



Governance and Priorities Committee Report

For the August 28, 2014 Meeting

To: Governance and Priorities Committee
John Sturdy, P.Eng.
From: Assistant Director of Engineering and Public Works
Subject: Workplan for Review of Wastewater Treatment

Executive Summary

The provision of sewage transmission and treatment is a responsibility of the Capital Regional District (CRD) under the Liquid Waste Management Core Area and Western Communities Service Establishment Bylaw No 1, 1995. In 2006 the Provincial Environment Minister ordered the CRD to amend their Liquid Waste Management Plan to move forward with secondary sewage treatment for the Core area municipalities by 2016. Additionally, Federal regulations introduced in 2010 mandated secondary sewage treatment for the CRD by 2020.

While the Liquid Waste Management Plan has been amended with a treatment system which would comply with both the Provincial and Federal regulations, the project has stalled due to the refusal of a rezoning application by the District of Esquimalt for the liquid waste treatment plant at McLoughlin Point.

Victoria City Council has asked staff to identify both the 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.

Staff are recommending prior to investigating locations, conveyance and treatment technology, that governance and provision of a service for just the City of Victoria and possibly adjacent municipalities be fully investigated. A business case for governance would be completed in stages with the first covering research on effective governance models for inter-municipal sewage and the second phase developing a business case for investments in expanded sewage collection and treatment.

Based on the history of this issue in the community and varying levels of understanding about sewage treatment and the current options being considered, a high level of quality information is needed to bring the community along with the City in at all steps in the process. Establishing an understanding of the public opinion and values as it relates to this issue is necessary and should inform both option development, and communication activities going forward.

To avoid public confusion on this matter, the City will need to also understand the CRD's communications and engagement approach prior to developing an engagement strategy.

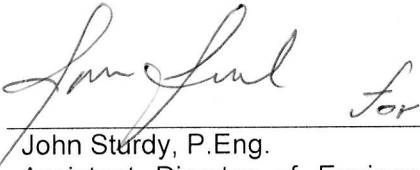
Once completed this information would set the framework for a technical review of sites, conveyance and treatment technology. Also with the CRD proceeding with an additional independent study of options, a fair amount of the background work would be completed which would contribute to a City of Victoria technical study.

Recommendations:

It is recommended that:

- 1) City Council authorize staff to proceed with a three-phase business case
- 2) 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 in the 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.

Respectfully submitted,

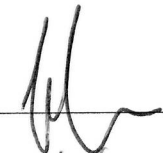


John Sturdy, P.Eng.

Assistant Director of Engineering and Public Works

Report accepted and recommended by the City Manager:

Date:


August 26, 2014

Purpose

On June 6, 2014, following discussion, the Governance and Priorities Committee 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.

The purpose of this report is to present a workplan for completing the tasks necessary for this review.

Background

The municipalities of Victoria, Saanich, Oak Bay, Esquimalt, View Royal, Colwood and Langford collectively are participants of the Core Area Liquid Waste Management Service which is managed and operated by the CRD in accordance with the CALWMP.

The Province has confirmed that the CRD is responsible to implement secondary wastewater treatment in the Core Area within timelines prescribed in the CALWMP, by the federally legislated deadline of 2020. Provincial and Federal funding agreements that provide approximately \$500 million toward the \$783 million project are contingent on meeting these timelines (Appendix 1). In April 2014, the Township of Esquimalt Council did not approve the CRD's revised rezoning application to locate a wastewater treatment facility at McLoughlin Point, relax set back and height restrictions to accommodate a larger treatment plant than permitted under the correct zoning.

To move forward on meeting the legislated deadline, the CRD Board has directed a number of parallel initiatives at their July 6, 2014 meeting including:

1. That a letter be written to the Township of Esquimalt Council requesting that they initiate a development approval process to accommodate the McLoughlin Point Treatment Plant as required by the provincially approved Core Area Liquid Waste Management Plan, on the basis of the following new information:
 - a. Insistence by the Ministers of the need to implement the Liquid Waste Management Plan.
 - b. Availability of detailed plans for the McLoughlin Point Treatment Plant.
 - c. The addition of advanced oxidization into the sewage treatment process.
 - d. A construction bid for the treatment plant that is within the budget allocation and represents excellent value to taxpayers;And, that the letter include an offer to Esquimalt to consider amending the cost sharing to offset the entire capital cost of Esquimalt's 6.7% share, in substitution for the amenities previously proposed outside the current bid proposal, by amending the cost sharing to allow for a payment to Esquimalt in the amount equal to Esquimalt's share (\$18.9M) or by removing Esquimalt from the Seaterra capital program cost levy;
And that the letter request a response to this proposal as soon as possible, such that Seaterra can retain the agreement with the successful proponent for construction of the McLoughlin Treatment Plant;
And, that staff be directed to use communication tools to provide information directly to Esquimalt residents and solicit feedback from Esquimalt residents, regarding the above offer.
2. That the Capital Regional District recommence a siting process for a centralized wastewater treatment plant site through a municipal/First Nations competition (Appendix 2).

In addition, the Core Area Liquid Waste Management Committee has directed CRD staff to work collaboratively with Core Area municipalities to potentially evaluate the feasibility and financial implications of implementing an alternative decentralized model (Appendix 3).

Work on the Seaterra Program is paused until a resolution on siting for the wastewater treatment plant can be reached, with the exception of completion of the Craigflower Pump Station and completion of the design for the Arbutus Road Attenuation Tank.

Service-Governance

Developing a sub-regional service (e.g. led by City of Victoria) for collection and treatment of sanitary sewage would require some changes to the current governance structure. If the CRD's letters patent are authorized by the Province, then there is some potential in establishing new terms that include a new sub-regional service that is not under the CRD's purview. The feasibility of this approach seems plausible given anecdotal reports that other municipalities in the region have inquired with senior government about a sub-regional service and that request is being considered and was certainly not rejected.

Further, supplementary sewer service areas already exist within the Region such as for Dockside Green. At this time, any additional study including a business plan could be conducted under the assumption that if Victoria were to develop a solution that achieves compliance and does not hinder its neighbours, there should be provincial and regional support for a new service-governance arrangement (including potential for inter-municipal agreements). Part of the business case would be to evaluate the feasibility and risks of a separate municipal-led service.

Issues & Analysis

While the CRD continues to review alternative approaches for wastewater treatment to the Core Area, the direction from City Council is for staff to investigate the implications, including risks and opportunities for the City of Victoria in proceeding with one or more, local liquid waste treatment facilities which do not preclude the potential for future inter municipal agreements.

Risks and Implications Studied through a Business Case

A complete business case will provide rationale both for and against a number of options. However, given the regional history behind the treatment issues, It is critical to enter into the business case with some understanding of the risks that are likely applicable to all options going forward, such as:

- Public awareness and support for sewage treatment and the considerations around a local treatment model
- Procurement risks and the resources required to effectively manage a large scale infrastructure project.
- Funding risks related to adequate financial resources from concept to commissioning and beyond including the full-availability of senior government funds.
- Economies of scale and the risk that any options for sub-regional service will be challenged to achieve already stated per-capita cost impacts to City ratepayers.
- Siting and land use conditions and the risk that public support for new or additional options, including site selection, for sewage treatment is met with apathy and/or rejection given the lengthy process to date.
- Partnerships and the risk that options for sub-regional service are not agreeable to other municipalities, the Capital Regional District, First Nations or senior government at this time or at any time under a long-term arrangement.
- Long-term operational responsibilities and the risks associated with organizing the City and its resources toward an expanded service-function for sewage collection and treatment.
- Financial Penalties risk if schedule to provide treatment is unable to meet prescribed timeframes.

An understanding of these risks creates the context for the investigation because they evoke certain parameters that should be considered. Risks and parameters ultimately frame up the approach to the business case.

Specific parameters of the business case analysis may include:

- Recommending options and making decisions for sewage collection and treatment investments based on a positive business case for the City of Victoria and its potential partner(s).
- Recommending options and making decisions for sewage collection and treatment services based on effective inter-municipal partnerships and the best practices required for long-term success.

- Evaluating the risks and benefits of an expanded sewage collection and treatment service for the City of Victoria, and its partners, against the benefits of the proposed regional program (current).
- Evaluating the benefits of an expanded sewage collection and treatment service for the City of Victoria, and its potential partner(s), based on a shared vision and any applicable agreements.
- Evaluating options for expanded sewage services and facilities based on feasibility of delivering the project given funding, timing and staffing constraints.
- Comparing the life-cycle costing of options for expanded sewage services against the per-capita estimates stated under the proposed LWMP (current).
- Comparing the life-cycle costing of options for services against their overall impact to the community with respect to risks, staffing, finance and other regulatory requirements.

These study parameters can be addressed through a three-phase methodology. Phase 1 would centre on the elements required for effective long-term regional service-governance. Phase 2 would include developing sewer service planning and costing for Victoria led treatment. Phase 3 would include the business case analyses to evaluate whether to proceed or not with any of the available options. Both phases are outlined below.

	Timeline – Estimated Completion
<ul style="list-style-type: none"> • Phase 1: Research Effective Governance Models for Inter-Municipal Sewage <ul style="list-style-type: none"> ○ Identify best practices ○ Assess alignment of best practices to the priorities of the City and its partners ○ Propose list of suitable practices 	December 2014
<ul style="list-style-type: none"> • Phase 2: City of Victoria Sewage Planning and Costing Review <ul style="list-style-type: none"> ○ Review options brought forward from CRD's Sub-regional Planning and Costing Study ○ Identify additional city-led treatment service approaches not yet identified and complete costing analysis ○ Assess the results of the analysis for implications to Victoria ratepayers and potentially other municipal partners ○ Evaluate service-governance implications for various treatment options 	February 2015
<ul style="list-style-type: none"> • Phase 3: Conduct Business Case for Investments in Expanded Services in Sewage Collection and Treatment <ul style="list-style-type: none"> ○ Background ○ Rationale and Scoping ○ Needs ○ Business Parameters ○ Analysis <ul style="list-style-type: none"> ▪ Options including assumptions ▪ Costs and organizational impacts ▪ Benefits ▪ Funding ▪ Risks ▪ Council Strategies ○ Preferred Alternatives and Recommendations 	May 2015

CRD CALWMP Sub-regional Planning and Costing Study

The CRD has prepared a draft request for proposal to retain an Independent Manager to provide project oversight, facilitate workshops with municipal representatives and prepare a final report for a two-phase study for sub-regional wastewater treatment solutions for the core area. The Independent Manager will have no past affiliation with the Seaterra Program, the Peer Review Team, or any other wastewater treatment study commissioned by the Capital Regional District (CRD). The study will be used to determine if a preferred sub-regional option can be identified that: meets all regulatory requirements, can be established within the approved funding envelope of \$788 million and can be completed within the timelines outlined in the approved core area Liquid Waste Management Plan (LWMP).

The Independent Manager will provide project oversight for both phases of the study. Phase 1 is a planning study to identify options for sub-regional wastewater solutions. The CRD has invited municipalities and First Nations Councils to submit potential treatment locations for consideration within their jurisdiction. Phase 2 is a costing study to identify capital, operating and maintenance costs for wastewater treatment, residual solids treatment, required upgrades or changes to conveyance infrastructure and potential revenues from resource recovery for the preferred option(s).

The Independent Manager would work with municipalities and First Nations serviced within the LWMP area to identify options for sub-regional wastewater treatment plants. CRD staff would provide technical support for Phase 1 including real estate, conveyance infrastructure, geographical information and engineering. These options, including treatment plant sites, would be identified by the IM through public engagement and a series of workshops with the municipal participants.

The sub-regional planning and costing study will be commissioned by the CRD with funding from CALWMP. The City of Victoria through participation in the CALWMP, contributes 35% of the costs through its requisition to this service. The technical analysis and costing study required for sub-regional wastewater solutions can be derived from the CRD study and incorporated in the business case analysis.

The CRD will be engaging a consultant in mid-September and will formally report out to the Core Area Liquid Waste Management Committee on Phase 1 (Options Study) by February 2015. The final report on Phase 2 (Financial Implications of Preferred Options) will be prepared and presented to committee by June 2015.

Financial Impacts

It is anticipated the City of Victoria study would cost approximately \$210,000 and take 9 months to complete. It is recommended that Council allocate funds from the Sewer Utility Equipment and Infrastructure Reserve.

The CRD options study is estimated to cost approximately \$400,000 of which Victoria due to the allocation formula is responsible for 39% of the study which is \$156,000. The funding is from the CRD Liquid Waste Management Reserve which the City's share is requisitioned through the CRD charges to Victoria rate payers.

Based on the magnitude of this work and its impact on the sewer master plan, this will be given priority and the master plan will be deferred to the latter part of 2015.

Summary

The provision of sewage transmission and treatment is a responsibility of the Capital Regional District under their letters patent. In 2006 the Provincial Environment Minister ordered the CRD to amend their Liquid Waste Management Plan to move forward with secondary sewage treatment for the Core area municipalities by 2016. Additionally Federal regulations were introduced in 2010 mandating secondary sewage treatment for Victoria by 2020.

While the liquid waste management plan has been amended with a treatment system which would comply with both the Provincial and Federal regulations, the project has stalled due to the refusal of a re-zoning application by the District of Esquimalt for the liquid waste treatment plant at McLoughlin Point.

A number of steps are being initiated both by the CRD and by member municipalities to explore options. City Council in Victoria has asked staff to identify both the 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 intermunicipal agreements.

Staff are recommending that governance and provision of a service for both just the City of Victoria and possibility adjacent municipalities be fully investigated. A business case for governance would be done in two stages with the first covering research on effective governance models for inter-municipal sewage and the second phase developing a business case for investments in expanded sewer collection and treatment.

Additionally, staff are recommending that we proceed with a Sewage Planning and Costing Study concurrently with the Governance review.

Recommendations

It is recommended that:

- 1) City Council authorize staff to proceed with a three-phase business case
- 2) 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 in the 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.

Appendix 1

OPTIONS STUDY – CORE AREA LIQUID WASTE MANAGEMENT TERMS OF REFERENCE September 2014

Background

The Capital Regional District (CRD) is responsible for implementing sewage treatment for the core municipalities of Saanich, Victoria, Oak Bay, Colwood, Langford, Esquimalt and View Royal and the Songhees and Esquimalt First Nations under the CRD's Core Area Liquid Waste Management Plan (CALWMP) and service establishment Bylaw No. 2312. The commitment to complete the wastewater treatment program under the LWMP is by the end of 2018. Further to this deadline, the *Federal Fisheries Act* dictates that the CRD must have secondary sewage treatment in place for the core area by January 1, 2015 and a transitional authorization has been submitted under the federal Wastewater System Effluent Regulation to continue discharging effluent until treatment is installed and the standards can be met by December 31, 2020.

A series of senior government funding agreements are in place, which provide approximately \$500 million toward the \$783 million project. The agreements have within them various terms and conditions that stipulate timelines, procurement and facility locations that align with the CALWMP.

The approved CALWMP identifies McLoughlin Point in the Township of Esquimalt as the centralized location for the wastewater treatment facility and Hartland landfill as the location for treatment and resource recovery of the residual solids. The CRD Board created the Seaterra Commission with delegated authority to oversee the design and construction of the wastewater treatment program. The Commission has secured a bid within budget for the wastewater treatment facility at McLoughlin. Earlier this year, however, the Township of Esquimalt rejected the CRD's revised rezoning application for the McLoughlin facility.

The CRD is now exploring options for implementing a sewage treatment program within the established funding envelope and regulatory framework. The process seeks to build consensus amongst the participants on options that best reflect the needs of the participants and their desired outcomes (Phase 1) and to evaluate the financial implications of the preferred option(s) (Phase 2).

Principles and Approach

The principles and approach guiding the Options Study are:

- Undertake a fair and transparent process
- Impartial and objective stewardship of the process
- Collaboration and incremental consensus building amongst all participants
- Achieves value for money for taxpayers and meets the CRD's project budget
- Fiscally equitable amongst participants
- Optimizes existing infrastructure
- Contributes to Regional Sustainability and responds to climate change
- Optimizes resource recovery, including use of effluent heat, reclaimed water, struvite, biogas and beneficial use of biosolids

- Proposed wastewater treatment facilities integrate within the community
- Flexibility in meeting the varied desired outcomes of the participants
- Identifies wastewater treatment solution(s) for all seven municipal and two First Nations participants that meet or beat applicable regulatory requirements

Role of Independent Manager

The Core Area Liquid Waste Management Committee will select an Independent Manager (IM) to assist the CRD and the participants to steward a transparent process that identifies options for moving forward. The IM will work at “arms-length” and through direct facilitation amongst the Core Area municipalities and First Nations and in collaboration with a working group of Regional, municipal and First Nations staff, to identify and recognize the unique needs and shared interests of the participants, potential benefits and opportunities of the project.

The IM will encourage input, and determine in collaboration with the participants, the best method and timing for engagement and feedback from the public. The IM will identify opportunities for broad public feedback to steward public confidence and interest in the process and to ensure alignment of both the needs and the desired outcomes of the participants. This consultation will also include check-in and feedback from the established CALWMP Technical and Community Advisory Committee.

The IM will identify critical check-in opportunities with the Core Area Liquid Waste Management Committee, seeking consent to proceed in the process. The IM will formally report-out the preferred option(s) to committee at the end of Phase 1 and with an indication of support of each of the participants, undertake an independent costing exercise to evaluate the financial implications under Phase 2.

Role of Fairness and Transparency Advisor

The Core Area Liquid Waste Management Committee will select a Fairness and Transparency Advisor (FTA) to ensure the options study meets the principles and approaches as articulated in these TOR. The FTA will monitor the process and may make recommendations. The FTA will also provide advisement to the IM on matters of fairness and transparency between the parties and the overall process including public engagement. The FTA will report to the CALWM committee on a regular basis and in tandem with the IM on formal report-outs for Phase 1 and Phase 2 of the study.

Role of CRD Staff

The IM and FTA will be engaged by the General Manager, Parks & Environmental Services, who will provide coordination of in-house support resources for the work of the IM.

CRD staff will provide technical support for Phase 1 of the study, including real estate services, operations and cost sharing considerations of existing and proposed trunk system conveyance infrastructure, GIS and mapping as well as engineering support. CRD staff will also provide administrative and logistics support, as required, for public meetings and workshops and meetings amongst participants.

CRD staff will remain the primary contact with senior government officials in regards to regulatory and consultation requirements, and amendments to the LWMP. Upon consent of the province of LWMP amendments, CRD staff will pursue re-negotiation of funding agreements and any available alternative grant funding sources.

Role of Municipal and First Nations Staff

Municipal and First Nations staff will provide technical advice and support to the IM, working in collaboration with Regional staff, to explore and evaluate the feasibility of various options. Municipal and First Nations staff will also provide advisement and support to the IM and Regional staff on site selection, technical considerations at the local level as well as public engagement opportunities and processes that reflect the unique needs of each jurisdiction.

Timelines and Deliverables

The IM will be engaged in mid-September and will formally report out to the Core Area Liquid Waste Management Committee on Phase 1 of the study by February 2015. The final report on Phase 2 of the study will be prepared and presented to committee by June 2015.

Budget and Funding Source

Funding for the study will be sourced from the Core Area Liquid Waste Management Plan operating reserve. Total budget for both phases of the project will not exceed \$400,000, including staff time, consulting fees and meeting/workshop expenses.

Phase 2 Costing Exercise

The IM will work with CRD staff to develop a Request for Qualifications, a shortlist of selected firms, preparing the Request for Proposal terms of reference, evaluating proposals, selecting and recommending the services of a qualified engineering firm to complete the costing study for the selected option(s).

The study will be based on a 50-year life cycle costing analysis, including capital and operating and maintenance costs. For consistency, the capital cost estimates developed as part of this analysis would use the same costing criteria as outlined in CRD Discussion Paper 36-DP-2, including but not limited to: design and construction contingencies, indirect costs, administration costs, interim financing and inflation costs to mid-point of construction, project management costs, environmental impact study costs, site contamination costs, and the consistent use of discount rates for life cycle analysis of costs, revenues from certain resource recovery and carbon credits. The capital cost estimates developed will have an accuracy range of -15% to +25%.

The study will include infrastructure re-alignment and conveyancing modifications and costs for the preferred options as well as preliminary cost sharing implications.

The study will include development of a realistic Level 1 schedule for the design and construction of the wastewater conveyance, treatment and disposal facilities envisaged in the preferred option(s), including pipelines, pumping stations, storage, treatment plants and outfalls.

The schedule will include the time required to obtain approvals for effluent disposal as necessary for the option(s) developed, including: new outfalls for marine and freshwater discharge, rapid infiltration basins for ground discharge and reclaimed water use.

Design Criteria

The CRD has developed design criteria for year 2030 design flows, including: population projections; industrial, commercial and institutional equivalents; and inflow and infiltration. This information will be provided to the consultant for their review and acceptance as the basis for their analysis. The consultant will review the Wastewater Characterization and Design Loads developed by the CRD and confirm the criteria to be used for this study. Consultation with First Nations to confirm allocated design capacity is required.

Upgrades and/or modifications to linear infrastructure to transport sewage to the wastewater treatment plants at the selected locations will be identified by the CRD. The consultant will be responsible for developing cost estimates for these upgrades and/or modifications and incorporating them into the overall cost estimates for the wastewater treatment plants.

Each wastewater treatment plant will be required to meet the minimum Municipal Wastewater Regulations to ensure treatment requirements are met: secondary treatment for 2xADWF (average dry weather flow) and primary treatment for 4xADWF. Wastewater treatment plants that do not employ the use of an outfall must demonstrate and receive acceptance from MOE, redundancy for all flow conditions that exceed the maximum tertiary capacity of the treatment plant, the complete failure of the plant and any condition that requires bypassing the tertiary level of treatment. Plants that are designed for secondary treatment will require an outfall.

Available Documentation

The following relevant reports will be made available to the IM:

- The Path Forward – The Supporting Report to the Response of the MOE (June 2007)
- Resources from Waste – Integrated Management Phase 1 Study Report, Fidelis (February 2008)
- Resources from Waste Peer Reviews – Peer Review Responses (February 2008)
- Program Development Discussion Papers, Associated Engineering/CH2MHill/Kerr Wood Leidal (May 2008-May 2009)
- Peer Review Team Report (May 2009)
- CRD Core Area Inflow and Infiltration Program I&I Analyses Results: October 2006 to March 2008 – Final Report (July 2009)
- CRD Core Area Wastewater Treatment Program – Option 1A, 1B and 1 C Report Stantec/Brown & Caldwell (September 2009)
- CRD Core Area Wastewater Treatment Program – Option 1A, Stantec/Brown & Caldwell, (December 2009)
- CRD – CAWTP – Effluent Reuse and Heat Recovery for the University of Victoria & Surrounding Area, Stantec (January 2010)
- CRD – CAWTP – Feasibility Study for Heat Recovery for James Bay and Downtown Victoria, Stantec (January 2010)
- Biosolids Management Plan, Stantec/Brown & Caldwell (November 2009)

- Capital Regional District, Core Area Liquid Waste Management Plan, Amendment #7, (Approved January 2010)
- Capital Regional District, Core Area Liquid Waste Management Plan, Amendment #8, (Approved August 2010)
- Capital Regional District, Core Area Liquid Waste Management Plan, Amendment #9 (Approved July 2014)
- Land suitability for a biosolids facility in the Core Area of the Capital Regional District, Westland Resources (September 2010)
- Core Area Wastewater Treatment Program Option1Aprime2 (June 2011)
- Capital Regional District Wastewater Plant – Discharge – Stage 1 Environmental Impact Study (March 2009)
- Technical Memo: CAWTP Indicative/Detailed Design/Wastewater Characterization and Design Loads, Stantec (January 2013)
- Stage II EIS Pre-Discharge Monitoring, Worley Parsons (February 2013)
- Environmental Impact Study of Core Area Wastewater Treatment Program Facilities Volume 1 of 3, Tera Consultants (updated March 2014)
- Environmental Impact Study of Core Area Wastewater Treatment Program Facilities Volume 2 of 3, Tera Consultants (updated May 2014)
- Project Description: Core Area Wastewater Treatment Program, Tera Consultants (updated March 2014)

Appendix 2



Making a difference...together

Federal Government "Building Canada Fund" Agreement

Amount	\$120 Million
Deliverables	Construction of the McLoughlin Point Wastewater treatment plant; marine outfall pipe; completion of the Victoria Harbour crossing
Key dates	Project approved in principle.... July 10, 2012 Substantial completion..... January 31, 2018 Project completion..... January 31, 2019 Last Payment date..... January 31, 2019 or prior to
Changes	Ministerial approval required for significant change(s), such as material change in location, scope or timing

Federal Government "Green Infrastructure Fund" Agreement

Amount	\$50 million
Deliverables	Upgrade of Clover and Macaulay Point pump stations; implementation of attenuation tanks; upgrades to existing pump stations and piping systems
Key dates	Project approved in principle..... July 10, 2012 Substantial completion..... January 31, 2018 Project completion..... January 31, 2019 Last Payment date..... January 31, 2019 or prior to
Changes	Ministerial approval required for significant change(s), such as material change in location, scope or timing

Federal Government "PPP Canada Fund" Agreement

Amount	\$83.4 million
Deliverables	Biosolids Energy Centre treatment facility for wastewater sludge, including 18 km of pipes to carry sludge
Key dates	Effective Date..... July 1, 2011 Financial Agreement deadline..... November 2014 Agreement Expires..... March 31, 2015 (if Nov 2014 deadline is not met) Construction and Commissioning..... Fall 2014 to Fall 2017 Program Operational..... Winter 2018 (March 31, 2018)
Changes	Ministerial approval required for significant change(s), such as material change in location, scope or timing

Appendix 3



Capital Regional District
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Victoria, BC, Canada V8W 2S6

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www.crd.bc.ca

July 15, 2014

0400-50
5220-20

Mayors and Councils of CRD municipalities and Chiefs and Councils of neighbouring First Nations:

Capital Regional District Core Area Wastewater Treatment Facility Site Competition

As you are aware, the municipalities of Victoria, Saanich, Oak Bay, Esquimalt, View Royal, Colwood and Langford collectively are participants of the Core Area Liquid Waste Management Service which is managed and operated by the Capital Regional District (CRD) in accordance with the Core Area Liquid Waste Management Plan (CALWMP). Some First Nations also participate in the service.

The Province has confirmed that the CRD is responsible to implement secondary wastewater treatment in the Core Area within timelines prescribed in the CALWMP, by the federally legislated deadline of 2020. Provincial and Federal funding agreements that provide approximately \$500 million toward the \$783 million project are contingent on meeting these timelines and the elements of the CALWMP.

While the approved CALWMP identifies McLoughlin Point as the location for the wastewater treatment facility, in April 2014, the Township of Esquimalt Council rejected the CRD's revised rezoning application to locate a wastewater treatment facility at McLoughlin Point. As a result, the CRD Board has directed a number of parallel initiatives to move forward on meeting the legislated deadline including:

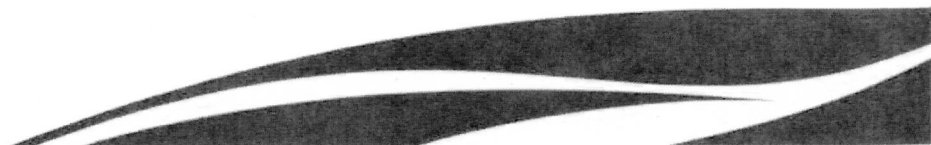
1. Approach Esquimalt council to request reconsideration of McLoughlin Point as a site for the wastewater treatment facility based on a variety of new information, including a new offer for the Township to consider waiving the Township's capital cost of the Seatterra program.
2. Investigate potential alternative sites for a centralized wastewater treatment facility through a siting competition open to submissions from all municipal and First Nations councils.
3. Write to the Province to request that the Province take over responsibility for the implementation of wastewater treatment as currently planned in the region with the CRD contributing its part of the funding.

In addition, the Core Area Liquid Waste Management Committee has directed staff to respond to a motion to work collaboratively with Core Area municipalities and First Nations to potentially evaluate the feasibility and financial implications of implementing an alternative decentralized model for wastewater treatment.

This letter is the CRD's invitation to you and your council to respond to the competition for a suitable site or sites. The CRD desires a process to encourage interested municipalities and First Nations that may be willing to identify a site and support a rezoning process to allow a WWTP to be built on that site.

The Program requirements are (in no particular order):

1. For a WWTP the minimum site area required is 1.4 hectares (3.5 acres)
2. For a combined wastewater treatment plant and residual solids digestion facility the site area required is 3.25-4 hectares (8-10 acres).
3. The shape of the site must be suitable for the construction of the facility. For example, an irregularly shaped site or an elongated, narrow site would not be suitable.



In responding to this competition, the CRD requests that the following information be provided:

1. Location of the site
2. Legal description of the site
3. Current ownership of the site
4. Estimated cost to acquire the site
5. The amenity package required by your council for acceptance of the core area sewage treatment facility
6. Written support from council, including:
 - a. Support for rezoning the proposed site to allow a WWTP or a WWTP and a resource recovery center
 - b. Support for issuing a development permit, if applicable
 - c. Support for issuing a building permit

Under current CRD policy, land in the Agricultural Land Reserve is ineligible for consideration as a potential site.

Upon receipt of the submissions, the CRD will evaluate each proposed site(s) using an equally weighted triple bottom line analysis (environmental, economic, and social criteria). The CRD evaluation will include such factors as capital and operating costs to meet the Federal and Provincial regulations given the site location, proximity to residential neighbours, the cost of modifications to existing sewage infrastructure, the cost of conveyance infrastructure to the site for untreated sewage and from the site for treated effluent to an outfall, the cost to purchase the site, the cost of the amenity package and opportunities for resource recovery.

Any purchase of a site would be conditional and would be executed only after:

- Successful rezoning of the site to allow a WWTP or a WWTP and a resource recovery centre
- The issuance of a development permit
- The issuance of a building permit

Questions about the competition should be directed to Mr. Ted Robbins, General Manager, Integrated Water Services at trobbsins@crd.bc.ca or 250.360.3061. The CRD requests responses as soon as possible, but no later than September 30, 2014, in order to allow full consideration of the competition results and how the outcome will shape the path forward, given the project deadlines. All submissions should include 4 hard copies and one electronic copy and be addressed to:

Attention: Mr. Ted Robbins
General Manager, Integrated Water Services
625 Fisgard Street, Victoria, BC V8W 2S6

We would like to thank municipal and First Nations councils for consideration of this request, and we look forward to an informative and collaborative process.

Sincerely,



Alastair Bryson
Chair, Capital Regional District Board

AB/jta

cc Board Members, CRD
Executive Leadership Team, CRD