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**Minutes of a Special Meeting of the Core Area Wastewater Treatment Project Board
Held Tuesday, February 7, 2017 in the Boardroom, 625 Fisgard Street, Victoria, BC**

Present: **Members:** J. Bird (Chair); D. Fairbairn (Vice Chair); B. Eaton; D. Howe; R. Lapham; C. Smith
CRD Staff: E. Scott, Deputy Project Director; K. Quale, Communications Coordinator; D. Dionne (recorder)
Regrets: J. Burke
Also in Attendance: S. Singh, Bennett Jones LLP

The meeting was called to order at 9:03 a.m.

1. Approval of Agenda and Statement of No Conflict

The members stated they did not have a conflict of interest with any of the agenda items.

MOVED by B. Eaton, **SECONDED** by D. Howe,
That the agenda be approved as circulated.

CARRIED

2. Approval of the January 30, 2017 Minutes

MOVED by D. Howe, **SECONDED** by B. Lapham,
That the January 30, 2017 minutes be approved.

CARRIED

3. Report of the Chair

Chair Bird deferred the report of the Chair noting that her updates are covered under Item 5.

4. Presentations/Delegations

M. Gardner, President of the James Bay Neighbourhood Association, presented on the Association's concerns regarding the construction of the conveyance line along Dallas Road to Ogden Point (presentation on file).

5. Project Board Business

5.1. Summary Report from the Project Director and Deputy Project Director

5.1.1. Harbour Resource Partners (HRP) Discussions (Slide 2)

E. Scott provided a brief update on the negotiations with HRP noting that HRP are supporting the development permit process and community and stakeholder engagement meetings. She also noted that the Traffic Management Plan for Esquimalt was submitted on February 3.

5.1.2. Land Use Permitting (Slide 3)

E. Scott advised that there are two rezoning matters underway one being with the Township of Esquimalt for rezoning at McLoughlin Point and the other being with the City of Victoria for the rezoning at Clover Point for the pump station upgrade.

5.1.2.1. Township of Esquimalt initiated rezoning/amenities and DP Application

Chair Bird advised that she attended the Council meeting at Esquimalt last night for the first and second reading of the Zoning Amendment Bylaw and noted that the final reading is scheduled for February 27 with a public hearing scheduled for February 20.

She advised that she also attended the Design Panel review meeting and noted and that HRP is providing a response to comments and questions, from the Panel, on February 9.

5.1.2.2. Clover Point Rezoning Application

E. Scott advised that this is a continued process from the Seatterra Program, noting that the application had been previously submitted and that little has changed since. The City of Victoria considered the Bylaw amendment on January 20 and it will go for first and second reading on February 9.

Chair Bird advised that the Esquimalt Amenity Agreements are part of the agenda package for Esquimalt's February 8 Committee of the Whole meeting and are available on their website. The Amenity Agreements are also available for viewing via the Core Area Liquid Waste Management Committee's agenda package for its February 8 meeting.

E. Scott presented a summary of Design Panel and Rezoning meetings (Slide 4), noting that the Project Team are having regular meetings to address resident, staff and council concerns.

5.1.3. Geotechnical testing work (Slide 5)

E. Scott presented a summary of the geotechnical testing, noting that phase one, Land based drilling at McLoughlin Point, is complete and the phase two, Harbour Crossing Alignment, will begin early February, with phase three, Outfall Pipe alignment, to begin between February and June, 2017.

5.1.4. First Nations engagement (Slide 6)

E. Scott advised that discussions with both the Songhees and Esquimalt Nations are ongoing.

5.1.5. Stakeholder and Community Outreach (Slide 7)

E. Scott presented a summary of what has been heard at the community meetings, noting that primarily construction impacts and ongoing operations impacts are the main concerns. It was noted that the CRD will need to step up its communications efforts around noise and odour mitigation.

- 5.1.6. Funding Agreements with senior governments (Slide 8)
 - E. Scott advised that the funding agreements are substantially complete and are all on target for mid-February execution.
- 5.1.7. Budget update (Slide 9)
 - E. Scott presented the draft budget noting that it is still in draft due to possible adjustments upon completion of year-end processes.
- 5.1.8. Schedule update
 - E. Scott presented the information noting that they are active in putting the management team together to prepare for construction and that project management plans would be coming forward soon.
 - 5.1.8.1. Key milestones (Slide 10)
 - The key milestones are laid out on slide 10 of the presentation.
- 5.1.9. Risks/challenges (Slide 11)
 - Chair Bird advised that the Project Board and Project Team have primarily been focused on the wastewater treatment plant aspects of the project due to the timelines related to zoning and licencing. This focus is also due to the project being in different planning stages and that the team will address the conveyance line and residuals treatment facility pieces of the project in due course.

5.2. Staff Report for Information: Project Management Office (PMO) Budget

E. Scott spoke to the report noting that the Project Board, at its January 10, 2017 closed meeting, approved the \$75.8 million budget, inclusive of the \$4.8 million contingency. The report includes approved organizational charts and a review conducted by KPMG outlining that the PMO Budget is within industry standard.

Discussion ensued and E. Scott provided this further information:

- The PMO Budget is firm, there will be a report coming forward that outlines the other allocations within the \$765 million control budget.
- The Finance Manager will take primary responsibility over the budget and will oversee the Senior Financial Analyst.

MOVED by B. Lapham, **SECONDED** by D. Fairbairn,
That the Project Management Office Budget be received for information.

CARRIED

5.3. Staff Report for Approval: Due Diligence Panel

E. Scott spoke to the report providing an overview of the selection process for the panel members and responded to questions from the Project Board. The following was noted:

- a. The Due Diligence Panel (DDP) was renamed from the Due Diligence Committee to provide clarity that this is not a CRD-appointed committee, but rather a panel of experts who will provide an impartial review of the Residuals Treatment Facility (RTF) procurement process.

- b. The Terms of Reference clearly note that the panel members report to the Project Board or the Project Team and that they are to provide due diligence with respect to the RTF procurement.
- c. The DDP will review the RFQ, the evaluation criteria and the submissions.
- d. They will provide a written report to the Project Board on their findings regarding the RFQ evaluation and the RFP evaluation.
- e. The RFP requirements for this panel overlapped that of the previous DDP and therefore the results of that previous RFP were used.
- f. The scope of work is not a fixed number of hours. Managing the scope will be the responsibility of the DDP Chair.
- g. An RFP was issued to a Partnerships BC pre-approved list of senior strategic advisor candidates. From that list, nine proposals were received. The nine proposals were reviewed by an evaluation committee of L. Hutcheson (CRD) and D. Hubner (Partnerships BC). They evaluated the proposals based on the evaluation criteria included in the RFP and assigned scores. Based on the scores assigned they reached consensus on the highest ranking members as proposed in this report.
- h. All members have indicated their availability to do the work.
- i. The DDP will review the final draft RFP criteria for the RTF to see how they will be applied. The criteria are included in the RFQ and RFP which will be coming forward to the Project Board for approval in March.

MOVED by D. Fairbairn, **SECONDED** by B. Lapham,
That the Project Team be approved to appoint the following to the Due Diligence Panel for the Residuals Treatment Facility:

- Mark Liedemann of Partnerships BC, with the role of chair of the Due Diligence Panel
- Jonathan Huggett; and
- Rick Steele

CARRIED
SMITH ABSTAINED

6. Correspondence

6.1. Correspondence received January 30 and 31, 2017

Chair Bird directed the Project Board's attention to a letter received from the Parent Advisory Committee for Macaulay Elementary School. She noted that the Project Board has confirmed to Esquimalt Council that the Traffic Management Plan will be discussed thoroughly with area schools and that a protocol will be set up with HRP and the Project Board to review the Plan with the Principals of the schools.

MOVED by D. Fairbairn, **SECONDED** by C. Smith,
That the Project Board received this correspondence for information.

CARRIED

7. **New Business**

No new business.

MOVED by B. Eaton, **SECONDED** by D. Howe,

8. **Motion to close the meeting in accordance with the *Community Charter, Part 4, Division 3, 90(1)(e)* the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality; **(j)** information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the *Freedom of Information and Protection Act*; **(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 municipality 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

9. **Adjournment**

On motion the Project Board adjourned the meeting and moved into closed session at 10:34 a.m.