

To: Utilities Committee

From: Fred Nenninger, Director, Policy Planning and Analysis, Liquid Waste Services

Date: June 29, 2016 Meeting Date: July 14, 2016

Subject: **Lions Gate Secondary Wastewater Treatment Plant Project – Quarterly Report**

RECOMMENDATION

That the GVS&DD Board receive for information the report titled “Lions Gate Secondary Wastewater Treatment Plant Project – Quarterly Report” dated June 29, 2016.

PURPOSE

To update the Board on the work underway for the Lions Gate Secondary Wastewater Treatment Plant (LGSWWTP) project.

BACKGROUND

In accordance with the GVS&DD *Integrated Liquid Waste and Resource Management Plan* (ILWRMP) approved by the BC Minister of Environment in 2011, the Lions Gate Plant is required to be upgraded to secondary level treatment by December 31, 2020. The Board authorized funds in 2011 and subsequent budgets to proceed with the initial work.

PROJECT STATUS

The Request for Proposals (RFP) for the Design-Build-Finance of the Lions Gate Secondary Wastewater Treatment Plant was issued on April 13, 2016 to the three pre-qualified proponents:

- ADAPT Consortium
- First Narrows Partnership
- PCL Partnerships

During the RFP process confidential collaborative meetings are to be held with each of the Proponents to review design concepts being developed for their proposal as well as the technical and commercial terms of the Project Agreement. Technical responses for the LGSWWTP are scheduled to be submitted in November 2016 with financial proposals at the end of January 2017. Following evaluation of the proposals, a recommendation for the award of the Design-Build-Finance contract is expected to be brought forward to the Board in March of 2017 for approval.

The recommendation for selection of engineering consultant for the design of the conveyance system comprising a new wastewater pump station and pipelines, required to transfer wastewater from the existing Lions Gate Wastewater Treatment Plant to the new site, received Board approval for the award of concept and preliminary design at their meeting on June 24, 2016.

Project Funding Update

The 2016/17 Federal Budget released on March 22, 2016 included an announcement of funding in the amount of \$212,300,000 for the Project. This amount represents 33% of the total eligible

expenditures of the Project. On June 16, 2016, GVS&DD received from the Minister of Infrastructure and Communities approval-in-principle of the federal funding under the Provincial-Territorial Infrastructure Component of the New Building Canada Fund (PTIC-NRP). Provinces and territories are required to prioritize projects for PTIC-NRP and generally projects are federally cost-shared on a one-third basis. All costs incurred in the Project, not subject to a previously awarded contract, are now eligible for reimbursement under the terms and conditions of PTIC-NRP and recoverable after the execution of the funding agreement expected in July.

Metro Vancouver continues to work closely with staff in the Provincial Ministry of Community, Sport and Cultural Development and the Treasury Board to provide response to their technical questions about the project in preparation for the submission to the Treasury Board for provincial funding for the Project. However, to date there is no confirmation as to the timing of that submission.

Engagement and Consultation Program Update

On February 20, 2016, a public open house was held at the Norgate Community Elementary School to provide an update on the project and anticipated timeline. Approximately 70 people attended this event. On April 30th, the Lions Gate Public Advisory Committee visited the wastewater treatment plant and science centre in Olympia, Washington to learn about their successful public education and outreach program. On June 29, Metro Vancouver staff will attend the Norgate Annual General Meeting and provide a project update. Metro Vancouver staff continue ongoing discussions with affected First Nations.

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

The project is proceeding in accordance with the current schedule and within the \$20 million budget approved by the Board in 2011 for the initial project work.

SUMMARY / CONCLUSION

The Lions Gate Wastewater Treatment Plant requires upgrading to secondary level treatment by December 31, 2020 in accordance with the *Integrated Liquid Waste and Resource Management Plan* and regulatory requirements. A Request for Proposals (RFP) for the Design-Build-Finance of the Lions Gate Secondary Wastewater Treatment Plant was issued on April 13, 2016 to the three pre-qualified proponents. Their technical responses are scheduled to be submitted in November 2016 to be followed by their financial submission in January 2017. Metro Vancouver has now received approval-in-principle from the Minister of Infrastructure and Communities for the federal funding contribution in the amount of \$212,300,000 under the Provincial-Territorial Infrastructure Component of the New Building Canada Fund. All costs incurred, not subject to a previously awarded contract, are now eligible for reimbursement under the terms and conditions of PTIC-NRP and are recoverable after the execution of the funding contribution agreement. Metro Vancouver has been working closely with Provincial staff to provide response to their technical questions in preparation for their report to the Treasury Board on provincial funding for the Project. Work continues on providing updates to the Norgate Community. On April 30th the Public Advisory Committee toured the wastewater treatment facility in Olympia, Washington to learn about their successful public education and outreach program.



Attachment

1. Approval in Principle Letter from Minister Sohi, Minister of Infrastructure and Communities

18619203

Minister of Infrastructure
and Communities



Ministre de l'Infrastructure
et des Collectivités

Ottawa, Canada K1P 0B6

JUN 21 2016

Ms. Carol Mason
Commissioner
Greater Vancouver Sewerage and Drainage District
4330 Kingsway
Burnaby British Columbia V5H 4G8

Dear Ms. Mason:

I am pleased to inform you of approval-in-principle of the Lions Gate Wastewater Treatment Plant (the Project). This approval is given following the successful review of your Project under the terms and conditions of the Provincial-Territorial Infrastructure Component -- National and Regional Projects (PTIC-NRP) of the New Building Canada Fund (NBCF).

Federal funding of the Project from the PTIC-NRP will be up to 33.33 percent of the total eligible project costs, to a maximum federal contribution of \$212,300,000 under this program. Federal funding from all sources including funding from the NBCF and any other federal program such as the Gas Tax Fund cannot exceed 33.3 percent of the Project's total eligible costs.

With this approval-in-principle, eligible costs as determined under the terms and conditions of the PTIC-NRP, and incurred as of the date of this letter, will be eligible for federal reimbursement, subject to the timely execution of a contribution agreement. If a contribution agreement is not signed, the Government of Canada will not reimburse any costs incurred. Once signed, the contribution agreement represents the final federal approval of the Project.

As we move to the contribution agreement stage, the following conditions will also apply:

- Regardless of the outcome of any of the project tendering processes, all ineligible costs, cost increases or overruns, and any costs related to the ongoing operation and maintenance of the Project, will be the responsibility of Metro Vancouver;
- Any costs incurred or associated with a contract that has been executed prior to the date of this letter are ineligible for reimbursement;
- Metro Vancouver will satisfy the Government of Canada with respect to the competitive and transparent tendering process to be established;

Canada

- Metro Vancouver and the Government of Canada will work to complete the negotiation of a contribution agreement in a timely manner and to this end Metro Vancouver will provide cash flows broken down by fiscal year for all project components, a clear indication of how the Project will contribute to one or more of the category-specific outcomes and benefits as well as the indicators that will be used to report on the outcomes and benefits at the Project's substantial completion;
- Metro Vancouver agrees to produce and erect temporary signage at each of the project sites acknowledging the federal government's contribution to the Project, the costs of which will be an eligible cost under the contribution agreement. The signage will be produced in accordance with the design requirements to be provided by the Government of Canada, and will be at least equivalent in size and prominence to other partners' project signage. It will be erected 30 days before construction activity begins on the site or, if the activity will begin in less than 30 days from the date of this letter, as expeditiously as possible. The signage will remain in place until 30 days after construction is completed;
- The *Canadian Environmental Assessment Act, 2012* applies to the project as proposed, and Metro Vancouver will ensure that construction of the project does not begin prior to written confirmation by Infrastructure Canada that the *Canadian Environmental Assessment Act, 2012* requirements have been met.
- Based on the information provided, the Government of Canada has a duty to consult and may have a duty to accommodate Aboriginal groups for this project. Metro Vancouver will ensure that construction of the project does not begin prior to confirmation by Infrastructure Canada that these requirements have been met.

I must also inform you that any project costs incurred prior to the date of this letter are ineligible for federal reimbursement.

I note that the project documentation you have submitted specifies that project construction is planned to get underway in January 2018, and be completed in June 2021. As your Project is being approved in principle on the basis of this information, please notify my officials, in writing, should you expect delays of more than six months in either the start or completion date.

Thank you for your collaboration to date and I look forward to continuing to work together to conclude a contribution agreement for this Project in a timely fashion.

Yours sincerely,

A. Sohi

Amarjeet Sohi, P.C., M.P.