RESOLUTION OF THE CAPITAL REGIONAL DISTRICT BOARD

The Core Area Wastewater Treatment Project (the "Project")

Project Board Terms of Reference

Purpose

The purpose of these Terms of Reference is to set out the role, responsibilities and function of the Project Board. The Terms of Reference provide a framework that includes the Project vision and goals, guiding principles and values, meeting protocols, confidentiality considerations and identifies those matters that must be referred to the CRD Board for approval.

Background

In 2006, an environmental report commissioned by the Ministry of Environment noted the contamination of seabed sites close to Capital Regional District (CRD) outfalls where the region's wastewater is discharged. As a result, the Province mandated that the CRD plan for and initiate secondary sewage treatment for the region.

The CRD has made considerable efforts to meet its commitment, and many options to deliver wastewater treatment have been explored. These efforts include technology and siting options, extensive public consultation, and input from the various committees of the CRD (including the Eastside Select Committee and the Westside Select Committee). This work provides the Project with a wealth of technical information to inform the next steps in moving the Project forward. On May 11, 2016, the CRD Board adopted a series of recommendations on next steps for the Project. These included establishing a Project Board with delegated authority to undertake all aspects of business case planning, site acquisition, project management and expenditures.

Vision

The Project Board will deliver a sewage treatment and resource recovery system that is innovative, achievable and optimizes benefits - economic, social and environmental (including climate change mitigation) - for the long term.

The Project Board will approach the project from the perspective that waste materials should be treated as resources and managed as such, with a long term objective to create a system that supports the principles of Integrated Resource Management (IRM).

The Project Board will give consideration to, and reflect, public input received with an objective of being responsive to community values and concerns.

Goals

The Project Board has the following goals to support achieving this vision:

1. Meet or exceed federal regulations for secondary treatment by December 31, 2020.
2. Minimize costs to residents and businesses (life cycle costs) and provide value for money.
3. Optimize opportunities for resource recovery and greenhouse gas reduction.
4. Deliver a solution that adds value to the surrounding community and enhances the livability of neighbourhoods.

Project Scope – Principles

The Project will include the following elements:

1. Wastewater treatment process (WWTP) design capacity to meet Provincial Municipal Wastewater Regulation (MWR) requirement for sewage flows with an Average Dry Weather Flow (ADWF) of 108 ML/day.
2. WWTP, capacity, redundancy and waste water overflow meet Provincial effluent quality regulations.

3. WWTP meets the National Wastewater Systems Effluent Regulations (Fisheries Act) mandatory minimum effluent quality standards that can be achieved through secondary wastewater treatment.
4. Bio-solids treatment that allows for a range of beneficial uses.
5. Conveyancing system.
6. Positive measures to integrate the infrastructure within the host municipality or municipalities.

The Business Case will consider options to include the following:

1. Enhanced secondary or tertiary treatment.
2. Integrated Resource Management elements (or IRM compatible).

The Business Case may recommend the inclusion of these elements as base scope or as separately priced optional items.

Project Board Role and Function

The role of the Project Board is to:

1. Be responsible for overall planning, project management, site acquisition, expenditures, and liquid waste management planning for the purposes of the Project.
2. Select a Project Director to oversee all aspects of the Project.
3. Provide direction and guidance to the Project Director on Project matters, including the development of a decision making framework, business priorities, strategies and resource approval, and appropriate project controls and reporting procedures.
4. Manage the development of a comprehensive Business Case for submission to the federal and provincial governments to confirm funding to proceed to project implementation.
5. Appoint or confirm advisors including fairness advisor and conflict of interest adjudicator.
6. Oversee Project scope, schedule and budget as the Project progresses through planning, procurement and implementation phases, with particular attention to risk identification and risk management.

7. Work with the Project Director to resolve material issues that may arise over the course of the Project.
8. Oversee Project communications, information and consultation activities.

Project Board approval is required for:

1. The project management organizational structure and appointment of key resources for the project including the Project Director.
2. The proposed scope, schedule and budget for the Project.
3. The establishment and implementation of a communications & consultation plan and any significant deviations from the communications/consultation plan.

Role of Project Board Members

Project Board members will exercise their professional expertise and judgement to plan and implement to Project in accordance with the Project Vision and Goals. During the Business Case planning process Project Board members will approach options objectively, and will consider each option on the basis of the information and analysis that is developed by the Project Director and Project Team.

Project Team

The Project Director will lead a Project Team to plan, procure and implement the Project. The Project Director will prepare a Project Management Plan to guide the work. The Project Team will include relevant expertise required for the Project, including financial, technical, estimating, communication and consultation, procurement and legal expertise. Membership of the team will reflect the requirements of the work at a particular time and may change over time.

Project Board Guiding Principles and Values

The following principles and values will guide the Project Board's decision-making and actions:

1. The Project must be in full compliance with applicable federal and provincial legislation and regulations within the required timelines.
2. Option analysis will have regard for lifecycle costs (both capital and operating), the highest environmental standards, and IRM, within the context of the Project's schedule and budget constraints. Considerations and trade-offs between operating and capital costs, qualitative outcomes and schedule will be transparent in the Business case analysis.
3. A range of contract delivery models will be explored, including publicly operated and maintained, performance-based models such as Design-Build-Finance-Operate-Maintain models and others, that would support innovation and the use of leading technologies.
4. The Project Board will work cooperatively with host municipalities on siting the facility or facilities.
5. The Project Board will work cooperatively with funding partners and will be full compliance with funding agreements.

Project Board – Meeting/Reporting

1. The Project Board will meet as required, but no less frequently than once in each calendar quarter.
2. The Chair will call Project Board meetings; issue and approve agendas and minutes for Project Board meetings; and provide direction as required to the membership regarding Project Board responsibilities.
3. Where possible, agenda, resolutions and background documents will be provided to all Board members at least 48 hours prior to the meeting.
4. The Project Board will provide the CRD Board with monthly progress reports and a comprehensive quarterly report which will describe the status of the Project, and specifically address Project scope, budget, schedule and risk. The report will include a dashboard or executive summary which will highlight material changes in any of these areas. Further information on the contents of the quarterly report is provided at Appendix A.

5. The Project Board will review the risk registry at least twice per year; any material change in any risk item will be highlighted as part of the quarterly report.

Confidentiality and Conflict of Interest

Information that is provided to the Project Board in confidence, or that is by its nature confidential, will be treated in confidence by members and not disclosed to third parties (including their own employer or any other organization with which the member has a relationship). The duty to maintain information in confidence continues after a Project Board member ceases to become a Project Board member.

Project Board members will declare any relevant personal, academic, professional or business interests on an ongoing basis. The Chair shall be responsible for the management of any conflicts of interest. Project Board members may be excluded from the Project Board or from consideration of specific items in which they have an interest where this is necessary to avoid a conflict (real or perceived).

CRD Board approvals

The CRD Board has overall accountability for the Project.

CRD Board approval is required for:
1. The final Business Case prior to submission to the federal and provincial governments.
2. Any changes that could materially affect scope, schedule, budget (materiality includes the ability to meet federal regulation requirements, availability of funding or costs to taxpayers.

CRD approval will not be required to enter into a contract with the preferred proponent provided if there are no material changes to scope, schedule or budget.

Appendix A

Quarterly Project Status Reports will include:

1. Executive Summary/Project Dashboard

   One to two pages – highlights status of scope, schedule and budget and identifies current decisions required and risks and risk mitigation strategies. Key activities over the last reporting period are highlighted

2. Key Activities

   Key activities completed in the current period are described; works/activities proposed for the next period are identified.

3. Project Scope

   Project details and description are set out. Any changes/proposed changes to Project Scope are discussed.

4. Budget/Financial

   Progress against budget is set out (planned versus actual expenditures). Draws on contingency, if any, can be identified.

5. Schedule Status

   Schedule milestones are identified, and progress against each milestone is tracked.

6. Risk

   Key risks are identified, and risk mitigation strategies are discussed.

7. Project Communications and Consultation

   Project communications and consultation activities completed in the current period are described; activities proposed for the next period are identified. Any current or emerging issues are identified.