



Making a difference...together

CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE

Notice of a Meeting on **Wednesday, August 13, 2014, at 9:00 am**

Board Room, 6th Floor, 625 Fisgard Street, Victoria, BC

G. Young (Chair)	D. Blackwell (W. Sifert)	M. Alto	S. Brice
J. Brownoff	V. Derman	B. Desjardins	D. Fortin
C. Hamilton	G. Hill	B. Isitt	N. Jensen (J. Herbert)
F. Leonard (V. Sanders)	L. Seaton	L. Wergeland	

AGENDA

1. Approval of Agenda
2. Adoption of Minutes of June 11 (continued on June 18) and July 9, 2014
3. Chair's Remarks
4. Presentations/Delegations
5. Consideration of Amendments to the Liquid Waste Management - Core Area And Western Communities Service Establishment Bylaw
6. Update: Options Study for Sewage Treatment
7. Seatterra Budget Update No. 14
8. Notice of Motion (Revised) - Options For Wastewater Treatment - Director Hamilton
9. New Business
10. Adjournment

To ensure quorum, please advise Nancy More at 250-360-3024 if you or your alternate cannot attend.



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**Minutes of a Meeting of the Core Area Liquid Waste Management Committee
Held Wednesday, June 11, 2014, and Continued on June 18, 2014,
in the Board Room, 625 Fisgard St., Victoria, BC**

Present: Directors: G. Young (Chair), D. Blackwell (Vice-Chair), M. Alto, S. Brice, J. Brownoff, V. Derman, B. Desjardins, D. Fortin, C. Hamilton, G. Hill, B. Isitt, N. Jensen, V. Sanders (for F. Leonard), L. Seaton, L. Wergeland

Staff: R. Lapham, Chief Administrative Officer; L. Hutcheson, General Manager, Parks and Environmental Services; D. Lokken, General Manager, Finance and Technology; T. Robbins, General Manager, Integrated Water Services; A. Sweetnam, Program Director, Seatterra Program; T. Brcic, Program Manager, Seatterra Program; R. Sharma, Senior Manager, Financial Services; A. Bains, Manager, Information Services; S. Norton, Deputy Corporate Officer; N. More, Committee Clerk (recorder)

Also Present: C. Stewart CRD Solicitor (Stewart, McDannold, Stuart); Alternate Director Cullington, Alternate Director Hundleby

The meeting was called to order at 9:30 am.

1. Approval of Agenda

MOVED by Director Derman, **SECONDED** by Director Desjardins,
That item 10 be heard before item 6.

Alto, Blackwell, Brownoff, Brice, Fortin, Isitt, Jensen, Sanders, Seaton, Wergeland
DEFEATED
OPPOSED

MOVED by Director Brice, **SECONDED** by Director Blackwell,
That the agenda be approved with the addition of the supplementary agenda.

CARRIED

MOVED by Director Derman, **SECONDED** by Director Alto,
That delegation 4.19) be allowed to speak.

CARRIED

2. Adoption of Minutes

The minutes of the meeting of May 14, 2014, were not available for adoption.

3. Chair's Remarks

The Chair requested that those present refrain from applause or other reaction during the presentations or deliberations.

4. Presentations/Delegations

- 1) Tony Rose, re item 9: felt the plan should be halted. He commented on engineering project planning. The delegation provided a written submission, on file at Legislative and Information Services.

- 2) David Langley, re item 8: spoke in favour of seeking an alternate site for a centralized treatment plant and conducting a new pricing exercise for a decentralized system. The delegation provided a written submission, on file at Legislative and Information Services.
- 3) Brian Burchill, ARESST, re item 8: felt the classification of high risk in relation to the federal regulations was unwarranted and should be re-assessed by the federal authorities. The delegation provided a written submission, on file at Legislative and Information Services.
- 4) Bryan Gilbert, re items 6, 7, 8, 9 and 10: preferred an alternative system and was concerned about tsunami risk at the McLoughlin site.
- 5) Justin Stephenson, re item 10: spoke in support of the proposed motion for an independent review of options and suspension of the Seaterra Program. The delegation provided a written submission, on file at Legislative and Information Services.
- 6) Deborah Dickson, re items 7 and 10: spoke in favour of the proposed motion for an independent review of options and suspension of the Seaterra Program. The delegation provided a written submission, on file at Legislative and Information Services.
- 7) Norma Brown, re item 10: spoke in favour of the proposed motion for an independent review of options and suspension of the Seaterra Program.
- 8) Carole Witter, re item 10: The delegation was not present.
- 9) Michelle Coburn, re item 7: spoke in favour of the current wastewater treatment plan and the McLoughlin Point site.
- 10) Janet Gray, Greater Victoria Water Watch Coalition, re item 10: spoke in favour of a publically owned, managed and operated system. The delegation provided a written submission, on file at Legislative and Information Services.
- 11) Irwin Henderson, re item 10: spoke in favour of the proposed motion for an independent review of options and suspension of the Seaterra Program. The delegation provided a written submission, on file at Legislative and Information Services.
- 12) Filippo Ferri, re item 8 and 10: spoke in favour of the proposed motion for an independent review of options and suspension of the Seaterra Program.
- 13) John Farquharson, re item 10: spoke in favour of the proposed motion for an independent review of options and suspension of the Seaterra Program.

- 14) Bruce Carter, Greater Victoria Chamber of Commerce, re item 10: spoke against the proposed motion for an independent review of options and suspension of the Seatterra Program. He spoke in favour of the current plan and outlined five options for moving forward. The delegation provided a written submission, on file at Legislative and Information Services.
- 15) Diane Carr, re item 10: spoke in favour of the proposed motion for an independent review of options and suspension of the Seatterra Program.
- 16) Beth Burton-Krahn, STAG, re items 7 and 10: spoke in favour of the proposed motion for an independent review of options and suspension of the Seatterra Program.
- 17) Richard Atwell, STAG, re items 7, 8, 9 and 10: spoke against the staff recommendations, discussed the need for public consultation, and felt the sewage treatment project had focused on federal discharge regulations rather than the Provincial objectives outlined in a guide to liquid waste management plans.
- 18) Derek Randall, re item 10: spoke against the proposed motion for an independent review of options and suspension of the Seatterra Program. The delegation provided a written submission, on file at Legislative and Information Services.
- 19) Dave Godfrey, re item 10: spoke of tertiary systems in Whistler and Sechelt and expressed that the cost of the Core Area project should be comparable.

5. Motion to Close the Meeting

Board Chair Bryson entered the meeting at 11:00 am.

MOVED by Director Hill, **SECONDED** by Director Blackwell,

That the Committee close the meeting in accordance with the *Community Charter* Part 4, Division 3, Section 90(1) (e) the acquisition, disposition or expropriation of land or improvements, if the board considers that disclosure could reasonably be expected to harm the interests of the regional district; and (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

CARRIED

The Committee moved to the closed session at 11:01 am.

The Committee remained in closed session until 1:20 pm and recessed until continuation of the meeting on June 18, 2014.

**Minutes of a Special Meeting of the Core Area Liquid Waste Management Committee
Held on June 18, 2014, at 9:30 am to Continue the Meeting of June 11, 2014, in the Board
Room, 625 Fisgard St., Victoria, BC**

Present: Directors: G. Young (Chair), D. Blackwell (Vice-Chair), M. Alto, S. Brice, J. Brownoff, V. Derman, B. Desjardins, D. Fortin, C. Hamilton, G. Hill, B. Isitt, N. Jensen (10:18), V. Sanders (for F. Leonard), L. Seaton, L. Wergeland, A. Bryson (ex-officio, 10:18)

Staff: R. Lapham, Chief Administrative Officer; L. Hutcheson, General Manager, Parks and Environmental Services; D. Lokken, General Manager, Finance and Technology; T. Robbins, General Manager, Integrated Water Services; A. Sweetnam, Program Director, Seaterra Program; T. Brcic, Program Manager, Seaterra Program; R. Sharma, Senior Manager, Financial Services; A. Bains, Manager, Information Services; S. Santarossa, Corporate Officer; N. More, Committee Clerk (recorder)

Also Present: C. Stewart, CRD Solicitor (Stewart, McDannold, Stuart); Alternate Director Cullington, Alternate Director Hundleby

The Committee rose from closed session at 10:13 am, June 18, 2014, without report.

6. Macaulay and Clover Points – Application for Transitional Authorization to Discharge Deleterious Substances under the Federal Wastewater Systems Effluent Regulations

L. Hutcheson gave an overview of the report.

Board Chair Bryson and Director Jensen arrived at 10:18 am.

On the motion, the Committee discussed the following points:

- if the compliance plan changes during the transition period, an amended plan must be submitted
- May 27 letter from the Ministers stated the CRD is expected to fully comply with its Liquid Waste Management Plan
- two combined sewer overflows are located at the Humber and Rutland pump stations within the Clover Point outfall system

MOVED by Board Chair Bryson, **SECONDED** by Director Young,

That it be recommended to the Capital Regional District Board:

That staff be directed to complete the request for a transitional authorization, prior to June 30, 2014, based on the existing approved Core Area Liquid Waste Management Plan and indicate in the application that an amendment may be submitted if a revised Core Area Liquid Waste Management Plan is approved.

CARRIED

7. Implications of the Minister's Decision on the Seaterra Program

The Committee discussed that information from the closed session would benefit the discussion of item 7.

MOVED by Director Hill, **SECONDED** by Director Blackwell,
That the Committee close the meeting in accordance with the *Community Charter* Part 4,
Division 3, Section 90(1) (i) the receipt of advice that is subject to solicitor-client privilege,
including communications necessary for that purpose.

CARRIED

The Committee moved to the closed session at 10:34 am
The Committee rose from closed session at 10:45 am and reported that information from the
closed session on the proposed letter to the Province would be made available.

On the motion to postpone, the Committee discussed the following topics:

- the need for the Committee as a whole to receive written clarification from the Province
- the May 27, 2014, letter from the provincial Ministers
- impact to deadlines and the three funding agreements

MOVED by Director Desjardins, **SECONDED** by Director Derman,
That the item be postponed until a clarification in writing is received from the Minister.

DEFEATED

Brice, Brownoff, Bryson, Isitt, Jensen, Sanders, Wergeland, Young **OPPOSED**

The Committee recessed at 11:09 am and reconvened at 2:25 pm following conclusion of the
Board meeting continued from June 11, 2014.
All members were present save Director Isitt.

A document from the closed session was distributed containing the key points
recommended by staff to be considered for inclusion in a letter to the Province.

On the motion, the Committee discussed the following topics:

- the substance of the May 27 letter from the Ministers
- impact to deadlines and funding agreements
- the substance of the discussion held between the Minister and some of the Directors
- potential effects of the proposed letter to the Province in response to the May 27 letter
- whether the next letter from the Province would provide information that would need to
be taken into consideration before sending the response to the May 27 letter
- the complexity and length of time that would be necessary if the CALWMP and
established wastewater management service were to be dismantled

The question on the motion was called.

MOVED by Director Brice, **SECONDED** by Director Jensen,
That it be recommended to the Capital Regional District Board:

- 1) That the Capital Regional District respond to the Ministers' letter of May 27, 2014, as
detailed in the closed report.

DEFEATED

Alto, Blackwell, Derman, Desjardins, Fortin, Hamilton, Hill, Seaton **OPPOSED**

The Committee discussed the staff recommendation to request an amendment to the Liquid Waste Management Plan with the inclusion of full information relating to the McLoughlin Sewage Treatment Plant. The discussion included the following topics:

- timelines and contractual undertakings with the proponent
- similarity to content of the proposed letter

No further action was taken by the Committee at this time regarding the request for an amendment to the Liquid Waste Management Plan.

8. Alternative Approaches to Address the Ministers' Decision on the McLoughlin Rezoning

A. Sweetnam provided an overview of the report.

The Committee discussed the following points:

- potential sites would need to be analyzed in terms of conveyancing of sewage through pipes and pumping stations and in relation to outfalls, amenities for the host community, and the triple bottom line, including costs and impacts
- time estimates for the process of identifying a site and going through a rezoning and purchase process
- compliance deadlines mandated under federal and provincial regulations
- if individual municipalities made plans separately from the Core Area Liquid Waste Management Plan (CALWMP), sites would have to go through a similar process
- a fragmented approach would be expensive and complicated
- funding levels are tied to the existing CALWMP, including McLoughlin Point as the site
- several actions recommended by staff could be pursued, including renegotiating with Esquimalt

On the motion, the Committee discussed the following topics:

- advantages of renegotiating the site
- public consultations carried out by the Township of Esquimalt in the past
- potential new discussions with Esquimalt residents
- time frames for the negotiation
- new information available on design and technology since the consultations of the past

MOVED by Board Chair Bryson, **SECONDED** by Director Brice,

That it be recommended to the Capital Regional District Board:

- 1) That a letter be written to the Township of Esquimalt Council requesting that they initiate a development approval process to accommodate the McLoughlin Point Treatment Plant as required by the provincially approved Core Area Liquid Waste Management Plan, on the basis of the following new information:
 - a) Insistence by the Ministers of the need to implement the Liquid Waste Management Plan
 - b) Availability of detailed plans for the McLoughlin Point Treatment Plant
 - c) The addition of advanced oxidization into the sewage treatment process

- d) A construction bid for the treatment plant that is within the budget allocation and represents excellent value to taxpayers;

And, that the letter include an offer to Esquimalt to consider amending the cost sharing to offset the entire capital cost of Esquimalt's 6.7% share, in substitution for the amenities previously proposed outside the current bid proposal, by amending the cost sharing to allow for a payment to Esquimalt in the amount equal to Esquimalt's share (\$18.9M) or by removing Esquimalt from the Seaterra capital program cost levy;

And, that the letter require a response to this proposal prior to July 16, 2014, such that Seaterra can retain the agreement with the successful proponent for construction of the McLoughlin Treatment Plant;

And, that staff be directed to use communication tools to provide information directly to Esquimalt residents and solicit feedback from Esquimalt residents, regarding the above offer.

CARRIED

Alto, Derman, Desjardins, Hamilton, Hill **OPPOSED**

MOVED by Director Fortin, **SECONDED** by Director Alto,

That it be recommended to the Capital Regional District Board:

- 1) That the Capital Regional District recommence a siting process for a centralized wastewater treatment plant site through a municipal/First Nations competition;
- 2) That the Capital Regional District concurrently with the recommendation above and in consultation with the public, conduct a new pricing exercise for a decentralized system; and
- 3) That the Board Chair request that the Province make the Seaterra Program a Provincial project and take over responsibility for implementation of the Seaterra Program as currently planned without further delay, with the Capital Regional District contributing its part of the funding.

Director Fortin left the meeting at 4:10 pm

MOVED by Director Derman, **SECONDED** by Director Blackwell,

That the meeting be extended to 4:30 pm.

CARRIED

The Committee discussed that part 2) of the motion on the floor needs to provide more details on the approach for carrying out the pricing exercise and that all of the actions being recommended could move forward concurrently.

MOVED by Director Derman, **SECONDED** by Director Hill,

That the main motion be amended by adding the following phrase:

"and that staff be requested to provide further details on implementation at the next committee meeting."

CARRIED

Blackwell **OPPOSED**

The question on the main motion was called:

MOVED by Director Fortin, **SECONDED** by Director Alto,
That it be recommended to the Capital Regional District Board:

- 1) That the Capital Regional District recommence a siting process for a centralized wastewater treatment plant site through a municipal/First Nations competition;
- 2) That the Capital Regional District concurrently with the recommendation above and in consultation with the public, conduct a new pricing exercise for a decentralized system and that staff be requested to provide further details on implementation at the next committee meeting; and
- 3) That the Board Chair request that the Province make the Seatterra Program a Provincial project and take over responsibility for implementation of the Seatterra Program as currently planned without further delay, with the Capital Regional District contributing its part of the funding.

CARRIED

- 9. Seatterra Program and Budget Update No. 12:** This item was postponed to the next meeting due to a lack of time.

10. Motion for Which Notice Has Been Given

- a) Seatterra Program and Core Area Liquid Waste Management Plan:** Director Desjardins: This item was postponed to the next meeting due to a lack of time.

11. New Business

12. Adjournment

MOVED by Director Derman, **SECONDED** by Director Blackwell,
That the meeting be adjourned at 4:30 pm.

CARRIED

CHAIR

RECORDER



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**Minutes of a Meeting of the Core Area Liquid Waste Management Committee
Held Wednesday, July 09, 2014, in the Board Room, 625 Fisgard St., Victoria, BC**

Present: Directors: G. Young (Chair), D. Blackwell (Vice-Chair), M. Alto, S. Brice, J. Brownoff, V. Derman, B. Desjardins, D. Fortin (9:11 am), C. Hamilton, G. Hill, B. Isitt (9:04 am), N. Jensen (9:08), V. Sanders (9:04, for F. Leonard), L. Seaton, L. Wergeland, A. Bryson, Board Chair, ex officio (9:08)

Staff: R. Lapham, Chief Administrative Officer; L. Hutcheson, General Manager, Parks and Environmental Services; D. Lokken, General Manager, Finance and Technology; T. Robbins, General Manager, Integrated Water Services; A. Sweetnam, Program Director, Seattera Program; T. Brcic, Program Manager, Seattera Program; M. Cowley, Conveyance Infrastructure Project Manager; A. Orr, Corporate Communications; M. Peckham, Project Manager, Seattera Program; S. Santarossa, Corporate Officer; N. More, Committee Clerk (recorder)

Also Present: Alternate Directors J. Cullington, L. Hundleby, D. Screech; B. Eaton (Chair, Seattera Commission);

The meeting was called to order at 9:00 am.

1. Approval of Agenda

The supplementary agenda included a staff report under item 13. Director Desjardins provided a revised version of the motion given under item 11.

MOVED by Director Brice, **SECONDED** by Director Hill,
That the agenda be approved with the supplementary agenda, and item 13 be considered with item 10.

CARRIED

MOVED by Director Hamilton, **SECONDED** by Director Desjardins,
That the Notice of Motion as presented as Item 12 be considered by the Committee at this meeting

CARRIED

2. Adoption of Minutes

MOVED by Director Hamilton, **SECONDED** by Director Alto,
That the minutes of the May 14, 2014, meeting be adopted as previously circulated.

CARRIED

3. Chair's Remarks: There were none.

Director Isitt and Alternate Director Sanders entered the meeting at 9:04 am.

4. Presentations/Delegations

- 1) David Langley, re item 6: felt there should be a defined and agreed list of Peer Review Team findings before the Committee could decide whether to request the Peer Review

Team to revisit the report or to declare acceptance of the report. The delegation provided a written submission, on file at Legislative and Information Services.

Director Jensen entered the meeting at 9:08 am.

Board Chair Bryson entered the meeting at 9:09 am.

- 2) Bryan Gilbert, re items 6 and 11: spoke in support of the motion in item 11. He was concerned about tsunami risk, sea level rise and structural mitigation for the treatment plant design with McLoughlin Point as the site.

Director Fortin entered the meeting at 9:11 am.

- 3) Norma Brown, re items 10, 11, 2: spoke against decisions made about the wastewater treatment program in the past and against similar decisions in the future.
- 4) Richard Atwell, STAG, re item 6: spoke against reassembling the Peer Review Team. He quoted from reports, studies and Provincial guidelines, and asked that the Committee recommend alternative 4 from the staff report. The delegation provided a PowerPoint presentation, on file at Legislative and Information Services.
- 5) Beth Burton-Krahn, re item 6: spoke against the option to revisit the peer review report. She was concerned about setbacks to accommodate sea level rise and felt the McLoughlin site was not an option.

5. Motion to Close the Meeting

The Committee discussed that the information received in the closed portion of the meeting would inform their discussions on the open agenda items.

MOVED by Director Brice, **SECONDED** by Director Hill,
That the Committee close the meeting in accordance with the *Community Charter* Part 4, Division 3, Section 90(1) (e) the acquisition, disposition or expropriation of land or improvements, if the board considers that disclosure could reasonably be expected to harm the interests of the regional district; (m) a matter that, under another enactment, is such that the public may be excluded from the meeting; and (2) (b) the consideration of information received and held in confidence relating to negotiations between the regional district and a provincial government or the federal government or both and a third party.

CARRIED

The Committee moved to the closed session at 9:25 am.

The Committee rose from the closed session at 11:14 am without report.

The Committee took a short recess and reconvened at 11:19 am with all members present save A. Bryson, J. Brownoff, V. Derman, D. Fortin and B. Isitt.

6. Core Area Wastewater Treatment Program – Options for Review of Treatment Plan and Current Conditions

Chair Young introduced the item.

Board Chair Bryson and Directors Brownoff, and Derman entered the meeting at 11:21 am.

T. Robbins informed the Committee that on page 3 of the staff report, the implications for alternatives 1 and 2 are reversed.

Directors Isitt and Fortin entered the meeting at 11:23.

MOVED by Director Hamilton, **SECONDED** by Director Desjardins,
It is anticipated that a \$400,000 budget would be required for this alternative to fund procurement costs, and consultant fees. CRED staff would work with municipal staff and First Nations to choose to develop a sub-regional approach to waste water to craft Terms of Reference generally based on criteria noted in Alternative 2. The independent consultant would have no previous association with the Seatterra Program, PRT or previous CRD wastewater program studies. Monies and contracts would be administered by communities. Funding allocation for the sub-regional assessment would be based on the same formula used to determine municipal contributions to the entire project.

Any recommendation would come to the CALWMC and subsequently to the CRD Board for amendments to the Liquid Waste Management Plan. It is anticipated that this study could be completed in October 2014 at the earliest. There is currently no allowance in the proposed deliverable dates or budget estimates in alternative 1, 2 or 3 for new public and First Nation engagement processes.

The Committee requested clarification on the motion and discussed the following points:

- a study administered by individual municipalities with a funding allocation from the CRD goes against the service establishment agreement
- the CRD procurement process would have to be followed
- agreements would have to be in place with the municipalities
- the core area wastewater service is based on the CRD being responsible for the service
- under financial authority rules, the CRD cannot turn money over to a municipality to administer
- how some municipalities wish to explore sub-regional options

MOVED by Director Desjardins, **SECONDED** by Director Hamilton,
That the fourth sentence of the main motion be amended as "Monies and contracts would be administered by the CRD working in collaboration with the communities."

CARRIED

The Committee discussed comparisons of a region-wide study to the proposed sub-regional study, logistics of procuring a consultant, the proper allocation of service funds and the terms of reference for carrying out the proposed studies, as well as the following points:

- 'sub-regional' is a new term in the discussion and has not yet been defined
- the motion appears to assume a decision has been made for a decentralized system
- infrastructure and assets already in place
- the re-direction of taxpayer money to support the few rather than the whole

MOVED by Director Desjardins, **SECONDED** by Director Blackwell,
That the main motion be referred to staff for more details.

CARRIED

Brice, Bryson, Jensen, Sanders and Wergeland **OPPOSED**

MOVED by Director Desjardins, **SECONDED** by Director Derman,
That the meeting be extended to 1:20 pm.

CARRIED

7. Seaterra Program Commission Direction – Seaterra Program Work (CAL 14-13)

T. Robbins gave an overview of the report.

MOVED by Director Blackwell, **SECONDED** by Director Seaton,
That it be recommended to the Capital Regional District Board:
That the report be received for information.

CARRIED

8. Seaterra Program and Budget Update No. 12 and No. 13

MOVED by Director Blackwell, **SECONDED** by Director Hill,
That it be recommended to the Capital Regional District Board:
That the report be received for information.

CARRIED

9. Onsite Wastewater Management Program Update

MOVED by Director Brownoff, **SECONDED** by Director Hill,
That it be recommended to the Capital Regional District Board:
That the report be received for information.

CARRIED

10. Correspondence

- a) Ministry of Environment, July 3, 2014, reference: 208161 (received with yellow highlighting)
- b) Ministry of Environment, July 3, 2014, reference 200464 (received with yellow highlighting)

MOVED by Director Blackwell, **SECONDED** by Director Seaton,
That the correspondence be received for information.

CARRIED

a) Implications of Minister of Environment Correspondence

T. Robbins provided an overview of the report. The Committee discussed the actions being requested of staff and the difference between distributed and separated systems.

Directors Blackwell and Fortin left the meeting at 12:23 pm.

MOVED by Director Derman, **SECONDED** by Director Desjardins,
That it be recommended to the Capital Regional District Board:
That the report be received for information.

CARRIED

11. Motion for Which Notice Has Been Given

a) Seaterra Program and Core Area Liquid Waste Management Plan: Director Desjardins

Director Blackwell returned to the meeting at 12:26 pm.

MOVED by Director Desjardins, **SECONDED** by Director Blackwell,
That it be recommended to the Capital Regional District Board:
WHEREAS the Minister of Environment has stated "After giving the request due consideration, The Province will not attempt to override the zoning decisions of the duly elected Esquimalt council", thus stopping the uncertainty and the possibility of a single centralized sewage treatment plant being built on McLoughlin Point and subsequently affecting many other components of the current LWMP;
AND WHEREAS there is an urgent need to minimize all financial risk to CRD from the Seaterra Program;
AND WHEREAS alternate solutions and options need to be explored that meet senior government deadlines, public approval, and environmental and fiscal best practices:
THEREFORE BE IT RESOLVED:
That the Core Area Liquid Waste Management Plan, other than those projects approved at the July 9, 2014, meeting, as pertains to the Seaterra Project, be suspended for a minimum of 60 days, allowing the CRD Board and participant municipalities an opportunity to explore possible directions going forward and for a complete and fully independent review of such options.

On the motion, the Committee discussed the following points:

- based on decisions already made, the Seaterra Commission has wound down the Seaterra Program
- staff have already received directions given in the motion
- the motion would hinder the project if a site is confirmed within the next 60 days
- the Core Area Liquid Waste Management Plan exists under Ministerial authority; it would be up to the Province to suspend it

The question on the motion was called.

DEFEATED

Blackwell, Brice, Brownoff, Bryson, Derman, Hill, Isitt, Jensen, Sanders, Seaton, Wergeland, Young **OPPOSED**

12. Notice of Motion

- a) **Resolution for CRD Support for Municipalities and First Nations Who Want to Explore Options for Waste Water Treatment:** Director Hamilton

Director Hamilton offered that, since the substance exists in a large extent in a previous direction, she would work with staff on the wording for consideration at a following meeting.

13. Adjournment

MOVED by Director Brice, **SECONDED** by Director Brownoff,
That the meeting be adjourned at 12:45 pm.

CARRIED

CHAIR

RECORDER



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REPORT TO CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE MEETING OF WEDNESDAY, AUGUST 13, 2014

SUBJECT **CONSIDERATION OF AMENDMENTS TO THE LIQUID WASTE
MANAGEMENT - CORE AREA AND WESTERN COMMUNITIES SERVICE
ESTABLISHMENT BYLAW**

ISSUE

To consider potential enabling amendments to the Liquid Waste Management Service Establishment Bylaw for the Core Area and Western Communities.

BACKGROUND

Esquimalt funding offer and wastewater treatment information for Esquimalt residents

At its July 9, 2014 meeting, the Capital Regional District (CRD) Board approved a motion that included several components including:

1. *That a letter be written to the Township of Esquimalt.....And, that the letter include an offer to Esquimalt to consider amending the cost sharing to offset the entire capital cost of Esquimalt's 6.7% share, in substitution for the amenities previously proposed outside the current bid proposal, by amending the cost sharing to allow for a payment to Esquimalt in the amount equal to Esquimalt's share (\$18.9M) or by removing Esquimalt from the Seatterra capital program cost levy;*
2. *And, that staff be directed to use communication tools to provide information directly to Esquimalt residents and solicit feedback from Esquimalt residents, regarding the above offer.*

CRD Bylaw No. 2312 converts the authority for Liquid Waste Management to a service for the Core Area and Western Communities. To enable implementation of the offer to Esquimalt, an amendment to Bylaw No. 2312 would be required, including consent of 2/3 of the participants' municipal councils of the service, namely Colwood, Esquimalt, Langford, Oak Bay, Saanich, Victoria and View Royal, and approval of the Inspector of Municipalities.

On July 15, 2014, a letter was sent to the Township of Esquimalt ("Esquimalt") making the offer and other requests included in the full motion, in an effort to collaborate and find a way forward to develop a wastewater treatment plant at McLoughlin Point (Attachment 1). Esquimalt responded on July 17, 2014 indicating that it will not be reconsidering Bylaw No. 2805 or initiating a development approval process for the McLoughlin Point site, but that they would consider a new rezoning application for a McLoughlin Point wastewater treatment plant with an open mind (Attachment 2). In addition, Esquimalt noted their objection "to any efforts by the Capital Regional District to use taxpayer-funded resources towards undermining the duly-made zoning decisions of the duly-elected Esquimalt Council." This is understood to include an objection to the use of funding for communication tools (information flyer and telephone survey) to provide information directly to Esquimalt residents and solicit feedback regarding the above offer.

Since that time, the City of Langford Council has also resolved to not support an amendment to the CRD Service Establishment Bylaw “that would provide an offer of \$18.9 million to cover Esquimalt’s share of the capital costs of the treatment plant in consideration for the Sewer Wastewater Treatment Plan being located at McLoughlin Point” (Attachment 3).

In light of the recent correspondence from Esquimalt and Langford, and considering the municipal council support that would be required to amend the bylaw, the Board Chair requested that the communications materials be held pending confirmation of the willingness of the CALWMC and CRD Board to support the necessary bylaw amendments to enable the offer to Esquimalt, in keeping with the direction to pursue the development of a wastewater treatment plant at McLoughlin Point (Attachment 4).

Parallel processes to explore potential alternatives to provide wastewater treatment

Currently Bylaw No. 2312 allows individual municipalities, with CRD Board approval, to undertake sewage treatment within its own boundaries. The City of Colwood has received approval from the Board to investigate this option. The service establishment bylaw also allows the CRD Board itself to provide sub-regional wastewater treatment plants for groups of municipalities.

There are parallel processes that are currently underway to explore potential alternatives to provide wastewater treatment for the Core Area; however, an alignment of objectives has not been reached to date.

As was stated in the Board Chair’s July 15 letter to Esquimalt, undertaking a plan to implement sewage treatment at a site other than McLoughlin Point or under an approach that varies from the current CALWMP, has the real and significant potential to dramatically increase costs to taxpayers within the CRD’s core area municipalities since:

- There has been no indication of provincial and federal government willingness to amend the current funding agreements that are based on implementing the current CALWMP, therefore a new approach to sewage treatment would likely result in the loss of \$500 million in funding.
- A new approach to sewage treatment would terminate the advancement of the preferred proponent’s proposal for the McLoughlin Point wastewater treatment plant, likely eliminating the opportunity to provide wastewater treatment for the Core Area within the approved budget and prescribed timelines to meet provincial and federal regulatory requirements. Further, not proceeding with entering into a contract would likely expose the CRD to significant financial liabilities.

ALTERNATIVES

That the Core Area Liquid Waste Management Committee recommends to the Capital Regional District Board:

Alternative 1:

- a. That staff continue to proceed to use communication tools to provide information directly to Esquimalt residents and solicit feedback from Esquimalt residents regarding the offer to amend the cost sharing for the Seaterra Wastewater Treatment Program to exempt Esquimalt from the Seaterra capital program cost levy; and
- b. That Bylaw No. 3971 be introduced and read a first, second and third time.

Alternative 2:

That the motion previously adopted by the Board on July 9, 2014 be amended to delete the following:

“And, that staff be directed to use communication tools to provide information directly to Esquimalt residents and solicit feedback from Esquimalt residents, regarding the above offer.”

IMPLICATIONS

Alternative 1:

Amending the cost sharing for the Seatterra Wastewater Treatment Program to exempt Esquimalt from the Seatterra capital program cost levy (a capital benefit of \$18.9 million), would require an amendment to Bylaw No. 2312 (Attachment 5). The amending bylaw would need consent of 2/3 of the Core Area and Western Communities Liquid Waste Management participating municipalities. It is proposed that the bylaw would come into effect upon the issuance of the required development permit or issuance of a building permit for the currently proposed 124 ML/D McLoughlin Wastewater Treatment Plant. Once 2/3 of the participants' councils consent to the amendment, the bylaw will be forwarded to the Inspector of Municipalities for approval. Following this approval, the bylaw will be put before the Board for final adoption.

In the meantime, staff would proceed with providing information directly to, and soliciting feedback from, Esquimalt residents regarding the offer to amend the cost sharing for the Seatterra Wastewater Treatment Program to exempt Esquimalt from the Seatterra capital program cost levy.

This alternative provides an opportunity for the residents of Esquimalt to receive more information on the implications of not proceeding with the current CALWMP, and the potential benefits of the project to Esquimalt and other participants. It also is the best opportunity to preserve the provincial and federal funding agreements, and avoid the real and significant potential to dramatically increase costs to taxpayers within the CRD's core area municipalities that would likely result from pursuing another approach.

Alternative 2:

Should the Board choose to not proceed with providing information directly to Esquimalt residents and soliciting their feedback, a motion to amend the motion previously adopted at the July 9, 2014 Board meeting would be in order to remove the direction to staff to undertake this work.

Staff will continue to explore all possible opportunities and options to meet the regulatory requirements.

CONCLUSION

Proceeding to implement the current CALWMP is recommended to avoid the potential of increased costs for the Core Area participants in providing wastewater treatment. Approval to amend Bylaw No. 2312 and direction to staff to proceed with the use of communications tools to provide information to, and solicit feedback from, the residents of Esquimalt would confirm previous Board direction and address some of the concerns raised about the process that needs to be undertaken to potentially implement the offer.

RECOMMENDATIONS

That the Core Area Liquid Waste Management Committee recommends to the Capital Regional District Board:

- c. That staff continue to proceed to use communication tools to provide information directly to Esquimalt residents and solicit feedback from Esquimalt residents regarding the offer to amend the cost sharing for the Seaterra Wastewater Treatment Program to exempt Esquimalt from the Seaterra capital program cost levy; and
- d. That Bylaw No. 3971 be introduced and read a first, second and third time.



Diana E. Lokken, CPA, CMA
General Manager, Finance & Technology



Larisa Hutcheson, P.Eng
General Manager,
Parks & Environmental Services,
Concurrence



Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

DL:ss

Attachments: Attachment 1 - July 15, 2014 correspondence sent to Esquimalt
Attachment 2 - July 17, 2014 correspondence received from Esquimalt
Attachment 3 - July 23, 2014 correspondence received from Langford
Attachment 4 - Information flyer for Esquimalt residents
Attachment 5 - Service Establishment Amendment Bylaw No. 3971



Making a difference...together

July 15, 2014

Capital Regional District
625 Fisgard Street, PO Box 1000
Victoria, BC, Canada V8W 2S6

T: 250.360.3000
F: 250.360.3234
www.crd.bc.ca

File: **0400-50**
5220-20

Sent by email: barb.desjardins@esquimaltcouncil.ca

Mayor Barbara Desjardins and Council
Township of Esquimalt
1229 Esquimalt Road
Victoria, BC V9A 3P1

Dear Mayor and Council:

CORE AREA WASTEWATER TREATMENT PLANT SITING — RECONSIDERATION OF MCLOUGHLIN POINT

As you know, the municipalities of Victoria, Saanich, Oak Bay, Esquimalt, View Royal, Colwood and Langford collectively are participants of the Core Area Liquid Waste Management Service which is managed and operated by the Capital Regional District (CRD) in accordance with the Core Area Liquid Waste Management Plan (CALWMP). Some First Nations also participate in the service.

The Province has confirmed that the CRD is responsible to implement secondary wastewater treatment in the Core Area within timelines prescribed in the CALWMP and by the federally legislated deadline of 2020. Provincial and Federal funding agreements that provide approximately \$500 million toward the \$783 million project are contingent on meeting these timelines.

While the approved CALWMP identifies McLoughlin Point as the location for the wastewater treatment facility, in April 2014, the Township of Esquimalt Council rejected the CRD's revised rezoning application to locate a wastewater treatment facility at McLoughlin Point.

As a result, at its meeting of Wednesday, July 9, 2014 the CRD Board resolved to move forward on meeting the legislated deadlines by undertaking a number of actions including:

- 1) *That a letter be written to the Township of Esquimalt Council requesting that they initiate a development approval process to accommodate the McLoughlin Point Treatment Plant as required by the provincially approved Core Area Liquid Waste Management Plan, on the basis of the following new information:*
 - a) *Insistence by the Ministers of the need to implement the Liquid Waste Management Plan*
 - b) *Availability of detailed plans for the McLoughlin Point Treatment Plant*
 - c) *The addition of advanced oxidization into the sewage treatment process*
 - d) *A construction bid for the treatment plant that is within the budget allocation and represents excellent value to taxpayers;*

And, that the letter include an offer to Esquimalt to consider amending the cost sharing to offset the entire capital cost of Esquimalt's 6.7% share, in substitution for the amenities previously proposed outside the current bid proposal, by amending the cost sharing to allow for a payment to Esquimalt in the amount equal to Esquimalt's share (\$18.9M) or by removing Esquimalt from the Seattera capital program cost levy;

And, that the letter request a response to this proposal as soon as possible, such that Seattera can retain the agreement with the successful proponent for construction of the McLoughlin Treatment Plant;

And, that staff be directed to use communication tools to provide information directly to Esquimalt residents and solicit feedback from Esquimalt residents, regarding the above offer;

The Board's motion also directed parallel initiatives for staff to:

1. *Investigate potential alternative sites for a centralized wastewater treatment facility through a siting competition open to submissions from all municipal and First Nations councils.*
2. *Write to the Province to request that they take over responsibility for the implementation of core area wastewater treatment as currently planned in the region with the CRD contributing its part of the funding.*

Undertaking a plan to implement sewage treatment at a site other than McLoughlin Point or under an approach that varies from the current CALWMP, has the real and significant potential to dramatically increase costs to taxpayers within the CRD's core area municipalities. Therefore, it is prudent for the CRD and the Township of Esquimalt to collaborate to find a way forward to develop a wastewater treatment plant at McLoughlin Point. This plan will result in the *least cost option* for wastewater treatment for all core area residents, a theme heard as a priority to residents during consultations from 2006-2010.

When the Township of Esquimalt and area residents considered the recent rezoning application there were a number of aspects of the project that were unknown at the time, including:

- What the treatment plant at McLoughlin Point would look like. Now the CRD has detailed plans available.
- That the treatment process would include advanced oxidation to kill pathogens and reduce pharmaceuticals and other chemicals of concern, including micro plastics.
- That the construction bid for the treatment plant would come in below budget and represent excellent value to taxpayers.
- That the Provincial Ministers would insist that the CRD is obligated to comply with the approved CALWMP in order to meet the conditions of the provincial project agreement and complete the project within the prescribed timelines.

This new information allows the CRD to provide the Township of Esquimalt and residents with a better understanding and more certainty regarding the proposed wastewater treatment plant.

As outlined above, the CRD Board is considering a new amenity package which would be subject to an amendment of the Establishing Bylaw for the service. The package would include providing Esquimalt with a payment in the amount equal to Esquimalt's share (\$18.9M est.) of the Seaterra capital program cost levy. Essentially, Esquimalt residents would not pay for the capital cost to construct the Seaterra Program which would translate into a savings of almost \$200 per year for each household, based on the average assessed property value. All of the construction-related amenities that were included in the current bid would be part of the offer, including facility design features, the multi-purpose space, the public open space that includes the waterfront walkway, and a community liaison committee.

I trust this new information will be given full consideration by you and your Council. I look forward to a response as soon as possible.

Yours truly,



Alastair Bryson,
Chair, Capital Regional District Board

cc: Board Members, CRD
Robert Lapham, Chief Administrative Officer, CRD



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall, 1229 Esquimalt Road, Esquimalt, B.C. V9A 3P1
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Fax: (250) 414-7111

Office of the Mayor

July 17, 2014

Board Chair Alastair Bryson
Capital Regional District
625 Fisgard Street
Victoria BC V8W 2S6

Dear Chair Bryson:

Re: McLoughlin Point Reconsideration and \$18.9M "Offer"

With respect to your letter of July 15, 2014 we are encouraged that the Board has taken the essential step of investigating alternate sites.

Your request of the Township to "initiate" a further development approval process for the same wastewater treatment plant at McLoughlin Point is denied. Bylaw 2805, rejected in April 2014, is defeated and the Township has no intention of reconsidering it or reviving it. The \$18.9M "offer" is misleading and without legal authority, and the Township objects to your continued misrepresentations in this regard, particularly given the CRD direction to "use communication tools to provide information directly to Esquimalt residents and solicit feedback from Esquimalt residents, regarding the above offer".

At its meeting of July 14, 2014, Township Council unanimously passed the following resolution in response to the Seaterra request to appear as a delegation at our August meeting, and it is also relevant to responding to your correspondence:

The Township of Esquimalt welcomes all delegation applications as per the Township's delegation application policy & process.

The Township of Esquimalt reiterates its April 7th, 2014 decision to reject the Capital Regional District's Bylaw 2805 rezoning application for a core area wastewater treatment plant at McLoughlin Point, and reminds the Capital Regional District that the extensive, legally correct public process that led to the Township's decision was completed on April 7th, 2014 and positively reinforced in an official statement by the provincial government on May 27th, 2014.

Correspondingly, the Township of Esquimalt has reached closure on the matter of Bylaw 2805 and will not be reconsidering the Bylaw 2805 application.

Furthermore, the Township of Esquimalt's resources are now shifting focus to our community's economic development and the Township welcomes consideration of alternative, appropriate uses for the McLoughlin Point property through the appropriate land use application process.

... /2

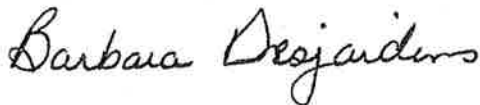
The Township also states its full objection to any efforts by the Capital Regional District to use taxpayer-funded resources towards undermining the duly-made zoning decisions of the duly-elected Esquimalt Council. The Township views such actions by the Capital Regional District to be highly inappropriate and contrary to following due public process in addition to not respecting the legal autonomy of locally elected governments, of which the provincial government has reminded the Capital Regional District to respect as per the Province's May 27th, 2014, response to this matter.

Should the CRD nevertheless wish to submit a new rezoning application for a McLoughlin Point wastewater treatment plant, the Township will consider it with an open mind in accordance with its legal obligations under the *Local Government Act*. It is important to note that the Township would expect any new rezoning application to be accompanied by the CRD evidencing its legal authority to make the "offer" to offset Esquimalt's cost-sharing. In CRD Corporate Officer's (Ms. Santarossa) letter of July 8, 2013, the CRD's own legal advice set out that the establishing bylaw must be amended, "a process that requires the consent of 2/3 of the other municipal Councils and the approval of the Inspector of Municipalities." It is inappropriate to take that bylaw amendment and third party approval for granted, particularly given the vote on the CRD Resolution you referenced was not unanimous. Without advancing that amending bylaw, and at least canvassing the issue with the Inspector, the offer to offset Esquimalt's cost-sharing is merely a hypothetical proposition that wastes valuable time and resources.

As the Minister of Environment reminded you on July 3, 2014: "It is also the regional district's responsibility to ensure that all activities conducted ... are carried out with regard to the rights of third parties and comply with other applicable legislation that may be in force."

As Mayor I continue to work with other Mayors to advance alternatives, and we look forward to reporting in due course.

Respectfully,



Barbara Desjardins, Mayor

cc: The Honourable Coralee Oakes, Minister of Community, Sport and Cultural Development
The Honourable Mary Polak, Minister of Environment
CRD Board Members
CRD Chief Administrative Officer, Bob Lapham
Mayor and Councils - City of Victoria, District of Saanich, District of Oak Bay, Township of Esquimalt, Town of View Royal, City of Colwood, City of Langford
Chief Ron Sam, Songhees Nation
Chief Andy Thomas, Esquimalt Nation



City of Langford

www.cityoflangford.ca

Attachment 3

<input checked="" type="checkbox"/> Chair	<input checked="" type="checkbox"/> Board
<input checked="" type="checkbox"/> CAO	<input checked="" type="checkbox"/> Communications
<input checked="" type="checkbox"/> GM	<input checked="" type="checkbox"/> FT, PS, IWS
<input type="checkbox"/> For action / resp. by	
<input type="checkbox"/> Corresp. for Board / Committee meeting	
<input checked="" type="checkbox"/> For Information Only	
<input type="checkbox"/> Copies to	
0400 - 50 Langford	
5220 - 60 CAWTP	

July 23rd, 2014

CRD EXECUTIVE OFFICE

Received

JUL 28 2014

Email: talton@crd.bc.ca

Mr. Alastair Bryson, Chair
Capital Regional District
PO Box 1000
625 Fisgard Street
Victoria BC V8W 1R7

Dear Mr. Bryson;

At the City of Langford Regular Meeting of Council held on July 21st, 2014, Council passed the following resolution with respect to the Sewer Wastewater Treatment Plant;

"That Council advise the Capital Regional District that Langford is not prepared to support an amendment to the Capital Regional District's Establishing Bylaw that would provide an offer of \$18.9 million to cover Esquimalt's share of the capital costs of the treatment plant in consideration for the Sewer Wastewater Treatment Plant being located at McLoughlin Point."

Yours truly,

Lindy Kaercher
Deputy Clerk

/lk

cc: Mayor Barb Desjardins, Town of Esquimalt
Mayor Carol Hamilton, City of Colwood
Mayor Graham Hill, Town of View Royal
Councillor Judith Culling ton, City of Colwood
Councillor Lynda Hundleby, Town of Esquimalt
Chief Ron Sam, Songhees Nation
Chief Thomas, Esquimalt Nation

Wastewater Treatment

(CONTENT TO COME FROM BOARD CHAIR)

DRAFT



Wastewater Essentials

Some people do not think we need to build a land-based wastewater treatment system for the core area. They feel the current and long-standing practice of pumping raw sewage offshore is acceptable.

The reality is that we do not have a choice.

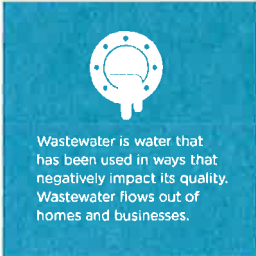
In 2006 the CRD was directed by the provincial government to implement wastewater treatment for the core area municipalities (Colwood, Esquimalt, Langford, Oak Bay, Saanich, Victoria, View Royal) and some First Nations that receive services.

In 2012 the federal government brought in regulations requiring high-risk municipalities to provide secondary wastewater treatment by 2020 (the CRD's funding agreements for the proposed wastewater treatment plan require that we have secondary treatment in place by 2018). At that time the CRD secured \$500 million in funding agreements from the federal and provincial governments to implement the approved wastewater treatment plan.

All other municipalities in the CRD already provide land-based wastewater treatment and the CRD's core area is one of the last major urban areas in North America that does not treat its wastewater.

The evolution of the treatment plant at McLoughlin Point:

Originally, the wastewater plan involved three treatment plants — a large plant at McLoughlin Point and two small plants in Saanich and the Westshore, and was exploring water recovery through tertiary treatment. As a result of public input, the CRD Board asked staff to look for cost savings, which resulted in a reduction of the number of treatment plants, an increase in the size of the McLoughlin Point plant (by approximately 20%), a phased-in Westshore facility as population pressures demand, and the removal of tertiary treatment due to lack of market demand for recovered water and cost of constructing a water distribution system. In 2010 the CRD approved this streamlined plan and began funding negotiations with senior levels of government.



Wastewater is water that has been used in ways that negatively impact its quality. Wastewater flows out of homes and businesses.



A regional approach to wastewater treatment

The Province has made the CRD, on behalf of its member municipalities, responsible for the implementation of wastewater treatment in the core area. To date, we've spent more than 10 years and \$49 million developing our wastewater treatment plan for the core area of the region. The CRD Board supports wastewater treatment in the core area. It is worth noting that **Esquimalt has been a key partner at every step along the way – including in 2008 when Esquimalt council formally requested the CRD to shift the treatment plant and outfall from Macaulay Point to McLoughlin Point, and in 2013 when it rezoned the land at McLoughlin Point for the wastewater treatment plant.**

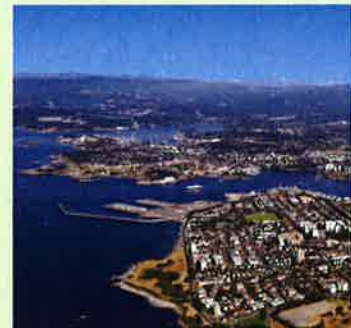
The CRD's planning process included extensive research and public consultation (2006-2009), expert input from North America's top professional

engineers, numerous independent financial and environmental reviews, and tsunami modelling and risk assessments, and received approvals from all levels of government. Our goal throughout this process has been to deliver best value for money and enhance the region's environmental health.

A regional, centralized approach to wastewater treatment makes sense economically and practically. Significant cost savings can be achieved by building one system and one central plant that serves the relatively dense core area of the region, with the option to add additional plants throughout the core area as our population increases.

Some municipalities are now expressing interest in developing their own wastewater treatment systems. There are cost implications to taxpayers of

'going it alone' without the funding commitments from the federal and provincial governments. There are also considerable technical challenges to overcome to build a number of municipal or sub-regional systems. Wastewater treatment systems are highly regulated and require backup plans for the disposal of treated wastewater, which could require the construction of expensive new ocean outfalls.



Right now we're only paying 1/3rd of the cost

The CRD has negotiated more than \$500 million in funding support for the existing, approved wastewater treatment plan from the provincial and federal governments. This means core area residents will only be responsible for \$287 million of the total \$788 million program budget if we meet the deadlines outlined in our funding agreements.

Our current plan commits us to developing a centralized wastewater treatment system and identifies

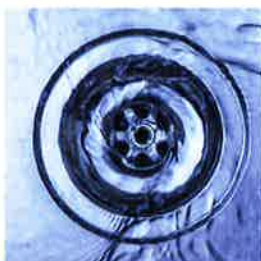
McLoughlin Point as the site for the treatment plant. The funding agreements require the sewage system to be up and running by 2018. If we cannot meet the construction timeline there is a real risk that we will lose much or all of the \$500 million in funding. The federal and provincial governments have given us no indication they will extend our funding agreements, and have not committed to entering into new agreements based on a new plan and timeline, or a new site for the centralized plant. In fact, the BC Environment Minister reiterated in

a July 3, 2014, letter to the CRD that, "...potential changes to the CALWMP (Core Area Liquid Waste Management Plan) should assume neither an increase to the Province's contribution nor an extension to the timeframes that have already been established."

The cost implications to individual taxpayers in the core area of losing \$500 million in funding are dramatic and would at least double the cost of wastewater treatment for taxpayers (see chart on next page).



Wastewater is made up of human waste (sewage), oils, grease, chemicals, dirt, and soaps from sinks, showers and washing machines.



A PROPOSAL TO ESQUIMALT RESIDENTS: REDUCED COSTS

The CRD Board has made an offer of reduced-cost wastewater treatment to Esquimalt residents in exchange for hosting the proposed wastewater treatment plant at McLoughlin Point.

The CRD Board is proposing either providing Esquimalt with a payment in the amount equal to Esquimalt's entire capital share in the Seatera Program (\$19M) or removing Esquimalt from the capital program cost levy.

This means that Esquimalt would get its federally mandated wastewater treatment for a reduced cost, which translates into a savings of roughly \$200* per year for over 25 years for each Esquimalt household.

Estimated Esquimalt household costs** for the wastewater treatment system

Estimated capital cost of the core area wastewater treatment system	CRD's share: \$287 million (of a total budget of \$788 million)
Cost per Esquimalt household - under current program (includes capital and operating costs for the wastewater treatment system)	\$323 per year for 25 years
Cost per Esquimalt household - accepting the offer from CRD (only operating costs for the wastewater treatment system)	\$125 per year
Cost per Esquimalt household - without federal and provincial funding (includes capital and operating costs for the wastewater treatment system)	\$667 per year for 25 years

* The Township of Esquimalt currently allots sewage treatment costs according to the assessment value of a property. This means that property owners and businesses with a higher assessment pay more for sewage treatment than other property owners.

** Sample estimated costs based on the average value of a typical Esquimalt household and do not reflect the actual costs for all Esquimalt households.

Why is the CRD offering to pay for Esquimalt's share of the regional plan?

In recognition of Esquimalt's role in hosting the wastewater treatment plant, the CRD negotiated a community amenity and impact mitigation package with Esquimalt staff during the rezoning application process in 2013-2014. Public response suggests a different approach to an amenity package may prove to be of greater value to Esquimalt residents.

To provide a tangible direct economic benefit to all the taxpayers of Esquimalt, the CRD Board is making an offer of reduced-cost wastewater treatment to Esquimalt residents. Many of the initial amenities proposed under the earlier proposal are still included in this offer, such as the facility design features and public education centre, dock and walkway, community liaison committee and resource recovery initiatives. The option for a heat loop remains available.

If the CRD and its core area municipalities are required to find an alternative site(s) for the treatment plant, the cost implications for both Esquimalt and other core area CRD taxpayers could be significant. In addition to increased costs, which have been previously estimated at \$60 - \$100 million, it is likely we would not meet our funding deadlines and lose much or all of our \$500 million support from the federal and provincial governments. The proposed offer of reduced-cost wastewater treatment to Esquimalt residents is the most straightforward and cost-effective means to ensure the delivery of the current approved plan within the funding and regulatory deadlines.

Questions & Answers

Why was McLoughlin Point chosen as the preferred site?

During the CRD's extensive planning phase (2006 to 2009), many sites were explored for the wastewater treatment plant. McLoughlin Point was selected as a good location because it is near one of two end points of the existing sewage infrastructure (Clover Point and Macaulay Point marine outfalls). All sewer pipes and pump stations across the CRD's core municipalities currently pump sewage to Clover Point and Macaulay pump stations and marine outfalls. Locating the wastewater treatment plant at McLoughlin Point near Macaulay Point makes the most of this existing infrastructure and the flow of gravity that directs sewage towards the most southerly point.

McLoughlin Point is also a good location because of its proximity to the ocean, which reduces the construction cost for the required effluent (treated wastewater) marine outfall. The lands are already owned by the CRD and are vacant industrial lands that were formerly used for oil tank storage. McLoughlin Point is surrounded by Department of National Defense (DND) property. The site is located away from residential neighbourhoods; the closest Township of Esquimalt residence is more than 500 metres away.

For these reasons, in 2008 Esquimalt council and residents asked the region to shift the treatment plant and outfall from Macaulay Point to McLoughlin Point. It was on the basis of that request that the CRD moved forward to study the site, select the site, amend its core area wastewater plan to designate McLoughlin Point, acquire the site and negotiate funding agreements.

NEW INFORMATION ABOUT THE WASTEWATER TREATMENT PLAN



What new design and technology details are available about the proposed plant?

At the time of the McLoughlin Point rezoning public hearing in early 2014, some key details about the treatment plant were not available because we were in the middle of a competitive bid process to select the successful proponent to design and build the facility. With the bid process complete, we are now able to respond to these concerns.

Design:

- The successful proponent, Harbour Resource Partners, has designed a world-class facility that delivers a high level of treatment in an architecturally beautiful, compact design. The facility includes a harbourfront public walkway, education centre, glass fronting and a green roof over the operations building. This design complies with the architectural guidelines approved by Esquimalt council.

Treatment technology:

- The treatment plant will provide a high level of treatment, including enhanced primary and secondary treatment, as well as advanced oxidation.
- Secondary treatment combined with the advanced oxidation process is actually capable of providing better treatment of pathogens, pharmaceuticals, micro-plastics and chemicals than tertiary membrane treatment. These processes will clean our wastewater so that it meets federal and provincial standards and is less harmful to the environment.
- Under the current approved plan, the treatment plant at McLoughlin Point would provide liquids-only wastewater treatment. Residual

solids would not be treated in an urban location in Esquimalt, but at Hartland landfill.

- The CRD has conducted studies and received professional advice concerning the issues of tsunamis and sea level rise. Findings have been incorporated into the facility design and a 6.1 metre high tsunami wall will be established for the treatment plant, which includes a safety factor for a storm surge and sea level rise.

What else is the CRD doing to ensure the wastewater treatment plan moves forward?

The financial implications of Esquimalt Council's decision in April 2014 to not allow zoning amendments for the proposed treatment facility at McLoughlin Point are dramatic. The CRD is making every effort to mitigate the potential of increased sewage costs for Esquimalt residents and other residents across the core area.

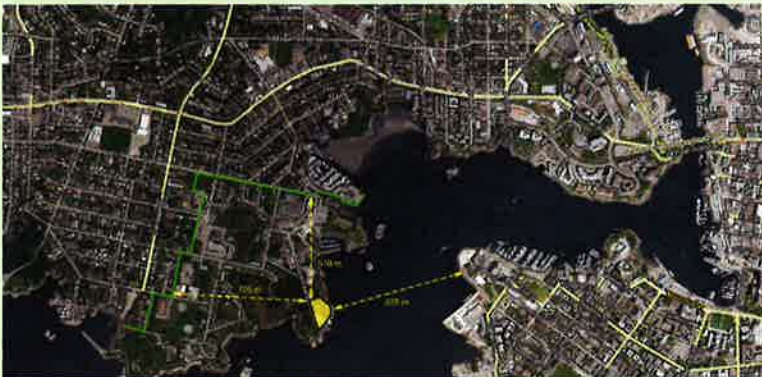
In addition to proposing an offer of reduced-cost wastewater treatment

to Esquimalt residents, the CRD is urgently exploring alternative solutions that meet our 2018 \$500 million funding deadline. We are working to minimize the potential significant increased burden on taxpayers and still achieve our environmental protection targets. We are also inviting municipalities and First Nations to consider siting the wastewater treatment plant in their area, as municipalities now know more details about the proposed plant, as well as the amenities and features attached to the project.

What are some municipalities doing?

Some municipalities in the core area are beginning to explore the option of separate municipal systems or combination of systems. This work is in the early stages and would require a number of plant sites within the region. Colwood and Esquimalt have identified potential sites. If municipalities decide to bring forward new proposals, these new systems will require a number of regulatory and funding approvals.

For other information about the wastewater treatment plant at McLoughlin Point, visit www.crd.bc.ca/wastewater.



McLoughlin Point — Site Context
Core Area Wastewater Treatment Program

Distance to site from nearest municipal boundaries DND/municipal boundary



Renderings of the proposed wastewater treatment plant

Help our region move forward with wastewater treatment

The CRD Board asks for your support for the treatment plant at McLoughlin Point

Esquimalt is a key partner in our region's wastewater treatment plan. In light of the new information provided in this mailer, it is our hope that you might come to see hosting the wastewater plant at McLoughlin Point as an opportunity to reduce your share of taxes for sewage costs and also provide an essential service for the CRD's core area municipalities.

Please share your thoughts on hosting a treatment plant at McLoughlin Point and the proposed offer to Esquimalt residents for reduced-cost wastewater treatment.

**Email the CRD Board of Directors via wastewater@crd.bc.ca.
All correspondence sent to the CRD on this issue will also
be forwarded to Esquimalt's Mayor and Council.**

Rejoin the conversation

Your community is a key partner in our regional wastewater treatment plan. Please share your thoughts at wastewater@crd.bc.ca.



Making a difference...together

625 Fisgard Street | Victoria, BC | V8W 1R7
crd.bc.ca/wastewater

CAPITAL REGIONAL DISTRICT

BYLAW NO. 3971

**A BYLAW TO AMEND BYLAW 2312, LIQUID WASTE MANAGEMENT CORE AREA AND WESTERN
COMMUNITIES SERVICE ESTABLISHMENT BYLAW NO. 1, 1995**

WHEREAS:

- A. The Board of the Capital Regional District wishes to amend Liquid Waste Management Core Area and Western Communities Service Establishment Bylaw No. 1, 1995 of the Capital Regional District (Bylaw No. 2312);
- B. The approval of the Inspector of Municipalities has been obtained under Section 802 of the Local Government Act; and
- C. This Bylaw has received the consent of two-thirds of the participants.

NOW THEREFORE, the Board of the Capital Regional District in open meeting assembled enacts as follows:

1. Bylaw No. 2312, "Liquid Waste Management Core Area and Western Communities Service Establishment Bylaw No. 1, 1995" is amended as follows:
 - (a) By adding the following new section 5(1)(h) and renumbering section 5(1)(h) "Spill Regulations" as 5(1)(i):

"Seatterra Core Area and Western Communities Wastewater Management Program" means all work connected with the design, procurement, construction and commissioning of the Wastewater Treatment Plant, Biosolids Energy Centre treatment facility and related infrastructure required to provide sewage treatment for the municipalities of Oak Bay, Saanich, Colwood, View Royal, Victoria, Esquimalt and Langford.
 - (b) By adding the following new subsection 5(6):

Notwithstanding Section 5(2), for purposes of cost sharing of the Seatterra Core Area and Western Communities Management Program, the design capacity benefit for the Township of Esquimalt, to a maximum of 6.7 ML/D capacity, is deemed to be nil.
2. This bylaw comes into effect upon the later of the issuance of:
 - (i) a development permit; or
 - (ii) a building permit

to permit treatment plant construction at McLoughlin Point for a 124 ML/D regional sewage treatment plant.
3. This bylaw may be cited as "Liquid Waste Management Core Area and Western Communities Service Establishment Bylaw No. 1, 1995, Amendment Bylaw No. 3, 2014"

READ A FIRST TIME THIS _____ day of _____, 2014

READ A SECOND TIME THIS _____ day of _____, 2014

READ A THIRD TIME THIS _____ day of _____, 2014

APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS day of , 2014

ADOPTED THIS _____ day of _____, 2014

CHAIR

SECRETARY

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS day of , 2014.



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EHQ 14-37

**REPORT TO CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE
MEETING OF WEDNESDAY, AUGUST 13, 2014**

SUBJECT **UPDATE: OPTIONS STUDY FOR SEWAGE TREATMENT**

ISSUE

To present an update on work conducted on terms of reference for a sub-regional options study for sewage treatment for the core area.

BACKGROUND

At its meeting of June 11 and continued June 18, 2014, the Core Area Liquid Waste Management Committee (CALWMC) approved recommending to the Board that the Capital Regional District (CRD), in consultation with the public, conduct a new pricing exercise for a decentralized system. Detailed terms of reference for such a study were not presented at that time to committee.

Subsequently, the CALWMC met July 9, 2014, and considered a staff report outlining options for moving forward with the pricing exercise. Staff considered how to achieve the objectives of the study in a cost effective, time sensitive way that recognized the importance of other key project component dates. Staff recommended re-engaging the 2009 Peer Review Team to update their report to include changes in wastewater technology, current capital and operating cost projections, changes in value and recovery technologies for heat, nutrient recovery, water reclamation and other resources, CRD policy changes (i.e., restriction of land application of biosolids) and known design and construction bids for centralized treatment and site determination for a resource recovery centre.

Director Hamilton presented an amended motion in response to the staff report, as follows:

It is anticipated that a \$400,000 budget would be required for this alternative to fund procurement costs, and consultant fees. CRD staff would work with municipal staff and First Nations that choose to develop a sub-regional approach to wastewater to craft Terms of Reference generally based on criteria noted in Alternative 1. The independent consultant would have no previous association with the Seaterra Program, Peer Review Team or previous CRD wastewater program studies. Monies and contracts would be administered by the CRD working in collaboration with the communities. Funding allocation for the sub regional assessment would be based on the same formula used to determine municipal contributions to the entire project.

Any recommendations would come to the CALWMC and subsequently to the CRD Board for amendments to the Liquid Waste Management Plan. It is anticipated that this study could be completed in October 2014 at the earliest. There is currently no allowance in the proposed deliverable dates or budget estimates in alternatives 1, 2 or 3 for new public and First Nation engagement processes.

Committee members discussed a number of items, including funding sources and the appropriate expenditure of funds, infrastructure and assets already in place, logistics of hiring a consultant and the terms of reference for the study. The committee referred the item back to staff to bring forward more details. The Board, at its meeting of July 9, 2014, postponed consideration of the motion on the pricing exercise from the CALWMC June 18 meeting pending the referral of the options study back to staff.

DISCUSSION

Any new pricing exercise or options study would be difficult to undertake without first determining the relevance to each of the participants in the service. To this end, staff have worked with municipal and First Nations staff and their consultants to discuss objectives, principles and a framework for terms of reference for an options study.

The options study would be structured such that staff would engage an independent manager to provide assistance to the CRD in working with municipal and First Nations participants to identify options, provide direct facilitation amongst representatives of the participants, facilitate workshops with the public and present options to the CALWMC. Phase 2 would involve continuation of planning and costing for the agreed options. The independent manager would have no past affiliation with the Seaterra Program, the Peer Review Team, or any other wastewater treatment study commissioned by the CRD.

The options study would be used to determine if preferred options can be identified that: meet all regulatory requirements, can be established within the approved funding envelope of \$788 million and can be completed within the timelines outlined in the approved core area Liquid Waste Management Plan (LWMP) and funding agreements.

Draft terms of reference were circulated to municipal and First Nations staff and west-side consultants in mid-July and a follow-up meeting was conducted August 6, 2014. A key concern raised at the meeting was the length of time required to complete a comprehensive options study given the regulatory and grant funding deadlines in place. The group discussed the necessity to determine an expedited process to identify options and potential siting that responds to the urgency at hand versus the length of time required to conduct a meaningful study with full public engagement.

The group also discussed the value of conducting the study for all participants of the service rather than individual sub-groups of participants. The core area sewage infrastructure is a system and from both financial and engineering perspectives, it makes the most sense to evaluate options for the whole to ensure integration and efficient utilization of existing infrastructure. Given that one all-in study was the preferred route forward, it was also recognized that there should be sufficient flexibility within the terms of reference to reflect that not all participants may have the same ultimate objectives or risk tolerance. The group discussed that whatever options were identified, they would remain within the CRD's LWMP and service authority.

Staff will continue to work in collaboration with municipal and First Nations staff and their consultants on the process and will bring back terms of reference for the options study, timing

implications, funding recommendations and a recommended shortlist of consultants to be considered for the independent manager at the September CALWMC meeting. If this process proceeds, the CRD will not be able to meet its obligations and the timelines set out in the senior government funding agreements. The Board has already directed staff to pursue this issue.

RECOMMENDATION

That the Core Area Liquid Waste Management Committee receive this report for information.



Larisa Hutcheson, P.Eng.
General Manager
Parks & Environmental Services



Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

LH:cl

Attachments: Schedule A – 2014 Program Summary Report
Schedule B – Program Financial Plan
Program Monthly Progress Report No. 14

**2014 Program Summary Report
Year to Date 30-June-2014**

SCHEDULE A-1

	2014 Budget	Year to Date Actuals	Commitments Unpaid (CU)	Total YTD Actuals + CU	Forecast Actuals 2014	Variance Budget - Forecast	Projected CU Dec 31 2014
WASTEWATER TREATMENT - MCLOUGHLIN	14,166,000	664,200	1,574,784	2,238,984	1,500,000	12,666,000	0
CONVEYANCING PIPES AND PUMPSTATIONS	19,875,000	3,552,531	7,546,120	11,098,651	12,500,000	7,375,000	0
RESOURCE RECOVERY CENTRE	4,734,000	1,651,860	2,874,410	4,526,270	1,800,000	2,934,000	0
COMMON COSTS	8,302,000	2,275,530	4,453,579	6,729,109	4,000,000	4,302,000	0
INTERIM FINANCING	435,000	0	0	0	100,000	335,000	0
PROGRAM CONTINGENCY	6,399,000	0	0	0	0	6,399,000	0
TOTAL	53,911,000	8,144,121	16,448,893	24,593,014	19,900,000	34,011,000	0

Note: The next report will include the projections based on the July 18 CRD Board decision to pause the Seaterra program.

Seatterra
Program Management Expenditure Report
Year to Date 30-June-2014

SCHEDULE A-2

	<u>2014 Budget</u>	<u>Year to Date Actuals</u>	<u>Budget Remaining</u>	<u>Commitments</u>
CAPITALIZED COSTS				
Salaries and Wages	2,305,000	793,064	1,511,936	
Consultants	4,261,000	1,090,786	3,170,214	4,234,794
Rentals and Leases	372,000	126,363	245,637	131,460
Operating - Other Costs	829,000	84,994	744,006	87,325
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>7,767,000</u>	<u>2,095,207</u>	<u>5,671,793</u>	<u>4,453,579</u>

Note: The next report will include the projections based on the July 18 CRD Board decision to pause the Seatterra program.

Seatterra
Commission Expenditure Report
Year to Date 30-June-2014

SCHEDULE A-3

	<u>2014 Budget</u>	<u>Year to Date Actuals</u>	<u>Budget Remaining</u>	<u>Commitments</u>
CAPITALIZED COSTS				
Honoraria	243,000	62,021	180,979	0
Travel	40,000	5,605	34,395	0
Operating - Other Costs	62,000	24,280	37,720	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>345,000</u>	<u>91,906</u>	<u>253,094</u>	<u>0</u>

Note: The next report will include the projections based on the July 18 CRD Board decision to pause the Seatterra program.

Seatterra Program Financial Plan

SCHEDULE B

	Estimated Costs to Date Dec 2013	2014	2015	2016	2017	2018	Total
WASTEWATER TREATMENT - MCLOUGHLIN	9,612,000	14,166,000	72,460,000	141,844,000	39,926,000	553,000	278,561,000
CONVEYANCING PIPES & PUMP STATIONS	6,264,000	19,875,000	53,672,000	39,907,000	6,962,000	106,000	126,786,000
RESOURCE RECOVERY CENTRE	3,233,000	4,734,000	31,388,000	166,958,000	48,072,000	291,000	254,676,000
COMMON COSTS	4,786,000	8,302,000	9,460,000	9,593,000	11,234,000	6,962,000	50,337,000
INTERIM FINANCING	37,000	435,000	2,211,000	7,116,000	14,906,000	6,696,000	31,401,000
PROGRAM CONTINGENCY	0	6,399,000	9,560,000	19,944,000	4,922,000	100,000	40,925,000
TOTAL	23,932,000	53,911,000	178,751,000	385,362,000	126,022,000	14,708,000	782,686,000

SOURCES OF FUNDING

Government of Canada	0	35,492,000	72,808,000	61,700,000	0	74,600,000	244,600,000
Province of BC	0	0	0	0	0	248,000,000	248,000,000
CRD debt	1,932,000	6,965,000	52,633,000	183,426,000	101,021,000	(277,891,000)	68,086,000
Proponent financing	0	1,454,000	38,310,000	120,236,000	0	(60,000,000)	100,000,000
Requisition	5,000,000	10,000,000	15,000,000	20,000,000	25,000,000	30,000,000	105,000,000
CRD Capital	17,000,000	0	0	0	0	0	17,000,000
	23,932,000	53,911,000	178,751,000	385,362,000	126,021,000	14,709,000	782,686,000

Note 1: Actual proponent financing will be determined at contract finalization

Note 2: The budget for 2014 does not include contract amounts committed in 2014 which will be paid in 2015-2018

Note 3: Costs to date reflect Seatterra implementation costs. Costs to date do not include CAWTP Program planning costs from 2006-2013.

Note 4: The PPP Canada grant is less than the maximum funding level of \$83,400,000 by \$8,800,000. Assumes \$35,000,000 of risk costs will not be incurred.

NOTICE OF MOTION (REVISED) – OPTIONS FOR WASTEWATER TREATMENT - DIRECTOR HAMILTON

WHEREAS: It is critical that there be positive action taken to meet funding deadlines and regulatory requirements for waste water treatment for the Capital Regional District;

BE IT RESOLVED that: Capital Regional District (CRD) staff be directed to support municipalities and First Nations who want to explore options for waste water treatment that are economically responsible, technically feasible, environmentally sound and meet current provincial and federal deadlines;

AND THAT funding be provided from the sewage treatment budget to support an independent assessment of alternative locations to McLoughlin and Hartland, with full and regular engagement of staff and elected representatives from participating municipalities, First Nations and the public; and,

AND THAT any decisions taken to amend the Liquid Waste Management Plan be done in an open and transparent public process;

AND THAT any further money spent be recoverable under the funding arrangement with the Provincial and Federal Governments and that clarity be sought that the funding arrangement with Provincial and Federal governments be able to support the communities to the extent it supported the CRD driven process .

August 5, 2014