
To: Utilities Committee

From: Fred Nenninger, Manager, Policy Planning Analysis and WWTP Upgrade

Date: August 7, 2013 Meeting Date: September 5, 2013

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

RECOMMENDATION

That the Board receive for information the report titled *Lions Gate Secondary Wastewater Treatment Plant – Quarterly Report* dated August 7, 2013.

PURPOSE

To update the Board on the work underway to complete the Project Definition Phase for the Lions Gate Secondary Wastewater Treatment Plant (LGSWWTP) upgrade.

BACKGROUND

In accordance with the Integrated Liquid Waste and Resource Management Plan approved by the BC Minister of Environment in 2011, the Lions Gate plant requires upgrading to secondary treatment by 2020. The Board authorized funds in the 2011 budget to proceed with the initial work, including the Project Definition Phase.

DISCUSSION**Technical Work**

On June 25th the second of three workshop style special meetings was held with the Utilities Committee to review specific issues and information related to the project definition work to upgrade the Lions Gate plant. Topics covered included the cost allocation definition review being undertaken by the Regional Administrative Advisory Committee (RAAC); the business case results comparing the three build scenarios on the basis of the liquid waste process alternatives, the solids management and Integrated Resource Recovery alternatives, and the energy, reclaimed water and phosphorus recovery opportunities; information related to design-build as an alternative to design-bid-build; further information related to public-private-partnerships; and an update on the status of the community engagement work.

A two day study tour on June 12th and 13th allowed participants to tour four treatment plants in Washington State that have many of the features being considered in the three build scenarios considered for the Lions Gate upgrade. Five members of the Utilities Committee as well as members from the Lions Gate Intergovernmental Advisory Committee, Public Advisory Committee, staff and consultants participated in the study tour. A video of the highlights of the tour was prepared and is available at <http://bcove.me/lhl9c9fx>

The technical team completed Integrated Design Process (IDP) Workshop #6 in early August. Based on the business case results, an indicative design is being prepared for presentation at the Utilities Committee workshop special meeting, now scheduled for the afternoon of September 24th.

The technical team also completed the risk assessment workshops in July that established the criteria and data needed to complete the Value-for-Money assessment comparing alternative delivery models for the design and construction phase. Three options are being compared: the Design-Bid-Build traditional approach, Design-Build (based on milestone payments and extended warranty), and a full Design-Build-Finance-Operate-Maintain public-private-partnership. The results of the Value-for-Money analysis will be reviewed with the Utilities Committee at the September 24th workshop special meeting.

Financial Status

	Budget Approved to Date	Project Definition Phase Initial Budget	Expenditure to Date	Committed to Date	Projected Cost
As of June 30, 2013	\$20,000,000	\$8,000,000	\$4,228,010	\$5,640,614	\$8,000,000

Funding

In January 2013, Metro Vancouver applied to the Federation of Canadian Municipalities’ (FCM) Green Municipal Fund program for partial funding of the Project Definition Phase for the Lions Gate upgrade. Up to \$175,000 is available from the fund for project definition work. In July, Metro Vancouver received confirmation from FCM that a grant of \$175,000 has been awarded to the Lions Gate Upgrade project.

On July 25, Metro Vancouver participated in a conference call with a number of senior officials from Infrastructure Canada to discuss the New Building Canada Plan and funding support for the Lions Gate project. They confirmed that the government’s current focus in rolling out the New Building Canada Plan is negotiating the Community Improvement Fund (Gas Tax Fund) before it turns its attention to the Building Canada Fund, which represents one of the most likely sources of federal funding for the Lions Gate project.

Federal officials also confirmed that Infrastructure Canada will be looking closely at risk assessment/risk mitigation as one of the key decision criteria for project applications under the \$10 billion Provincial-Territorial Infrastructure Component of the Building Canada Fund, and that Metro Vancouver is currently well-positioned for funding application under the Provincial-Territorial Infrastructure Component, given that the project definition phase is well under way, including discussions with the First Nations.

However, Metro Vancouver has also been advised that no applications for funding under the New Building Canada Fund are being accepted at this time. The next Federal announcement regarding the Fund is not expected until later this year. The current lack of clarity regarding the funding application schedule and process for the New Building Canada Fund may significantly delay the full implementation of the Lions Gate project, since the project is contingent upon confirmation of financial support from senior government. Metro Vancouver continues to work with federal officials in monitoring the status of the New Building Canada Plan and its anticipated roll-out, and is looking to schedule meetings with North Shore MPs and MLAs in the fall to brief them on the status and the funding needs of the Lions Gate project.

The negotiations on the Provincial-Territorial Infrastructure Component of the New Building Canada Fund between the Federal Government and the provinces/territories will involve the presentation by each province/territory of a list of priorities and priority projects that the province/territory intends to

fund under the program. Therefore, it is Metro Vancouver's plan to continue to strongly advocate the Lions Gate WWTP project with both the Federal and Provincial governments in anticipation of the announcement regarding the application process for the new funding programs. In addition, Metro Vancouver is also keeping P3 Canada and Partnerships BC apprised of the Lions Gate project and the value-for-money assessment currently underway to determine if the project is a good candidate for a public-private-partnership.

A Metro Vancouver delegation (Chair Moore, Director Mussatto, Deputy CAO Delia Laglagaron, and General Manager of Liquid Waste Services Simon So) met with BC Minister of Environment, Mary Polak, on July 26 to brief her on the Lions Gate WWTP project. Metro Vancouver will also be meeting with BC Minister of Transportation and Infrastructure, Todd Stone, on September 9 and with Deputy Ministers of Environment, and Community, Sport and Cultural Development during the 2013 UBCM Convention in Vancouver. Metro Vancouver is also seeking a meeting with Minister of Community, Sport and Cultural Development, Coralee Oakes, to update her on the Lions Gate project, and to reiterate the request for Ministers Polak and Stone: that the Lions Gate Wastewater Treatment Plant Project be designated as a provincial priority for British Columbia under the Provincial-Territorial Infrastructure Component of the New Building Canada Fund.

Engagement and Consultation Program

This section is an update on key engagement activities since the April 24 public meeting.

The Public

An online survey was posted on the project website after the April 24 public meeting and remained open to June 30. In general, the 41 respondents were in favour of creating a facility that provides both community and environmental benefits. Potential odour was the top concern, while residential market value, effluent quality, and the site footprint ranked among their other interests.

Lions Gate Public Advisory Committee (LGPAC)

The fifth meeting of the LGPAC was held on July 9 to review the project business cases that were presented to the Utilities Committee at their June 25 Special Workshop. The two members who attended the study tour to Washington reported back and responded to questions from other members. MV staff presented key opportunities for the LGPAC to engage with the Utilities Committee and other stakeholders prior to decisions being made. The LGPAC also discussed meeting to develop recommendations to present to the Utilities Committee in the fall.

On July 12, the Chair and Vice Chair of LGPAC were invited to meet the members of the Lions Gate Intergovernmental Advisory Committee to present their work to date including: the composition and expertise of the membership, a summary of community input and issues to date, and the group's workplan and reporting schedule for 2013.

Norgate Park Community Association

Members of the project team attended the Norgate Park Community Association Annual General Meeting on June 20, 2013, which included approximately 20 community members. Most attendees had heard of the Lions Gate project and many had attended the April 24 public meeting. The main concerns about the project were potential odour, as well as accountability over the long-term.

Additional Workshops and Meetings

Structured-Decision Making Workshop

On May 31 a workshop on structured decision-making (SDM) was held for members of the LGPAC and Community Resource Forum (CRF) to better understand the rationale for the selection of concepts, and to express their views and values directly through weighting and rating exercises.

Local Business Meeting

On June 4, an open house and meeting was held for local businesses in the Norgate area, which attracted 16 participants including owners of commercial property and local businesses located near the project site, and Port Metro Vancouver staff. Key issues included: odour control, increased traffic and impacts to safety, impediments to truck access for business activity and concerns around site design and massing. MV's outreach efforts also included a brief electronic survey that was delivered through visits to local businesses in the Norgate area. A follow-up meeting was held with a business owner-operator in the port area on July 4 at the owner's request.

Metro Vancouver Members and Committees

Presentations on the results of the business casing analysis were made to: Regional Engineers Advisory Committee (REAC) (June 7 and July 5); Utilities Committee (June 6 and June 25); LGIAC (June 14, 21, and July 12); North Shore Councils (July 4); MV's Integrated Utilities Management Advisory Committee (July 26).

Provincial and Federal Agencies

Staff met with Ministry of Environment representatives to discuss the project (June 21 and July 19). Discussions with the Ministry include the terms of the Operational Certificate for the new plant, which is required as part of the project definition phase. Presentations were also made to the Liquid Waste Management Plan Environmental Monitoring Committee (June 20 and July 18).

First Nations

Both Squamish and Tsleil-Waututh Nations are now represented on the LGIAC. Meetings between MV and representatives of these two First Nations continue to address key areas of mutual interest.

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

The LGSWWTP project is proceeding according to budget and schedule.

OTHER IMPLICATIONS

A Memorandum of Understanding with Squamish Nation is under development. It provides the framework to undertake the work and negotiations required for wastewater servicing and is specific to both the existing and new facilities.

SUMMARY / CONCLUSION

Based on the results of the business casing work an indicative design is now being prepared for the Lions Gate Secondary Treatment Plant for presentation at the Utilities Committee workshop special meeting being held on September 24th. The value-for-money analysis work comparing three procurement options for the design/construction stage will also be presented at the September 24th Utilities Committee workshop. This analysis will also be a key component in a substantial fall engagement and consultation schedule (Attachment 1).

Discussions have been held with Infrastructure Canada and with the BC Minister of Environment, Minister Polak, specific to funding for the new Lions Gate project under the new Building Canada Fund. Metro Vancouver is requesting that the Lions Gate Secondary Treatment Project be designated as a provincial priority under the Provincial-Territorial Infrastructure Component of the new Building Canada Fund.

Attachments and References:

Attachment 1: LGSWWTP Upgrade Project and Consultation Timeline (7759483)

Reference: June 12 / 13 Study Tour video: <http://bcove.me/lhl9c9fx>

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Date	Meetings / Events	Objectives
Sept 5	Utilities Committee (UC) regular meeting	Metro Vancouver (MV) staff present quarterly report (technical and consultation results)
Sept 4	Norgate Residents' Workshop	Discuss consultation process & feedback on community integration
Sept 10	Lions Gate Public Advisory Committee (LGPAC) Meeting #6	Discuss format / content for reporting to UC on Oct 3/Nov. 7
Sept 11	Lions Gate Intergovernmental Advisory Committee (LGIAC) Meeting	Regularly scheduled meeting
Sept 17	Community Workshop	LGPAC/Community Resource Forum (CRF) provide feedback on community integration
Sept 18	Local Business Meeting	Discuss consultation process & feedback on community integration
Sept 24	Special UC Workshop	MV staff present: cost allocation, indicative design, procurement model & value for money (V4\$) analysis
Oct 2 or 3	North Shore Joint Councils' Workshop	MV staff present: cost allocation, indicative design, procurement model & V4\$ analysis
Oct 3	UC regular meeting - LGPAC presentation	<ul style="list-style-type: none"> • LGPAC to report on process and elements of project definition • 3 LGPAC representatives to make presentation: environment, community, business perspectives
Oct 7	LGPAC Meeting #7 (full day workshop)	Review procurement model, V4\$ analysis, indicative design, reporting to UC in November
Oct 9 or 10	Public Meeting	Indicative design & procurement model
Oct 11	MV Board	MV staff report on indicative design & V4\$ analysis
Oct 18	LGIAC regular meeting	LGPAC to present draft report / findings on indicative design & procurement
Oct 19	Council of Councils Meeting	MV staff present: cost allocation, indicative design, procurement model & V4\$ analysis
Oct 23	Community Workshop	LGPAC to present draft UC report / findings to CRF for feedback & discussion
Nov 7	UC regular meeting (recommendation to Board) LGPAC presentation	<ul style="list-style-type: none"> • MV staff present: indicative design, procurement model, consultation summary • LGPAC report on: indicative design, procurement model & process
Week of Nov 11	North Shore Joint Councils' meeting	Review: finalized indicative design, recommended procurement model, engagement & consultation report
Nov 15	MV Board	MV staff report on: indicative design, procurement model, consultation summary

Legend - Project and Consultation Timeline:

Black text = Activity involving community

Grey text = Activity involving MV and municipal members

Link - New Lions Gate Wastewater Treatment Plant:

<http://www.metrovancouver.org/SERVICES/WASTEWATER/ENGAGEMENT/LIONSGATE/Pages/>