

CAPITAL REGIONAL DISTRICT

BYLAW NO. 4109

**A BYLAW FOR THE ESTABLISHMENT OF THE CORE AREA WASTEWATER
TREATMENT PROJECT BOARD TO ADMINISTER THE CORE AREA
WASTEWATER TREATMENT PROJECT**

WHEREAS:

- A. The Regional Board of the Capital Regional District may establish a commission under section 263(1)(g) of the *Local Government Act* R.S.B.C. 2015 c. 1, to operate Regional District services, undertake operation and enforcement in relation to the Regional Board’s exercise of its regulatory authority, and manage property or an interest in property held by the Regional District.
- B. The Regional Board of the Capital Regional District has adopted by resolution the Core Area Wastewater Treatment Project Board Terms of Reference dated May 25, 2016 for the purposes of establishing principles governing the Core Area Wastewater Treatment Project.
- C. The Regional Board of the Capital Regional District wishes to establish the Core Area Wastewater Treatment Project Board for the purposes of administering the Core Area Wastewater Treatment Project.

NOW THEREFORE the Regional Board of the Capital Regional District, in open meeting assembled, enacts as follows:

1. Definitions

In this Bylaw unless the context otherwise requires:

“BUSINESS CASE” means a written report justifying the proposed Project, its costs and timelines and prepared in accordance with the funding requirements of Senior Governments;

“CORE AREA WASTEWATER TREATMENT PROJECT” means all work connected with the design, procurement, construction, commissioning and financing of the Wastewater Treatment Project to serve the Core Area Participants and which may also include operating the service of Wastewater Treatment;

“CORE AREA PARTICIPANTS” mean the City of Colwood, the Township of Esquimalt, the City of Langford, the District of Oak Bay, the District of Saanich, the City of Victoria and the Town of View Royal and the Juan de Fuca Electoral Area;

“COMMISSIONING” means the putting into functional operation of the Wastewater Treatment Project or a component of the Wastewater Treatment Project;

“FUNDING AGREEMENTS” mean the agreements between the Capital Regional District and Senior Governments setting out the terms and conditions for funding for the Project;

“INTERIM PROJECT DIRECTOR” means a person appointed by the Regional Board to act as the Project Director until the Project Board appoints the permanent Project Director;

“LIQUID WASTE MANAGEMENT PLAN” means the plan adopted by the Capital Regional District and approved by the Minister of Environment under the *Environmental Management Act*, as amended from time to time;

“MEMBER” is a member of the Project Board;

“PROJECT” means the Capital Regional District Core Area Wastewater Treatment Project;

“PROJECT BOARD” means the Wastewater Treatment Project Board;

“PROJECT DIRECTOR” means the person appointed by the Project Board as the Project Director;

“PROJECT TEAM” means a group of people selected for their skills and expertise by the Project Director to carry out work of the Project on behalf of the Project Board;

“REGIONAL BOARD” means the Board of the Capital Regional District;

“RISK REGISTRY” means a framework for evaluating all and any risks associated with the Project and which identifies mitigation measures to reduce risk;

“SENIOR GOVERNMENTS” mean the government of the Province of British Columbia and the Government of Canada.

“TERMS OF REFERENCE” means the Core Area Wastewater Treatment Project Board Terms of Reference dated May 25, 2016 adopted by resolution of the Regional District Board and attached to this Bylaw as Schedule “A”;

“WASTEWATER TREATMENT PROJECT” means the wastewater management system for the Core Area Participants set out in the Liquid Waste Management Plan;

2. Establishment of Project Board

2.1 The Regional Board establishes the Core Area Wastewater Treatment Project Board.

2.2 The purposes of the Project Board are:

- (a) to administer the overall planning, project management, site acquisition, expenditures and liquid waste management planning for the purposes of the Wastewater Treatment Project;
- (b) to manage the development of a comprehensive Business Case for submission to the Senior Governments in order to confirm funding for the Project;
- (c) to conduct procurement processes associated with the Project as directed by the Project Board;
- (d) to complete the Project within the established budget and time frame of the Funding Agreements to ensure that the Project is in compliance with all applicable provincial and federal regulations and Funding Agreements; and
- (e) to administer all aspects of the management of the Project except as limited by this Bylaw.

2.3 The Project Board will:

- (a) select a Project Director to oversee all aspects of the Project;
- (b) provide direction and guidance to the Project Director on Project matters, including the development of decision-making framework, business priorities, strategies and resource approval;
- (c) appoint or confirm advisors including a fairness advisor and a conflict of interest adjudicator;
- (d) establish and approve the scope, schedule and budget for the Project
- (e) establish a Project Team that will provide the Project Board with a comprehensive quarterly report describing the status of the Project and that specifically addresses the scope, budget and schedule of the Project; and
- (f) provide quarterly status reports to the Regional Board on the scope, budget and schedule of the Project.

3. Project

3.1 The Project will include the following elements:

- (a) Wastewater treatment process (“WWTP”) that is able to receive sewage flows of 108 ML/d average dry weather flows (ADWF);
- (b) WWTP capacity redundancy and wastewater overflow meet provincial effluent quality regulations;
- (c) WWTP meets the National Wastewater Systems Effluent Regulations (*Fisheries Act*) mandatory minimum effluent quality standards that can be achieved through secondary wastewater treatment;
- (d) Biosolids treatment that allows for a range of beneficial uses;
- (e) Wastewater Conveyancing system;
- (f) Positive measures to integrate the Project infrastructure within a host municipality;
- (g) The preparation of a Business Case in relation to the Project.

3.2 The Project will be in full compliance with applicable federal and provincial legislation and regulations.

3.3 The Project will be in compliance with the time lines established in the Funding Agreements.

4. Project Board

4.1 The Project Board shall consist of a minimum of seven (7) Members appointed by the Regional Board, one of whom shall be the Chief Administrative Officer of the Capital Regional District.

4.2 The Member shall be appointed for a term of four (4) years.

4.3 The appointment of a Member expires at the end of his or her appointed term.

4.4 Despite sections 4.2 and 4.3, the term of office of all Members shall expire following completion of the Project, not including any ongoing operation of the Wastewater Treatment Service that may or may not be part of the Project, or upon the death, incapacity or resignation of the Member.

4.5 The Regional Board shall appoint a person to fill a vacancy on the Project Board no later than 90 days of the position becoming vacant.

- 4.6 A Member may not appoint an alternate to take his or her place on the Project Board.
- 4.7 The Regional Board may appoint a Member whose term has expired and there is no limit on the number of terms a Member may hold.
- 4.8 Where information is provided to the Project Board in circumstances where the Project Board meeting is closed to the public as may occur under section 5.4 or where the information is provided to a Project Board Member on a confidential basis, the Member must not disclose that information to a third party, including that Member's employer or any other organization with whom the member has a relationship.

5. Project Board Meetings

- 5.1 The Project Board shall meet as required, but no less frequently than once in each calendar quarter.
- 5.2 A quorum of Members of the Project Board is a majority of the Members of the Project Board.
- 5.3 A decision of the Project Board shall be decided by a majority of votes of Members of the Project Board.
- 5.4 Meetings of the Project Board shall be open to the public except insofar as the Project Board determines, in accordance with sections 90 and 91 of the *Community Charter*, that a meeting should be closed to the public.
- 5.5 Meetings of the Project Board shall be conducted in accordance with the Capital Regional District Procedures Bylaw, as amended from time to time, insofar as the provisions of this Bylaw are applicable to the proceedings of the Project Board.
- 5.6 If a member attending a Project Board meeting considers that he or she is not entitled to participate in the discussion of a matter, or to vote on a question in respect of a matter, because the Member has:
 - (a) a direct or indirect pecuniary interest in the matter, or
 - (b) another interest in the matter that constitutes a conflict of interest

the Member must declare this and state in general terms the reason why the director considers this to be the case.

- 5.7 After making a declaration under section 5.6, the Member must not:
- (a) remain or attend at any part of the meeting of the Project Board during which the matter is under consideration;
 - (b) participate in any discussion on the matter at any such meeting;
 - (c) vote on a question in respect of the matter at such a meeting; or
 - (d) attempt in any way, whether before, during or after such meeting, to influence the voting on any question in respect of the matter.
- 5.8 Without limiting the circumstances in which a director's appointment to the Project Board may otherwise be rescinded, and for certainty, the Regional Board may rescind the appointment of a member who contravenes sections 5.6 and 5.7 of this Bylaw.
- 5.9 Where possible, agendas, resolutions and background documents will be provided to Project Board directors at least 48 hours prior to a meeting of the Project Board.
- 5.10 The Project Board will generally administer the Project in consideration of the Terms of Reference and if there are any inconsistencies between the provisions of the Terms of Reference and this Bylaw, these Bylaw provisions apply.
6. Appointment of Chair
- 6.1 The Regional Board will appoint a Member of the Project Board as the Chair of the Project Board.
- 6.2 The Chair will call Project Board meetings, issue and approve agendas and minutes for Project Board meetings and provide direction, as required, to the Project Board regarding Project Board responsibilities.
- 6.3 The Project Board shall each year elect a vice-chairperson from among the Project Board Members.
7. Capital Regional District Board Approvals
- 7.1 Notwithstanding any delegation of authority from the Regional Board to the Core Area Wastewater Treatment Project Board, Regional Board approval is required for:
- (a) the final Business Case prior to its submission to the Senior Governments;

- (b) any alteration to the scope, schedule or budget of the Project that would result in the Project not meeting provincial and federal regulations governing the Project, exceeding all approved funding for the Project or increasing costs to taxpayers from those contemplated in the original Business Case.

8. Severability


8.1 If any part of this Bylaw is found to be invalid by a court of competent jurisdiction, it must be severed without affecting the validity of the remainder of the Bylaw.

9. Any schedules attached to this Bylaw form part of this Bylaw.

10. Citation

10.1 This Bylaw may be cited as the CRD Core Area Wastewater Treatment Project Board Bylaw No. 1, 2016.

READ A FIRST TIME THIS	25 th	DAY OF	May	2016
READ A SECOND TIME THIS	25 th	DAY OF	May	2016
READ A THIRD TIME THIS	25 th	DAY OF	May	2016
ADOPTED THIS	25 th	DAY OF	May	2016



CHAIR



CORPORATE OFFICER

SCHEDULE “A”

CORE AREA WASTEWATER TREATMENT 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 the 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.