



Reference: 95462

DEC 14 2007

Denise Blackwell, Chair, and Directors
 Capital Regional District
 PO Box 1000
 Victoria BC V8W 2S6

Dear Chair Blackwell and Directors:

Denise & Co.

This is further to my acknowledgement letter of June 29, 2007 in regards to Amendment #6 to the Capital Regional District (CRD) Core Area Liquid Waste Management Plan.

I appreciate the work and thought that you have put into preparing the submission, and how much is yet to be done. I note and appreciate your efforts in assessing new technologies as part of the treatment selection process.

The strategies you are proposing to optimize the beneficial use of reclaimed water, biosolids and other resources are commendable. I agree that these opportunities offer significant potential, and encourage you to study if reuse of resource recovery can be optimized through a more distributed infrastructure model. I also encourage you to explore additional benefits that may be realized by integrating solid and liquid waste resource recovery opportunities, and to seek out interested partners within the CRD to test these opportunities. The BC Government will work with you to identify and optimize these benefits.

I also appreciate your work to date with Partnerships BC to assess P3 opportunities, as requested by the Province at the October 2006 Union of Municipalities of British Columbia convention. I look forward to your continued work with them, and the Ministry of Community Services, in review of your business case, procurement options, and proposed governance structure.

I believe that there is substantial agreement on the following objectives for moving forward:

1. Meet the regulatory standard for liquid waste.
2. Minimize total project cost to the taxpayer by maximizing economic and financial benefits, including beneficial reuse of resources and generation of offsetting revenue.

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3. Optimize the distribution of infrastructure based on number 2 above.
4. Aggressively pursue opportunities to minimize and reduce greenhouse gas emissions (eg. reduced requirement of energy for pumping purposes, and beneficial re-use of energy).
5. Optimize 'smart growth' results (e.g. district services, density, 'Dockside Green' like innovation).
6. Examine the opportunity to save money, transfer risk and add value through a public private partnership.

The treatment schedule established in Amendment #6 is hereby approved, subject to the requirements set out below.

In accordance with Section 24 (3) (b) of the *Environmental Management Act*, a business plan, demonstrating how to achieve the above objectives, shall be submitted to me no later than June 30, 2008.

CRD shall submit a Liquid Waste Management Plan amendment on or before December 31, 2008, which shall include, but not be limited to, the following:

- decisions on the selected physical infrastructure model, selected resource recovery options, and P3 approach (including supporting rationale) to demonstrate the above principles;
- identifying the site locations for sewage treatment facilities;
- the results of environmental impact studies for each sewage facility (site assessment);
- the results of environmental impact studies for each new discharge location;
- draft operational certificates for each sewage treatment facility/discharge location;
- Class B detailed capital and operating costs to implement the plan, and costs per user, both with and without government funding, and
- consultation summary reports (public and First Nations).

With regard to your request to waive the requirement for the sediment transport study, I will hold this requirement in abeyance to allow ministry and CRD staff to review the need for this study in consultation with other regulatory agencies and stakeholders. Condition 1, paragraph 3 in the March 26, 2003 approval of the Core Area Liquid Waste Management is hereby amended as follows:

“The CRD may be required to carry out a field program to assess sediment transport mechanisms at the Macaulay Point and Clover Point outfalls to determine the fate of sediments being discharged to the environment. The need, or lack of need, for the assessments will be established by the Minister after submission of the December 31, 2008 amendment to the plan.”

On a related matter, Ministry of Environment staff and a consultant are undertaking a review of the receiving environment monitoring programs for the Macaulay Point and Clover Point outfalls



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in anticipation of changes in the treatment strategy. Please arrange for the necessary CRD staff to work with ministry staff on this initiative.

Thank you for the progress you have made so far. Please continue to work with the Ministry of Environment, Regional Environmental Protection staff through this next stage of the amendment process.

I look forward to continuing to work with you on this important environmental endeavour.

Sincerely,

Barry Penner
Minister

pc: Honourable Ida Chong, MLA (Oak Bay-Gordon Head)
Honourable Murray Coell, MLA (Saanich North and Islands)
Kelly Daniels, Chief Administrative Officer, Capital Regional District
Dwayne Kalynchuk, General Manager, Environmental Services, Capital Regional District
Randy Alexander, Regional Manager, Environmental Protection Division, Nanaimo