FINANCIAL IMPLICATIONS

The apportionment of the \$235 million settlement for the NSWWTTP using the methodology established in the *Cost Apportionment Bylaw* will result in apportionments to the four sewerage areas shown in **Table 1** and reductions to the estimated Household Impact in the four sewerage areas over 2027-2030, as shown in **Table 2**. The reduction will be incorporated into the 2027 budget and 2027 to 2031 Financial Plan, which is scheduled for Board approval in October 2026.

CONCLUSION

This report provides the GVS&DD Board with information regarding apportionment of the \$235 million legal settlement for the NSWWTTP across the four sewerage areas based on the methodology established in the *Cost Apportionment Bylaw*. Using the bylaw methodology will result in apportionments to the four sewerage areas shown in **Table 1** and reductions to the estimated Household Impact in the four sewerage areas over 2027-2030, as shown in **Table 2**.

ATTACHMENTS

1. Letter dated July 9, 2026 to Chair Mike Hurley and Directors from Mayor Linda Buchanan Re: NSWWTTP
2. Letter dated July 9, 2026 to Chair Mike Hurley and Directors from Mayor Mike Little Re: NSWWTTP



City of North Vancouver

Linda C. Buchanan
Mayor

141 West 14th Street
North Vancouver, BC V7M 1H9
Office: 604-998-3280
Email: mayor@cnv.org
www.cnv.org

July 9, 2026

Chair Mike Hurley and Directors
The Greater Vancouver Sewerage and Drainage District
4515 Centre Boulevard
Burnaby, BC
V5H 0C6

Sent via email: chair@metrovancover.org

Dear Chair Hurley and GVS&DD Directors:

Re: North Shore Waste Water Treatment Plant (NSWWTP)

At its regular meeting on July 6, 2026, the City of North Vancouver Council recognized the need for fairness and acknowledged that the North Shore subregion incurs the highest costs in the region.

Council unanimously approved the following resolution:

THAT Council write to the GVS&DD Board requesting that the full \$235 million settlement received by the GVS&DD from Acciona be applied to the North Shore subregion to reduce the cost of the NSWWTP, with the benefit allocated to North Shore ratepayers.

THAT Council re-affirm in writing to the MV Board Chair, the City of North Vancouver's position that any review of the NSWWTP Program must be truly independent, commissioned at arm's length from Metro Vancouver, preferably by the Province of British Columbia or the Inspector of Municipalities, with terms of reference not determined by Metro Vancouver.

Best regards,

Mayor Linda Buchanan
City of North Vancouver

c.c. Council, City of North Vancouver
Dr. L. McCarthy, CAO, City of North Vancouver
Council, District of North Vancouver



District of North Vancouver
Office of the Mayor
355 West Queens Road
North Vancouver, BC V7N 4N5
604-990-2208, DNV.org

July 9, 2026

VIA EMAIL:

Chair@metrovancover.org

Chair Mike Hurley
The Greater Vancouver Sewerage and Drainage District
4515 Central Blvd.
Burnaby, BC V5H 0C6

Dear Chair Hurley,

Re: North Shore Waste Water Treatment Plant Project

At its regular meeting on July 6, 2026, the District of North Vancouver Council recognized the need for fairness and acknowledged that the North Shore subregion incurs the highest costs in the region. Council unanimously approved the following resolution:

THAT Council write to the GVS&DD Board requesting that the full \$235 million settlement received by the GVS&DD from Acciona be applied to the North Shore subregion to reduce the cost of the NSWWTP, with the benefit allocated to North Shore ratepayers.

THAT Council re-affirm in writing to the Chair, Metro Vancouver Board of the District of North Vancouver's position that any review of the NSWWTP Program must be truly independent, commissioned at arm's length from Metro Vancouver, preferably by the Province of British Columbia or the Inspector of Municipalities, with terms of reference not determined by Metro Vancouver.

Sincerely,

A blue ink signature of Mayor Mike Little, consisting of a stylized 'M' and 'L' followed by a long horizontal stroke.

Mayor Mike Little