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Report #EHQ 09-75

**REPORT TO CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE  
MEETING OF WEDNESDAY 08 JULY 2009**

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**SUBJECT**      **IMPACT MITIGATION AND COMMUNITY BENEFITS – CORE AREA WASTEWATER TREATMENT PROGRAM**

**PURPOSE**

To obtain direction from the Core Area Liquid Waste Management Committee (CALWMC) on the provision of a community benefits framework for the core area wastewater treatment program (the program).

**BACKGROUND**

As the program has progressed, the CALWMC has expressed interest in action taken by other jurisdictions to gain local acceptance of wastewater treatment facilities through the provision of community benefits. An example is the Halifax regional municipality's Halifax harbour solutions project. This project included the construction of advanced primary sewage treatment plants in three separate communities where \$7 million was disbursed through a community integration fund.

Community benefits refer to the value a particular community derives from an amenity. Community benefits are considered separate from mitigation measures which are directly linked to project impacts.

The attached report (Appendix A) from Westland Resource Group reviews in detail the role of mitigation of infrastructure impacts, summarizes other jurisdiction's benefit programs and raises issues that should be considered before deciding to provide community benefits beyond mitigating impacts.

**ALTERNATIVES**

1. That the CALWMC direct staff to proceed with the preparation of a community benefits framework for consideration by the committee.
2. That the CALWMC direct staff to take no further action on a community benefits framework and only incorporate impact mitigation into the wastewater treatment program.

**FINANCIAL IMPLICATIONS**

Depending on the community benefit, the cost may or may not be cost-sharable with provincial and/or federal governments.

**SUMMARY**

The advantages of providing community benefits include building constructive relationships with residents and community associations and improving the quality of the communities that receive public amenities.

The potential drawbacks of a community benefit program include issues of cost, fairness and setting precedent. The core area wastewater treatment program is the largest infrastructure program ever managed by the CRD. The treatment facilities are being retrofitted into developed neighbourhoods and

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will become part of our communities. The provision of community benefits will create a legacy of local amenities that will be recognized long into the future and will augment the improvements in environmental quality resulting from wastewater treatment. It is common for projects of this magnitude to deliver community benefits and the costs are a small portion of the overall project budget.

**RECOMMENDATION**

That the Core Area Liquid Waste Management Committee direct staff to proceed with the preparation of a community benefits framework and implementation plan for committee consideration.

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Dwayne Kalynchuk, PEng  
Project Director, Core Area Wastewater Treatment

**COMMENTS**

Attachment: 1

DK:jta



# Memorandum

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**TO:** Dwayne Kalynchuk  
**FROM:** David Harper  
**DATE:** 18 June 2009  
**REGARDING:** Impact mitigation and community benefits in the Capital Regional District's wastewater program

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## Background

As the wastewater program of the Capital Regional District (CRD) has progressed, the Core Area Liquid Waste Management Committee (CALWMC) has expressed interest in actions taken by other jurisdictions to gain local acceptance of wastewater treatment facilities. The CALWMC wishes to determine if provision of community benefits as part of the CRD's wastewater program would be appropriate, and if so, what policies should guide the initiative.

This report compares the purpose and goals of impact mitigation with those of community benefits. The intent of the report is to aid the CALWMC in determining whether to pursue a community benefit program. The development of a community benefit framework and policies would occur only if the CRD Directors choose to pursue such a course.

## Relevant terms

To ensure clarity of discussion, several terms need to be defined for the purpose of this report. The terms are listed alphabetically.

“Amenity” means something provided to a community that enhances the range or quality of services available (e.g., greenways, playgrounds, sports fields) or improves an area’s appearance.

“Community benefit” means a value that a community derives from an amenity (e.g., new or expanded recreation facilities or provision of sidewalks). For the purposes of this report, community benefits are not considered to be related to the impact of a project, whereas mitigation is directly linked to project impacts.

“Compensation” means a payment made or action taken as reparation for a project impact that cannot be mitigated. An example of typical compensation is the provision of habitat to replace habitat harmed

or lost by construction or operation of a facility. Compensation is not mitigation, in that it does not avoid or reduce an impact, but rather provides a replacement for an identified loss. If the compensation is an amenity desired by a community, then the compensation could be considered a community benefit.

“Impact” means the effect of construction or operation of a facility, usually including effects on the environment, plant or animal life, land uses, the economy, or human beings (either individuals, groups, or communities). Projects can have beneficial impacts, but the term “impact” usually implies an adverse effect. Impacts are often identified during the preparation of environmental assessments.

“Mitigation” means an action taken to avoid or reduce the extent, duration, magnitude, or significance of an impact. Mitigation measures are typically identified during environmental assessment processes. Mitigation can take the form of relocation or redesign of facilities, changes to construction or operating methods, or environmental restoration measures.

## **Effects of infrastructure projects on communities**

Communities depend on infrastructure that provides services such as transportation, water supply, power, communications, and wastewater treatment. The public often finds wastewater facilities to be disruptive and unsightly, so the facilities that provide these services commonly are planned to be “out of sight and out of mind” (Environmental Defense, 2007). Additionally, wastewater facilities can be perceived to be a health risk and to have a negative effect on adjacent property values (Farber, 1998). Finally, public concerns about traffic, noise, odours, and landscape change may contribute to antagonistic relations between local governments providing services and those being served (Environmental Defense, 2007). The construction and operation of urban infrastructure, including wastewater facilities, usually include measures to mitigate negative effects of the project (i.e., odour control, noise reduction, revegetation of disturbed areas).

A question to be answered by the CALWMC is whether proponents of infrastructure projects have an obligation to go beyond mitigation of impacts by providing community benefits where the facilities are located. No legal requirement in British Columbia compels the provision of community benefits as part of the process of siting public facilities. Indeed, it could be argued that the public facilities are themselves a community benefit.

In locating public facilities such as highways, public transit, or water reservoirs, environmental assessments may identify impacts requiring mitigation or compensation. Impact assessments usually do not identify community benefits that are not directly related to a project’s effects.

## **Purpose and goals of mitigation**

Mitigation is always linked to identified adverse impacts. For instance, if a proposed project is likely to increase erosion, then mitigation could include erosion control measures such as terracing, revegetation of slopes, and management of runoff. If a wastewater treatment facility could cause odour impacts, then mitigation could involve enhanced levels of odour treatment or relocation of a facility to increase its distance from people who could be affected.

A project proponent generally must agree to undertake mitigation. The impact requiring mitigation may be identified by a consultant conducting an environmental assessment, by a government agency, or by parties who could be affected by the project. Provincial and federal environmental assessment processes may require mitigation as a condition of regulatory approval of a project. If mitigation measures are so expensive that they jeopardize the financial viability of a project, a proponent may amend or cancel a project rather than conduct mitigation.

Some impacts may be unmitigable. If a project results in impacts to natural or human-made features that are rare or irreplaceable, those impacts may not be capable of being mitigated. In these cases, only compensation would be a valid response to the impact.

Some project effects may be excluded from mitigation planning. Small or temporary effects of construction or operation of a project may not be identified during an environmental assessment or project planning stage. Other effects may not be known until after they occur. In these cases, mitigation is unlikely to be provided unless the proponent agrees to respond to an on-going impact.

Mitigation is provided by private and public sector proponents. Mitigation measures usually are related to the kind and severity of impact, not to the nature of the project proponent. Whether a facility is being built by a private party or by the government, mitigation is usually provided and may be required.

Construction and operation of CRD wastewater treatment infrastructure will result in environmental and social impacts that require mitigation. The mitigation will be related to such factors as land use change, environmental effects, noise, viewscapes, traffic, and odour. The CRD has a proven record of effectively mitigating the effects of urban infrastructure projects. In the CRD, mitigation planning typically involves communication with members of the public that are affected by a project.

## **CRD's experience with mitigation**

Although few CRD infrastructure initiatives have triggered the preparation of provincial or federal environmental assessments, CRD projects have effectively mitigated impacts. Through the conduct of siting processes that engage the public and the preparation of CRD-mandated Environmental and Social Reviews (ESRs), impacts and mitigation measures have been identified.

The Saanich Peninsula Treatment Plant underwent an extensive siting and public involvement process, in addition to an ESR. The site ultimately selected had no residential neighbours on the south and east. The adjacent and nearby residents were engaged in direct discussions of effects. Traffic effects were mitigated by constructing a new frontage road paralleling the Pat Bay Highway. Odour effects were

reduced by technical changes to the originally-installed equipment. Persistence in improving odour management has virtually eliminated odour issues. Public concerns about property devaluation were met with a CRD program to reimburse owners if properties' sale prices were shown to be reduced. Concerns about excessive lighting were resolved by changes to lighting levels, timing, and design of lighting fixtures. The result of the CRD's mitigation program was the near elimination of impacts of the Saanich Peninsula Treatment Plant on the neighbourhood.

The Currie Road Pump Station in Oak Bay also featured extensive and effective mitigation. Adjacent properties were purchased by the CRD, then resold after the facility was commissioned. The pump station was designed to resemble a residence. Exceptional measures were taken to reduce equipment noise. Post-construction vibration complaints by neighbours were resolved by technical changes to eliminate the problem. These measures systematically mitigated or compensated for Currie Road Pump Station effects on residents in this densely populated area.

Other examples of effective mitigation of CRD infrastructure impacts are associated with the “good neighbour policies” applied to the Hartland Landfill and the Trent Pump Station. The design of the pump station used extensive odour control, acoustic mitigation technologies, and an aesthetically pleasing exterior. Mitigation of effects of the Hartland Landfill includes measures to control traffic and to manage leachate.

All of the foregoing actions are considered mitigation measures because they targeted specific impacts.

## **Why provide community benefits?**

Providing community benefits extends beyond mitigating impacts. Community benefits include provision of facilities or other identified public goods that are not directly related to impacts of a project. In the case of the CRD wastewater project, a community benefit could be defined as something the CRD provides to the community above and beyond what it would provide as a normal part of delivering services.

Providing a community benefit implies that a community deserves to be compensated for an activity or facility that reduces quality of the neighbourhood. It could be argued that if no adverse effects occur, then no benefit needs to be provided. For example, if treating wastewater is a desirable public service and the impacts of the facilities can be mitigated, why is additional benefit required? If the CRD pursues expensive treatment technologies that provide opportunities for energy recovery and water reuse in nearby neighbourhoods, is this not a benefit to the community?

This issue is not trivial, because providing amenities in one area requires the reallocation of revenues or other resources from other areas. Hence, as part of the discussion of community benefits, the

CALWMC should decide *whether* community benefits need to be provided as part of the wastewater treatment program.

## **Who delivers community benefits?**

Until recently, community benefits were primarily provided by private sector proponents of major projects. Although not openly articulated, community benefits may have been justified because a private company could make a profit from an activity that adversely affects a community or group. Part of the profits could be diverted to providing benefits that are unrelated to project impacts.

For example, private businesses and Crown corporations that have built pipelines or power lines in British Columbia have provided such benefits as:

- Building cycling or hiking trails on pipeline rights-of-way,
- Providing technical training for members of nearby communities,
- Supporting research on vegetation or wildlife in parks (beyond the area affected by a project),
- Contributing funds for the construction of community buildings or recreation facilities.

None of these benefits are directly related to the impacts of the proposed projects.

In the United States, private developers have entered into “Community Benefit Agreements” (CBAs) with community organizations to specify commitments that guide the community engagement process and the delivery of identified amenities. CBAs are legally enforceable agreements between developers and community organizations (Gross, LeRoy & Janis-Aparico, 2005) that result from a consultative process between a developer and organized representatives of an affected community. Under a CBA, the developer commits to provide specified community benefits in return for community support of the project (Gross et al., 2005).

In recent years, some public sector infrastructure projects have also begun to include community benefits. Substantial public benefits have been provided for several wastewater projects, including the following.

- Halifax Regional Municipality’s Halifax Harbour Solutions (HSS) Project, authorizing construction of advanced primary sewage treatment plants in three separate communities, where \$7 million were disbursed through a Community Integration Fund.
- The Ashbridges Bay Treatment Plant, one of four wastewater treatment plants in the City of Toronto, which provided a skate park, a rugby field, grassed areas, and improved landscaping.
- The municipal wastewater utilities of Lacey, Olympia, Tumwater, and Thurston County, Washington that will provide a children’s museum, education centre at a wastewater treatment

plant, a public plaza and gathering space, revitalization of the East Bay waterfront, and a new City Hall (LOTT, 2008).

## **What are the pros and cons of the CRD providing community benefits?**

The provision of community benefits would have a positive effect on communities affected by wastewater facilities, but the implications of such actions also need to be considered. This section summarizes some of the advantages and drawbacks of delivering benefits to communities in which wastewater facilities are located.

As regional representatives and policy makers, the CRD Directors need to consider the broader implications of developing and applying a community benefits initiative. The CRD can expect substantial public support for the provision of community benefits, at least in areas where wastewater facilities could be located. In other non-benefiting areas, however, concerns may be raised about the fairness of allocating funds to provide such amenities. Table 1 summarizes the pros and cons of developing and implementing a community benefit policy for the CRD's wastewater program.

The advantages of providing community benefits are primarily associated with building constructive relationships with residents and community associations, and improving the quality of communities that receive public amenities. Creating positive relationships with community associations depends in part on the design and delivery of the process, and with willingness of government and residents to seek fair and reasonable benefit packages. Provincial sustainable initiative funding applications associated with projects that deliver "sustainable" community benefits could be more favourably considered (MoCD 2009). Community benefits could also lead to broad recognition of this element of the CRD's wastewater initiative. Such recognition could occur through conference presentations and similar venues, and, potentially, through the media. (The nature of media coverage depends, of course, on whether there are newsworthy elements to a story, and collegial decisions may not attract as much attention as conflict.)

The potential drawbacks of embarking on a community benefit program include costs, fairness, and setting a precedent. The costs of benefits include the effort expended in negotiating benefits as well as the cost of providing and maintaining identified amenities. Costs of a benefit program are unlikely to be included as part of funding agreements with senior governments, whereas mitigation costs usually are covered. Taxpayer interest in the cost of the wastewater program is already high, and the CRD may need to justify the provision of benefits in addition to the costs of mitigating impacts of the wastewater project.

**Table 1. Potential pros and cons of providing community benefits**

Pros	Cons
Provides an opportunity for CRD to enhance communications with affected residents and organizations.	Costs of providing benefits may not be shared by provincial and federal funders of wastewater facilities.
Community associations are likely to support a CRD commitment to provide benefits.	Providing benefits for the wastewater program would set a precedent for other public projects in the region
Provides an opportunity to improve the quality of communities by providing public amenities.	Providing amenities constitutes a transfer payment that benefits one area at the expense of another
May help to build community support for wastewater facilities.	Without clear limitations on a benefits program, local expectations may be unrealistically high—what happens if local expectations cannot be met?
The benefit process may strengthen applications for provincial “sustainable infrastructure” funding.	Determining who should be involved in benefit discussions can prove challenging.
The process of discussing benefits may lead to resolution of other community concerns.	Ownership and maintenance of amenities would need to be resolved.
Community discussions provide an opportunity to share information about the wastewater project	Cost of an already-expensive wastewater program would rise, and project timelines could be affected.
Provides an opportunity to showcase the CRD wastewater project provincially and nationally	Areas with weak community organizations may achieve fewer benefits than areas with strong community organizations

Community benefits (beyond mitigation) typically have not been provided for publicly-funded infrastructure in the region. The precedent set by providing benefits for the wastewater program can be expected to influence other public infrastructure projects in the region. The CRD has developed and applied a successful impact mitigation process on other projects, and the rationale for expanding that process to include benefits that are not related to impacts should be clearly articulated.

There are no guarantees that the benefits offered by the CRD would be considered satisfactory by community participants in the process. If no agreement is reached, discord could result from a process that is intended to improve harmony. The CRD would need to exercise care in determining who is involved in benefit discussions (residents, associations, affected property owners, municipalities, others) to ensure that a cross-section of community interests is represented. Fairness dictates that the results of the community benefit discussions should not be determined by the degree of organization of resident associations or other groups, which could put neighbourhoods that lack such organizations at a disadvantage. Finally, municipalities would need to accept and support the benefit process and results, because municipal governments may end up owning or maintaining the amenities provided.

## **The decision**

Before proceeding further with the preparation and consideration of a community benefits framework, CRD Directors need to answer the question:

“Should the CRD pursue the provision of community benefits in addition to mitigation of impacts associated with the wastewater management program?”

If the answer is yes, then alternative organizational models for identifying and delivering community benefits can be provided for the Directors’ consideration. Once a preferred benefit framework has been selected, staff can integrate that process with other steps in the wastewater program.

If the answer is no, then staff and consultants will continue to identify project impacts and to recommend mitigation measures to avoid or reduce the impacts. As in other CRD infrastructure initiatives, the public will be involved in the process of developing mitigation measures and in determining their effectiveness.

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