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**Minutes of a Meeting of the Core Area Liquid Waste Management Committee
Held Wednesday, September 10, 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 (9:02), V. Derman, B. Desjardins, D. Fortin (9:05), C. Hamilton, G. Hill, B. Isitt (9:29), J. Herbert (for N. Jensen), V. Sanders (for F. Leonard), L. Seaton, L. Wergeland, A. Bryson, Board Chair, ex officio
Staff: R. Lapham, Chief Administrative Officer; L. Hutcheson, General Manager, Parks & Environmental Services; D. Lokken, General Manager, Finance and Technology; A. Sweetnam, Program Director, Seaterra Program; T. Robbins, General Manager, Integrated Water Services; G. Harris, Senior Manager, Environmental Protection; S. Henderson, Manager, Real Estate; A. Orr, Senior Manager, Corporate Communications; S. Santarossa, Corporate Officer; H. Raines (recorder)
Also Present: M. Bergamini, Principal, InterChange Public Affairs; C. Stewart, Stewart McDannold Stuart

The meeting was called to order at 9:00 a.m.

1. Approval of Agenda

MOVED by Director Brice, **SECONDED** by Director Hill,
That the agenda be approved as amended to include supplementary agenda.

CARRIED

2. Adoption of Minutes

MOVED by Director Brice, **SECONDED** by Director Wergeland,
That the minutes of the August 13, 2014, meeting be adopted as previously circulated.

CARRIED

3. Chair's Remarks: There were no Chair's remarks.

Director Brownoff entered the meeting at 9:02 a.m.

4. Presentations/Delegations

A. Presentations

- 1) Massimo Bergamini, Principal, InterChange Public Affairs re Federal Funding Agreement for Sewage Treatment: Mr. Bergamini provided general remarks on the federal funding commitment as follows:
 - Issues around siting were raised in 2009 with federal officials, and it was confirmed then that if there was no site selected there would be no program;
 - the funding is not locked in until the agreement has been signed by the Minister;
 - One of the stipulations of the contribution agreements is that a significant material change would result in a review of new project business case (including a technical

review by officials, approval by the Minister of Infrastructure and Treasury Board approval).

- There would likely be a review to determine if the project was still eligible for funding under the current Build Canada Fund, and not the one established in 2007.
- Projects have been amended as they develop and confirmed that federal dollars will flow until contribution agreement is signed.

Director Fortin entered the meeting at 9:05 a.m.

- 2) Colin Stewart, Stewart McDannold Stuart, re Statutory Obligations for Sewage Treatment: Mr. Stewart, legal counsel for the Capital Regional District (CRD), addressed both the statutory and legal obligation to provide secondary treatment, including the Federal legislation in the *Fisheries Act* section 37 and the *Wastewater Systems Effluent Regulations*, and highlighted the following:
 - With the application for transitional authorization, based on the current Liquid Waste Management Plan (LWMP), which had to be filed by the end of June 2014, the CRD is able extend compliance to the regulations to 2020;
 - The CRD had to disclose that plans for treatment were under review and indicated that they would keep the federal government informed of their plans;
 - Transitional authority can be revoked;
 - The LWMP remains the approved plan and under the plan, sewage treatment must be in place by the end of 2018.

Mr. Stewart spoke about the provincial regulations and funding agreement, which include the establishment of the Commission, and outlined the process for any changes to the current LWMP. He addressed the history of the letters patent from the 1960s which set the current parameters for CRD's authority to treat sewage.

Discussion from the Committee included zoning, deleterious materials, siting for the Resource Recovery Centre, the contribution agreements and the timing of confirmation of the contribution agreements. Further legal opinion will be considered in the closed portion of the meeting.

Director Isitt entered the meeting at 9:29 a.m.

B. Delegations

- 1) Richard Atwell, re item 6: spoke about the contribution agreements. He expressed the need to show the public the funding agreements and called for greater transparency by the CRD.
- 2) Norma Brown, re item 6: spoke against the current Terms of Reference (TOR), indicating that they need to consider the community's needs and the study should be comprised of a small, balanced collective, including communities and first nations in charge.
- 3) John Farquharson, director of STAG, re item 6: spoke against the current TOR. He discussed a signed petition and a STAG drafted TOR for the project. He feels that the

CRD option study is not designed for success. A revised TOR should have broad consensus, quality information and credibility of the inquirer.

- 4) Ray Parks, re item 6: spoke against the current TOR. He expressed the need to maintain and strive towards consensus and the need to have someone look at this with a critical review and fresh perspective.
- 5) Irwin Henderson, re item 6: gave suggestions on how the CRD could move towards consensus on the TOR, including greater transparency, inclusivity with First Nations and municipalities and independence from the CRD.

5. Motion to Close the Meeting

MOVED by Director Hill, **SECONDED** by Director Brice,

That the Committee close the meeting in accordance with the *Community Charter* Part 4, Division 3, Section 90(1) (a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the regional district or another position appointed by the regional district; (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 and section 90(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, or between a provincial government or the federal government or both and a third party.

CARRIED

The Committee moved to the closed session at 10:02 a.m.

The Committee rose from the closed session at 11:18 a.m. without report. All members of the Committee were present save Board Chair Bryson.

6. Terms of Reference – Options Study for Core Area Sewage Treatment

L. Hutcheson provided an overview of the report. She highlighted the work with municipal staff and First Nations staff to arrive at the current Terms of Reference (TOR) for an options study. She indicated that the Independent Manager and Fairness Advisor would report to the Committee and the Board and that staff would be present in a supporting role.

MOVED by Director Isitt, **SECONDED** by Director Blackwell,

That it be recommended to the Capital Regional District Board:

- 1) That staff, working in collaboration with the municipalities, be directed to undertake an Options Study according to the Terms of Reference attached in Appendix A; and
- 2) That a budget in the amount of \$400,000 be allocated to the study, funded from the Liquid Waste Management Plan operating reserve, which had a balance of \$954,545 as of December 2013.

MOVED by Director Isitt, **SECONDED** by Director Blackwell,

That the report be referred back to staff until the next Core Area Liquid Waste Management Committee meeting in order to update the Terms of Reference to include suggestions from the September 3, 2014, correspondence from the Westshore mayors.

Director Fortin left the meeting at 11:28 a.m.

Discussion on TOR and amendments to TOR followed. Topics included municipal inclusion and contribution, grant and fund management, regulatory standards and public process on site selection. Staff informed the Committee that grants are given for specific infrastructure projects, and it was not up to the discretion of staff to control where funds are allocated.

MOVED by Director Isitt, **SECONDED** by Director Alto,

That the motion to refer be amended to direct staff to also include the following guiding principles to the Terms of Reference for the Options Study:

1. Each municipality will have authority over zoning for treatment plants within that municipality. Each municipality, not the CRD, will be responsible for either designating a suitable site or sites within the municipality or for collaborating with another municipality that has agreed to host a site.
2. Each municipality hosting a site assumes primary responsibility for determining the public process required to obtain approval for that site. These public processes are not led by the CRD.
3. Costs will be allocated on the basis of actual costs to serve each participant. The cost of a plant serving only one municipality would be allocated entirely to that municipality, and similarly the cost of a plant and conveyance systems serving a sub-set of municipalities will be allocated entirely among those participants. No municipality will be obliged to share the cost of plant or conveyance system in another municipality except by agreement between them.
4. Individual municipalities or sub-systems will determine levels of treatment and resource recovery, provided they meet the standards required by regulators and funders. Benefits of resource recovery will be allocated in the same way as costs.
5. Grant funding should be allocated to reduce costs of systems on the basis of the current cost sharing formula.

Discussion on the above amendment ensued as follows:

- Greater consistency between item 3 and 5
- Legal implications regarding items 4 and 5 that will be addressed in the staff report

Question on amendment to the referral motion was called.

CARRIED

Discussion on the amendment to the referral motion included municipal facilitation, the need to regain trust, program priorities and climate change.

Question was then called on the motion to refer as amended:

That the report be referred back to staff until the next Core Area Liquid Waste Management Committee meeting in order to update the Terms of Reference to include suggestions from the September 3, 2014, correspondence from the Westshore mayors and also include the following guiding principles to the Terms of Reference for the Options Study:

1. Each municipality will have authority over zoning for treatment plants within that municipality. Each municipality, not the CRD, will be responsible for either designating a suitable site or sites within the municipality or for collaborating with another municipality that has agreed to host a site.
2. Each municipality hosting a site assumes primary responsibility for determining the public process required to obtain approval for that site. These public processes are not led by the CRD.
3. Costs will be allocated on the basis of actual costs to serve each participant. The cost of a plant serving only one municipality would be allocated entirely to that municipality, and similarly the cost of a plant and conveyance systems serving a sub-set of municipalities will be allocated entirely among those participants. No municipality will be obliged to share the cost of plant or conveyance system in another municipality except by agreement between them.
4. Individual municipalities or sub-systems will determine levels of treatment and resource recovery, provided they meet the standards required by regulators and funders. Benefits of resource recovery will be allocated in the same way as costs.
5. Grant funding should be allocated to reduce costs of systems on the basis of the current cost sharing formula.”

CARRIED

7. Seaterra Budget Update No. 15

D. Lokken spoke to the report and indicated the budget reflects the pausing of the project and the reduced expenditure.

MOVED by Director Derman, **SECONDED** by Director Hill,
That the Seaterra Budget Update No. 15 be received for information.

CARRIED

8. Correspondence

- a) Mayors of the Westside Communities and the Chief of the Songhees Nation, 3 September 2014, re: Independent study on options for waste water treatment for the Core Area of the Capital Regional District (CRD) *[related to item 6]*

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

CARRIED

9. Motions for Which Notice Has Been Given

- a) **Options for Wastewater Treatment: Director Hamilton**

MOVED by Director Hamilton, **SECONDED** by Director Hill,
That consideration of the motion be postponed until the next Core Area Liquid Waste Management Committee meeting when the Terms of Reference for the Options Study will also be considered.

CARRIED

b) Implementing a Process for Investigating Best Practices: Director Derman

MOVED by Director Derman, **SECONDED** by Director Hill,
That consideration of the motion be postponed until the next Core Area Liquid Waste Management Committee when the Terms of Reference for the Options Study will also be considered.

CARRIED

10. New Business: There was no new business.

11. Motion to Close the Meeting

MOVED by Director Derman, **SECONDED** by Director Brice,
That the Committee close the meeting in accordance with the *Community Charter* Part 4, Division 3, Section 90(1) (a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the regional district or another position appointed by the regional district; (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 and section 90(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, or between a provincial government or the federal government or both and a third party.

CARRIED

The Committee moved to closed session at 12:03 p.m.

12. Adjournment

MOVED by Director Blackwell, **SECONDED** by Director Seaton,
That the meeting be adjourned 1:01 p.m.

CARRIED

CHAIR

RECORDER