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CORE AREA WASTEWATER TREATMENT PROJECT BOARD

Notice of Meeting on **Thursday, July 7, 2016 @ 9:00 am**

Room 488, 625 Fisgard Street, Victoria, BC

Jane Bird (Chair)
David Howe

Don Fairbairn (Vice Chair)
Bob Lapham

Jim Burke
Colin Smith

Brenda Eaton

AGENDA

1. Approval of Agenda and Statement of No Conflict
2. Approval of Minutes - June 20, 2016 Meeting
3. Report of the Chair
4. Presentations/Delegations
5. Business Case Development - Budget
6. Scope of Services – Communications Advisor
7. New Business
8. Motion to close the meeting in accordance with the *Community Charter*, Part 4, Division 3, 90(1)(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the regional district or another position appointed by the regional district; (c) labour relations or other employee relations; (e) the acquisition, disposition or expropriation of land or improvements, if the regional district considers that disclosure could reasonably be expected to harm the interests of the regional district; (m) a matter that, under another enactment, is such that the public may be excluded from the meeting; and 90((2)(b) the consideration of information received and held in confidence relating to negotiations between the regional district and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.
9. Adjournment

To ensure quorum, advise Sonia Santarossa 250.360.3129 if you are unable to attend.



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**Minutes of a Meeting of the Core Area Wastewater Treatment Project Board
Held Monday, June 20, 2016, in Room 488, 625 Fisgard St., Victoria, BC**

Present: Members: J. Bird (Chair), D. Fairbairn (Vice Chair), J. Burke, B. Eaton, R. Lapham, C. Smith
CRD Staff: L. Hutcheson, Interim Project Director; B. Reems, Corporate Officer; R. Sharma, A/Chief Financial Officer; D. Telford, Senior Manager, Environmental Engineering; N. More, Committee Clerk (recorder)
Also Present: G. Lewis, Q.C. (Bull Housser)
Absent: D. Howe

The meeting was called to order at 9:00 a.m. and introductions were made.

1. Approval of Agenda

MOVED by B. Eaton, **SECONDED** by C. Smith,
That the agenda be approved as circulated.

CARRIED

2. Election of Vice Chair

Chair Bird discussed the position of Vice Chair and called for nominations. Don Fairbairn was affirmed in the position of Vice Chair.

3. Report of the Chair

Chair Bird remarked that it was early days and there would be more to report as time moved on. Also, the format of the Report of the Chair would be determined as the Project Board began working together.

4. Presentations/Delegations

There were none.

B. Reems provided information on the Procedures Bylaw regarding delegations. The Project Board discussed the acceptance of delegations through the agenda approval process, and the process for Board members to bring forward items for the agenda.

B. Reems clarified the difference between presentations and delegations.

5. Project Board Orientation – Administration

B. Reems provided an orientation, with the aid of presentation slides, on Project Board administration, including the following topics:

- structure and purpose of the Capital Regional District and establishment bylaws
- governance
- roles and responsibilities

- Capital Regional District Board
- delegated authority
- meeting procedures
- Freedom of Information and Protection of Privacy Act
- remuneration, travel and expenses
- electronic agendas, reports and email

Staff provided clarification on the following points:

- First Nation participants
- overall corporate administration
- procurement process
- distance from Partnership BC procurement process
- presence at the CRD Board when reporting
- conflict of interest check at each meeting
- Bylaw 2864 delegation of authority to a project director
- CRD departments related to the project
- closed meeting procedures, especially in relation to those allowed to attend
- specifics for expense reimbursement
- CRD IT support for accessing meeting documents
- receiving correspondence from the public
- electronic participation at meetings
- provision of a news clipping service relevant to the project

6. Project Overview to Date

L. Hutcheson provided information on the project to date, with the aid of presentation slides, including the following topics:

- highlights of the former project
- planning process of the last two years
- integrated resource management

R. Sharma provided highlights of the financial summary.

The Project Board sought clarification on the following points:

- history of regulatory changes for the Core Area Liquid Waste Management Plan (CALWMP)
- status of comprehensive review of the regulatory framework
- past RFQ on biosolids and past RFP to determine if there was a market
- current degree of completion of project procurement components
- Hartland Landfill land use and operations
- separation of grants from aspects of CRD capital budget assigned to the project
- forthcoming financial budget details from previous project
- confirmed regulatory deadline

- the Fairness and Transparency Advisor role
- the Technical Oversight Panel role
- state of technical analysis of the 7 options and of a fully distributed system
- public response to Rock Bay site and conveyancing
- CALWMP Amendments 9 and 10
- cost sharing between and benefits to service participants
- funding amounts compared to CRD budget amount
- biosolids processing and integrated waste (resource) management
- amenities costs included in budget
- integrated resource management in contrast to resource recovery

7. Terms of Reference

Chair Bird remarked on the terms of reference. The Project Board reviewed and acknowledged the terms of reference and the work they would undertake to develop a business case.

8. Business Case – Deliverables Timeline – Verbal Update

Chair Bird remarked on the deliverables timeline of September 30, 2016, based on the Provincial authorities. The preceding milestones include CRD Board and provincial Treasury Board approval of the business case.

B. Lapham spoke to the meeting dates. The Project Board looked ahead to September and considered proposing that the CRD Board add a special meeting to receive the final report. The Project Board agreed to revisit the question of meeting dates after the closed session.

9. Award of Contract 16-877 – Partnerships BC

L. Hutcheson provided highlights of the report. On the motion, the Project Board discussed the rates, the concept of a lead person on behalf of the CRD, and the need for the project director role to be defined.

L. Hutcheson will provide a proposal on a global budget to prepare a business case at the next meeting. R. Sharma clarified that the costs showing in the contract would be spent out of the project budget. The Project Board discussed the implications of the funding agreements, and transparency.

MOVED by C. Smith, **SECONDED** by D. Fairbairn,
That Contract 16-1877, Core Area Wastewater Treatment Project – Business Case Development, be awarded to Partnerships BC in the amount of up to \$320,000 (excluding GST) and that up to \$25,000 in expenses be approved.

CARRIED

10. New Business: There was no new business.

11. Motion to Close the Meeting

MOVED by D. Fairbairn, **SECONDED** by B. Eaton,
That the Committee close the meeting in accordance with the *Community Charter* Part 4, Division 3, Section 90(1)(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the regional district or another position appointed by the regional district; (c) labour relations or other employee relations; (e) the acquisition, disposition or expropriation of land or improvements, if the regional district considers that disclosure could reasonably be expected to harm the interests of the regional district; (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; (m) a matter that, under another enactment, is such that the public may be excluded from the meeting; and 90(2)(b) the consideration of information received and held in confidence relating to negotiations between the regional district and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

CARRIED

The Committee moved to the closed session at 12:05 p.m.
The Committee rose from the closed session at 2:12 p.m. without report.

12. Adjournment

By consent, the Project Board adjourned the meeting at 2:12 p.m. on June 20, until continuation of the closed session on June 24, 2016.

CHAIR

RECORDER



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REPORT TO CORE AREA WASTEWATER TREATMENT PROJECT BOARD MEETING OF THURSDAY, JULY 7, 2016

SUBJECT **Business Case Development – Budget**

ISSUE

To provide the Core Area Wastewater Treatment Project Board (Project Board) with a budget for developing the business case.

BACKGROUND

The Capital Regional District (CRD) Board established a Core Area Wastewater Treatment Project Board at its meeting of May 11, 2016, in response to recommendations presented by facilitators retained by the Ministry of Community, Sport and Cultural Development to assess options and a way forward for sewage treatment in the Core Area. The Project Board is charged with preparing and submitting a project proposal and business case to the CRD Board for submission to the Provincial Treasury Board by September 30, 2016. This timeline also coincides with the funding extension granted by 3P Canada and the expectations of the provincial and federal governments in relation to securing funding for the project.

A budget to prepare a business case and submit it for approval to the CRD Board and senior government funders is attached as Appendix A. This budget includes Project Board member stipend, meeting fees and expenses, contracts with supporting partners such as Partnerships BC, external technical, legal and communications advisors along with CRD staff.

FINANCIAL IMPLICATIONS

Funding for the development of the business case is being drawn from the Core Area Wastewater Treatment capital budget, of which \$741,707,000 remains as of May 31, 2016.

CONCLUSION

Each month, a budget update with actual expenses, residual invoices/costs and outstanding commitments will be presented to the Project Board for information. Due to the accelerated pace of work on the business case, invoicing received from some of the suppliers and consultants may lag over the course of the summer.

RECOMMENDATION

That the Core Area Wastewater Treatment Project Board receive this budget update for information.

Submitted by:	Larisa Hutcheson, P.Eng., Interim Project Director and General Manager, Parks & Environmental Services
Concurrence:	Rajat Sharma, B.Eng., MBA, CPA, CMA, Senior Manager, Finance

LH:cl

Attachment: Appendix A – Business Case Budget

CORE AREA LIQUID WASTE MANAGEMENT PROJECT

Business Case Development

June 1 – October 31, 2016

	BUDGET	ACTUAL	COMMITTED	TOTAL	REMAINING
Project Oversight (Project Board)	400,000				
Communications	105,000				
Feasibility and Costing Analysis	450,000				
Property	75,000				
Partnerships BC	320,000				
Project Management (Staff and Wages)	200,000				
Miscellaneous and Legal	30,000				
CALWMP Total	1,580,000				



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**REPORT TO CORE AREA WASTEWATER TREATMENT PROJECT BOARD
MEETING OF THURSDAY, JULY 7, 2016**

SUBJECT **Scope of Services – Communications Advisor**

ISSUE

To present the Scope of Services for a Communications Advisor to October 2016.

BACKGROUND

In June 2016, the Core Area Wastewater Project Board (Project Board) was appointed to undertake all aspects of project planning, site acquisition, project management and expenditures for the Core Area Wastewater Project. The Project Board is working towards submission of a new Business Case to the CRD Board for approval by September 2016 and provincial Treasury Board and senior government funding approvals by September 30, 2016.

A Request for Proposals was issued June 30 for a communications advisor for the first phase of the project, namely development and submission of the business case. The Scope of Services for this work is attached as Appendix A.

FINANCIAL IMPLICATIONS

A budget of \$65,000 has been identified for this phase of communications support, funded from the Core Area Wastewater Project capital budget.

CONCLUSION

A Request for Proposals has been issued for a communications advisor with a Scope of Services as shown in Appendix A. If the Project Board would like revisions to this scope, an addendum can be issued to the Request for Proposals.

RECOMMENDATION

That the Project Board receive this report for information.

Submitted by:	Larisa Hutcheson, P.Eng., Interim Project Director and General Manager, Parks & Environmental Services
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LH:cl

Attachment: Appendix A – Scope of Services – Communications Advisor, Core Area Wastewater Treatment Project

SCOPE OF SERVICES
COMMUNICATIONS ADVISOR
CORE AREA WASTEWATER TREATMENT PROJECT

BACKGROUND

The Capital Regional District (CRD) Board established a Core Area Wastewater Treatment Project Board (Project Board) at its meeting of May 11, 2016, in response to recommendations presented by facilitators retained by the Ministry of Community, Sport and Cultural Development to assess options and a way forward for sewage treatment in the Core Area. The Terms of Reference (TOR) for the Project Board are appended to this Scope of Services. Under the TOR, the Project Board is charged with preparing and submitting a project proposal and business case to the CRD Board for submission to the Provincial Treasury Board by September 30, 2016. This timeline also coincides with the funding extension granted by 3P Canada and the expectations of the provincial and federal governments in relation to securing funding for the project. Further background information and historical context for the overall project, including results of past public consultation processes, can be found on the CRD's website <https://www.crd.bc.ca/project/wastewater-planning>

The successful proponent will be expected to undertake both proactive and strategic communications and community relations support, as well as periodic reviews and updates to support the Project Board. Proponents must demonstrate in their proposal how they propose to provide the following communications services needed between contract initiation and October 2016 (Phase 1):

Confirmation of the Strategic Communications Plan

The CRD has recently produced a communications plan for this phase of the project. The consultant will review the plan and provide the project management team with revisions and a finalized version. The plan will consider:

- A priority summary of key communications issues and opportunities
- An approach for informing and engaging key stakeholders throughout the development and submission of the business case
- An approach to addressing public availability of project status reports
- An approach for informing members of the public of progress on the Business Case; and
- A social media and online strategy.

Implementation Plan

Development and execution of an implementation plan including the following:

- Development of social media and web content
- Development of media release content
- Development of key messages for the spokesperson, the Project Board Chair
- Response to citizen and stakeholder inquiries
- Production of information materials, i.e., FAQs and project updates
- Develop collateral material as required – posters, bulletins, advertisements; and
- Liaise with key contacts/partners on project as required.

Issues Management and Ad Hoc Support

- Provide advice to the Project Management Team for communicating and working effectively with other levels of government, community representatives and the general public
- Lead issues management; and
- Coordinate media and public information events.

Role of the CRD

The CRD's Corporate Communications division will provide the following corporate support to the Communications Advisor:

- Website hosting and content posting
- Review of media releases and distribution to outlets through CRD process
- Support with local media relations and interface; and
- Joint issues management, i.e., Project Board and CRD Board Chair.

Contract Schedule

The duration of this contract will begin immediately and continue through to the end of October 2016, with an option to extend the contract on a monthly basis until the end of the year if required. The Core Area Wastewater Treatment Project Board intends to release a proposal call for Phase 2 Communications and Engagement Advisory services once the Business Case is approved by the CRD Board and all senior government funders.

Available Budget

The proposed budget for this Communications is up to \$65,000, excluding GST.

Attachment: Terms of Reference – Core Area Wastewater Treatment Project Board

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.