



Governance and Priorities Committee Report For the October 23, 2014 Meeting

To: Governance and Priorities Committee **Date:** October 14, 2014
From: Katie Hamilton, Director, Citizen Engagement and Strategic Planning
Subject: Public Engagement Approach on Wastewater Treatment

Executive Summary

The purpose of the report is to update Council on a public engagement approach for the review of sewage treatment options and to provide a brief update on work done to date.

A proposed process is outlined that denotes how technical information and public input will be gathered to inform Council decision-making on potential local options for sewage treatment. Based on the City's Core Values for Public Participation, the proposed process denotes an opportunity to engage the Victoria community early in the process and provide input prior to decisions on a potential site(s) or technology being considered.

With greater understanding of the public's awareness and values as it relates to this issue at a local level, there is opportunity for the public input to guide the framework for siting and technologies to be considered. It also allows time to engage the new Council and the public early in the City's process and confirm the City's position of support for sewage treatment and intention to explore local options, outside of the regional process.

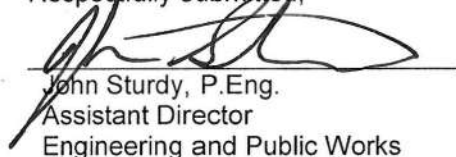
In addition to advancing a project management approach premised on early public involvement, the City has retained Young Anderson to provide legal expertise regarding options for governance under existing legislation. The City is also confirming consulting services to provide technical capacity and expertise to support public engagement and explore options for sewage treatment within the City of Victoria.

The proposed scope of work starts with an initial technical information gathering stage that includes: a best practice governance review; a planning review of the constraints and opportunities for a Victoria only system versus a system cooperating with Saanich and Oak Bay; development of potential design criteria; and a review of wastewater treatment technologies. This first stage will inform the public engagement process. The second stage will support preparation for options development and will include: a planning review of feasible sites; and a costing review.


Recommendation:

- 1.) Council approve process map and public engagement approach for exploring local options for sewage treatment.
- 2.) Council direct staff to update Council in January 2015 with:
 - a. A detailed public engagement strategy; and
 - b. A summary of technical information gathered.

Respectfully submitted,


John Sturdy, P.Eng.
Assistant Director
Engineering and Public Works


Katie Hamilton
Director
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Dwayne Kalynchuk, P.Eng.
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Report accepted and recommended by the City Manager:


Date: October 16, 2014

Purpose

The purpose of the report is to update council on the public engagement approach for the review of sewage treatment and to provide a brief update on work done to date.

Background

On June 6, 2014, following discussion, the Governance and Priorities Committee (GPC) members made the following motion:

Be It Resolved that the City Manager be directed to provide to Council, on a priority basis, information regarding the implications, including both risks and opportunities, for the City of Victoria in proceeding with one or more, local liquid waste treatment facilities, which does not preclude the potential for future inter-municipal agreements.

On August 28th, GPC considered a report that presented a work plan for completing the tasks necessary for this review. After discussion, the following motion was passed:

1. *That City Council authorize staff to proceed with a three-phase business case, In which Phase 1 is to:*
 - a. *Identify legally available options for governance under existing legislation.**In which Phase 2 is to:*
 - a. *Explore feasible sites for a Victoria-only system with one, two or more plants, and for a system cooperating with Saanich and/or Oak Bay.*
 - b. *Identify any legal constraints for the use of sites.*
 - c. *Initiate discussions with owners of sites that appear to be feasible based upon availability and costs.*
 - d. *Initiate discussions with Esquimalt with regards to Esquimalt's proposal to treat Victoria West sewage in their proposed Town Centre Plant.*
 - e. *Change the deadline for the initial report on Phase 2 to October 2014.**In which Phase 3 is to:*
 - a. *Conduct business case and provide preliminary cost estimates for various options.*
2. **That City Council direct staff to develop a public engagement strategy for Council consideration in September**
3. *That Phase 1 is expedited so as to allow City staff to include the results of its research of the Capital Regional District (CRD) Core Area Liquid Waste Management Plan (CALWMP) Sub-regional Planning and Costing Study*
4. *That the project be funded out of the Sewer Utility Equipment and Infrastructure Reserve in an amount not to exceed \$210,000; and*
5. *That staff fully participate with the CRD CALWMP Sub-Regional Planning and Cost Study.*

On October 8, 2014, the CRD Core Area Liquid Waste Management Committee considered a report from staff titled Liquid Waste Management Planning for the Core Area – Next Steps. This report recommended the formation of a subcommittee for the Westside (Colwood, Langford, View Royal, Esquimalt and Songhees First Nation) and that immediate consultation and engagement with Westside residents be approved. It also recommended the adoption of principles and approaches for all participants (attached in Appendix A). All recommendations were passed unanimously by the Committee.

In recent discussions, CRD has indicated that funding may be available to the City of Victoria for some portions of the proposed work plan. Staff will continue to work with CRD to confirm which components may be funded to ensure we utilize available funding where suitable.

Issues and Analysis:

Engagement Approach:

The sewage treatment project has high interest and high potential impact for Victorians. It is a long standing issue within the community and has frequently been highlighted as a top issue by those surveyed in the citizen and business surveys conducted for the City of Victoria by Ipsos Reid.

Although a variety of public engagement activities has occurred through the Capital Regional District and Seaterra respectively, there does not appear to be current public input from Victoria residents that would assist City Council in guiding future decision-making on this issue, nor is their current understanding of the public's awareness or understanding of Victoria's current intention to explore local options for sewage treatment.

Council has expressed a desire of public engagement throughout this initiative and at the August 28, 2014 Governance and Priorities meeting, directed staff to outline an engagement approach. Based on the City's Core Values for Public Participation and staff's understanding of the sewage issue, the proposed process denotes an opportunity to engage the Victoria community early in the process and provide input to inform decisions on potential sites or technology.

With greater understanding of the public's awareness and values as it relates to this issue at a local level, there is opportunity for public input to guide the development of a framework for considering local sewage treatment options, including siting and technologies. It also allows time to engage the new Council and the public early in the City's process, and to confirm the City's position of support for sewage treatment and intention to explore local options, outside of the regional process.

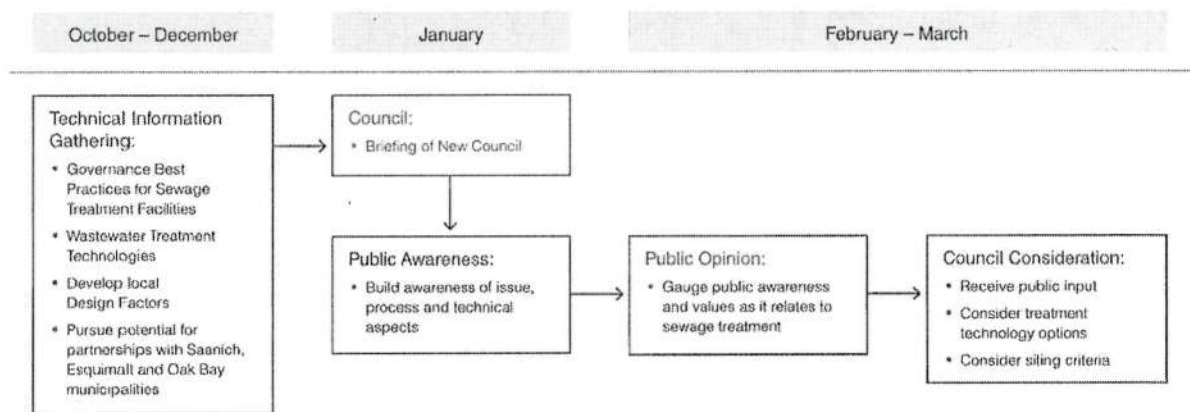
Engagement Objectives:

- Focus on public information and education to facilitate public understanding and engagement prior to decision-making.
- Raise awareness of City's support for sewage treatment and intention to explore local options, and facility(s) located in Victoria.
- Solicit input on values and attitudes as it relates to sewage treatment options prior to decision-making on options or sites.
- Ensure meaningful outreach to those affected or potentially affected by sewage treatment decisions.
- Build community capacity and understanding by engaging stakeholder groups in process and creating opportunities to provide input.

Process Map:

Exploring Local Options for Wastewater Treatment

PROCESS MAP: PHASE ONE



January

- Clearly communicate City's support for sewage treatment and openness to explore local options and potential siting within Victoria.
- Public education: How sewage infrastructure currently works in Victoria, what facilities look like in other communities and what amenities they include, outline opportunities to learn more and provide input.
- Prepare for public surveying on awareness, values and beliefs as it relates to sewage treatment.

March

- Solicit public input to inform development of framework for guiding planning decisions.
- Present council with technical analysis.
- Present Council with public engagement results.

Should Council approve the approach outlined, a detailed engagement strategy will be developed over the coming months and presented to Council in January, prior to implementation.

Work Plan Update

Since receiving direction from Council, staff have proceeded with the following work items on this project:

The City has issued a Request for Proposals for consulting services to provide technical capacity and expertise to support public engagement and explore options for sewage treatment within the City of Victoria. The City has also retained Young Anderson to provide legal expertise regarding options for governance under existing legislation. This will complement a best practices review of governance models by the consultant being sought.

City Managers and staff from the City of Victoria, District of Saanich, and District of Oak Bay have met to discuss the motions passed by Council and the City's proposed work plan. Discussions have also been initiated with the Westside technical committee regarding the potential for the Westside to treat wastewater from Victoria West.

An inter-disciplinary committee of staff is being established to support the process going forward. Representatives from Engineering, Finance, Citizen Engagement and Strategic Planning, Sustainable Development and Community Planning, and Legal departments will be appointed.

Recommendations

- 3.) Council approve process map and public engagement approach for exploring local options for sewage treatment.
- 4.) Council direct staff to update Council in January 2015 with:
 - a. A detailed public engagement strategy; and
 - b. A summary of technical information gathered.

APPENDIX A

PRINCIPLES AND APPROACH

1. Undertake a fair and transparent process.
2. Collaborate and achieve incremental consensus building amongst all participants.
3. Achieve value for money for taxpayers and meet the CRD's project budget.
4. Optimize existing infrastructure.
5. Fiscally equitable amongst participants based on design capacity benefit.
6. Contribute to regional sustainability and respond to climate change.
7. Optimize resource recovery, supported by prudent business case analysis. Consider use of effluent heat, reclaimed water, struvite, biogas and beneficial use of biosolids.
8. Integrate proposed wastewater treatment and resource recovery facilities within the community.
9. Engage in a robust public consultation process at each phase of the planning process.
10. Ensure that the planning process and revisions to the current approved LWMP resulting from the planning process are conducted under the umbrella of the CRD to preserve Federal and Provincial funding to the extent possible.
11. Identify wastewater and residual solids treatment solutions for all seven municipalities and the two First Nations that meet or exceed applicable regulatory requirements.
12. Acknowledge that investments made by participants in community assets over and above the LWMP are outside the scope of the project.
13. Acknowledge the following guidelines, which are designed to preserve the autonomy of the municipalities and First Nations while maintaining the requirement to provide a holistic regional sewage treatment solution under the umbrella of the CRD:
 - (a) Each municipality will have authority over zoning for treatment plants within that municipality. Each municipality, not the CRD, will be responsible for either identifying a suitable site or sites within the municipality or for collaborating with another municipality that has agreed to host a site.
 - (b) Each municipality hosting a site assumes primary responsibility for determining the public process required to obtain approval for that site. These public processes will be let by the municipalities. Municipalities or groups of

municipalities will bring forward proposed amendments to the Core Area Liquid Waste Management Plan by March 31, 2015 or demonstrate that they will meet environmental and timeline requirements.

- (c) Costs will be allocated on the basis of actual costs to serve each participant. The cost of a plant serving only one municipality would be allocated entirely to that municipality, and similarly the cost of a plant and conveyance systems serving a sub-set of municipalities will be allocated entirely among those participants. No municipality will be obliged to share the cost of plant or conveyance system in another municipality except by agreement between them, and the CRD as approved by the Board.
- (d) Individual municipalities or sub-systems will determine levels of treatment and resource recovery, provided they meet the standards required by regulators and funders. Benefits of resource recovery will be allocated in the same way as costs.
- (e) Grant funding should be allocated to reduce costs of systems on the basis of the current cost sharing formula and will be the basis of how future debt servicing costs are allocated among municipalities.