

Our nasty 'P3': paying for the poop plant

BY GUY HEYWOOD, NORTH SHORE NEWS MAY 1, 2013

Dear Editor:

By now, most people will have heard that the primary sewage treatment plant under the Lions Gate Bridge has to be moved by the year 2020. The lease is up and the Squamish Nation has other plans for the land. The reasons for putting it there in the first place no longer apply, and a new plant has to be built to satisfy the environmental protection demands of the federal and provincial governments.

Fortunately, the land to site the new sewage treatment plant has already been acquired. It will be built at the foot of Pemberton Avenue, on the District of North Vancouver's waterfront. An estimate of the cost depends upon a number of decisions about process and timing, but for round-number purposes \$500 million dollars is probably on the low side.

Right now, with both the federal and provincial governments dodging funding commitments, the full burden of the cost of the new project will fall on the residents of the three municipalities on the North Shore. As a result, homeowners' sewer utility costs could increase by up to 500 per cent to absorb the capital and operating costs of the new facility. This would result in sudden increases in the thousands of dollars for our taxpayers in the City and District of North Vancouver respectively.

How do we avoid this dire scenario?

Does this compute? Say \$2000/yr for 50,000 households = \$100m/yr. Answer: no - cjk

There are three sources of funding that could, and should, come to the party to relieve the burden on the North Shore taxpayer.

The first is the federal government that mandated the upgrade, the second is the provincial government that stipulated the timeline in its approval of the Liquid Waste Management Plan, and the third should be a cost sharing arrangement with our fellow member municipalities in Metro Vancouver that will all be the beneficiaries of a higher standard of waste treatment.

The federal government has been mandating and supporting this kind of infrastructure in other communities across the country - Halifax and Victoria for example. Our circumstances here on the North Shore are not much different and we should expect that our local, government-side members of Parliament would advocate for and deliver a similar amount of support as a condition of their continued employment.

It is likely that a condition for federal and provincial funding is for the project to be structured as a "public/private/partnership" or "P3" project. This refers to an arrangement for shifting a significant portion of the construction, financing and operating risk to the private sector. There are a number of practical reasons for doing this. Risk apportionment and shifting is always a feature of major construction projects of this nature whether or not they are called "design/build" or "P3" and the devil is always in the details. But, as far as a name goes, we should care less if it is called a "P3" or a raspberry - so long as the federal and provincial government dollars are brought to the table.

If other regional politicians want to score cheap points from an ideological or political standpoint and

oppose the "P3" approach when our citizens are at financial risk - we must politely but firmly ask them to stand down.

The province required this project to be initiated and approved in Metro Vancouver's Liquid Waste Management Plan of May 2011, but have yet to come to the table with a firm indication of its financial support.

The provision of sewer treatment services is now a regional responsibility. Taxpayers on the North Shore expect the repayment of the capital costs of building a new treatment facility on the North Shore to be blended into the regional sewer treatment levy. We say so with complete appreciation of the fact that we, on the North Shore, will also have to assume our proportionate burden of other regional facility upgrades such as the Iona Island secondary upgrade expected to be complete by 2030.

While we understand that for cost sharing purposes, there was a history of categorizing sewage treatment plants into phase 1 and phase 2 facilities based on the degree of treatment as well as when Metro Vancouver assumed responsibility for the function on a regional basis. We believe this to be a simple historical anachronism and should no longer stand in the way of the adoption of an equitable, regional cost-sharing formula.

Metro Vancouver has assumed the responsibility and obligations of implementing its regional Liquid Waste Plan, and the financing of the facility must be dealt with in the same way - as a responsibility and obligation of the whole region. If this is not true for sewage, we will insist on looking at all of the other issues that Metro deals with, such as transit, and start piece-mealing out the sub-regional interests and associated costs. Let's put this unhelpful distinction in the past and move on.

As we said at the beginning, right now, the default case is that the North Shore is on its own. Neither the senior governments nor Metro Vancouver have committed to what we believe should rightfully be their shares of the cost of the new facility. This makes us, as councillors for our respective communities, very concerned. In order to actually have the new plant built in time to vacate the existing lease by 2020, shovels have to be in the ground very soon. In the words of the announcer at Canucks games: It's time to "make some noise"!

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