

**REPORT TO CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE
MEETING OF WEDNESDAY, 25 JULY 2007**

SUBJECT CORE AREA MUNICIPALITIES FEEDBACK

PURPOSE

The purpose of this report is to provide the Core Area Liquid Waste Management committee (CALWMC) with information respecting requests from the Township of Esquimalt and the Town of View Royal.

BACKGROUND

The Capital Regional District (CRD) Board has approved the submission of the amendment to the Core Area Liquid Waste Management Plan (LWMP) and supporting documents to the minister of environment by the end of June 2007.

The supporting report, *The Path Forward*, provides a strategy to move the core area to secondary level wastewater treatment by 2016. Feedback on the strategy has been received from the Township of Esquimalt and the Town of View Royal.

Specifically, the requests from the mayor and council of Esquimalt are:

Request

Adopt a triple-bottom-line (TBL) evaluation process that includes a competitive design process.

Response

Not only has the TBL approach been used in the evaluation of the alternative sites and routes, a TBL approach has been adopted by the CRD Board for all CRD business.

The TBL framework, which is the focus of discussion paper No. 2, is designed to provide a framework to understand the cost and benefits of alternatives across a spectrum of social, economic and environmental attributes. Goals were developed for each of the three key areas and, for each goal, a set of criteria was selected to measure how well an alternative achieves the particular goal. The summary of the TBL analysis is that the decentralized integrated system was the best approach for the wastewater management strategy.

The TBL will continue to be utilized in both the siting process and the evaluation of resource recovery and reuse options in Phase II of the project.

With respect to the latter part of the Esquimalt request, "a competitive design process", Ernst & Young has been retained to evaluate the various design and construction options. Included in this will be the review of various procurement methods, including design/build and design/build/operate.

Request

Ensure all new and expanded sewer treatment and disposal installations are good neighbours to the existing communities.

Core Area Liquid Waste Management Committee – 25 July 2007
Re: Core Area Municipalities Feedback
Page 2

Response

A team, headed by Westland Resources Group Inc., has been retained to:

1. identify optimum sites for sewage treatment facilities;
2. assess potential impacts of construction and operation;
3. recommend mitigation measures to avoid or reduce identified impacts; and
4. communicate findings to the public.

While it is difficult to provide construction and operational guarantees, as requested by Esquimalt, this review will identify potential impacts and will recommend mitigation measures. This would include road deterioration along routes to treatment plants.

Request

Convene a joint steering committee consisting of representatives from the Department of National Defence (DND), the CRD and the Township of Esquimalt.

Response

This request was also forwarded to the DND by the Township of Esquimalt. The DND has declined this request.

CRD staff have, to date, met with staff from both the DND and Township of Esquimalt throughout the process, when needed. Staff will continue to dialogue with other agency staff to seek their input and to assure they are kept current on the process.

Request (from both Township of Esquimalt and the Town of View Royal)

"Engage an alternative "college of well qualified second opinion and expertise" commissioned to examine and propose alternative financial strategies and allied technical means that incorporate contemporary treatment and resource recovery values, that look for an integrated networked and distributed set of treatment and investments that can be implemented in an incremental fashion and whose final conclusions are the removal of current environmental concerns centered on existing outfalls, the maximum possible amelioration of future local and global environmental concerns and the provision of a financial plan that accomplishes these concerns without placing an undue burden on financial resources."

Response

Throughout the development of the strategy for sewage treatment, Dr. Bruce Jank, a sewage expert from eastern Canada, has been involved to provide an independent opinion on the process. Dr. Jank's final report will be received within the month.

An additional independent financial advisor, Peter Adams, has been retained to provide his views on the fairness and methodology utilized in the procurement review and business case development.

Certainly, with any large capital project, a peer review and value engineering process are used to determine that the project is utilizing the best strategy, is cost effective and will perform in the long-term as per the goals of the project, sometimes known as a blue panel review.

A peer review process has been used recently in the Fort McMurray and Halifax sewage projects. Costs are quite substantial, usually in the range of \$200,000 to \$250,000, as it draws on experts within the country and potentially from the United States. Therefore, the project should be substantially advanced to take advantage of the second opinion of the panel of experts.

Within the scope of the core area wastewater treatment project, it is felt that an appropriate time for such a review would be upon completion of Phase II. The panel would then be able to comment on:

1. the wastewater strategy;
2. the siting process;
3. the business advisory review; and
4. the evaluation of the resource recovery and reuse review.

Valuation engineering would possibly be used in the future, after project design, to identify cost savings initiatives for the project.

ALTERNATIVES

1. That the CALWMC recommend to staff to provide specific feedback consistent with the information provided in this report, to the Mayor and Council of the Township of Esquimalt and the Town of View Royal.
2. That the CALWMC recommend to staff to develop a peer review process to provide a second opinion on the wastewater treatment strategy as submitted to the minister of environment.

FINANCIAL IMPLICATIONS

Should the CALWMC wish to have a peer review conducted, the costs are presently not accounted for within the present budget. However, it is anticipated that a borrowing bylaw will be brought forward at the next CALWMC meeting to cover costs for Phase II of the project.

SUMMARY/CONCLUSIONS

As the project proceeds, there will continue to be the need to communicate and seek input from the member municipalities and the public. To date, a communication program was implemented for the strategy and is being developed for Phase II of the project.

The general manager of Environmental Services is presently providing a brief presentation to member municipalities on the status and future direction of the project.

RECOMMENDATION

That the Core Area Liquid Waste Management committee request staff to respond to the request from the Township of Esquimalt and the Town of View Royal with information as noted in this staff report.

D. Kalynchuk, PEng
General Manager, Environmental Services

COMMENTS

DK:wg
Attachments: 4



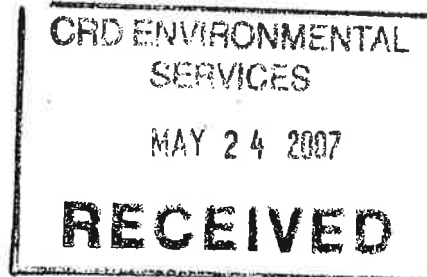
CORPORATION OF THE TOWNSHIP OF ESQUIMALT

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May 22, 2007

Capital Regional District
PO Box 1000
Victoria, BC
V8W 2S6



Office of the Mayor

File: 5340-/370-

Attention: Denise Blackwell, Board Chair

Dear Ms. Blackwell:

As the Capital Regional District Board works through the planning process for the Core Area Sewage Treatment Plant, Council of the Township of Esquimalt requests that the Board consider the following two requests:

1. Adopt a Triple-Bottom Line Evaluation Process that includes a competitive design process

Council of the Township of Esquimalt is concerned that basic assumptions were made very early in the process that limit the alternatives being truly considered for sewage treatment and disposal.

Council believes the Capital Region should be a leader in sustainable development. The Capital Region should be giving full consideration to sustainable treatment and disposal options. The Board is well aware of successful water re-use and energy generation practices in other jurisdictions.

The CRD Board should adopt a strategy that would enable a true triple-bottom line evaluation of the treatment and disposal options. The CRD Board may wish to borrow from the City of Victoria, which with Dockside Green, completed one of the country's most successful municipal triple-bottom line evaluation processes.

Development of an evaluation process that assigns values for identified economic, environmental and social objectives would enable the CRD to measure the sustainable effectiveness of all treatment and disposal options. If the CRD was then to invite proposals from qualified proponents to submit designs with guaranteed construction costs which would be evaluated based on the triple-bottom line evaluation tool, the Capital Region could truly lead the country in sustainable development.

I am sure CRD Board members are aware that the design-build process harnesses the synergy created by having designers and builders on the same team to develop effective, creative solutions and ensures that design is part of the competitive process as well as the traditional construction.

By requiring complete proposals to be evaluated against a triple-bottom line evaluation tool, the CRD will ensure the best possible solution.

2. Ensure all new and expanded sewer treatment and disposal installations are good neighbours to the existing communities

The current treatment options being considered by the CRD could result in plants being constructed in up to four different municipalities. Each of the existing neighbourhoods surrounding these sites will be concerned with prolonged heavy construction activity, on-going operational traffic, potential odour pollution and other neighbourhood issues. The CRD Board, in order to alleviate the concerns of its residents, should adopt construction and operational guarantees to alleviate these concerns and ensure the municipalities hosting facilities do not incur new costs, particularly relating to road deterioration along routes to the treatment plants.

In conclusion, Council of the Township of Esquimalt believes residents of the Capital Regional District would be better served if designs were competitively tendered together with construction and proposals evaluated based on a triple-bottom line basis.

Moreover, Capital Region residents would be more comfortable with the remainder of the process if the Board committed to specific good neighbour policies.

Thank you for your consideration.

Yours truly,



Chris Clement
Mayor

cc: D. Kalynchuk, General Manager, CRD

/dd



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

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Office of the Mayor

May 25, 2007

Chair Denise Blackwell
Capital Regional District
PO Box 1000
625 Fisgard Street
Victoria, BC V8W 2S6

Dear Chair ~~Blackwell~~: *Denise,*

Discussions between the Capital Regional District and the Department of National Defence regarding possible de-evolution of land for a potential sewage treatment plant at Macaulay Point and Macaulay Point park lands (currently controlled in a lease agreement by the Township of Esquimalt) are ongoing.

The Township of Esquimalt respectfully suggests that in order to adequately ensure that the interests of our community are considered it would be appropriate to convene a Joint Steering Committee consisting of representatives from the Department of National Defence, the Capital Regional District and the Township of Esquimalt. Such a committee would allow for tri-partite communications between the three aforementioned parties in a meaningful and comprehensive manner. To this point our Council has been receiving information on a second hand basis, a situation which does not serve us adequately. We respectfully make this request in the hope of contributing to a positive relationship as the issue of regional sewage treatment is considered.

We trust this request will be met with a positive response.

Sincerely,

Chris Clement
Mayor

CC/dl

CC: Dwayne Kalynchuk

CRD ADMINISTRATION



JUL 9 - 2007

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

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RECEIVED

July 6, 2007

File: 360-20-115

Mr. Kelly Daniels
Chief Administrative Officer
Capital Regional District
Box 1000
Victoria, B.C., V8W 2S6

Dear Mr. Daniels:

Re: Proposed Waste Water Treatment Facility

At the regular meeting of Council held July 3, 2007, Council considered the correspondence dated June 21, 2007, from the Town of View Royal to the Capital Regional District, regarding the proposed waste water treatment facility. Esquimalt Council supports the motion from the Town of View Royal, and accordingly resolved as follows:

That the Township of Esquimalt requests the CRD Board to engage an alternative "college of well qualified second opinion and experience" commissioned to examine and propose alternative financial strategies and allied technical means that incorporate contemporary treatment and resource recovery values, that look for an integrated networked and distributed set of treatment and investments that can be implemented in an incremental fashion, and whose final conclusion is the removal of current concerns for environmental harm but within a financial plan and provision that also denies placing a burden on to our financial resources.

It should be noted that this motion is similar in intent to an earlier comment from Esquimalt Council of the need to have at a minimum a cost estimate for a distributed system.

Please do not hesitate to contact Mayor Chris Clement if you have any questions with regard to this motion.

Sincerely,


Donna Dupas
Municipal Clerk

/dd

CAPITAL REGIONAL DISTRICT	
DATE RECEIVED	
JUL 9 2007	
Board Chair	<input type="checkbox"/>
CAO	<input type="checkbox"/>
GM Corp. Svcs.	<input type="checkbox"/>
GM Env. Svcs.	<input checked="" type="checkbox"/>
GM Parks/Comm. Svcs.	<input type="checkbox"/>
GM PI./Prot. Svcs.	<input type="checkbox"/>
GM Water Svcs.	<input type="checkbox"/>



TOWN OF VIEW ROYAL

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Tel: (250) 479-6800 • Fax: (250) 727-9551

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CAPITAL REGIONAL DISTRICT

DATE RECEIVED

JUN 21 2007

Board Chair, *DIRECTORS*

CAO

GM Corp. Svcs.

* GM Env. Svcs.

GM Parks/Comm. Svcs.

GM Pl./Prot. Svcs.

GM Water Svcs.

* *for action*

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June 21, 2007

Capital Regional District
Box 1000
Victoria, BC
V8W 2S6

ATTENTION: Kelly Daniels, Chief Administrative Officer

Dear Mr. Daniels:

RE: Proposed Waste Water Treatment Facility

At its regular meeting held June 19, 2007 Council discussed the issue of regional waste water treatment and the facility / system as proposed by the CRD. As a result the following resolution was passed:

THAT the Town of View Royal requests the CRD Board to engage an alternative "college of well qualified second opinion and experience" commissioned to examine and propose alternative financial strategies and allied technical means that incorporate contemporary treatment and resource recovery values, that look for an integrated networked and distributed set of treatment and investments that can be implemented in an incremental fashion, and whose final conclusion is the removal of current concerns for environmental harm but within a financial plan and provision that also denies placing a huge burden on to our financial resources.

If you have any questions regarding the above resolution, please do not hesitate to contact the Town's representative to the CRD Board, Mayor Graham Hill.

Yours truly,

TOWN OF VIEW ROYAL

Mark Anthony Brennan
Chief Administrative Officer

