



**REPORT TO CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE
MEETING OF WEDNESDAY 10 JUNE 2009**

SUBJECT **WESTLAND RESOURCE GROUP INC. CONTRACT EXTENSION - CORE AREA AND WEST SHORE WASTEWATER TREATMENT PROJECT**

PURPOSE

The purpose of this report is to provide a progress report on Westland Resource Group Inc.'s work since June 2007 on treatment plant site identification and evaluation for the core area and west shore wastewater treatment project ("the Project"), to outline the proposed work for the balance of the year and to recommend a contract extension.

BACKGROUND

At a meeting of 13 June 2007 the Capital Regional District (CRD) Board awarded contract 07-1581 to Westland Resource Group Inc. to carry out treatment plant site investigation and evaluation work for the Project. Since that time Westland also responded to requests from the Core Area Liquid Waste management Committee (CALWMC), the Technical and Community Advisory Committee, and staff to conduct activities such as land suitability investigations in south Esquimalt and James Bay, discussions with First Nations, the preparation of a community benefit policy report, and a requirement for the consultant to attend more than 40 additional meetings. The total value of Westland's current contract is \$636,183. By 31 May 2009 it is expected that a total of \$466,933 will have been expended, leaving a balance of \$169,250 available for future work.

Appendix A provides a brief description of the work on facility siting and evaluation carried out by Westland in 2007 and 2008, along with a more detailed account of the work completed to date in 2009 and also provides a list of the major work program elements proposed for the remainder of 2009

The memorandum from Westland provided in Appendix B focuses on the budget implications of the work completed to date and the additional funds required for the work proposed to the end of 2009. This work, which is associated with environmental assessment, facility siting, First Nations involvement, and community benefits, includes the following seven main tasks:

1. Saanich East / North Oak Bay: support public involvement, prepare comparative Environmental and Social Review (ESR) and siting recommendations, and hold First Nations discussions.
2. Clover Point: prepare an ESR, support public involvement and First Nations discussions.
3. Macaulay / McLoughlin: confirm siting, conduct an ESR, support public involvement and First Nations discussions.
4. West shore: siting, conduct an ESR, support public involvement and First Nations discussions.
5. Prepare an Environmental Impact Study (EIS) for upland components of all proposed CRD wastewater facilities;
6. Develop a community benefits framework by completing the work presently underway on this topic; and
7. Conduct an investigation of the suitability of lands near Victoria harbour for a waste processing and energy recovery facility.

The foregoing work program does not include work that may be required by the Canadian Environmental Assessment Agency. If an assessment of the Saanich East-North Oak Bay facility under the Canadian Environmental Assessment Act is required then an additional \$75,000 may be needed.

ALTERNATIVES

1. That the CALWMC recommend to the Board that the contract of Westland Resource Group Inc. be increased by \$620,572 to enable completion of the work described in Appendix B.
2. That the Westland contract not be extended and staff be directed to seek competitive proposals for the ongoing and additional work.

FINANCIAL IMPLICATIONS

If approved, this work would be funded through the core area and west shore wastewater treatment capital fund which is cost-shared under the planning agreement.

1. The estimated cost for Westland to complete tasks one through seven is \$620,572 as indicated in Table 1 of Appendix B. The costs in Westland's proposed budget are based on rates provided in the consultants' original proposal in June 2007, with allowance for inflation.
2. Seeking competitive proposals may not result in lower costs and would delay the above-noted tasks by at least two months. These tasks must be completed by the end of 2009 as directed by the Minister of Environment.

SUMMARY

Additional site identification and evaluation work as described in Appendix B is required to support the establishment of suitable wastewater treatment and biosolids processing sites for the core area and west shore wastewater treatment project. It is proposed that the contract of the consultant that has carried out his work to date, Westland Resource Group, be extended to complete the additional work.

RECOMMENDATION

That the committee recommend to the Board that:

1. the contract of Westland Resource Group Inc. be increased by \$620,572 to enable completion of the work described in Appendix B; and
2. the work be funded from the core area and west shore wastewater treatment capital fund, which is cost-shared under the planning agreement.

Dwayne Kalynchuk, PEng
Director, Wastewater Treatment Project

Kelly Daniels
CAO Concurrence.

SBM/hr

Attachments: 2

Wastewater Facility Siting and Evaluation—2009 Work Program

In 2007 and 2008 mapping and analysis of land use, environmental and cultural conditions were conducted to support site selection for wastewater treatment facilities in the west shore and Saanich East / North Oak Bay (SENOB) areas. In 2009 this information was updated and refined to support the preparation of a comparative Environmental and Social Review (ESR) of identified candidate treatment facility sites in SENOB. In addition to the original data collection efforts, assessments were conducted of potential odour effects, traffic and roads issues and property value changes that could result from construction and operation of a wastewater facility. The comparative ESR focuses on three candidate sites:

- Arbutus-Finnerty,
- University of Victoria fields, and
- Cedar Hill Corner.

The results of the ESR will be summarized for use in a public involvement program for the SENOB area. The results of the public program will be included in the revised ESR which will support decisions regarding a preferred facility site.

In early 2009 a draft report was prepared on the on conditions that could affect facility siting in the James Bay and South Esquimalt areas. This report presents information on land use, community, ecological, geotechnical, archaeological and heritage conditions in the area, and rates the suitability of lands for a wastewater facility.

Involvement of the Songhees, Beecher Bay and Esquimalt First Nations continued during preparation of the comparative ESR and the James Bay / South Esquimalt studies. Chiefs, councilors and staff of the First Nations have been informed about the work being conducted and input has been sought on future First Nations land use plans and potential concerns associated with the wastewater program.

Representatives of the provincial and federal governments were engaged in discussions about the environmental assessment requirements for the CRD's wastewater program. In addition to preparing ESRs to comply with requirements of the CRD, the Ministry of Environment will require an Environmental Impact Study (EIS) as specified in the Municipal Sewage Regulation. An EIS for the entire CRD wastewater initiative (not just the SENOB facility) is to be submitted to the Minister by 31 December 2009.

Recent changes to the Canadian Environmental Assessment Act may exempt the SENOB facility from federal assessment. A CRD submission on the topic of exemption of the SENOB facility is now under consideration by the Canadian Environmental Assessment Agency. Other potential treatment facilities near Victoria harbour or Esquimalt Lagoon are unlikely to qualify for an exemption from assessment under the federal act.

The Core Area Liquid Waste Management Committee expressed a desire to explore ways of compensating neighbourhoods that host a treatment facility for potential impacts of the facility. The CRD is now reviewing potential community benefit framework options to determine whether, and how, amenities could be identified and delivered to potentially affected areas. Approaches used elsewhere have been examined and options applicable to the CRD provided for discussion.

For the remainder of 2009, major work program elements include:

- public review of the SENOB candidate sites,
- completion of the comparative ESR of SENOB sites,
- conduct of siting and ESR studies of other CRD facilities,
- preparation of an EIS for all proposed CRD wastewater facilities,
- discussion of suitable community benefits that may be associated with siting a facility in SENOB, and
- investigation and mapping of land suitability in the Victoria harbour area for treatment facilities.



Memorandum

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TO: Seamus McDonnell
FROM: David Harper
DATE: 26 May 2009
REGARDING: Estimated budget, June to December 2009

As requested, Westland has prepared a work program and estimated budget for environmental and siting tasks associated with the Capital Regional District's wastewater treatment program during the second half of 2009 (June 1 to December 31, 2009). Westland was originally contracted in 2007 to prepare environmental assessments for four sites and siting studies for two sites specified in the *Path Forward* report. Since that time, the wastewater project has changed substantially, as has our work program. We have been involved in examinations of additional sites, consulting with First Nations, meeting with property owners and municipalities, and investigating energy and water recovery and reuse. In addition to our data collection and analysis in the West Shore and Saanich East-North Oak Bay, we have conducted studies of the South Esquimalt-James Bay area, and prepared a report on Community Benefits Frameworks for neighbourhoods where treatment facilities are located.

Of our approved budget of \$636,183, we have expended \$421,412 on the foregoing tasks to the end of April 2009. By May 31, 2009, we expect to have expended \$466,933, leaving \$169,250 in the budget.

Table 1 shows the level of effort and budgets for the six main tasks to be conducted in 2009, namely:

1. Saanich East-North Oak Bay: Support public involvement, prepare comparative Environmental and Social Review (ESR) and siting recommendations, and hold First Nations discussions;
2. Clover Point: Prepare an ESR, conduct public involvement and First Nations discussions;
3. Macaulay-McLoughlin: Confirm siting, conduct an ESR, public involvement, and First Nations discussions;
4. West Shore: Siting, Conduct an ESR, public involvement, First Nations discussions;
5. Prepare an Environmental Impact Study (EIS) for upland components of all proposed CRD wastewater facilities;

6. Develop a Community Benefits Framework by completing the work presently underway on this topic; and
7. Conduct an investigation of the suitability of lands near Victoria Harbour for a waste processing and energy recovery facility.

The proposed work program assumes that assessments required under the Canadian Environmental Assessment Act (CEAA) would be conducted in 2010. This activity, plus obtaining environmental permits required before construction begins, also would occur in 2010. Caveats associated with CEAA requirements are described in a later section of this memorandum.

Victoria Harbour lands investigations. During a review of locations for digesters, it was suggested that lands bordering Victoria Harbour could be suitable. Using the approach applied in other parts of the region, an investigation of the suitability of lands near to Victoria Harbour will be conducted. This study will include the following tasks:

- a. collect relevant information on land use, environmental, heritage, and geological conditions,
- b. prepare a draft report on the suitability of Victoria Harbour lands for treatment facilities,
- c. present the draft report to CRD staff and committees, and make suitable revisions.

Total estimated level of effort and costs. Table 1 presents the costs and level of effort for the “technical” work associated with conducting the environmental assessments, preparing siting studies, and drafting, reviewing, and presenting reports. Separate line items are shown for the public involvement and First Nations discussions associated with each of the facility locations. The 2009 actions and their costs can be summarized as follows:

- The costs for the ESRs, siting, and public and First Nations elements for each facility are estimated to range from \$135,558 to \$162,583.
- The provincially-required EIS for all sites is estimated to cost \$98,696, assuming that the technical information from the ESRs can be adapted for use in the EIS.
- For the Victoria Harbour lands investigation, 47 staff days would be required, at a cost of \$39,065.
- The completion of the Community Benefit Framework design adds \$17,593.
- Administration, meetings, and other professional services require \$18,732 in 2009.

Approximately 815 days of staff effort will be required to complete the specified tasks in 2009. The total fees associated with this work program are estimated to be \$732,355. Expenses add \$55,467, for a total estimated budget of \$789,822. Deducting the remainder of the previously-approved budget, the additional funds required for the identified tasks in 2009 total \$620,572.

Note that recent correspondence from the Canadian Environmental Assessment Agency suggests that the CRD may need to initiate an assessment of the Saanich East-North Oak Bay facility under federal legislation (unless federal funding can be confirmed, which may exempt the project). If an assessment of the Saanich East-North Oak Bay facility under CEAA is needed, then an additional \$75,000 of effort should be budgeted for 2009.

The estimated costs in Table 1 are based on the consulting team's charge-out rates from the original 2007 proposal with an adjustment for inflation.

I would be pleased to discuss any aspect of the work programs and budgets with you at your convenience.

Table 1. Assessment and involvement tasks, June-December 2009

Activity	Staff days	Fees	Expenses	Total
Saanich East-North Oak Bay ESR and Siting	90	\$80,340	\$6,427	\$86,767
Saanich East-North Oak Bay Public and First Nations involvement	54	\$45,840	\$2,951	\$48,791
Subtotal	144	\$126,180	\$9,378	\$135,558
Clover Point ESR	121	\$112,850	\$9,028	\$121,878
Clover Point Public and First Nations involvement	39	\$31,930	\$2,554	\$34,484
Subtotal	160	\$144,780	\$11,582	\$156,362
Macaulay-McLoughlin ESR	122	\$114,040	\$9,123	\$123,163
Macaulay-McLoughlin Public and First Nations involvement	42	\$35,250	\$2,820	\$38,070
Subtotal	160	\$149,290	\$11,943	\$161,233
West Shore ESR and Siting	123	\$115,290	\$9,223	\$124,513
West Shore Public and First Nations involvement	42	\$35,250	\$2,820	\$38,070
Subtotal	166	\$150,540	\$12,043	\$162,583
EIS—all sites	95	\$89,770	\$8,926	\$98,696
Community Benefit Framework development	21	\$16,290	\$1,303	\$17,593
Victoria Harbour lands investigations	47	\$37,665	\$1,400	\$39,065
Administration and related professional services	23	\$17,840	\$982	\$18,732
Totals—Technical tasks	692	\$575,095	\$45,603	\$620,698
Public and First Nations involvement	170	\$157,260	\$11,864	\$169,124
Grand total	815	\$732,355	\$57,467	\$789,822
Remaining 2009 budget (estimated to May 31, 2009)				(\$169,250)
Additional 2009 budget required				\$620,572