

June 17, 2008

The Honourable Barry Penner  
Minister of Environment  
PO Box 9047 Stn Prov Govt  
Victoria, BC V9W 9E2

Dear Minister Penner:

**RE: CAPITAL REGIONAL DISTRICT CORE AREA LIQUID WASTE MANAGEMENT PLAN – PLAN FOR ACHIEVING OBJECTIVES OUTLINED IN YOUR LETTER DATED DECEMBER 14, 2007**

The Capital Regional District (CRD) is pleased to submit the plan you requested for achieving the objectives outlined in your letter dated December 14, 2007 regarding the provision of sewage treatment for its core area.

The attached report (Appendix A) entitled *Core Area Wastewater Management Program – Program Development Phase – Report to Minister of Environment* by Associated Engineering/CH2MHill/KWL, dated June 12, 2008, describes how the CRD proposes to achieve the six objectives listed in your letter. You directed that this plan be submitted to you by June 30, 2008.

Also attached (Appendix B) is a report entitled *Market Sounding and Stakeholder Consultation – Summary of Responses* by Ernst & Young Orenda Corporate Finance Inc., dated April 23, 2008. This report summarizes the feedback received from sewage treatment service providers in the industry regarding their preferred procurement approaches.

Your letter also directed that the CRD submit a Liquid Waste Management Plan amendment by December 31, 2008, which was to incorporate the seven items listed on page 1-3 of the Appendix A report. For the reasons outlined in Section 4 of the report, it is now apparent that it will not be possible to adequately respond to all of the listed items by that date. The CRD will, however, by this date be able to provide you with a comprehensive progress report on a number of these items, including those listed on Table 4-2 of the attached report. The CRD will continue to work with your ministry staff to meet the timelines shown in this table.

It is now expected to take until the end of 2009 to submit a comprehensive Liquid Waste Management Plan amendment, which fully addresses the findings of the provincial *Resources from Waste* report, describes a successful facility siting program incorporating extensive public input and outlines the initiatives used to fully engage First Nations in the planning of the project.

Your approval of an extension to the deadline for the submission of the proposed amendment to the Core Area Liquid Waste Management Plan to December 31, 2009 is, therefore, requested.

The CRD remains committed to completing this wastewater treatment project by the end of 2016, as indicated in amendment #6 and approved in your letter dated December 14, 2007.

The Honourable Barry Penner  
CRD Core Area LWMP – Plan for Achieving Objectives Outlined in Your Letter Dated December 14, 2007  
June 17, 2008  
Page 2

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Should you or your ministry staff have any questions about the attached documents, please have your staff contact Dwayne Kalynchuk, general manager, Environmental Services, by telephone at 360-3092 or by e-mail at [dkalynchuk@crd.bc.ca](mailto:dkalynchuk@crd.bc.ca).

Yours sincerely,



Denise Blackwell  
Board Chair

Attachments: 2

cc: CRD Board of Directors  
Randy Alexander, Regional Environmental Protection Manager, Ministry of Environment  
Kelly Daniels, Chief Administrative Officer, CRD  
Dwayne Kalynchuk, General Manager, Environmental Services, CRD



Date typed: July 8, 2008

ARCs: 280-30

ORCs: 76780-30 CRD Core

X- Ref: 99229

CAPITAL REGIONAL DISTRICT

DATE RECEIVED

JUL 08 2008

Reference: 99517

JUL 08 2008

Denise Blackwell, Chair and Directors  
Capital Regional District  
PO Box 1000  
Victoria BC V8W 2S6

*Denise & Co.*

Dear Chair Blackwell and Directors:

Board Chair	<input checked="" type="checkbox"/>
CAO	<input checked="" type="checkbox"/>
GM Corp. Svcs.	<input type="checkbox"/>
GM Env. Svcs.	<input checked="" type="checkbox"/>
GM Parks/Comm. Svcs.	<input type="checkbox"/>
GM PI./Prot. Svcs.	<input type="checkbox"/>
GM Water Svcs.	<input type="checkbox"/>
<i>Member CAWOC</i>	

Thank you for your letter dated June 17, 2008 and the attached two reports entitled: *Core Area Liquid Waste Management Program – Program Development Phase – Report to the Minister of Environment* authored by Associated Engineering/CH2MHill/KWL, dated June 12, 2008 (“the Report”); and *Market Sounding & Stakeholder Consultation Summary of Response - Capital Regional District – Core Area and West Shore Sewage Treatment* authored by Ernst & Young Orenda Corporate Finance Inc., dated April 23, 2008. I will limit my response to the report, but I would like to acknowledge the effort carried out by Capital Regional District (CRD) in the market sounding report to obtain input from suppliers, industry experts and other external stakeholders.

The report outlines how CRD expects to address six key objectives for moving forward with the provision of wastewater treatment in the Core Area, as required by my letter dated December 14, 2007. The report describes the deliverables and milestone dates to achieve the six objectives. To accomplish this task, CRD has requested a one year extension on the LWMP amendment submission. It is my understanding that the additional year will provide opportunity to complete assessments on options for integrated resource management (IRM), combining IRM options to treatment facility siting, and to complete the public and First Nations FN consultation process.

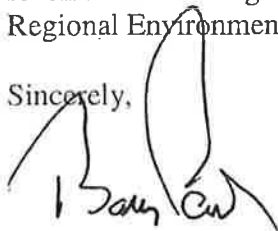
I have reviewed the report and would like to state that your recent work to assess opportunities for integrated resource management, greenhouse gas reduction, smart growth and resource recovery are commendable. I appreciate your efforts to adapt the wastewater treatment strategy to address innovation, resource recovery opportunities and economic benefits. I also recognize the effort made towards both public and FN consultation processes and agree that this is an important part of the project. I encourage you to further investigate and remain committed to these objectives as the planning process progresses.

The report is approved in accordance with Section 24(3) (b) of the *Environmental Management Act (EMA)*.

I would like to acknowledge your commitment to maintain the original schedule to complete the wastewater treatment project by 2016. Based on this commitment and my letter dated December 14, 2007, please take notice that in accordance with Section 24(4) of the Environmental Management Act, the submission of a Liquid Waste Management Plan amendment is hereby extended from *on or before December 31, 2008* to *on or before December 31, 2009*. This approval is subject to the submission of a progress report on or before December 31, 2008 and a second progress report on or before June 30, 2009.

Thank you for the progress made to date on this important project. I look forward to continuing to work with the CRD board as the project proceeds. At this time I would also like to reinforce the importance of our joint objectives, those being to protect our marine environment, to reduce greenhouse gas emissions, and to minimize total cost to the taxpayer by maximizing economic and financial benefits, including beneficial reuse of resources and generation of offsetting revenue. I encourage you to continue to work closely with the Ministry of Environment, Regional Environmental Protection staff through the next stage of this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry Penner", written over a large, faint, circular watermark or stamp.

Barry Penner  
Minister



Making a difference...together

**Capital Regional District**

625 Fisgard Street, PO Box 1000  
Victoria, BC, Canada V8W 2S6

T: 250.360.3000

F: 250.360.3234

www.crd.bc.ca

December 15, 2008

The Honourable Barry Penner  
Minister of Environment  
PO Box 9047 Stn Prov Govt  
Victoria, BC V9W 9E2

Dear Minister Penner:

**RE: CAPITAL REGIONAL DISTRICT – CORE AREA AND WEST SHORE WASTEWATER TREATMENT PROJECT – DECEMBER 2008 PROGRESS REPORT**

The Capital Regional District (CRD) is pleased to submit the December 2008 progress report you requested in your letter dated 08 July 2008.

Since July 2008, when you granted a one-year extension to the required date for submission of the Core Area Liquid Waste Management Plan amendment, the CRD has made substantial progress in planning for wastewater treatment. This includes developing a distributed treatment plant model and resource recovery options such as biogas generation, water reuse, biosolids and heat recovery. This information is being presented in a series of discussion papers, which will prove indispensable in the decision-making process in the coming months. Recently, the CRD decided to commission a peer review of the options available for wastewater treatment. The peer review findings will be an invaluable aid in making upcoming decisions.

The last four months have also given CRD the opportunity to engage in several public education efforts. An opinion editorial was published in local papers in August 2008, along with a number of advertising features. In the summer of 2008, the CRD also launched a new website dedicated to the wastewater treatment issue. The site, based on discussion papers, reports and scientific research, will spearhead the CRD's public education and consultation campaigns and act as an up-to-date resource during the tenure of the project.

The CRD has also prepared plain language summaries of many of the discussion papers, which will be used for media and for information dissemination with the public. The summaries will be particularly useful during the CRD's planned public consultation scheduled for spring 2009. Consultation is an integral part of the planning process for wastewater treatment in the core area; with the addition of the peer review's findings, the CRD will bring a series of well-researched, viable options to the table for consideration. Consultation will involve public open houses, meetings and education, using a variety of media.

The December 2008 progress report is attached. It consists of the following documents:

- **Staff Report – Macaulay and Clover Point Wastewater and Marine Environment Program 2007 Annual Report (Appendix A)**
- **Summary of Work Completed from June to December 2008 and Work Proposed for 2009 (Appendix B)**
  - (1) Program development phase – conceptual planning (completed discussion papers with executive summaries are attached as Appendices C and D respectively)
  - (2) Site identification and evaluation
  - (3) Peer review process

**The Honourable Barry Penner**  
**CRD Core Area and West Shore Wastewater Treatment Project – December 2008 Progress Report**  
**Page 2**

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- (4) Business case development
- (5) Update on First Nations consultation/engagement
- (6) Marine environmental impact studies and wastewater characterization
- (7) Project schedule
- (8) 2009 project budget

- **Discussion Papers (Appendix C)**
- **Discussion Paper Summaries (Appendix D)**

The CRD remains committed to finding the best solution for wastewater treatment in the core area and west shore, one which satisfies the triple bottom line criteria of social, economic and environmental responsibility.

Based on the substantial progress made in 2008, and the work planned for 2009, I am confident that the CRD will provide you, on schedule, with the Liquid Waste Management Plan amendment you requested by the end of 2009.

The recent local government elections brought some new members to the Board table. The input of these directors may result in the introduction of new concepts, or the re-evaluation of some concepts we have provisionally adopted. These ideas will be incorporated in the next progress report to you in June 2009.

In the meantime, I would like to request a meeting with you and the Honourable Blair Lekstrom, Minister of Community Development, to discuss this progress report and how we will move forward in 2009.

Should you or your ministry staff have any questions about the attached documents, please have your staff contact Dwayne Kalynchuk, General Manager, Environmental Services, by telephone at 250-360-3092 or by e-mail at [dkalynchuk@crd.bc.ca](mailto:dkalynchuk@crd.bc.ca).

Yours sincerely,



Geoff Young  
Board Chair

Attachments: 4

cc: CRD Board of Directors  
Randy Alexander, Regional Environmental Protection Manager, Ministry of Environment  
Kelly Daniels, Chief Administrative Officer, CRD  
Dwayne Kalynchuk, General Manager, Environmental Services, CRD



Reference: 95462

**DEC 14 2007**

Denise Blackwell, Chair, and Directors  
Capital Regional District  
PO Box 1000  
Victoria BC V8W 2S6

Dear Chair Blackwell and Directors:

*Denise & Co.*

This is further to my acknowledgement letter of June 29, 2007 in regards to Amendment #6 to the Capital Regional District (CRD) Core Area Liquid Waste Management Plan.

I appreciate the work and thought that you have put into preparing the submission, and how much is yet to be done. I note and appreciate your efforts in assessing new technologies as part of the treatment selection process.

The strategies you are proposing to optimize the beneficial use of reclaimed water, biosolids and other resources are commendable. I agree that these opportunities offer significant potential, and encourage you to study if reuse of resource recovery can be optimized through a more distributed infrastructure model. I also encourage you to explore additional benefits that may be realized by integrating solid and liquid waste resource recovery opportunities, and to seek out interested partners within the CRD to test these opportunities. The BC Government will work with you to identify and optimize these benefits.

I also appreciate your work to date with Partnerships BC to assess P3 opportunities, as requested by the Province at the October 2006 Union of Municipalities of British Columbia convention. I look forward to your continued work with them, and the Ministry of Community Services, in review of your business case, procurement options, and proposed governance structure.

I believe that there is substantial agreement on the following objectives for moving forward:

1. Meet the regulatory standard for liquid waste.
2. Minimize total project cost to the taxpayer by maximizing economic and financial benefits, including beneficial reuse of resources and generation of offsetting revenue.

.../2

3. Optimize the distribution of infrastructure based on number 2 above.
4. Aggressively pursue opportunities to minimize and reduce greenhouse gas emissions (eg. reduced requirement of energy for pumping purposes, and beneficial re-use of energy).
5. Optimize 'smart growth' results (e.g. district services, density, 'Dockside Green' like innovation).
6. Examine the opportunity to save money, transfer risk and add value through a public private partnership.

The treatment schedule established in Amendment #6 is hereby approved, subject to the requirements set out below.

In accordance with Section 24 (3) (b) of the *Environmental Management Act*, a business plan, demonstrating how to achieve the above objectives, shall be submitted to me no later than June 30, 2008.

CRD shall submit a Liquid Waste Management Plan amendment on or before December 31, 2008, which shall include, but not be limited to, the following:

- decisions on the selected physical infrastructure model, selected resource recovery options, and P3 approach (including supporting rationale) to demonstrate the above principles;
- identifying the site locations for sewage treatment facilities;
- the results of environmental impact studies for each sewage facility (site assessment);
- the results of environmental impact studies for each new discharge location;
- draft operational certificates for each sewage treatment facility/discharge location;
- Class B detailed capital and operating costs to implement the plan, and costs per user, both with and without government funding, and
- consultation summary reports (public and First Nations).

With regard to your request to waive the requirement for the sediment transport study, I will hold this requirement in abeyance to allow ministry and CRD staff to review the need for this study in consultation with other regulatory agencies and stakeholders. Condition 1, paragraph 3 in the March 26, 2003 approval of the Core Area Liquid Waste Management is hereby amended as follows:

"The CRD may be required to carry out a field program to assess sediment transport mechanisms at the Macaulay Point and Clover Point outfalls to determine the fate of sediments being discharged to the environment. The need, or lack of need, for the assessments will be established by the Minister after submission of the December 31, 2008 amendment to the plan."

On a related matter, Ministry of Environment staff and a consultant are undertaking a review of the receiving environment monitoring programs for the Macaulay Point and Clover Point outfalls





- 3 -

in anticipation of changes in the treatment strategy. Please arrange for the necessary CRD staff to work with ministry staff on this initiative.

Thank you for the progress you have made so far. Please continue to work with the Ministry of Environment, Regional Environmental Protection staff through this next stage of the amendment process.

I look forward to continuing to work with you on this important environmental endeavour.

Sincerely,

Barry Penner  
Minister

pc: Honourable Ida Chong, MLA (Oak Bay-Gordon Head)  
Honourable Murray Coell, MLA (Saanich North and Islands)  
Kelly Daniels, Chief Administrative Officer, Capital Regional District  
Dwayne Kalynchuk, General Manager, Environmental Services, Capital Regional District  
Randy Alexander, Regional Manager, Environmental Protection Division, Nanaimo

MAR 26 2003



Reference: 65246

CRD ADMINISTRATION

MAR 27 2003

**RECEIVED**

Judy Brownoff, Chair, and Directors  
Capital Regional District  
PO Box 1000, 524 Yates St  
Victoria BC V8W 2S6

Dear Ms Brownoff and Directors:

I have made a decision on your Core Area Liquid Waste Management Plan (LWMP), based on a review of all the information that you have presented, a report received from an independent consultant, and review by ministry staff of the LWMP and supporting information.

I am satisfied that there has been adequate public review and consultation during stage three of the plan development. I commend you for the commitments in the plan to pursue liquid waste management programs dealing with source control, inflow and infiltration reduction, storm water quality management, management of trucked liquid wastes and the management of on-site systems. I fully support the enhanced programs proposed in the LWMP.

The LWMP does not provide a plan and schedule for provision of primary and secondary treatment for the discharges at Macaulay Point and Clover Point, which is contrary to the direction provided to you by past ministers. However, I am satisfied that a trigger process can be used in lieu of a firm schedule to provide treatment as long as the trigger process results in the provision of treatment within three years of a trigger point being reached. I understand that the Capital Regional District (CRD) and ministry staff are preparing a revised trigger point for sediment and the benthic community which will be complete in three months. There is also agreement to expand the trigger point to the water column and the water surface. This work is to be completed in the next two years. In order for you to establish a treatment plant within three years of being triggered, you will have to carry out pilot testing of the proposed treatment technology and acquire a site for sludge processing as soon as possible. Approval of the plan is on the basis that these activities are commenced immediately.

While your commitment to carry out an extensive marine monitoring program is commendable, I am not satisfied that the existing monitoring program will be effective in detecting all potential impacts. A rigorous regime of receiving environment investigation, beyond that proposed in the plan needs to be pursued.

.../2

In accordance with Section 18 (7) of the *Waste Management Act*, I hereby approve the Capital Regional District Core Area Liquid Waste Management Plan, dated July 12, 2000, This approval is made with the following conditions, that the CRD shall:

1. On or before June 30, 2003 continue the Marine Monitoring Advisory Group with invited membership from Environment Canada, Ministry of Water, Land and Air Protection, Fisheries and Oceans Canada, University of Victoria, Royal Roads University and Camosun College. The terms of reference for the group are to review, on an annual schedule, all environmental monitoring programs and provide recommendations for improving the programs. The group will also review all data and reports associated with the environmental monitoring including the programs identified below, and will prepare their own report. The report, for the preceding year, shall be submitted to the CRD and the Regional Environmental Protection Manager (manager), Vancouver Island Region by June 30 of each year with the first report due by June 30, 2004.

The environmental monitoring programs shall include a field program to study endocrine disrupting chemicals, persistent organic pollutants and other micro-contaminants such as pharmaceutical drugs found in CRD liquid waste, and their potential environmental impacts. This should include, but is not limited to effluent characterization to identify and quantify the contaminants and biological assays using new techniques such as gene chip arrays to determine their sub-lethal impacts. This program must be started by March 31, 2004. The CRD is encouraged to work with the Greater Vancouver Regional District LWMP Environmental Monitoring Committee to develop compatible partnership programs.

The environmental monitoring program must include a field program to assess sediment transport mechanisms at the Macaulay Point and Clover Point outfalls to determine the fate of the sediments being discharged into the environment. The Marine Monitoring Advisory Group is to recommend the time frame for implementing this project. The results of the assessment shall be submitted to the manager on or before December 31, 2008 unless required sooner as determined by the Marine Monitoring Advisory Group.

Within three months of receipt of the Marine Monitoring Advisory Group's annual report, the CRD shall develop an implementation action plan to address the reports recommendations, with firm schedules and submit it to the manager.

2. Revise and expand the trigger process, with input from the Marine Monitoring Advisory Group, to set trigger points that will result in the provision of primary (or equivalent) treatment within three years of a trigger point being reached. The process shall be expanded to include surface water and water column triggers. Revisions to the process shall be developed in conjunction with, and be acceptable to, ministry staff. The trigger

- levels shall, in part, reflect the requirements of the Waste Management Act Municipal Sewage Regulation which requires that discharges do not or will not cause water quality parameters outside the initial dilution zone to exceed water quality guidelines.
3. Immediately commence the pilot testing of treatment technology that will provide primary or equivalent treatment for the removal of suspended solids consistent with the Municipal Sewage Regulation.
  4. Immediately commence the process to acquire a site for the processing of sludge from future treatment works at Macauley and Clover Points. There shall be adequate public consultation during the selection of the site.
  5. On or before June 30, 2003, provide me with a revised trigger process for sediment and benthic monitoring.
  6. On or before March 31, 2005, provide me with a trigger process for surface water and water column monitoring.
  7. On or before March 31, 2005, provide me with the following:
    - a progress report that details the actions taken toward securing a sludge processing site, including the documentation of the results of public consultation on site selection;
    - a sludge management plan, and
    - the results of pilot testing of treatment technology.
  8. On or before March 31, 2004, in consultation with ministry staff, develop a plan amendment process for minor and major amendments. Include provisions for public consultation for major amendments.
  9. Provide an opportunity for the public to have meaningful input into the implementation of the plan. On or before March 31, 2006 and, thereafter; every five years, a report shall be prepared that provides the results of an independent audit on the commitments contained in the plan. Within two months of the publication of the audit report, the CRD shall notify the public of the existence of the report and receive comments and submissions from the public. The CRD shall forward a copy of the audit report and copies of any submissions from the public to the manager.
  10. On or before March 31, 2008, develop a short term schedule and estimate of cost for the elimination of sanitary sewer overflows within the CRD to be consistent with the Municipal Sewage Regulation.
  11. On or before March 31, 2008, complete cost/benefit studies and an implementation schedule directed at the elimination of combined sewers in Oak Bay to be consistent with the Municipal Sewage Regulation.
  12. On or before March 31, 2013, review the need to acquire additional land for the provision of secondary treatment. The review shall include but not be limited to the findings of the Marine Monitoring Advisory Group, and the results of the public consultation process.

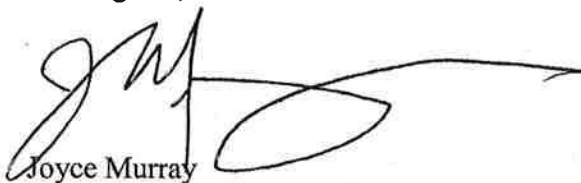
I have the following comments corresponding to the specific sections of the plan:

- Chapter 7, Source Control: This important component of the waste reduction strategy is acknowledged and supported. The annual report on the program achievements should be provided to the manager.
- Chapter 8, Inflow and Infiltration: The commitment to a four year program to accelerate the identification of priority areas and projects is acknowledged and supported. In the absence of a specific schedule for the implementation plans, the CRD shall provide the manager with a report every two years that provides details of the measures taken in the preceding two years to reduce inflow and infiltration.
- Chapter 10, Storm Water Quality Management: The LWMP recognizes the impact of non-point source pollution in the plan area and provides an ongoing course of action to address this issue. The five-year report on program achievements and changes shall be submitted to the manager. For your reference, the ministry has established a website that contains guidelines for storm water management. The website address is <http://wlapwww.gov.bc.ca/epd/epdpa/mpp/stormwater/stormwater.html>.
- Draft operational certificates: the operational certificates for the Macaulay Point and Clover Point discharges shall be reworded to delete the authorization of overflows (overflows at the treatment facility and combined/sanitary sewer overflows), which are reportable spills under the Spill Reporting Regulation.

Approval of this LWMP does not authorize entry upon, crossing over, or use for any purpose of private or Crown lands or works, unless and except as authorized by the owner of such lands or works. The responsibility for obtaining such authority shall rest with the local government. This LWMP is approved pursuant to the provisions of the *Waste Management Act* which makes it an offence to discharge waste without proper authorization. It is also the regional district's responsibility to ensure that all activities conducted under this LWMP are carried out with regard to the rights of third parties and comply with other applicable legislation that may be in force.

Please work with ministry staff in Nanaimo in the implementation of your plan and the above conditions.

Best regards,

A handwritten signature in black ink, appearing to be 'JM', with a long horizontal flourish extending to the right.

Joyce Murray  
Minister



CAPITAL  
REGIONAL  
DISTRICT

Board Chair

625 Fisgard St., PO Box 1000, Victoria BC V8W 2S6 | T 250.360.3125 | F 250.360.3130 | www.crd.bc.ca

June 27, 2007

The Honourable Barry Penner  
Minister of Environment  
PO Box 9047, Stn Prov Govt  
Victoria BC V9W 9E2

Dear Minister:

**RE: CAPITAL REGIONAL DISTRICT CORE AREA LIQUID WASTE MANAGEMENT PLAN  
AMENDMENT NO. 6 – WASTEWATER TREATMENT STRATEGY, COST AND SCHEDULE**

The Capital Regional District (CRD) is pleased to attach Amendment No. 6 of the Core Area Liquid Waste Management Plan (LWMP). As directed in your letter to the CRD, dated 21 July 2006, the amendment provides a fixed schedule for provision of sewage treatment by 31 December 2016.

The amendment outlines a strategy for implementation of wastewater treatment to serve sewered areas within the boundaries of the Core Area LWMP and provides preliminary estimates of capital costs for implementation of the strategy. As discussed in our meeting of 10 May 2007, the document also amends a ministerial requirement for a sediment transport study. The proposed study is considered to be superfluous in light of the decision to treat.

The amendment (Appendix A) was approved by the CRD Board on 13 June 2007.

Several documents are provided for information in support of the amendment. They are as follows:

- *The Core Area Wastewater Management Program – Wastewater Treatment Made Clear – The Path Forward – The Supporting Report to the Response to the Minister of Environment.*

This document (Appendix B) was prepared by consultants who worked with staff, core area elected officials and the Technical and Community Advisory committee to develop eight discussion papers that formed the basis for the report.

- *First Nations' Consultation*

This document (Appendix C) lists meetings that have taken place related to First Nations' consultation. Copies of correspondence are attached.

- *The Core Area Wastewater Management Program – Public Education and Consultation Initiatives*

This report (Appendix D) documents public consultation activities that were carried out to ensure that individuals, businesses and stakeholders in the seven LWMP municipalities were adequately informed about the development of the wastewater management program and were provided with appropriate opportunities to comment on it and to have their questions answered.

In your July 2006 letter, you encouraged the CRD to consider alternative financing and delivery options, including the potential for private sector involvement. The process of considering options is underway. CRD staff have held several meetings with representatives of Partnerships British Columbia to initiate the review process. On 13 June 2007, the Board approved a contract award to Ernst & Young Orenda Corporate Finance Inc. to assist the CRD to prepare a business plan for the wastewater treatment program as the first step in the process. The business plan is scheduled for completion by 30 November 2007.

On 13 June 2007, the Board also approved a contract award to Westland Resource Group Inc. to identify potential treatment plant sites and to carry out environmental and social reviews of the sites. The next steps include an extensive review of opportunities for resource recovery and beneficial use, including water reuse, energy and heat recovery, recovery of combustible gas as a fuel source, beneficial use of biosolids, and opportunities for co-processing of wastewater sludge with components of municipal solid waste to produce usable byproducts. This review will serve as a source document for public understanding of resource recovery issues and opportunities and as a resource for the private sector to assess opportunities for innovation.

Should you or your ministry staff have any questions about the amendment or the accompanying documents, please have your staff contact Dwayne Kalynchuk, general manager, Environmental Services, by telephone at 360-3092 or by e-mail at [dkalynchuk@crd.bc.ca](mailto:dkalynchuk@crd.bc.ca).


Yours sincerely,



Denise Blackwell  
Board Chair

Attachments: 4

cc: CRD Board of Directors  
Randy Alexander, Regional Environmental Protection Manager, Ministry of Environment  
Kelly Daniels, Chief Administrative Officer, CRD  
Dwayne Kalynchuk, General Manager, Environmental Services, CRD

CAPITAL REGIONAL DISTRICT	
DATE RECEIVED	
SEP 1 2009	BRITISH COLUMBIA
Board Chair, <i>DIRECTORS</i>	✓ The Best Place on Earth
CAO	<input type="checkbox"/>
GM Corp. Svcs.	<input type="checkbox"/>
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GM Water Svcs.	<input checked="" type="checkbox"/>
<i>D. KALYNCHUK</i>	
<i>A. ORR</i>	

Ref: 133340

AUG 27 2009

Mr. Geoff Young  
Chair  
Capital Regional District  
PO Box 1000  
Victoria, BC V8W 2S6

Dear Chair Young:

It was a pleasure for Honourable Barry Penner, Minister of Environment, and me to meet with you and your colleagues on July 22, 2009, to discuss the status of the Capital Regional District (CRD) sewage project. Minister Penner will respond to the regulatory aspects of your June 2009 Progress Report.

With respect to infrastructure funding, I would like to repeat the British Columbia Government's continued commitment to sharing in the funding of this project, as announced at the 2006 UBCM Convention (Convention). At the Convention, Premier Campbell indicated our commitment to work with the CRD and the federal government to identify the best, lowest-cost solution to provide proper sewage treatment for Greater Victoria, and contribute one-third funding required to make that happen. This commitment was reiterated in the 2007 Speech from the Throne.

Please continue to work with Ministry of Community and Rural Development (Ministry) staff to discuss your project proposal, provincial funding opportunities, and the provincial business case requirements, including meeting provincial goals and strategies related to sustainable infrastructure and procurement best practices.

Should you or your staff have any questions, please ask your staff to contact Ms. Deborah Rasnick, Project Director, by telephone at: 250 387-0612, or email at: [Deborah.Rasnick@gov.bc.ca](mailto:Deborah.Rasnick@gov.bc.ca).

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Ministry of Community  
and Rural Development  
  
Office of the Minister



PO Box 9056 Stn Prov Govt  
Victoria BC V8W 9E2

Phone: 250 387-2283  
Fax: 250 387-4312  
[www.gov.bc.ca/cd](http://www.gov.bc.ca/cd)



Page 2  
Mr. Geoff Young

The Ministry looks forward to receiving your formal project proposal and business case, and to our continued working relationship moving forward.

Sincerely,



Bill Bennett  
Minister

pc: Honourable Barry Penner  
Minister of Environment

Mr. Mike Furey  
Assistant Deputy Minister  
Local Government Department

Ms. Deborah Rasnick  
Project Director  
Intergovernmental Relations and Planning Division

Mr. Liam Edwards  
Acting Director  
Infrastructure and Finance Division



CAPITAL REGIONAL DISTRICT	
DATE RECEIVED	
FEB 24 2009	
Board Chair	<input checked="" type="checkbox"/>
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GM Pl./Prot. Svcs.	<input type="checkbox"/>
GM Water Svcs.	<input checked="" type="checkbox"/>
<i>CALVOE CHAIR</i>	

Environmental Services  
 FEB 24 2009  
 GM's OFFICE

Reference: 102431

**FEB 24 2009**

Geoff Young  
 Chair and  
 Directors  
 Capital Regional District  
 PO Box 1000  
 Victoria BC V8W 2S6

Dear Chair Young and Directors:

Thank you for submitting the Capital Regional District (CRD) Core Area Liquid Waste Management Plan (LWMP) Progress Report dated December 15, 2008 which includes the Macaulay and Clover Points Wastewater and Marine Environment Program 2007 Annual Report, a summary of liquid waste management planning work completed between June and December 2008 and the proposed work for 2009.

The progress report indicates that you have moved forward on some of the issues that prompted the one-year extension of the amendment deadline, specifically integrated resource management and public and First Nations consultation. I am also encouraged that you have secured a site that could potentially be used for the Saanich East sewage treatment facility.

However, I have noted that you have not yet provided some of the deliverables identified in the June 17, 2008 business plan, among them discussion papers on the development of alternate scenarios for distributed wastewater management, including refinement of biosolids/resource management and cost estimates. I also note that there is considerable work to be done in 2009 to select and secure sites for sewage treatment facilities. Delays in completing the discussion papers and securing sewage treatment plant sites must not affect the submission of a complete LWMP amendment by December 31, 2009. Please continue working with Ministry of Environment, Regional Environmental Protection staff to address the submission of the outstanding discussion papers.

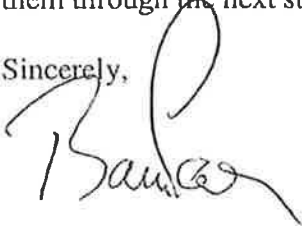
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The British Columbia Government's expectation is that the CRD will provide leadership around sustainable and innovative solutions to sewage treatment, and meet its commitment to submit a complete LWMP amendment by December 31, 2009. As cited in my December 17, 2007 letter to you, the objectives are:

1. Meet the regulatory standard for liquid waste.
2. Minimize total project cost to the taxpayer by maximizing economic and financial benefits, including beneficial reuse of resources and generation of offsetting revenue.
3. Optimize the distribution of infrastructure based on number 2 above.
4. Aggressively pursue opportunities to minimize and reduce greenhouse gas emissions (e.g., reduced requirement of energy for pumping purposes, and beneficial re-use of energy).
5. Optimize 'smart growth' results (e.g., district services, density, 'Dockside Green'-like innovation).
6. Examine the opportunity to save money, transfer risk and add value through a public private partnership.

I look forward to your next progress report on or before June 30, 2009. Ministry of Environment staff are reviewing the reports and discussion papers in detail and will provide comments directly to the CRD. I encourage you to continue your working relationship with them through the next stage of this project.

Sincerely,



Barry Penner  
Minister

Copy:



Reference: 88918

JUL 21 2006

Mayor Alan Lowe, Chair,  
and Directors  
Capital Regional District  
PO Box 1000  
Victoria BC V8W 2S6

Dear Chair Lowe and Directors:

On March 26, 2003, former Minister, Honourable Joyce Murray approved the Capital Regional District Core Area Liquid Waste Management Plan (LWMP), which included a trigger process in lieu of a fixed schedule for treatment. The approved plan requires the implementation of two triggers, one for the seafloor ("seafloor trigger") and one for the water column ("seawater trigger").

On July 12, 2006, the Capital Regional District (CRD) Board received a report from an independent scientific panel, known as the Society of Environmental Toxicology and Chemistry (SETAC), detailing the results of the panel's review of the CRD's sewage practices. As you know, the panel reported that the risk factors, public values, and the regulatory climate argue for the CRD to improve the quality of its effluent.

In addition, I recently received and reviewed a report from an independent consultant, MacDonald Environmental Services Ltd. (MESL), retained by the Ministry of Environment to evaluate the CRD sediment quality data associated with the outfalls. This study found that, based on the available CRD monitoring data, contamination at the two outfalls is sufficient to warrant preliminary designation as contaminated sites under the Contaminated Sites Regulation. The study also showed that water quality guidelines are not being met outside of the initial dilution zone at Macaulay Point.

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Direct negotiations between Ministry and CRD staff regarding a seawater trigger have been ongoing for over 18 months, during which time the CRD requested and was granted two deadline extensions. I understand these negotiations have not resolved several key issues. This fact, when considered along with the findings of the SETAC report and the report obtained by the Ministry, leads me to the conclusion that agreement on an acceptable trigger process (one that is protective of the environment) is not achievable.

Therefore, in accordance with section 24 (3) (a) of the *Environmental Management Act*, I hereby direct the Capital Regional District Board to submit to me for approval no later than June 30, 2007, an amendment to the CRD Core Area Liquid Waste Management Plan detailing a fixed schedule for the provision of sewage treatment. Further, in accordance with section 24 (3) (b), I am requiring the CRD to provide to me no later than December 31, 2006 an interim progress report on this amendment. This report should outline options relating to the type, number and location of facilities, preliminary costs of treatment, as well as a proposed implementation schedule. To ensure value for taxpayers, I encourage the CRD to consider new technologies and alternative financing and delivery options, including the potential for private sector involvement. It is my understanding that some of this work may already be underway. It is also my expectation that the CRD will continue the current monitoring program.

I want to thank you for your continued efforts to implement the CRD plan and look forward to receiving your December 2006 report and plan amendment. Any questions with respect to developing the amendment should be directed to Randy Alexander, Regional Environmental Protection Manager, 2080-A Labicux Rd, Nanaimo, BC, V9T 6J9.

Sincerely,



Barry Penner  
Minister

pc: Honourable Ida Chong, MLA (Oak Bay-Gordon Head)  
Honourable Murray Coell, MLA (Saanich North and the Islands)  
Kelly Daniels, Chief Administrative Officer, Capital Regional District  
Dwayne Kalnychuck, General Manager, Environmental Services, Capital Regional District  
Randy Alexander, Regional Environmental Protection Manager, Ministry of Environment