



General Purposes Committee

Date: Tuesday, January 4, 2011

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Linda Barnes
Councillor Derek Dang
Councillor Sue Halsey-Brandt
Councillor Ken Johnston
Councillor Bill McNulty (4:05 p.m.)
Councillor Harold Steves

Absent: Councillor Evelina Halsey-Brandt
Councillor Greg Halsey-Brandt

Call to Order: The Chair called the meeting to order at 4:00 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the General Purposes Committee held on Tuesday, January 4, 2011, be adopted as circulated.

CARRIED

In accordance with Section 100 of the Community Charter, Councillor Derek Dang declared himself to be in a potential conflict of interest as he owns property in the area and left the meeting (4:04 p.m.).

Councillor Bill McNulty entered the meeting at 4:05 p.m.

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1. **ALEXANDRA DISTRICT ENERGY UTILITY BYLAW NO. 8641
AMENDMENT BYLAW NO. 8688**

(File Ref. No.: 10-6600-10-01) (REDMS No. 3078822)

John Irving, Director, Engineering, provided background information and noted that \$4M in funding was available for the first phase of construction of the Alexandra District Energy Utility. He also noted that construction was anticipated to start within a month upon the finalization of a legal agreement.

A discussion then ensued about the details related to the proposed expansion of the Alexandra District Energy Utility service area and the following was noted:

- the Alexandra District Energy Utility service would be financially self sustaining, and costs would be recovered via user fees;
- the estimated cost to build out the proposed expansion of the Alexandra District Energy Utility service area would require approximately an additional 24M;
- the current financial model for the Alexandra District Energy Utility does not take into consideration intangible benefits such as green house gas reduction;
- a report related to the governance model for the future of the Alexandra District Energy Utility is anticipated to be forthcoming in the Spring of 2011;
- implementation of the Alexandra District Energy Utility is appropriate for higher density dwellings; townhouses do not have a high enough density to make it financially viable;
- developers who choose to take advantage of the density bonus would contractually commit to hook-up to the Alexandra District Energy Utility;
- in order to accommodate residents in the area, transportation demand management alternatives will be explored;
- funding sources will be explored and brought forward to Council for consideration incrementally as the additional phases are developed; and
- alternative funding sources for the additional 24M required for build out may include borrowing from accumulated reserves, grant funding, or possibly a third partnership for the Alexandra District Energy Utility.

Aydin Kilic, Esperanza Homes spoke in support of the proposed expansion of the Alexandra District Energy Utility service area, and commended City staff and Council for the initiative. Mr Kilic also spoke in support of the proposed density bonus for the developers, and stated that he looked forward to continuing his working relationship with the City.

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Roeland Hoegler, 6550 No. 4 Road, expressed concerns related to the proposed expansion of the Alexandra District Energy Utility service area, stating that the initiative has grown from a stand alone project. He also questioned what liability would be incurred by the taxpayers, and expressed his belief that geo-thermal systems were a 'nightmare' to maintain and not cost efficient. Mr. Hoegler also spoke about issues related to the geo-thermal system at the Olympic Village and noted that he believed that the Alexandra District Energy Utility initiative should be kept small, and that the taxpayers should not bear any liability.

In reply to Mr. Hoegler's comments, staff advised that all funding options for the Alexandra District Energy Utility would be recovered by the user base and that there would not be any related burden to the taxpayers. Staff also noted that there are thousands of high functioning geo-thermal systems currently in use, some of which are considerably larger than the one proposed for Richmond. It was also noted that due diligence related to geo-thermal technology has been completed.

It was moved and seconded

That:

- (1) *the Alexandra District Energy Utility Bylaw No. 8641 Amendment Bylaw No. 8688 be introduced and given first, second and third reading,*
- (2) *subsequent to the adoption of the Amendment Bylaw No. 8688 staff bring forward to Council an amendment to the West Cambie Area Plan that would allow for the density bonus structure outlined in Attachment 3; and*
- (3) *in the Spring of 2011, staff report back with information related to the DEU governance model, an explanation of the financing options, and the incremental implementation of the District Utility Energy.*

CARRIED

2. **PROJECT EXTENSIONS FOR GRANT FUNDED PROJECTS**

(File Ref. No.: 10-6050-01) (REDMS No. 3084432)

In response to a query from a delegation, Roeland Hoegler, 6550 No. 4 Road, about the criteria for approving grant funded projects, particularly more rural projects, clarification was provided that the report was not seeking approval of the projects, but was simply seeking approval to apply for an extension of the projects under the grant program.

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It was moved and seconded

That:

- (1) *staff submit an application for project deadline extensions for grant funded Infrastructure Stimulus Fund (ISF Projects 14845 (Lulu Waterworks) and 14846 (Gravity Sewer, Forcemain and Pump Station)); and*
- (2) *the Infrastructure Stimulus Fund Projects 14845 (Lulu Waterworks) and 14846 (Gravity Sewer, Forcemain and Pump Station) be finished before October 31, 2011, and that the City will accept responsibility for any costs incurred on these projects beyond October 31, 2011.*

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (4:47 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the General Purposes Committee of the Council of the City of Richmond held on Tuesday, January 4, 2011.

Mayor Malcolm D. Brodie
Chair

Shanan Dhaliwal
Executive Assistant
City Clerk's Office