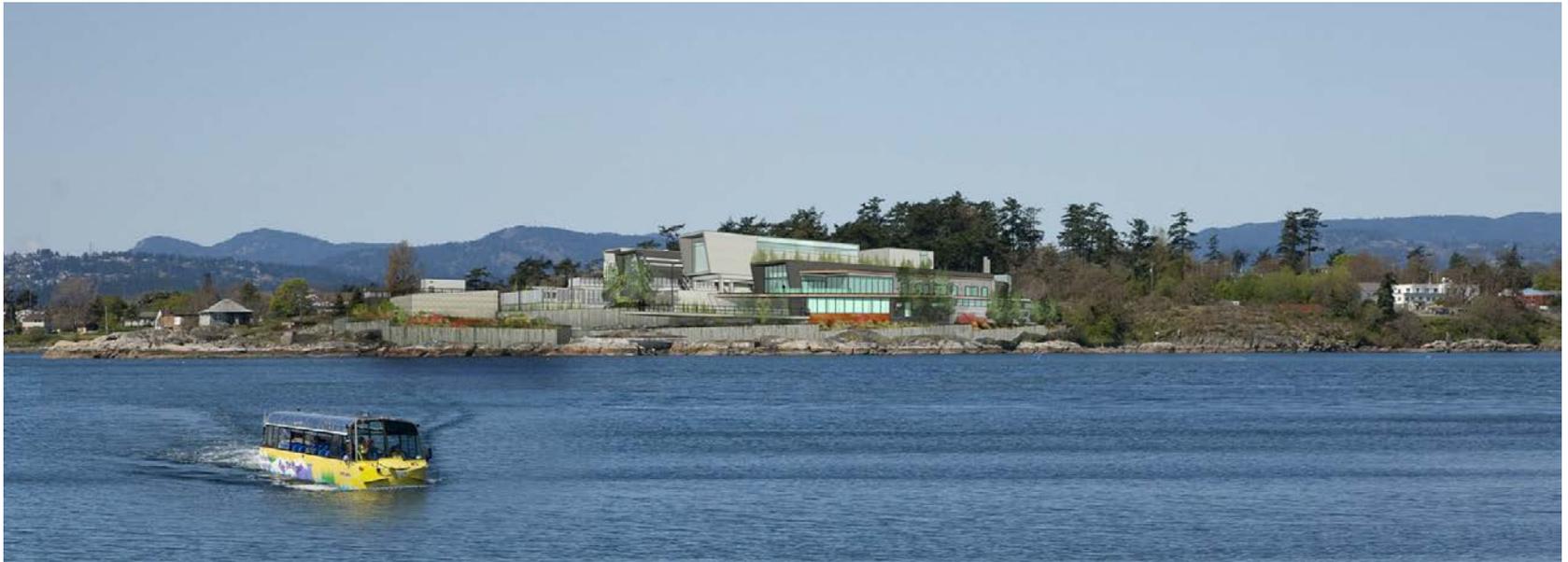


# Core Area Wastewater Treatment Project Board



May 2017 Monthly Report  
July 04, 2017

# May Monthly Report

Overall the Project is progressing as planned.

- The construction phase of the McLoughlin Point Wastewater Treatment Plant (WWTP) is progressing in accordance with the schedule, with materials and equipment beginning to be mobilized and construction sites being prepared.
- Procurement of the Residuals Treatment Facility (RTF) is on track and the Request for Proposals (“RFP”) stage is progressing as planned.
- Two of the seven Conveyance System contracts entered the procurement phase over the reporting period: Clover Point Pump Station and Macaulay Point Pump Station and Forcemain. The remaining five are in the engineering phase.

# Monthly Project Status (May 2017)

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

Key Performance Indicators		WTP Project Overall	WWTP	RTF	Conveyance System	Comments
Safety	Deliver the Project safely with zero fatalities and a total recordable incident frequency (TRIF) of no more than 1*.					No safety issues
Environment	Protect the environment by meeting all legislated environmental requirements and optimizing opportunities for resource recovery and greenhouse gas reduction.					No environmental issues.
Regulatory Requirements	Deliver the Project such that the Core Area complies with provincial and federal wastewater regulations.					No regulatory issues.
Stakeholders	Continue to build and maintain positive relationships with First Nations, local governments, communities, and other stakeholders.					Extensive engagement activities were completed in the reporting period related mainly to the Ogden and McLoughlin Point construction activities. Significant efforts will continue to be made to provide accurate and timely information to stakeholders.
Schedule	Deliver the Project by December 31, 2020.					No schedule issues.
Cost	Deliver the Project within the Control Budget (\$765 million).					Project expenditures within Control Budget.

# Safety

	Reporting Period (May 2017)	Project Total to-Date (from January 1, 2017)
<b>Person Hours</b>		
CRD PMO	2852	6989
Project Contractors	6693	12326
Total Person Hours	9545	19315
<b>Number Of Employees</b>		
CRD PMO	20	
Project Contractors	37	
Total Number Of Employees	57	
<b>Number Of Occurrences</b>		
Near Miss Reports	0	0
High Potential near Miss Reports	0	0
Report Only	0	0
First Aid	0	0
Medical Aid	0	0
Medical Aid (Modified Duty)	0	0
Lost Time	0	0
Total Recordable Incidents	0	0
<b>Frequency Rates</b>		
First Aid Frequency	0	0
Medical Aid Frequency	0	0
Lost Time Frequency	0	0
Total Recordable Incident Rate	0	0

# Environment

- The PMO's Environmental, First Nations and Regulatory Manager role was filled at the end of the period.
- HRP prepared environmental protection plans in anticipation of construction activities beginning at Ogden Point, McLoughlin Point sites and the laydown areas located on adjacent DND land;
- Stantec prepared a Project-wide environmental management plan to act as a framework for staff and contractors working on the Project;
- Baseline environmental impact studies; contaminated sites assessments and archaeological assessments from the previous iteration of the Project were reviewed and shared with HRP, Stantec, Millennia and proponents.
- These studies were used to inform permit applications and the development of environmental management plans and environmental protection plans.

# Regulatory Management

- The PMO continued to meet the CRD's commitments under Project-related agreements.
- The Project Team and HRP are progressing construction-related regulatory approvals in accordance with the overall schedule. Key permitting activities for the reporting period included:
  - blasting notification sent by HRP to Nav Canada;
  - building and development approvals issued by the City of Victoria for temporary structures at Ogden Point;
  - baseline studies and assessments completed by HRP related to permit and license applications for geotechnical investigations to proceed on the outfall and Horizontal Directional Drilling (“HDD”);
  - the application for the Facility Alteration Permit and Licence from Transport Canada for the HDD of the cross harbour forcemain progressed;

# Regulatory Management

- Key permitting activities for the reporting period continued:
  - the application for the Facility Alteration Permit and Licence from Transport Canada for the McLoughlin Point outfall is under review by the PMO; and
  - Archeological (Heritage Act) permits from the Ministry of Forests, Lands, and Natural Resource Operations for the Project are in development by Millennia, the PMO's archaeological contractor.
- Engagement with municipal, provincial and federal government departments continued; activities included:
  - the PMO conducted a project update and briefing session for Environment and Climate Change Canada; and
  - the PMO conducted ongoing operational and construction related meetings and updates with DND.

# First Nations

- First Nations communication and engagement progressed as planned.
- Meetings in May with the Esquimalt and Songhees administrators finalized the First Nations liaison positions as separate, independent positions that will operate cooperatively.
- The Pauquachin Nation responded to the Project construction notice and invitation letters sent in April and requested an opportunity to discuss the Project further. The PMO will work with CRD First Nations Relations to follow up directly with Pauquachin representatives.
- The Integrated Water Services (IWS) GM will attend a meeting with the WSANEC Leadership Committee (a committee made up of Saanich First Nations Chiefs, Council members and elders) in mid-June, to provide a Project overview, and extend an invitation for a follow-up meeting with the PMO.

# Stakeholder Engagement

- As outlined in the Project's approved Communications and Engagement Plan, Now that the Project has transitioned to the construction phase the key focus of the communications and engagement activities is to keep residents and stakeholders informed of Project plans, progress and construction information, and to receive and respond to questions and concerns raised by the community. (See sections 2.4.1-2.4.5 for details)
- Extensive engagement activities were completed in the reporting period through a variety of on-going communications tools, including:
  - door-to-door notifications
  - construction advisories
  - emails to stakeholders
  - website updates (including Community Questions, construction notices and media releases)
  - 24-7 phone information line
  - meetings with stakeholders

# Resolutions from Other Governments

## City of Victoria

- The Project Board received the following resolution from the City of Victoria's May 11th Council meeting:

*That Victoria Council request that the Project Board put in place risk mitigation measures to protect the Dallas Road Bluffs during construction including but not limited to:*

- a. Assembling an interdisciplinary team to study and address the protection of the bluffs.*
- b. As part of the detailed design of the conveyancing, include a plan for the preservation of the bluffs.*

*That the Victoria City Council request the Project Board to report out to the public at one of their regular community meetings, to the JBNA and to Victoria City Council on the measures.*

- The Project Team's plans to address this resolution were covered in section 2.9.1 of the Project's April Monthly Report, as this resolution was related to a resolution received from the Core Area Liquid Waste Management Committee's April 12th meeting.

# Resolutions from Other Governments

## District of Saanich

- Mayor Richard Atwell sent a letter dated June 2, 2017 to the Chair of the Project Board that included a motion passed by the District of Saanich's Bicycle and Pedestrian Mobility Advisory Committee at its May 18, 2017 meeting. The letter is attached as Appendix A and the Committee's May 18 motion is in italics below.

*That the Bicycle and Pedestrian Mobility Advisory Committee write to the CRD Wastewater Treatment Project Board to inquire about the proposed sewer pipeline conveyance route as it travels through Saanich, and the proposed consultation timeline for this project.*

- The letter is included in the Project Board's July 4th meeting agenda and it is anticipated the Project Board will discuss the matter at that time.

# Project Schedule

- All scheduled activities were progressed as planned.
- A number of Project planning related activities were ongoing over the reporting period.
- Key amongst these were schedule integration activities including:
  - Further Refinement of the Project schedule to align with the Work Breakdown Structure (“WBS”) framework;
  - Ongoing review of HRP’s baseline schedule and incorporation into the Project’s schedule.

# Project Schedule



# Project Schedule – 30 Day Lookahead

Key activities and milestones for the next 30 days are:

- completion of construction of noise wall at Ogden Point
- installation of casing in preparation for horizontal directional drilling
- review of various HRP environmental and safety plans
- review of HRP permit applications prior to submission to regulators
- ongoing site preparation at Mcloughlin Point site
- geotechnical investigations along Dallas Road
- cost loading of Project Schedule
- meetings with CRD operational staff and BC Ministry of Environment to facilitate Operational Certificate development and MWR (Municipal Wastewater Regulation) registration
- submission by the PMO to the BC Ministry of Forests, Lands, and Natural Resource Operations of archaeology permit to cover entire construction program

# Project Schedule – 30 Day Lookahead

Key activities and milestones for the next 30 days continued:

- documentation to Infrastructure Canada as per section 19 (Aboriginal Consultations) of the two Infrastructure Canada funding agreements
- finalization of the Incident Communications Plan

# Project Schedule – 60 Day Lookahead

Key activities and milestones for the next 60 days are:

- appointment of First Nations liaison positions
- submittal of 30% design by HRP for the WWTP
- closure of the Request for Qualifications for the Macaulay Point Pump Station and Forcemain Design-Build contract
- commencement of RFP process for Clover Forcemain Design
- commencement of RFP process for Residuals Solids Pipes and Pumping Stations Engineer of Record
- commencement of blasting and excavation at McLoughlin Point
- commencement of horizontal directional drilling activities for the Harbour Crossing between Ogden Point and McLoughlin Point

# Cost Management and Forecast

- The Project expenditures for the reporting period were as expected and the forecast to completion remains the Control Budget (\$765 million).
- The main Project expenditures incurred over the reporting period were associated with: WWTP construction activities; third-party commitments; communications and engagement activities and PMO-related costs.

## Cost and Finance System Set up

- The allocation of the Project's Control Budget, and associated implementation of the Prolog Project cost management software system was ongoing.
- The WBS structure and WBS dictionary were approved in the reporting period. The approved WBS was created in Prolog and SAP and the transfer of costs was initiated. The historical WBS was closed for posting and the new WBS codes were distributed for use.
- The allocation formulas were defined in Prolog to enable reporting the Project on the three major Project Components. The mapping of grant funding and its allocations in Prolog is under development.

# Cost Management and Forecast

## Commitments

- No significant financial commitments were made during the reporting period.

## Expenses and invoicing

- The Project expenditures were within the budget allocations for each of the budget areas, with no variance to the planned budgets during the reporting period.

## Contingency

- No contingency funds were drawn during the reporting period.

# Asset Management Cost Report

## as at May 31, 2017 (\$ millions)

Project Component	Control Budget	Cost Expended				
		Expended to April 30, 2017	Expended over May 2017	Expended to May 31, 2017	Expended to May 31, 2017 As a % of Control Budget	Remaining (unexpended) Budget at May 31, 2017
McLoughlin Point Wastewater Treatment Plant <sup>A</sup>	378	21	5	26	7%	352
Residuals Treatment facility <sup>A</sup>	195	9	1	10	5%	185
Conveyance system <sup>A</sup>	192	23	1	24	13%	168
<b>Total costs</b>	<b>765</b>	<b>53</b>	<b>7</b>	<b>60</b>	<b>8%</b>	<b>705</b>

A – Including PMO and Common Costs

\*Values presented in \$millions, results in minor rounding differences

\*\*Prolog/SAP integration is in progress. Reporting is based on available information.

# Asset Management Cost Report

as at May 31, 2017 (\$ millions)

Project Component	Control Budget	Commitments		
		Total Commitment at May 31, 2017	Unexpended Commitment at May 31, 2017	Uncommitted Budget at May 31, 2017
McLoughlin Point Wastewater Treatment Plant <sup>A</sup>	378	315	289	64
Residuals Treatment facility <sup>A</sup>	195	12	2	184
Conveyance system <sup>A</sup>	192	26	2	166
<b>Total costs</b>	<b>765</b>	<b>352</b>	<b>292</b>	<b>413</b>

A – Including PMO and Common Costs

\*Values presented in \$millions, results in minor rounding differences

\*\*Prolog/SAP integration is in progress. Reporting is based on available information.

# Asset Management Cost Report

## as at May 31, 2017 (\$ millions)

Project Component	Control Budget	Forecast		Variance	
		Forecast to complete	Forecast at completion	Variance at Completion \$	Variance at Completion As a % of Control Budget
McLoughlin Point Wastewater Treatment Plant <sup>A</sup>	378	352	378	-	0%
Residuals Treatment facility <sup>A</sup>	195	185	195	-	0%
Conveyance system <sup>A</sup>	192	168	192	-	0%
<b>Total costs</b>	<b>765</b>	<b>705</b>	<b>765</b>	<b>-</b>	<b>0%</b>

A – Including PMO and Common Costs

\*Values presented in \$millions, results in minor rounding differences

\*\*Prolog/SAP integration is in progress. Reporting is based on available information.

# Key Risks and Issues

Risk No.	Risk	Risk Status	Risk mitigation activities undertaken or planned in the reporting period	Assessed risk level (based on likelihood and potential impact)	Trend in risk level from previous reporting period
1	First Nations engagement	The assessed risk level reflects the PMO’s priority of establishing strong and effective relationships with First Nations interfacing with, or interested in, the Project.	First Nations engagement activities remained ongoing over the reporting period.	M	No change
2	PMO Start up: development and implementation of systems, plans and processes	The roll-out of the PMO systems and the development of the Project Management Plan and key subsidiary plans was ongoing over the reporting period.	The development of Project management plans and supporting systems implementation remained ongoing as resources were hired. Advisors were also engaged to provide support on an interim basis.	M	No change
3	PMO Start up: Hiring of staff	The hiring of key staff remained a priority with a number of senior staff operating in interim capacities across a number of functional and project management roles.	Hiring of project office staff continued over the period, with the PMO FTEs increasing from 14 to 20.	M	No change
4	Divergent interests between multiple parties and governance bodies whose co-operation is required to successfully deliver the project	As detailed in section 2.5 a number of local government authorities and management committees met over the period and passed resolutions	The Project Board considered and responded to resolutions from other governments.  The Project Team hosted a technical working group meeting with Saanich.	M	No change

# Key Risks and Issues

Risk No.	Risk	Risk Status	Risk mitigation activities undertaken or planned in the reporting period	Assessed risk level (based on likelihood and potential impact)	Trend in risk level from previous reporting period
6	Divergent interests between multiple parties and governance bodies whose co-operation is required to successfully deliver the Project	As detailed in section 2.5 a number of local government authorities and management committees met over the period and passed resolutions.	<p>The Project Board considered and responded to resolutions from other governments.</p> <p>The Project Team hosted a technical working group meeting with Saanich.</p>	M	No change
7	Misalignment between Project objectives/scope and stakeholder expectations	The assessed risk level reflects the PMO's priority of establishing strong and effective community stakeholder engagement.	Community engagement activities were on-going over the reporting period.	M	No change
10	Senior government funds issue delayed	The assessed risk level reflects the PMO's priority of ensuring project funding commitments are honoured.	Responsibility for meeting funding commitments have been assigned and are monitored.	M	No change
18	Provincial or Federal government/agency permit requirements not met	Project Component required Provincial or Federal permit conditions are not met by WTP works contractors resulting in delays or work stoppage.	The Project Team will compile and maintain a permit compliance register to monitor and manage Project permit condition compliance by the WTP works contractors.		Added

# Project Status

All Project components are progressing according to plan.

## WWTP:

- The construction phase of the WWTP is progressing in line with the schedule, with HRP furthering design and beginning to mobilize materials and equipment
- The majority of work on the WWTP Project Component consisted of preparation for the Harbour Crossing at Ogden Point.



# Project Status

All Project components are progressing according to plan.

## RTF

- The RTF is in the procurement phase and progressed as planned.
- During the reporting period a proponent kick off meeting was held, the first Addendum was released, the first round of collaborative meetings were held and enquiries were received from Proponents.

## Conveyance System

- The Conveyance System is in the engineering and procurement phase.
- During the reporting period the indicative designs were progressed for the RTF pipes and pump stations, and, as noted, the Clover Point Forcemain and the RFQ for the Macaulay Point Pump Station and Forcemain and the RFP for the Clover Point Pump Stations were issued.

# Questions?