

Stave Lake Water Supply

Stave Lake Water Supply and Treatment Project Frequently Asked Questions

The Abbotsford Mission Water & Sewer Commission (AMWSC) plans to develop Stave Lake as a new water supply for the City of Abbotsford and District of Mission. This new supply, along with the existing Abbotsford wells and the Cannell Lake supply, will supplement our current main water supply from Norrish Creek. Stave Lake is the most economical new source of water to develop and will provide residents with water that is high quality and sufficient in quantity to meet the growing demands.

What is the scope of the Stave Lake Water Supply and Treatment Project?

The Stave Lake Water Supply and Treatment Project consists of a new water treatment plant, a water intake and pump station, reservoir and associated pipelines to transfer the water to the District of Mission and the City of Abbotsford. A business case analysis was conducted for the Stave Lake Water Supply and Treatment Project to explore different ways to deliver the project, including the traditional approach used by the AMWSC, as well as public-private partnership approaches. The business case will be presented to the Abbotsford and Mission Councils for approval on April 4, 2011. Approximately \$300 million is required for this project, which is beyond the AMWSC's capacity to develop alone. Cost-sharing partnerships and a variety of funding agreements are needed for it to proceed.

How will the AMWSC ensure our water quality remains secure?

The Stave Lake water will be filtered and disinfected to meet both BC Drinking Water Regulations and Guidelines for Canadian Drinking Water Quality. The project agreement will set out stringent water quality and monitoring standards that must be met. Additionally, the AMWSC will be testing water quality and reviewing maintenance records on a routine basis. Ensuring a safe supply of water for residents of Abbotsford and Mission is a top priority for the AMWSC.

Is the Stave Lake Water Supply and Treatment Project going to be a public private partnership?

The business case for the Stave Lake Water Supply and Treatment Project includes an analysis of procurement options and determines which delivery approach works best for the project. Abbotsford and Mission Councils may agree that a public-private partnership offers the best value, and then decide to submit an application for funding to the Federal Government for consideration under the P3 Canada Fund. PPP Canada can up to 25 per cent funding for the project, or approximately \$71.2 million dollars.

What is a public-private partnership?

A public-private partnership (sometimes called a P3 or PPP) is a long term, performance based contract between government and business for the building of infrastructure projects such as roads, hospitals, water and wastewater treatment facilities. In British Columbia, regardless of the procurement delivery approach, the asset is always owned by the public sector. The private partner manages the project to ensure it is delivered on time, on budget and to a high quality standard established in the contract. The public sector maintains accountability for each project through a performance-based contract to ensure high-quality standards are met throughout the life of the contract.

Will there be a referendum before the public-private partnership proceeds?

If the Project is approved for P3 Canada Funding, a referendum will be undertaken so that the residents of Abbotsford and Mission can have the opportunity to approve borrowing for Abbotsford and Mission's share of the project, including a contractual arrangement for P3 procurement.

What is the role of PPP Canada?

PPP Canada is a Crown corporation established by the Federal Government to support the development of public-private partnerships and the development of the Canadian partnership market. The Federal Government established a \$1.2 billion fund (the P3 Canada Fund) that is managed by PPP Canada. PPP Canada provides grant funding for public-private partnership projects to support infrastructure development across the nation.

How does the P3 Canada Fund work?

The P3 Canada Fund is a merit-based program which supports infrastructure development by co-funding public infrastructure projects which are best delivered using a public-private partnership model. The fund is focused on provincial, territorial, municipal and First Nations projects. To be approved for funding, the project must be either designed and/or built by the private sector and the private sector must either finance or maintain/operate the project. The amount of funding support provided by PPP Canada may not exceed 25 per cent of the project's direct construction costs (this includes any other direct federal funding). The level, form and conditions of any funding support will vary based on the needs of the project.

What are the main advantages of a public-private partnership?

The main advantage of a public-private partnership is that it transfers construction and operating risks to the private sector, maximizes access to private sector innovation and experience, generally results in faster construction time, provides single-point accountability, results in fewer construction claims and generally provides long-term financial stability related to construction and operating costs. Immediate construction of a community asset through private sector financing, in return for some form of annual payment by the municipality, is also beneficial when access to capital dollars is limited.

Are there local examples of a public private partnership?

One of the first major partnership projects in this Province was the Abbotsford Regional Hospital and Cancer Centre – a \$355 million state-of-the-art facility that was completed on time, on budget and within scope. An unprecedented achievement for a hospital project of that size and complexity.

How many full-time jobs will be created by the Stave Lake Water Supply and Treatment Project?

It is anticipated that the new Stave Lake Water Supply and Treatment Project will create approximately 16 full-time jobs as a P3 or 12 if operated by the AMWSC. The reduced number of staff if operated by the AMWSC is attributed to sharing resources between the Stave Lake and Norrish Creek water treatment plants. The exact number of construction jobs created building this project is not yet known, however, as with any project of this scope, the jobs created and positive effect on the local economy will be significant.

Under a public-private partnership, how will the City manage the Stave Lake Water Supply and Treatment facilities maintenance and upkeep?

Under a public-private partnership for the Stave Lake Water Supply and Treatment facilities, the AMWSC will enter into a project agreement that sets out minimum standards for maintenance and operations that will be monitored over the life of the contract by AMWSC staff. AMWSC staff and Health officials will be given complete access to the water treatment plant for water quality testing and review of maintenance practices.

What is Partnerships BC?

Partnerships BC was created in May 2002 to support the Province's commitment to sound fiscal management in the delivery of affordable infrastructure projects that meet the needs of British Columbians. Partnerships BC has been involved with the planning and procurement of more than 35 projects across a variety of sectors, including: transportation, water treatment, energy, health care and schools. Partnerships BC works with public sector clients to analyze the size, scope and complexity of a project to determine whether it can best be delivered through a partnership approach. Partnerships BC provides information and support to the AMWSC for the Stave Lake Water Supply and Treatment Project as required.

For more information:

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