



Project rendering

# North Shore Wastewater Treatment Plant Program

## PRESENTATION TO DISTRICT OF WEST VANCOUVER

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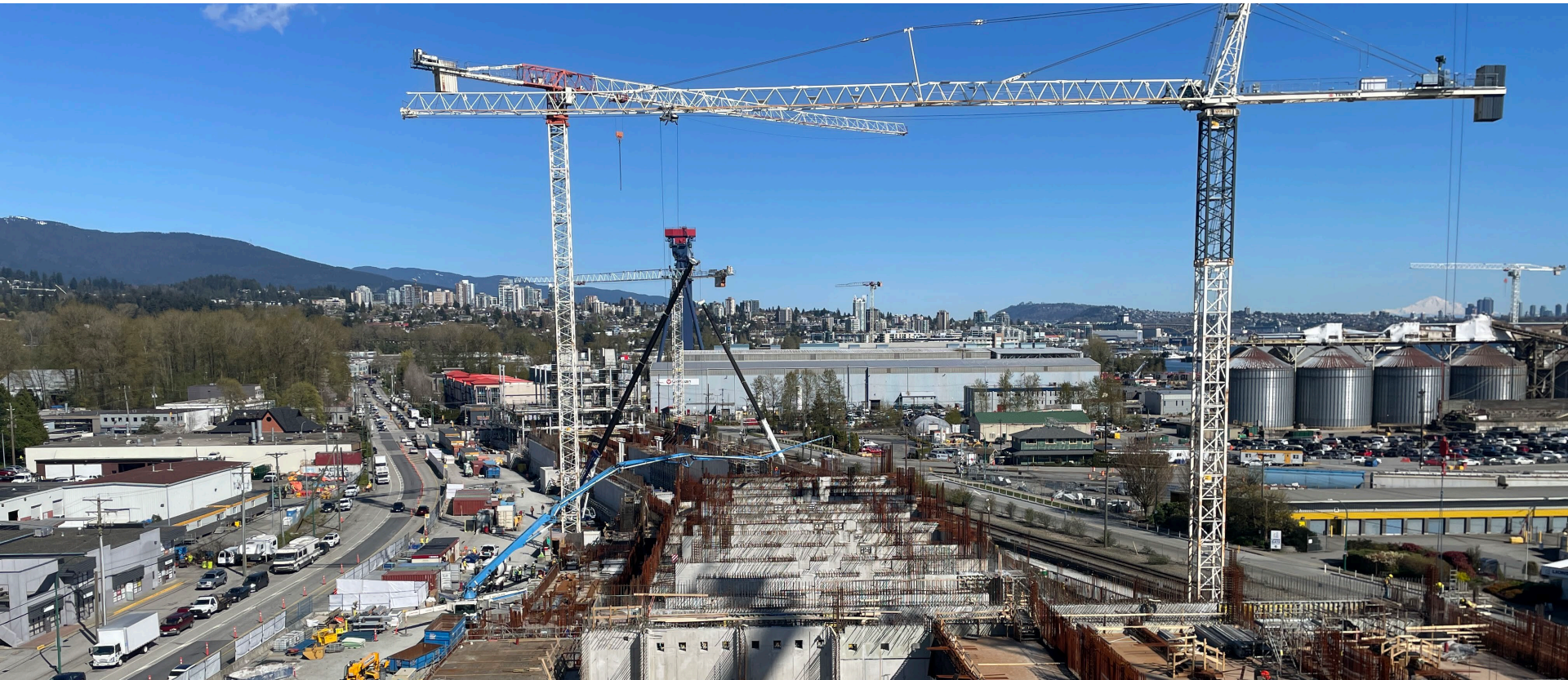
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# Part 1: Program Progress

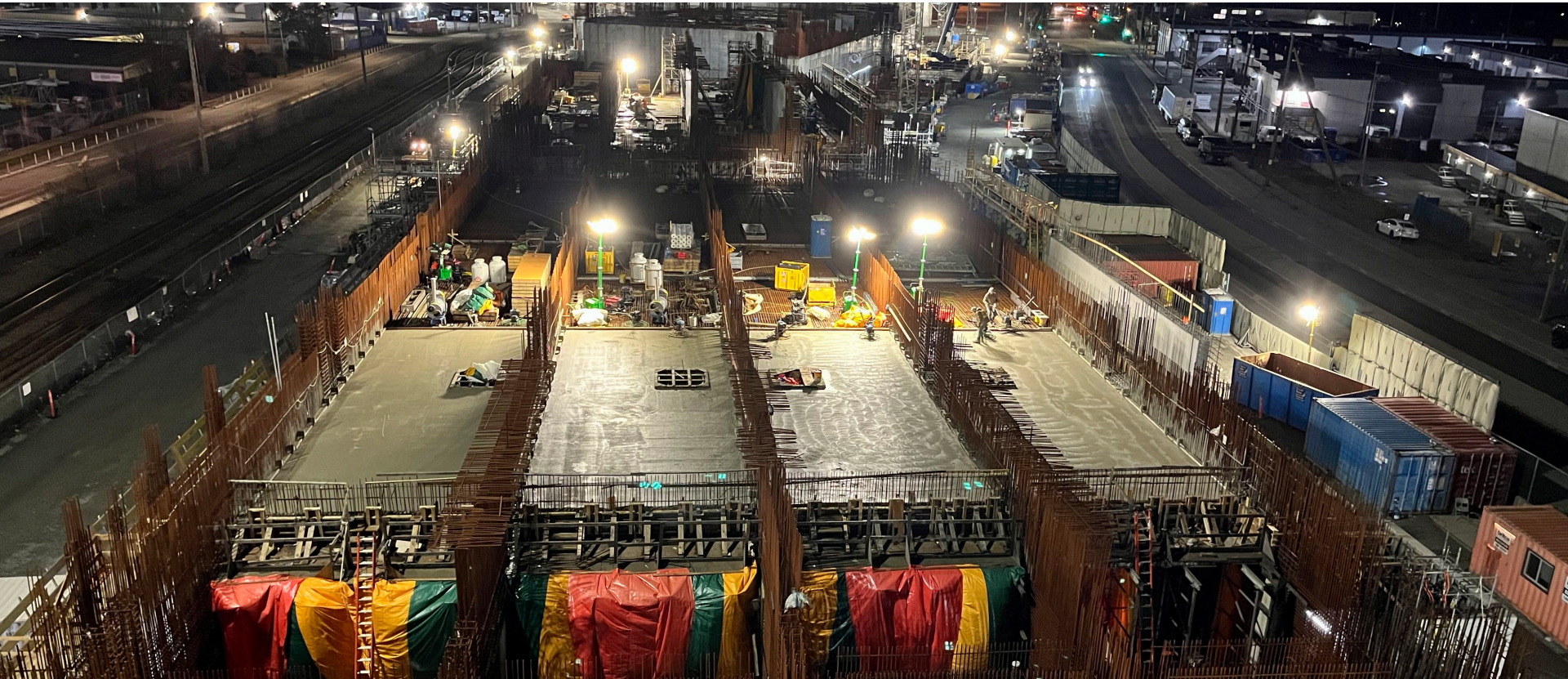
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# NEW CONSTRUCTION UNDERWAY



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## Structural Steel Installation







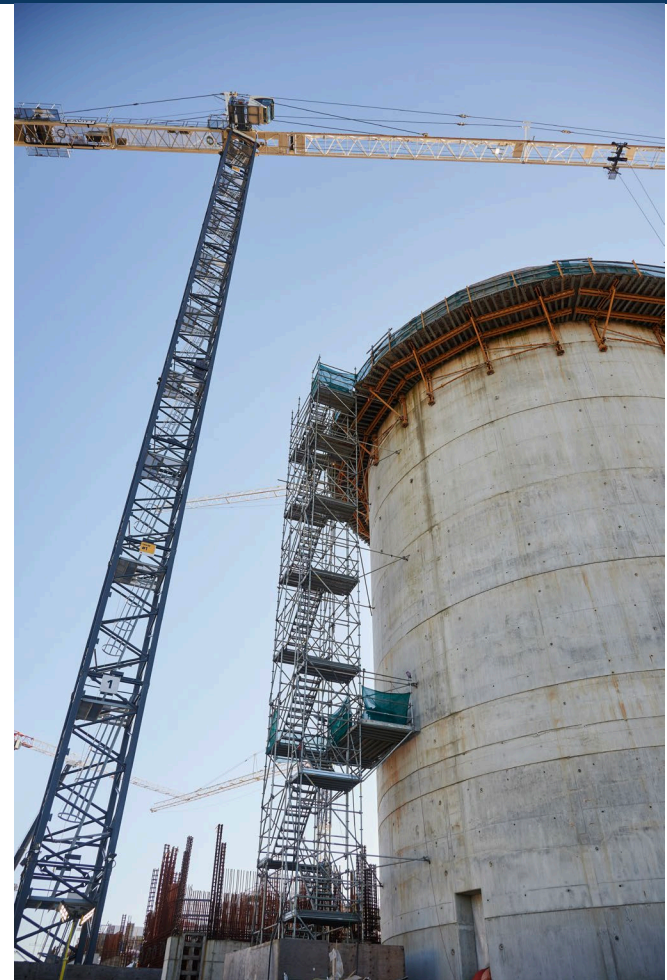
# NEW CONSTRUCTION UNDERWAY

## Equipment



# CONSTRUCTION HIGHLIGHTS

- 80,000 m<sup>3</sup>/of concrete
- 40,000 metres of piping
- 650 kilometres of electrical cabling
- 900+ pieces of wastewater treatment equipment
- 6,000+ instruments and control devices



# LOOKING AHEAD



NSWWTP Architectural Rendering

*Goal:*

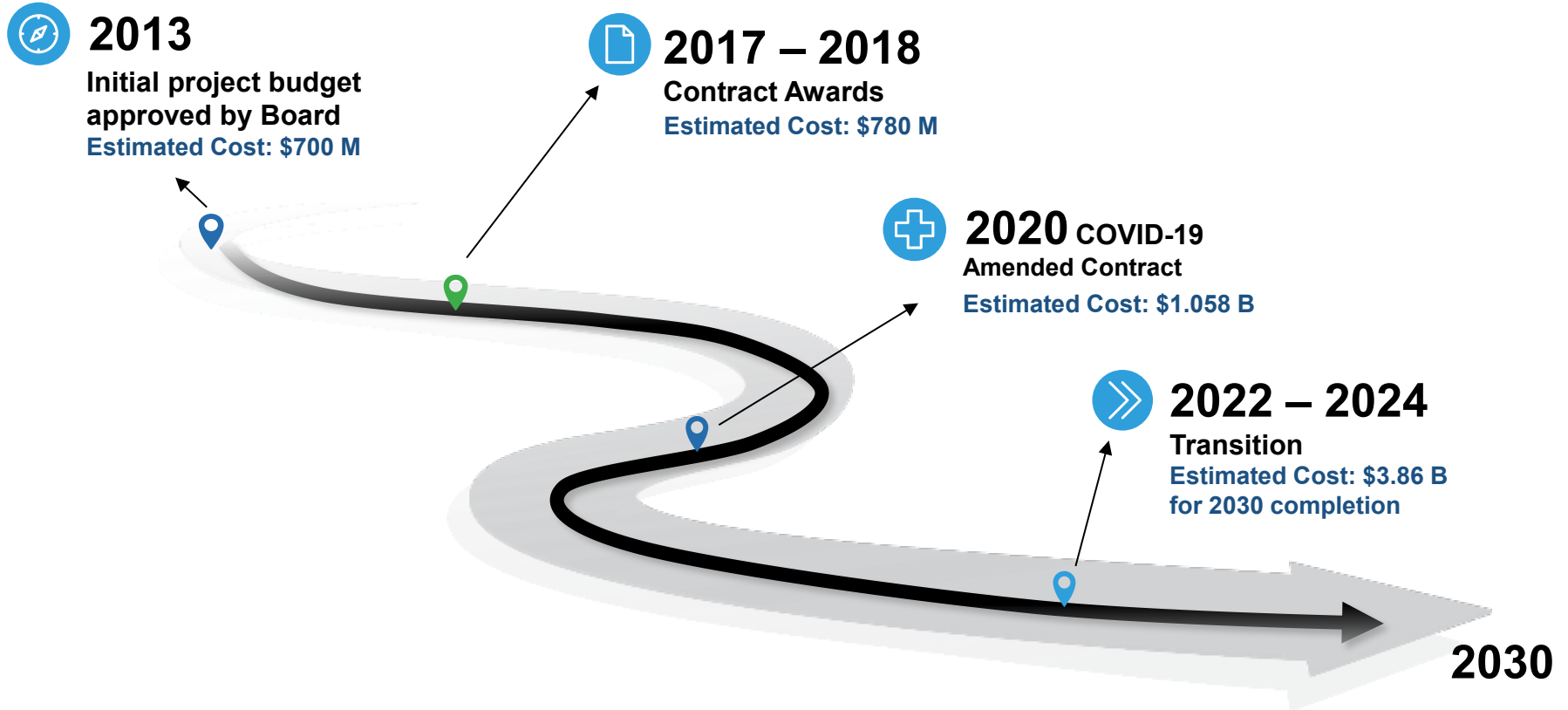
*A high-quality regional asset that runs as intended and will serve North Shore communities for decades to come*

# Part 2: Program Discussion

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# PROGRAM COSTS



# THREE SEPARATE PROGRAM COST ESTIMATES

## How the Cost Estimate Was Achieved

1. Independent - Completed by the Engineer of Record based on previous contractor bid numbers. Quantities were re-verified. Standard engineering-style estimate.
2. Independent – Completed by third-party construction estimators with significant experience working on major projects. This is a contractor-style estimate. The quantities align with current contractor's estimate.
3. Current Contractor - Developed in a similar manner to the second independent estimate produced for Metro Vancouver, based on craft hours, quantities, and other components.

# PROGRAM COST ESTIMATE

## Why Other Metro Vancouver Projects Did Not Raise Similarly

- Best practice cost estimating framework introduced 2020
- Iona Island WWTP and Northwest Langley WWTP cost estimate reflected similar market realities
- **The NSWWTP is also unique among current Metro projects:**
  - Transition to a new contractor partway through construction
  - Significant rework to address contractor's design and construction deficiencies
- Prior NSWWTP budget increases were combinations of fixed price contracts and added contingency amounts – they did not reflect the market at the time
- Other projects across Canada have experienced significant cost escalation

# PROGRAM ESCALATION & RISK RESERVE

- Cost estimate includes escalation and risk reserve
- These amounts are based on best practice cost estimating framework
- Funds are only collected from member jurisdictions for the current budget, which includes:
  - Debt charges related to incurred capital expenditures
  - Direct capital contribution (pay-as-you-go)
- We do not borrow in advance, unspent contingency would not be charged to members.



# PROJECT MILESTONES

- Design issued for construction
- Construction activity steadily increasing
- 400 tradespeople on site
- 50,000 cubic metres of concrete poured, 30,000 cubic metres remaining
- Piping and electrical installation: 40,000 metres of piping, 650 kilometres of electrical cable
- Final connection to sewer system
- Testing and commissioning, operation in 2030
- Monitoring schedule, quality, and risk

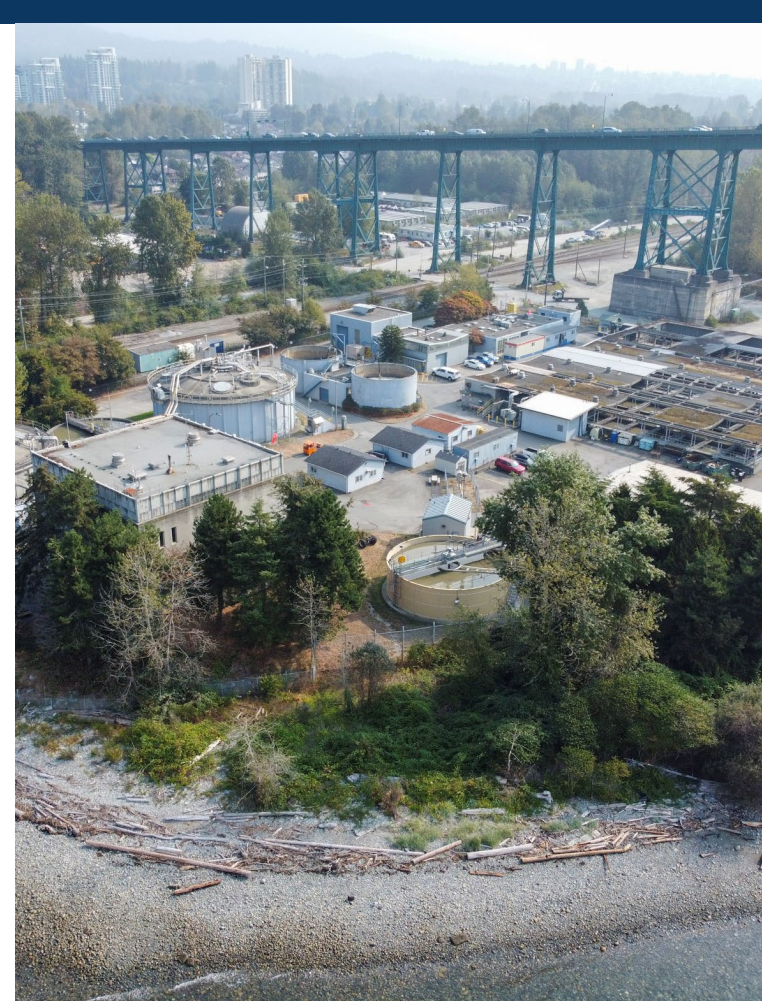


# LITIGATION STATUS

- Document discovery phase: 4 million documents
- Trial is set for March 2027
- Acciona has identified damages of over \$250 million
- Metro Vancouver has identified damages of over \$500 million
- The Board will decide how court-awarded damages are incorporated into the liquid waste budget
- All revenue will be reported in Metro Vancouver's budget: even if it's an out-of-court settlement

# LIONS GATE WWTP DECOMMISSIONING

- Preliminary design and cost estimate work to begin 2026/27
- \$20 million for preliminary design included in program budget
- Will be a separate project



# COST APPORTIONMENT

Category	Expenditure	Costs Allocated to Host Sewerage Area	Costs Allocated Regionally
Operating	All Operating Costs	100%	N/A
Tier 1 Capital	Conveyance System and Primary Treatment (NSWWTP & Iona upgrades only)	100%	N/A
Tier 2 Capital	Secondary Treatment	30%	70%
Tier 3 Capital	Tertiary Treatment	N/A	100%

# COST APPORTIONMENT

## Allocation of Project Cost Increase

- To reduce impact, Metro Vancouver board voted on special approach for allocating increase in cost
- Three Board workshops in spring 2024 to discuss
- All sewerage areas took on additional cost
- Result: 37% of the increased costs paid by North Shore, 63% paid by other sewerage areas
- Reduced average impact on North Shore households from \$725 increase to \$590 increase



# COST APPORTIONMENT

Within the North Shore Sewerage Area

- The cost sharing model for the North Shore members is being updated.
- Transitioning from a fixed percentage model to a flow-based model as part of the adoption of wet weather pricing.
- Transition to wet weather-based apportionment is being phased in over 10 years; in 2026, will be three years into the transition.
- West Vancouver's costs within the NSSA is going down with this model.



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Thank you

**metro**vancouver

# NSWWTP COST ALLOCATION DIRECTION

May 31, 2024 Board Decision - Add \$10/HH for 3 SAs – NSSA down \$135 NSSA drops to 37% from 46%

Scenario	Sewerage Area	Incremental Annual HHI	Average Annual levy over Amortization	Regional and NSSA Share by Scenario
3	NSSA	\$590	\$58M	37%
	VSA	\$150	\$50M	63%
	LIWSA	\$80	\$11M	
	FSA	\$90	\$71M	
	<b>TOTAL</b>		<b>\$190M</b>	100%

Phase-in Period – 1 Year for 3 SAs; 5 years for NSSA (\$118/year)