

To: Utilities Committee

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

Date: May 2, 2014 Meeting Date: May 13, 2014

Subject: **Village of Anmore's Request for Sewer Service for Eagle Mountain Middle School**

RECOMMENDATION

That:

- a) Notwithstanding the GVS&DD Board's November 10, 2010 resolution that required the Village of Anmore to become a member of the GVS&DD in order to receive regional sewerage services for the Eagle Mountain Middle School, in recognition of the unique present circumstances, the GVS&DD Board approves regional sewerage services for the Eagle Mountain Middle School even though the Village of Anmore is not a member of the GVSⅅ
 - b) The GVS&DD Board approves an amendment to the Fraser Sewerage Area boundary so that the building footprint only of the Eagle Mountain Middle School is located within the Fraser Sewerage Area; and
 - c) The GVS&DD Board directs staff to negotiate and enter into a 25 year Service Agreement with the Village of Anmore and the City of Port Moody under which GVS&DD will provide regional sewerage services to Eagle Mountain Middle School by way of Port Moody's municipal sewer system, on terms that will include a 20% surcharge for service to a non-member municipality.
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PURPOSE

This report considers the request by the Village of Anmore (Anmore) to obtain regional sewerage services for the new Eagle Mountain Middle School pursuant to a Service Agreement rather than by way of membership within the GVS&DD.

BACKGROUND

Eagle Mountain Middle School (the Middle School) is located at 110 Dogwood Drive, Anmore. It is immediately adjacent to Heritage Woods Secondary School (the Secondary School), which is located within Port Moody and is serviced by the Port Moody sewer system (Attachment 1).

In October 2009, Anmore council passed a resolution stating: *"That the Village of Anmore is seeking inclusion within the GVS&DD in order to connect a proposed middle school to the regional sewer system"*.

To date, Metro Vancouver has only provided regional sewerage services to GVS&DD member municipalities and only with respect to those properties that are located within one of the GVS&DD

sewerage areas. Accordingly, on November 10, 2010 the GVS&DD Board passed the following resolution (Attachment 2):

That the Board support the Village of Anmore's request to expand the Fraser Sewerage Area to accept sewage from the proposed School District 43 middle school site for the building footprint only subject to:

- i. The Village of Anmore becoming a member of the GVSⅅ*
- ii. The Village of Anmore, the City of Port Moody and the GVS&DD negotiating and concluding an agreement to address the construction and connection of the Village of Anmore's school service sewer to the GVS&DD system via the City of Port Moody's sewers; and*
- iii. The Village of Anmore demonstrating that, in accordance with the Integrated Liquid Waste and Resource Management Plan, the regional sewer system should be extended to accommodate the school due to environmental or public health reasons that warrants extension beyond the urban containment boundary.*

The overall process was delayed while School District 43 considered other locations for the Middle School. In September 2011, Anmore confirmed that the School District had decided to proceed with the Anmore location and the process resumed.

The Middle School intends to connect to the Secondary School's sewer system and then to the Port Moody municipal sewer system. A screening assessment determined that an on-site system was not feasible at the Middle School due to poor soil conditions, steep slopes, and insufficient available space for an effluent dispersion field. Technically, the only other option would be to truck the sewage to Annacis Island Waste Water Treatment Plant at a cost estimated to be in the order of \$500,000 per year. For these reasons, School District 43 asked Anmore to apply to Metro Vancouver for regional sewer service for the Middle School (refer to Attachment 2).

At a meeting held on April 8, 2014 between the Chair of the GVS&DD Board, the Chair of the Metro Vancouver Utilities Committee, the Mayor of Anmore, the Mayor of Port Moody and their respective staff, Anmore requested that the GVS&DD reconsider its condition that regional sewerage service would only be provided for the Middle School if Anmore became a member of the GVS&DD. During the meeting Anmore confirmed that it is only seeking regional sewerage service for the Middle School and has no plans to connect any other properties within the municipality to the regional system.

Construction of the Middle School is underway and School District 43 is aiming for occupancy in June 2014 and to be open to students in September 2014.

DISCUSSION

Anmore is a small rural village with a current population of about 2,400 and an estimated build-out population of 4,000 by 2041. Anmore's draft 2014 OCP states that: "Anmore is identified in the RGS as a rural community and is not expected to absorb a large proportion of regional population growth (0.2%), or be connected to regional services, as it is outside the urban containment boundary." Anmore has a bylaw requiring on-site sewer systems for properties within its

jurisdiction. Anmore does not own any municipal sewer infrastructure and has advised that it has no plans to own or operate any sewer infrastructure in the future.

GVS&DD Cost Apportionment Bylaw

If Anmore was to become a member of the GVS&DD, it would be subject to cost apportionment pursuant to the *GVS&DD Cost Apportionment Bylaw*. Even though the Middle School site would be the only area within Anmore inside the Fraser Sewerage Area and therefore the only area within Anmore that would receive regional sewerage services, the *Cost Apportionment Bylaw* operates such that Anmore's entire population growth relative to other GVS&DD members would be used to calculate Anmore's growth apportionment. Metro Vancouver's staff projections are that Anmore's growth apportionment would be approximately \$7,000 in 2014 and escalate to approximately \$80,000 per year by 2023. The additional flow based apportionment would be more constant at approximately \$10,000 per year plus inflation.

The legislative process to add a member to the GVS&DD is set out in section 66 of the *GVS&DD Act*, which provides:

- (1) The Lieutenant-Governor in Council shall have absolute power and authority, upon the request of a municipality which is not a member of the Corporation, to order or refuse to order such municipality to be a member of the Corporation.*
- (2) Any Order of the Lieutenant-Governor in Council made under this section shall fix the terms and conditions (if any), and shall name the day on which the municipality shall become and be a member of the Corporation.*

Staff from Metro Vancouver, Anmore and Port Moody have been in frequent contact with Ministry staff through regular conference calls. Anmore has been exploring its options and has not made a formal request to the Ministry for membership in GVS&DD.

Boundary Adjustment

Metro Vancouver staff discussed with staff from Anmore and Port Moody the possibility of a municipal boundary adjustment whereby the Middle School would be located within Port Moody. Given Port Moody is a member of GVS&DD, a boundary adjustment would mean there would be no impediment to the Middle School receiving regional sewerage service. Neither Anmore nor Port Moody has expressed an interest in adjusting their shared boundary.

Anmore's request

Given that Anmore is seeking regional sewer service only for the Middle School and given the fact that apportionment of expenses under the GVS&DD's *Cost Apportionment Bylaw* would be based in part on Anmore's entire population growth, resulting in high projected cost apportionment, Anmore's preference is not to become a member of the GVS&DD. Rather, Anmore has requested that the Middle School receive regional sewer service by way of a Service Agreement. Anmore has agreed in principle to pay a surcharge over regional rates in recognition of the fact that Anmore is not a member of the GVS&DD, has not contributed to the capital cost of existing infrastructure, and is not exposed to the costs and potential liabilities that are inherent in GVS&DD membership.

Service Agreement

Section 7C(3) of the *GVS&DD Act* permits the GVS&DD to enter into service agreements:

The Corporation may enter into agreements respecting the discharge into or the treatment of liquid waste by a sewerage facility including, without limiting this authority, agreements that provide exceptions to a by-law [regarding disposal fees and levies].

Despite this legislative provision, GVS&DD has not previously provided service to a non-member or provided sewerage services pursuant to an agreement (other than with respect to trucked liquid waste).

There is however precedent within the Water District. In a few unique circumstances the GVWD has provided relatively small volumes of water to non-members, namely: the University Endowment Lands, Riverview Provincial Institution, the Capilano Salmon Hatchery, and Point Roberts Water District. In June 2013, the GVWD reconsidered and reconfirmed its policy of charging non-members a 20% surcharge over the regional rate. A copy of the GVWD's policy is attached (Attachment 3).

In the present circumstances regional sewerage service for the Middle School can be accommodated by the adjacent municipality, Port Moody, which is a member of the GVS&DD and is supportive of Anmore's request. In addition, regional servicing for the Middle School aligns with regional interests by enabling the development of a public institution.

Key terms of a Service Agreement for regional sewerage service for the Middle School may include:

- The parties would be GVS&DD, Anmore, Port Moody.
- Port Moody would provide municipal sewer and storm water services to the Middle School, as if the Middle School were located within Port Moody's boundaries.
- Port Moody would charge Anmore in accordance with Port Moody's rates bylaws, plus an administration fee of 10%.
- Sewerage from the Middle School would be conveyed to the Annacis Waste Water Treatment Plant for treatment.
- GVS&DD would calculate apportionments under the *Cost Apportionment Bylaw* and would impose its levy on Port Moody as if the Middle School were located within Port Moody.
- Given that there are no dedicated sewerage flow meters for the Middle School, the school's sewerage flow would be deemed equal to the inflow of drinking water to the Middle School.
- GVS&DD would calculate a unit based charge for the sewerage leaving the Middle School and would charge Anmore a 20% surcharge over the calculated 'base rate' multiplied by the deemed volume of sewerage leaving the Middle School.
- Anmore would make a one-time payment to GVS&DD equal to Development Cost Charges that would have been payable had Anmore been a member of the GVS&DD at the time the building permit for the Middle School was issued (approximately \$50,000).
- Anmore would cause School District 43 to grant any necessary SRWs and restrictive covenants.
- No sewer connections from Anmore, other than the Middle School connection, would be permitted to Port Moody's municipal sewer network.

- Anmore would be required to comply with Port Moody's applicable bylaws and GVS&DD's applicable bylaws (such as the *GVS&DD Sewer Use Bylaw*), however remedies would be contractual and typical bylaw enforcement mechanisms would not be available.
- The term of the agreement would be 25 years, with termination of the agreement permitted only in the case of default that is not remedied within a specified period of time.

Technical Review

The Metro Vancouver technical staff review confirms that:

- The subject property is within the Urban Containment Boundary, but is currently outside of the Fraser Sewerage Area.
- The development of the Middle School is consistent with the provisions of the Regional Growth Strategy.
- There are no financial impacts to the GVS&DD for the service connection, as the cost will be borne by Anmore. It is understood that Anmore will pass costs onto School District 43.
- The Middle School will discharge primarily domestic liquid waste, thus no industrial discharge permit is needed.
- The analysis of flow projections shows negligible regional service level impacts.
- The proposed Fraser Sewerage Area boundary adjustment is shown in Attachment 4.

Consistency with Metro Vancouver 2040

The third condition of the November 10, 2010 Board resolution was satisfied when the GVRD Board amended the *Metro Vancouver 2040 Regional Growth Strategy* so that the designation of the Middle School site was changed from Rural to General Urban and the Urban Containment Boundary was amended to encompass the Middle School (Attachment 5).

ALTERNATIVES

1. That:

- a) Notwithstanding the GVS&DD Board's November 10, 2010 resolution that required the Village of Anmore to become a member of the GVS&DD in order to receive regional sewerage services for the Eagle Mountain Middle School, in recognition of the unique present circumstances, the GVS&DD Board approves regional sewerage services for the Eagle Mountain Middle School even though the Village of Anmore is not a member of the GVSⅅ
- b) The GVS&DD Board approves an amendment to the Fraser Sewerage Area boundary so that the building footprint only of the Eagle Mountain Middle School is located within the Fraser Sewerage Area; and
- c) The GVS&DD Board directs staff to negotiate and enter into a 25 year Service Agreement with the Village of Anmore and the City of Port Moody under which GVS&DD will provide regional sewerage services to Eagle Mountain Middle School by way of Port Moody's municipal sewer system, on terms that will include a 20% surcharge for service to a non-member municipality.

2. That the GVS&DD Board:

- a) Denies Anmore's request and reconfirms its position that in order for the GVS&DD to provide regional sewerage service for the new Eagle Mountain Middle School, the Village of Anmore must become a member of the GVSⅅ and
- b) In the event that the Village of Anmore wishes to become a member of GVS&DD, directs Metro Vancouver staff to work with Anmore in relation to Anmore's request to the Province for membership in GVS&DD pursuant to section 66 of the *GVS&DD Act*, and directs Metro Vancouver staff to negotiate and enter into an agreement with the Village of Anmore and the City of Port Moody setting out the terms and conditions of the Middle School's connection to Port Moody's municipal sewer system.

FINANCIAL IMPLICATIONS

Alternative 1 would mean Anmore is not a GVS&DD member and would not be apportioned costs under the *GVS&DD Cost Apportionment Bylaw*. Instead, Anmore would be billed, in accordance with the Service Agreement, for the sewage flowing from the Middle School. It is estimated the flow based charge would be approximately \$10,000 per year. Pursuant to the Service Agreement, Port Moody would recover this amount from Anmore by billing Anmore. In addition, Port Moody would charge Anmore a 10% administration fee and GVS&DD would charge Anmore a 20% surcharge over its calculated 'base rate'. Anmore would be required to pay an amount equal to Development Cost Charges that would have been payable if it had been a GVS&DD member when it issued the building permit to School District 43 (approximately \$50,000). Metro Vancouver staff understands that Anmore would pass most of the charges on to the School District.

Alternative 2 would mean that Anmore is required to become a member of the GVS&DD in order for the Middle School to receive regional service. Anmore would be subject to cost apportionment pursuant to the *GVS&DD Cost Apportionment Bylaw*. Metro Vancouver's staff projections are that Anmore's growth apportionment would be approximately \$7,000 in 2014 and escalate to approximately \$80,000 per year by 2023. The additional flow based apportionment would be more constant at approximately \$10,000 per year plus inflation.

OTHER IMPLICATIONS

GVS&DD has not previously entered into a Service Agreement for sewer services nor has it provided sewer service to a non-member. There is historical precedent for the Greater Vancouver Water District providing water to non-members by way of Service Agreement and charging a 20% surcharge over regional rates in recognition that non-members have not paid for the costs of developing infrastructure, and are not subject to the obligations and potential liabilities of members (Attachment 3).

SUMMARY / CONCLUSION

Anmore has requested that the Middle School located at 110 Dogwood Drive, Village of Anmore receive regional sewer service. The GVS&DD Board in late 2010 supported Anmore's request subject (i) to Anmore becoming a member of the GVS&DD, (ii) execution of an agreement between GVS&DD, Anmore and Port Moody, and (iii) compliance with the related provisions in the Integrated Liquid Waste and Resource Management Plan and subsequent Regional Growth Strategy.

In recognition of the fact that only the Middle School would receive regional sewer service and therefore Anmore's cost apportionment under the *GVS&DD Cost Apportionment Bylaw* would be disproportionately high, the fact that the connection would have negligible consequences for the regional sewerage system, and the fact that Anmore is a member of both the GVRD and the GVWD, staff recommends that the Middle School receive regional sewerage service without the Village of Anmore becoming a member of GVS&DD. Staff believes that the unique circumstances in this instance mean there is little risk of setting a precedent for GVS&DD providing regional sewerage services to non-members.

Staff has been in the process of negotiating an agreement with Anmore and Port Moody as contemplated by the November 2010 GVS&DD Board resolution. That draft agreement can be revised as required.

The GVRD amended the Regional Growth Strategy so that the Middle School is designated General Urban and is within the Urban Containment Boundary and therefore the Regional Growth Strategy does not preclude GVS&DD from providing regional sewerage service to the Middle School.

Staff recommends Alternative 1.

Attachments:

1. Site Map – Village of Anmore New Middle School Development
2. 2010 GVS&DD Board Report, November 10, 2010 – Anmore's Request to Connect to the Regional Sewer System
3. 2013 GVWD Board Report, June 6, 2013 - GVWD Water Rates for Members and Non-Members
4. Drawing No. SA-2376, Sheet 77
5. 2012 GVRD Board Report, July 27, 2012 – Regional Growth Strategy Amendment Bylaw No. 1168, 2012

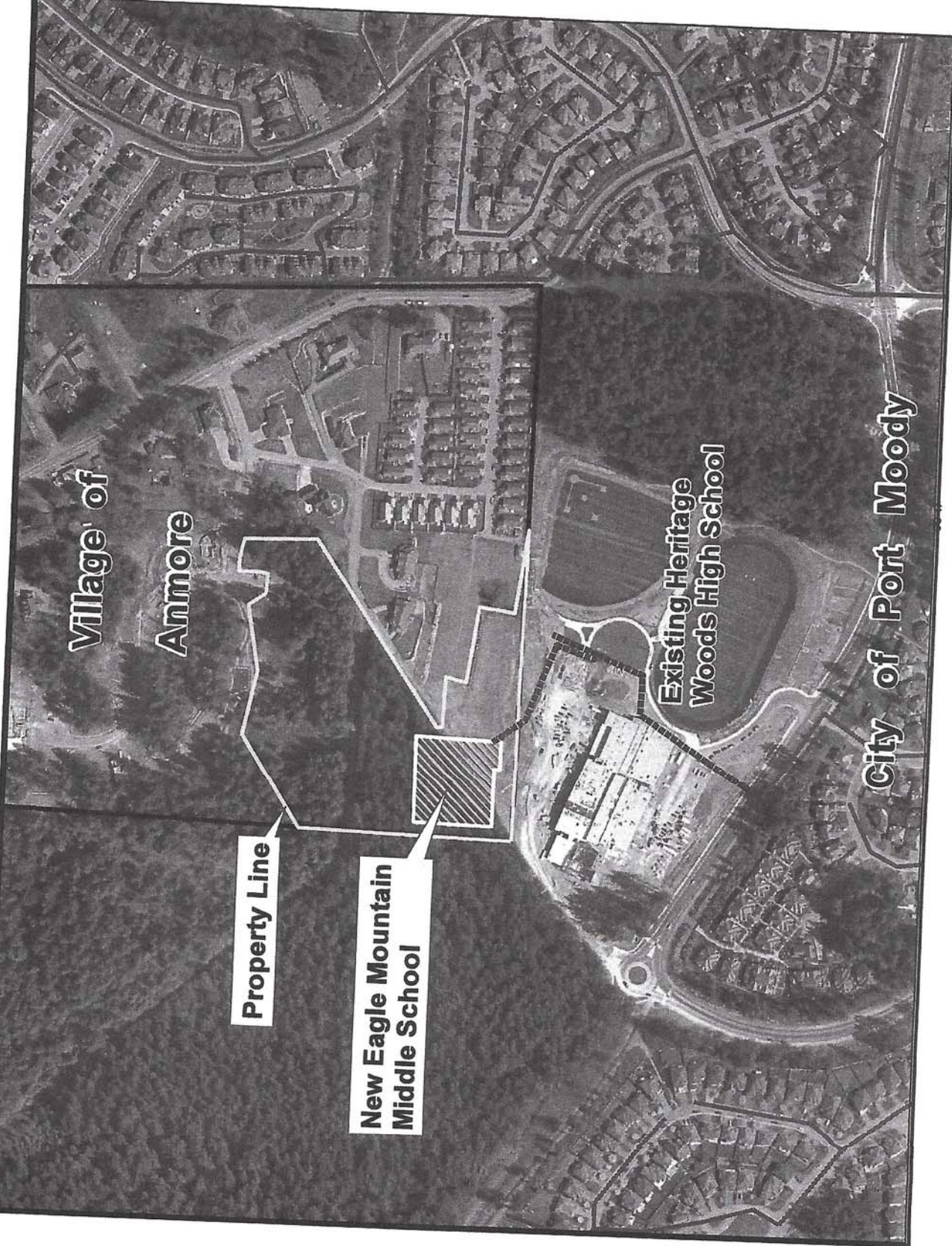
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ATTACHMENT 1



**VILLAGE of ANMORE
NEW MIDDLE
SCHOOL DEVELOPMENT**

- Municipal Sanitary Sewer
- ▬ New Lateral
- ▬ Existing Lateral



Village of Anmore

Existing Heritage Woods High School

City of Port Moody

Property Line

New Eagle Mountain Middle School



metrovancover

Greater Vancouver Regional District • Greater Vancouver Water District

Greater Vancouver Sewerage and Drainage District • Greater Vancouver Housing Corporation

4330 Kingsway, Burnaby, BC, Canada V5H 4G8 604-432-6200 www.metrovancover.org

Waste Management Committee Meeting Date: November 10, 2010

To: Waste Management Committee
From: Fred Nenninger, Division Manager, Policy and Planning Department
Date: October 28, 2010
Subject: **Anmore's Request to Connect to the Regional Sewer System**

Recommendation:

That the Board support the Village of Anmore's request to expand the Fraser Sewage Area to accept sewage from the proposed School District 43 middle school site for the building footprint only subject to:

- i. The Village of Anmore becoming a member of the GVS&DD pursuant to section 66 of the *Greater Vancouver Sewerage and Drainage District Act*;
 - ii. The Village of Anmore, the City of Port Moody and the GVS&DD negotiating and concluding an agreement to address the construction and connection of the Village of Anmore's school service sewer to the GVS&DD system via the City of Port Moody's sewers; and
 - iii. The Village of Anmore demonstrating that, in accordance with the Integrated Liquid Waste and Resource Management Plan, the regional sewer system should be extended to accommodate the school due to environmental or public health reasons that warrants sewer extension beyond the urban containment boundary.
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1. PURPOSE

To respond to a request from the Village of Anmore to connect the proposed School District 43 middle school to the regional sewer system via the City of Port Moody's sewer system.

2. CONTEXT

School District 43 has proposed constructing a new middle school in Anmore to service students from Anmore, Port Moody and Coquitlam. In October of 2009, Anmore council passed a resolution stating: "*That the Village of Anmore is seeking inclusion within the Greater Vancouver Sewerage and Drainage District in order to connect a proposed middle school to the regional sewer system.* Due to property issues, Anmore subsequently requested that the process be delayed until the property issues were resolved. On October 18, 2010, Anmore renewed its request to connect the proposed middle school to the regional sewer system (Attachment 1).

The Village of Anmore currently requires developments to provide on-site sewage treatment systems. Given difficult site conditions, Anmore has requested that Greater Vancouver Sewerage and Drainage District (GVS&DD) allow the proposed middle school to connect to the regional sewer system via the City of Port Moody's sewer system rather than require on-site sewage treatment.

In order for the proposed middle school to connect to the regional sewer system, the property needs to be included in the Fraser Sewage Area (FSA), which requires the FSA boundary to be extended. As a matter of longstanding policy, GVS&DD has accepted requests to amend sewerage area boundaries only from member municipalities and, therefore, in order to amend the FSA boundary, the Village of Anmore would need to become a member of the GVS&DD. If Anmore were to become a member of the GVS&DD then the *Greater Vancouver Sewerage and Drainage District Act* (GVS&DD Act) and GVS&DD bylaws will apply to Anmore. In accordance with the GVS&DD Act, upon the request of a municipality, the Lieutenant-Governor in Council has the power and authority to order such municipality to be a member of the GVS&DD. Under the Act the GVS&DD has the discretion to establish and change the boundaries of the sewerage areas required to carry out its objects.

The Board-approved Integrated Liquid Waste Management Plan (ILWMP) states that "the regional sewer system will not be extended beyond the urban containment boundary except for overarching environmental or public health reasons." Action 1.1.1 of the draft Regional Growth Strategy (draft dated September 2010) states that "Metro Vancouver's role is to: Direct the Greater Vancouver Sewerage and Drainage District to not extend regional sewerage services into the Rural, Agricultural or Conservation and Recreation areas, except for building footprints in cases where infrastructure is needed to address a public health issue, protect the region's natural assets, or to service agriculture or agri-industry." The proposed middle school site is outside of the urban containment boundary, thus before approving a bylaw to expand the FSA, the GVS&DD should require Anmore to demonstrate that the regional sewer system should be extended to accommodate the school due to environmental or public health reasons.

The GVS&DD does not own or operate a regional sewer in the Anmore area. The nearest regional system is located several kilometers away in Port Moody (Attachment 2) The City of Port Moody owns and operates a neighbourhood sewer system adjacent to the proposed school site. Port Moody council has passed a resolution requesting that Anmore seek membership in the GVS&DD and fund a study to assess the feasibility of connecting to the Port Moody system. Once that study is complete, Port Moody will consider Anmore's request to connect to the Port Moody system.

3. ALTERNATIVES

That the Board may:

- 1) Support the Village of Anmore's request to expand the Fraser Sewage Area to accept sewage from the proposed School District 43 middle school site for the building footprint only subject to:
 - i. The Village of Anmore becoming a member of the GVS&DD pursuant to section 66 of the *Greater Vancouver Sewerage and Drainage District Act*;
 - ii. The Village of Anmore, the City of Port Moody and the GVS&DD negotiating and concluding an agreement to address the construction and connection of the Village of Anmore's school service sewer to the GVS&DD system via the City of Port Moody's sewers; and
 - iii. The Village of Anmore demonstrating that, in accordance with the Integrated Liquid Waste and Resource Management Plan, the regional sewer system should be extended to accommodate the school due to environmental or public health reasons that warrants sewer extension beyond the urban containment boundary.

- 2) Not support the Village of Anmore's request to allow connection of the proposed middle school to the regional system.

4. CONCLUSION

Anmore has requested that the GVS&DD accept connection of a proposed middle school to the regional sewerage system via the City of Port Moody's sewer system. Consistent with longstanding GVS&DD policy, Anmore should first become a member of the GVS&DD and then GVS&DD may extend the Fraser Sewage Area. As there are no regional sewer pipes in that area, Anmore is best served by reaching an agreement with Port Moody and GVS&DD to allow a connection from the proposed middle school to the existing nearby Port Moody's sewers and the GVS&DD's sewers.

Staff recommends Alternative 1.

ATTACHMENTS:

- 1) Letter from Village of Anmore dated October 18, 2010, titled Inclusion of School District 43 Properties Within GVS&DD Sewer Area Boundary (Doc #4517914)
- 2) Location of Proposed Middle School and Regional Wastewater Facilities (Doc #4502232)



VILLAGE OF ANMORE

2697 Sunnyside Road
Anmore, B.C.
V3H 5G9



October 18, 2010

Metro Vancouver
4330 Kingsway
Burnaby, BC
V5H 4G8

Attention: Mr. Ed von Euw
Senior Engineer,
Policy & Planning Department

Dear Mr. von Euw:

**SUBJECT: INCLUSION OF SCHOOL DISTRICT 43 PROPERTIES
WITHIN GVS&DD SEWER AREA BOUNDARY**

Further to your recent conversations with our Planning Consultant, Mr. Michael Rosen, this letter is intended to officially inform Metro Vancouver that School District 43 has decided to resurrect the development of a new Middle School within the Village of Anmore.

Consequently, further to the Village's letter to Metro Vancouver dated 27 October 2009, the Village respectfully requests that Metro Vancouver resume the process of including the School District's properties within the GVS&DD sewer boundary. We understand that the next step in the process would be a staff report going to the Metro Vancouver Board in November requesting inclusion of the Village in the GVS&DD for the school property.

The Village understands that entering into agreements with the City of Port Moody will be required as a condition of securing an expansion of the GVS&DD sewer boundary.

Our staff will continue to liaise with Metro Vancouver and City of Port Moody staff regarding this matter.

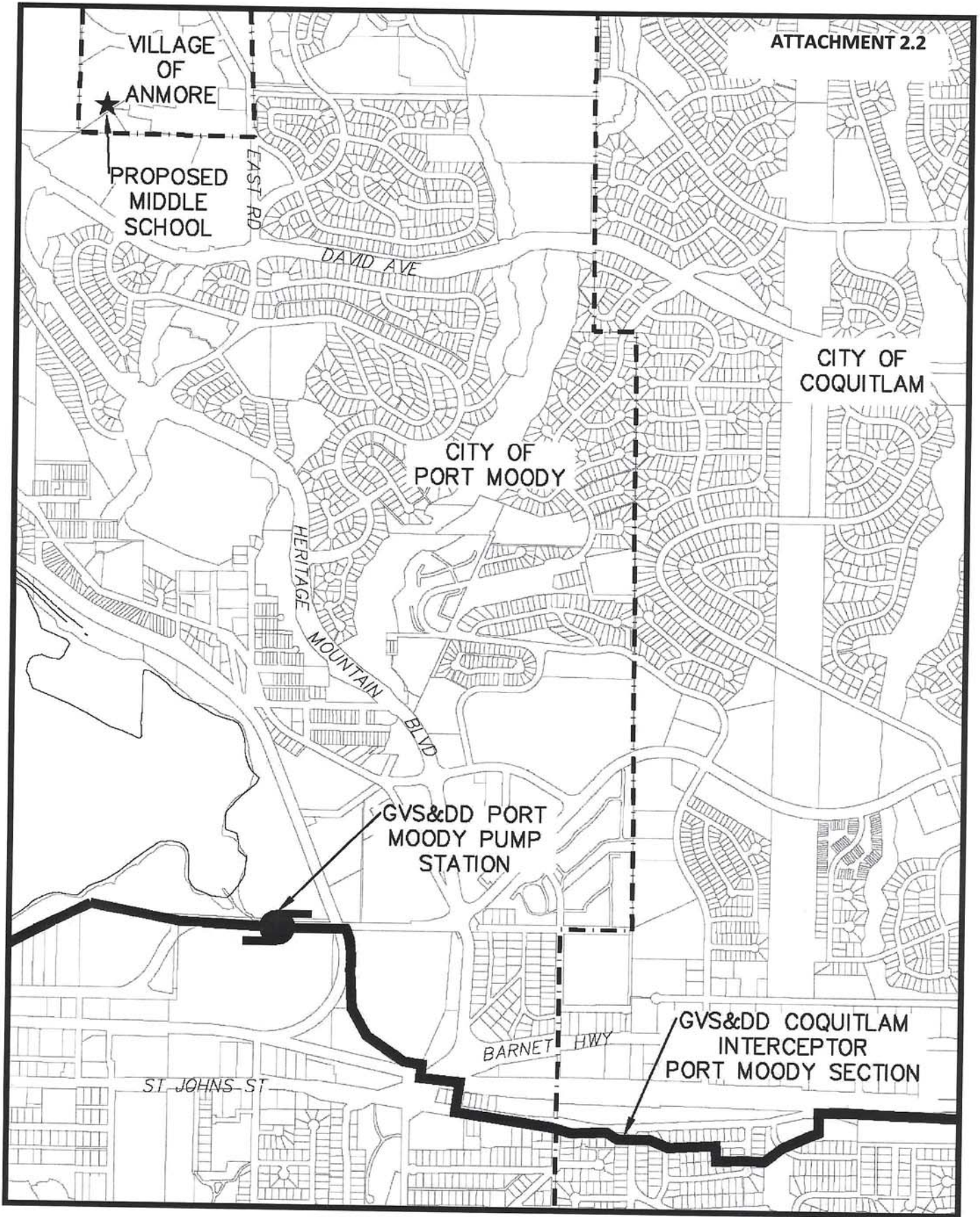
Yours truly,

Karen Ann Cobb

Manager of Corporate Services

cc: Tom Grant, Superintendent, School District 43
Gaetan Royer, Chief Administrative Officer, City of Port Moody

Phone: 604-469-9877 • Fax: 604-469-0537 • Email: village.hall@anmore.com
Web: <http://www.anmore.com>



GREATER VANCOUVER SEWERAGE & DRAINAGE DISTRICT
LOCATION OF

**PROPOSED MIDDLE SCHOOL AND
 REGIONAL WASTEWATER FACILITIES**

SCALE: N.T.S.

JM/OCT/10
 SH. 40/SA-2376



Policy Title: **GVWD Water Rates for Members and Non-Members**

Policy Number: **UT 001**

Effective Date: **June 14, 2013**

Date Approved by the GVWD Board: **June 14, 2013**

PURPOSE

To establish the rate structure under which water is provided by the Greater Vancouver Water District (GVWD) to members and non-members.

POLICY

1. GVWD Act

In December 1924 the Greater Vancouver Water District (GVWD) was established as a corporate body under the *Greater Vancouver Water District Act* to provide water on a wholesale basis to GVWD members. The *Act* provides the GVWD with all the rights and is subject to all the liabilities of a corporation including the right to exercise and carry out all the powers, rights and duties conferred and imposed by the *Act*.

Under its general powers, the GVWD has the power to sue or be sued, and shall have the power to acquire, hold or dispose of real property for use of the GVWD and may become a party to any contracts or agreements necessary or incidental to the management of the GVWD.

The GVWD membership has increased over time to 19 members in 2013 (18 member municipalities and 1 Treaty First Nation).

2. GVWD Water Rates for Members

All GVWD members shall pay the same wholesale water rate (dollars per cubic metre) for the volume of water they consume. The wholesale water rate is established annually by the GVWD Board and is set to provide for a balanced budget as required by legislation.

To join the GVWD, new members must pay the incremental infrastructure costs associated with the GVWD expanding capacity to meet the demand of the new member. After joining the GVWD, paying the upfront servicing costs and assuming all the obligations of membership, new members will also pay the wholesale GVWD water rate for the volume of water they consume.

3. GVWD Water Rates for Non-Members

Except as set out by this policy, all GVWD non-members shall pay a retail water rate based on the wholesale water rate as set annually by the GVWD Board, plus an additional charge of 20%. This additional charge is included to reflect the following costs and obligations which are not incurred or assumed by a non-member of the GVWD:

- *Legal liabilities of members* - GVWD members are legally liable for all obligations of the GVWD including debt, risks to infrastructure, legal suits or actions, or spills to the environment. GVWD members are, therefore, subject to additional charges should circumstances arise while non-members are not;
- *Obligations of members* - GVWD members are obliged to comply with the *GVWD Act* and the plans, policies, authorities, regulations, and bylaws of the GVWD such as the Drinking Water Management Plan, the Regional Water Shortage Response Plan, and the GVWD lawn sprinkling regulations;
- *Upfront costs of membership* - To join the GVWD, new members pay the incremental cost associated with the GVWD expanding capacity to meet the demand of the new member. These costs include the initial connections and the expansion of infrastructure required to meet the incremental demand as determined as part of the entry or membership agreement;
- *Member commitments* - Non-members do not have the same commitments, interests, obligations and investments in the success of the GVWD as members. In addition, non-members do not contribute to the stature of the GVWD (ability to influence matters of regional significance) in discussions with other groups and senior governments to the same extent as a member.

The favourable cost of borrowing for the GVWD is the result of the commitment, financial position and stability of its collective membership. Non-members do not contribute to this position despite benefiting from the lower debt service costs included within the wholesale water rate.

The 20% surcharge calculation generally reflects the following breakdown:

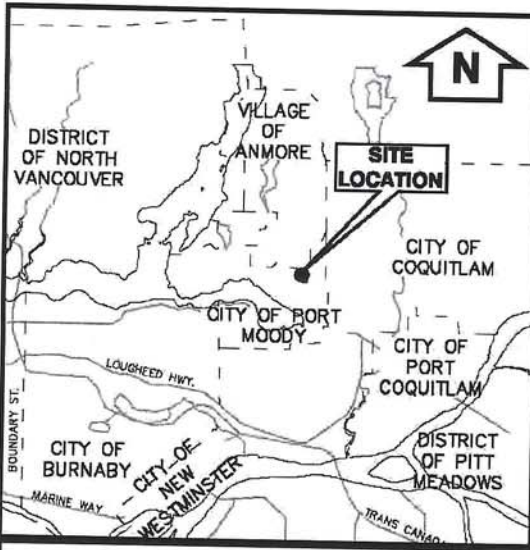
5% - Administration: Represents an administrative and operational charge for services including invoicing, general accounting, reading and maintaining non-member water meters and general staff time dealing with non-member water issues.

5% - Legal and Operational Risk: Represents a charge for the legal and operational risk avoided by not being a full GVWD member. This provides some financial security for members should the non-member significantly change their demand for water from the GVWD thus resulting in infrastructure with either excess or insufficient capacity. This is also intended to provide some security should there be a catastrophic system failure requiring a special levy to members or any potential impact of legal liability.

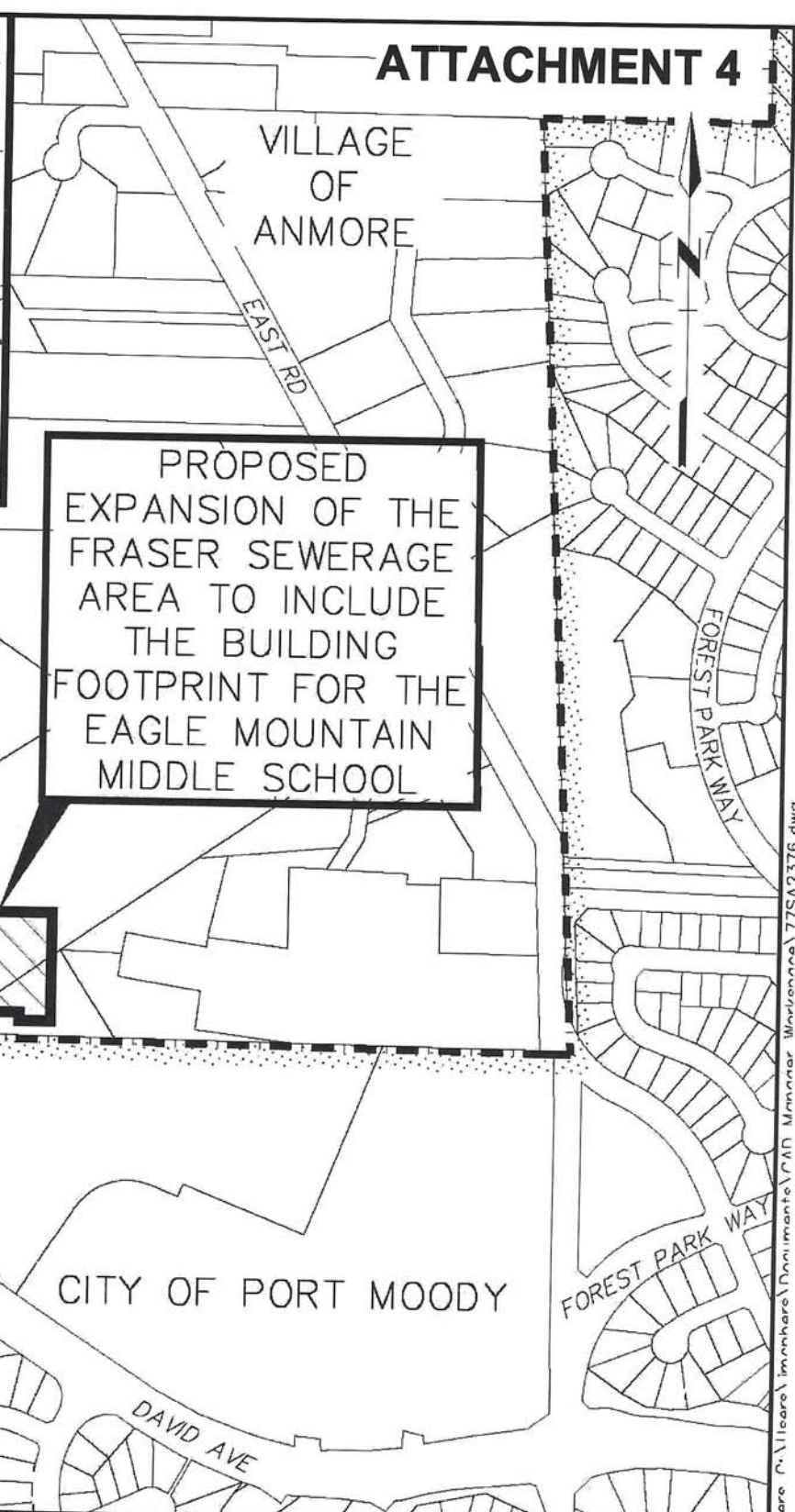
10% - Infrastructure: Represents a charge for the specific infrastructure enhancements required to provide water to the non-member. This infrastructure includes supply mains, pump station capacity, reservoir capacity, water meters, valving and related infrastructure. These infrastructure enhancements are subsidized by all members through the wholesale water rate, where under the scenario of membership, these costs would be borne by the new member and not included in the rate.

This charge will also contribute to offset the debt service costs on the original infrastructure and overtime lend to funding any capital enhancements or required replacement. In addition, the non-member is benefiting from a favourable borrowing rate on GVWD debt that would not be available if they were to borrow independently. This lower borrowing rate is the result of risk sharing amongst the membership.

ATTACHMENT 4



LOCATION PLAN
N.T.S.



EXISTING FRASER SEWERAGE AREA BOUNDARY

PROPOSED EXPANSION OF THE FRASER SEWERAGE AREA TO INCLUDE THE BUILDING FOOTPRINT FOR THE EAGLE MOUNTAIN MIDDLE SCHOOL

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Design: MW
 Drawn: JM
 Checked: _____
 Approved: _____
 Manager: _____

FRASER SEWERAGE AREA AMENDMENT

**EAGLE MOUNTAIN MIDDLE SCHOOL
 VILLAGE OF ANMORE**

SCALE: N.T.S.
 DISTRICT FILE SA-2376
 SHEET 77
 DRAWING NUMBER

Iss.	Date	Desr	Dr'n	Chk'd	App'd	Description
A	APR 14	MW	JM			ISSUED FOR REVIEW

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SUPERSEDES PRINTS OF THIS DRAWING NUMBER WITH LETTERS PREVIOUS TO **A**

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