

Wastewater Treatment Project



Quarterly Report (Reporting Period: December 25, 2017 to March 24, 2017)
April 04, 2017

Quarterly Report

The purpose of this report is to:

- Provide the Core Area Wastewater Treatment Project Board with a comprehensive quarterly report describing the status of the Project, specifically addressing the scope, budget and schedule of the Project
- Provide a quarterly status report to the CRD Board on the scope, budget and schedule of the Project.

Monthly Project Status (March 2017)

The dashboard below indicates the high level status of each contract with regards to the six Key Project Indicators (“KPI”) that were defined within the Project Charter.

Monthly Project Status (March 2017)												
Engagement Metrics	WTP Project Overall	WWTP	RTF	Residual Solids Pipes and Pump Stations	Macaulay Point Pump Station and Forcemain	Clover Forcemain	Clover Point Pump Station	Currie Pump Station	Currie Forcemain/ECl	Trent Twinning	Arbutus Attenuation Tank	Comments
Cost	●	●	●	●	●	●	●	●	●	●	●	
Schedule	●	●	●	●	●	●	●	●	●	●	●	
Safety	●	●	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	WWTP is the only contract where construction has started.
Regulatory Requirements	●	●	●	●	●	●	●	●	●	●	●	
Environment	●	●	●	●	●	●	●	●	●	●	●	
Stakeholders	●	●	●	●	●	●	●	●	●	●	●	Two Community Information Meetings to be held in April.

Safety

Safety management activities completed during reporting period:

- Personal Protective Equipment has been purchased for the Project Team
- The Safety Key Project Indicator has been established: *Delivering the Project safely with zero fatalities and a total recordable incident frequency of no more than 1*

Safety management activities initiated during reporting period:

- The Safety Management Plan is currently under development
- Recruitment for the Project's Safety Manager role is ongoing
 - The Construction Manager is fulfilling the role of Safety Manager until the position is filled

Safety

Safety management activities planned for the next quarter:

- Review of Harbour Resource Partner's ("HRP") Project Safety Plan. The plan is scheduled to be submitted on April 10, 2017
- Perform Project site inspections in conjunction with HRP
- Set up of the format and process for safety statistics data collection
- Set up of the format for the safety statistics monthly report
- Victoria (James Bay) traffic management plan review
- CRD Project Office Inspection
- Provide Safety Orientations to CRD staff

Environment

Environmental management activities completed during reporting period:

- The archaeological study for the Clover Point Pump Station and Forcemain and is complete
- The draft Archeological Overview Assessments have been completed for the Clover and Macaulay Forcemains and the ECI Trent Twinning components.
- The draft Environmental Overviews have been completed for the Clover and Macaulay Forcemains.
- The Environmental Effects Determination Report for the Project's activities on the Department of National Defence lands at Work Point has been completed.

Environment

Environmental management activities initiated during reporting period

- A permit tracking system is under development for each of the three Project components, identifying all of the permits required and who is intended to be responsible for obtaining the permit (the CRD or the relevant contractor)
- The archaeological study for the Macaulay Point Pump Station and Forcemain

Environmental management activities planned for the next quarter:

- The environmental studies for Clover Point and Macaulay Point Forcemain
- HRP will continue the permitting process for the McLoughlin Point Wastewater Treatment Plant

Regulatory Management

Approvals received during reporting period

- Re-zoning of McLoughlin Point site
- Development permit for the Wastewater Treatment Plant
- Re-zoning of the Clover Point Pump Station
- Permits from Transport Canada and Nav Can, and a letter of advice from Department of Fisheries and Oceans to enable to geotechnical works associated with the cross-harbour forcemain.

Agreements entered into over the reporting period

- Two agreements with the GVHA for activities on GVHA lands
- An Agreement with DND to authorize works on DND lands at Work Point
- Licence from Transport Canada to authorize cross-harbour forcemain geotechnical works

Regulatory Management

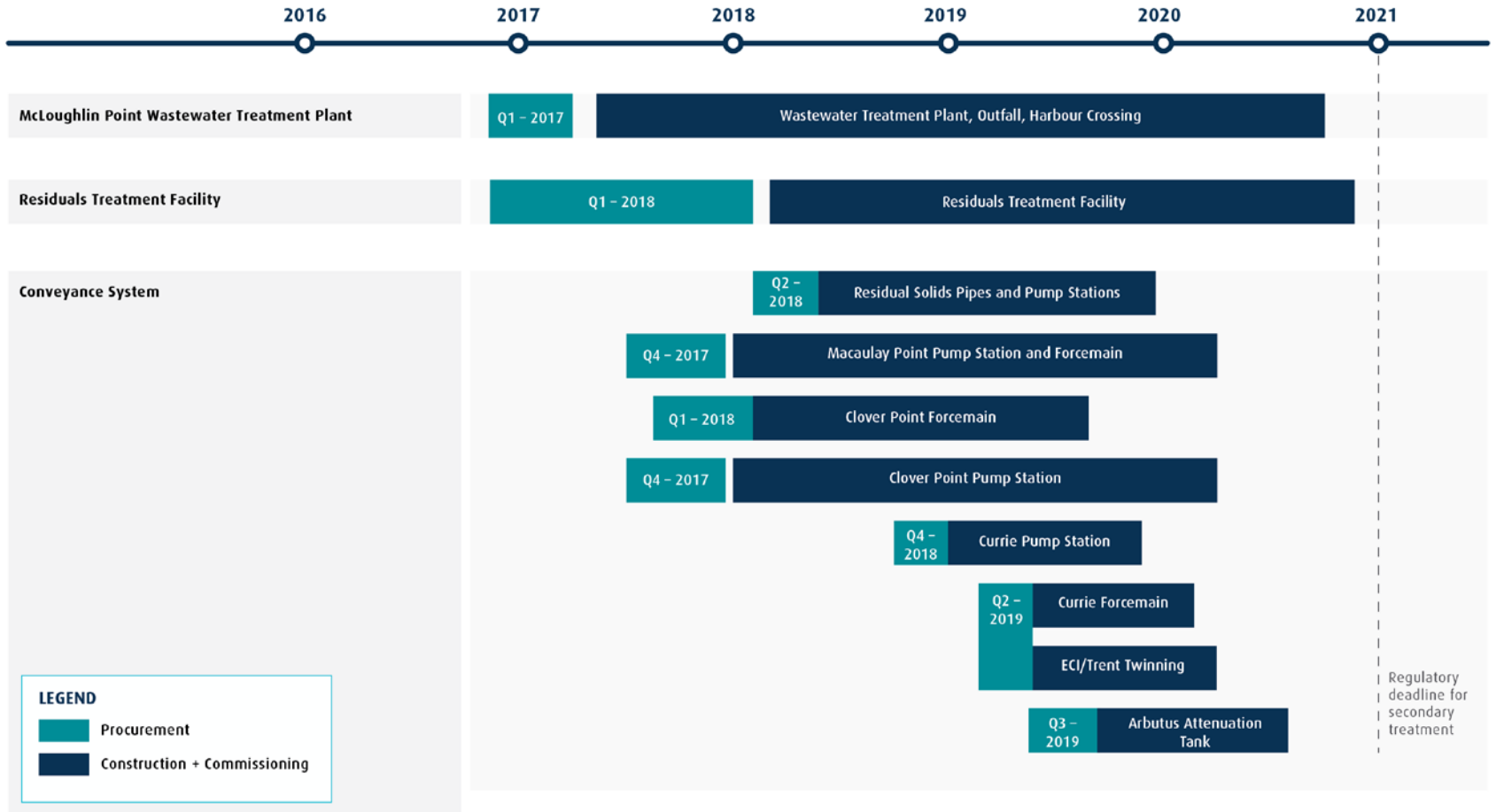
Agreements entered into over the reporting period cont.

- Lease with Matullia Holdings for use of Rock Bay site as Laydown area
- Three agreements relating to amenities provided to Esquimalt
- Agreements with Victoria to authorize work on the Clover Point Pump Station and Clover Forcemain
- Support agreements with the Esquimalt and Songhees Nation

In the next quarter the Project will:

- Progress the required permits to undertake the Project's scheduled activities
- Continue engaging with regulators and provide timely information to facilitate the Project's permitting schedule
- Track and meet its commitments, including reporting and financial commitments under the various agreements

Wastewater Treatment Project Schedule



Cost and Forecast

The Key Project Indicator of *'Deliver the Project within the Control Budget (\$765 million)'* has been defined.

The below table shows the allocation of the Control Budget into the three major Project components as presented in the Business Case and compares it against the Wastewater Treatment Project actual cost to February 28, 2017.

Program Summary Report Summary of Project Expenses to February 28, 2017 (in \$ millions)		
	Budget	Cost to Date
Wastewater Treatment Plant	384.8	16.3
Conveyance System	188.5	20.5
Residuals Treatment Facility	191.6	8.1
Total	764.9	44.9

Project Progress

McLoughlin Point Wastewater Treatment Project

- A \$272 million construction contract has been awarded to Harbour Resource Partners to Build the McLoughlin Point Wastewater Treatment Plant.
- HRP were selected by the CRD through a competitive selection process and is a consortium of experienced firms including AECOM Canada, Graham Infrastructure, CEI, SENA, Gracorp and Michels Canada.
- On March 14, 2017, the Project successfully reached financial close and entered into a Project Agreement with HRP.
- Construction will begin in April on the treatment plant and the undersea forcemain.

Project Status

Residuals Treatment Facility

- Request for Qualifications (RFQ) closed February 9, 2017 (seven submissions received) and the
- Evaluation of RFQ submissions is being finalized
- Evaluation was monitored by a fairness advisor, a due diligence panel, and a relationship review committee
- A conflict of interest adjudicator was available during the process
- Shortlist of three proponent will be invited to participate in the Request for Proposals (RFP)
- The RFP and Initial Draft Project Agreement has been developed based on provincial standards.
- The RFP will require technical proposals to be submitted in early fall 2017 and the contract is expected to be executed in early 2018.

Project Status

Conveyance System

- Draft Archeological Overview Assessments have been completed for the Clover and Macaulay Forcemains and the ECI Trent Twinning
- Draft Environmental Overviews have been completed for the Clover and Macaulay Forcemains
- Draft Geotechnical drilling programs have been developed for the Clover Forcemain and Macaulay Point Pump Station and Forcemain
- Progress is being made with the Topographic surveys for the Clover and Macaulay Forcemains and the ECI Trent Twinning
- Updates to the Clover Point Pump Station Tender documents and Macaulay Point Pump Station and Forcemain Request for Qualifications documents are underway
- Meetings with those authorities in which the conveyance pipes will be located are being planned

Risk and Key Issues

Risk Event	Risk Ranking			Risk Status
	Low	Medium	High	
Pre-procurement scope growth/creep		★		Planned Hartland site geotechnical and archaeological surveys to align budgeted versus representative conditions.
Delays during procurement phase	★			RTF RFP is under development
Archaeological findings			★	Archaeological Overview Assessments for the Clover and Macaulay Forcemains and the ECI Trent Twinning components is under way.
Unexpected geotechnical conditions during site investigation conveyance excavation (DBB)		★		Geotechnical surveys for the Clover Forcemain and Macaulay Point Pump Station and Forcemain Projects is in progress.
Unexpected contaminated soil conditions during investigations		★		Environmental Overviews studies for the Clover and Macaulay Forcemains ongoing.
Start-up of PMO office is delayed and impacts the management of the project		★		Hiring of Project Team leadership roles continues.
Stakeholder Engagement		★		Community information sessions are planned for April.

Contingency

- The Wastewater Treatment Project contingency budgets and initial contingency drawdown curves have been developed for each of the Project components and will be presented for approval within the next reporting period.
- The Project Team will communicate status of contingency to the Project Board through updated contingency drawdown curve from the next reporting period onwards.

First Nations

- Support Agreements with both the Songhees and Esquimalt Nations were finalized in Q1 2017
- The agreements provide the CRD with Letters of Support for all aspects of the Project.
- Two First Nations Liaison positions will be created to facilitate communications between and among the CRD and the Chiefs and Councils. The liaisons will also assist with cultural and archaeological protocols.
- Communications and Engagement with other neighbouring First Nations, who are not directly impacted by the Wastewater Treatment Project but who may have an interest in receiving updates, will be undertaken with support from the CRD's First Nations Relations division.

Communications and Engagement Activities

- Communications and Engagement Plan developed
- Comprehensive stakeholder lists developed
- News release developed and distributed:
 - March 16 - Construction Starting on Capital Regional District's Wastewater Treatment Project
- Pre-Construction Notices developed and distributed:
 - Jan. 6 - Geotechnical Drilling
 - March 7 - Site Clearing Activities
 - March 16- Geotechnical Work for the Cross Harbour Forcemain and McLoughlin Point Outfall
- Communication protocols outlining roles and responsibilities for construction contractors for the construction communications program have been developed;
- Responded to public inquiries;

Communications and Engagement Activities cont.

- Attended and provided Project information at six community / stakeholder meetings:
 - Jan. 11 - James Bay Neighbourhood Association
 - Jan. 11 - Fairfield Gonzales Community Association
 - Jan. 12 - Esquimalt Public Open House #1
 - Jan. 14 - Esquimalt Public Open House #2
 - Jan. 18 - Department of National Defence Open House
 - March 8 - James Bay Neighborhood Association;
- The Terms of Reference for the Local Government Technical Engagement Program have been developed;
- Materials developed and notification completed for April 5 and April 12 Community Information Meetings; and
- The website (wastewaterproject.ca) has been updated for the construction period.

Planned Communications and Engagement Activities

- Project information phone line to be set up;
- Information to be developed regarding construction activities at Ogden Point and McLoughlin Point for website and public meetings; and
- Community Information Meetings to be held in Victoria on April 5, 2017 and Esquimalt on April 12, 2017.