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Legislative & Information Services

PO Box 1000, 625 Fisgard Street

Victoria, BC V8W 2S6

T: 250.360.3128

F: 250.360.3130

[www.crd.bc.ca](http://www.crd.bc.ca)

September 22, 2015

File: 0550-20

Anja Nurvo  
Director of Corporate Services  
Township of Esquimalt  
1229 Esquimalt Road  
Esquimalt, BC V9A 3P1

Dear Ms. Nurvo:

**RE: Core Area Wastewater Treatment Program - Project Charter for the Options Phase Referral to Municipal Staff**

At its meeting held September 9, 2015, the Core Area Liquid Waste Management Committee adopted the following motion:

*"That the Core Area Liquid Waste Management Committee refer the draft Project Charter to the Westside and Eastside Wastewater and Resource Recovery Select Committees, the Technical Oversight Panel and to regional and municipal staff for input and direct staff to bring the document back to the committee for adoption at its October 2, 2015 meeting."*

A copy of the draft Project Charter is attached for consideration by municipal staff and we would appreciate receiving your comments by **Monday, September 28, 2015**. My apologies for the delay in forwarding the Project Charter to your organization for comment and to clarify, we are not asking for formal input from your municipal councils.

For your information, the Eastside Select Committee has proposed a number of changes to the documents and those changes will be highlighted in the version to be considered by the Westside Select Committee at its September 29, 2015 meeting.

Please forward your feedback to Larisa Hutcheson at [lhutcheson@crd.bc.ca](mailto:lhutcheson@crd.bc.ca) by September 28, 2015. Thank you for your consideration of this matter and please let me know if you have any questions. I can be reached at 250-360-3128.

Yours truly,

Sonia Santarossa  
Senior Manager, Legislative & Information Services

c: L. Hurst, CAO  
L. Helps, Chair, CALWMC  
B. Lapham, CAO  
L. Hutcheson, GM Parks & Environmental Services

Attachment: CAWTP Project Charter for the Options Phase

## CORE AREA SEWAGE AND RESOURCE RECOVERY SYSTEM 2.0

### Phase 2: Analysis, Options Costing and Public Engagement

#### Project Charter – **DRAFT**

*This version of the Charter document is an incomplete working draft that includes consolidated comments and feedback from the Eastside Select Committee and revisions from CRD staff ~~document is an incomplete draft, a work in progress.~~ The Core Area Liquid Waste Management Committee (CALWMC) is seeking input from the Eastside and Westside Select Committees, CRD staff and the Technical Oversight Panel. The draft will be amended accordingly with input received. The final project charter will be proposed for adoption at the CALWMC on October 2.*

September 23, 2015

## **Table of Contents**

To be completed once content is finalized.

## 1. VISION

In partnership with the public, the Core Area Liquid Waste Management Committee (CALWMC) will deliver a sewage treatment and resource recovery system that is proven, innovative and maximizes the benefits for people and the planet – economic, social, and environmental – for the long term.

## 2. BACKGROUND

In 2006, an environmental report commissioned by the Ministry of Environment noted the contamination of seabed sites ~~close to near the CRD~~ outfalls ~~in the region where the region's wastewater is discharged~~. As a result, the Province mandated that the Capital Regional District (CRD) plan for and initiate secondary sewage treatment for the region.

In 2012, the federal government passed a law requiring all high-risk Canadian cities to provide secondary sewage treatment by 2020 at the latest. The CRD's core area was ~~deemed~~considered to be in the high-risk category.

Between 2009 and 2014, the CALWMC, CRD staff and consultants, and the Core Area Wastewater Program Commission (the Commission) worked to create and implement a publicly acceptable sewage treatment and resource recovery system for the core area.

In June 2014, the plan to build one regional plant at McLoughlin Point was put on hold by the CRD Board, in response to public input from the residents of Esquimalt, the host municipality.

In June 2014, Langford, Colwood, View Royal, Esquimalt and the Songhees Nation formed the Westside Select Committee to begin planning for a new project to treat sewage and recover resources in those municipalities and the Nation. In January 2015, a similar body – the Eastside Select Committee, comprised of Saanich, Oak Bay, and Victoria was formed – to develop a similar plan for the Eastside municipalities.

Since June 2014 and January 2015, respectively, both Select Committees have been engaged in in-depth public engagement activities to share information with the public, build trust, and seek public input on a range of factors including, but not limited to, level of treatment, treatment technologies, siting of treatment plants, costs, risks, and long-term social, economic and environmental benefits.

In July 2015, both select committees presented their work and recommendations to the CALWMC. The CALWMC approved the solution sets and recommendations from the Eastside Select Committee, including potential sites and direction with regard to investigating secondary and tertiary treatment, anaerobic digestion and gasification, and resource recovery and revenue generation. The CALWMC received a presentation from the Westside Select Committee detailing its work to date and accepting the Westside Select Committee's proposal to carry on with further public engagement and more detailed costing and engineering analysis ~~as per its terms of reference~~ to be presented to the CALWMC as more fully-developed solutions in fall 2015.

The work of the Eastside and Westside Select Committees, the CALWMC, and the public between June 2014 and July 2015, lays the groundwork for the current project, *Core Area Sewage and Resource Recovery System 2.0*.

### 3. GOALS AND COMMITMENTS

The Core Area Sewage and Resource Recovery System 2.0 project will deliver the following goals and meet the following commitments. *NB goals should be measurable. Each of these goals needs a corresponding metric so at project completion the CALWMC can determine whether it achieved its goals.*

#### Goals

- a) Meet federal regulations for secondary treatment by December 31, 2020
- b) Minimize ~~net cost~~costs to residents and businesses (life cycle cost) and provide value for money
- c) Produce an innovative project that brings in costs at less than original estimates
- d) Optimize opportunities for resource recovery to accomplish substantial net environmental benefit
- e) Optimize opportunities for climate change mitigation

**Comment [LT1]:** Suggested revision: Optimize opportunities to incorporate sustainability and value added alternatives such as reuse of water and resource recovery

#### Commitments

- a.) Develop and implement the project in a transparent manner ~~Deliver all aspects of the project transparently~~ and engage the public throughout the process
- b.) Deliver a solution that adds value to the surrounding community and enhances the livability of neighbourhoods.
- c.) Deliver solutions that are safe and resilient to earthquakes and tsunamis
- d.) Develop innovative solutions that account for and respond to future challenges, demands and opportunities, including being open to investigating integration of other parts of the wastestream if doing so offers the opportunities to optimize other goals and commitments in the future
- e.) Optimize greenhouse gas reduction through the development, construction and operation phases

### 4. SCOPE

The scope of this phase of the project is to complete the Options Development Phase, by submitting an amendment to the Liquid Waste Management Plan and receiving conditional approval from the Minister of Environment of an Liquid Waste Management Plan Amendment for the Core Area. This Plan amendment will be approved by the provincial and federal funding agencies. Completion of this phase includes securing ~~land tenure of~~ sites for all major facilities (wastewater treatment and resource recovery).

The scope of this phase does not include detailed site assessments such as Environmental and Social Reviews, submission of detailed business cases, ~~(~~as may be required by funding

agencies), indicative design, finalized cost sharing agreements ~~between the participants~~ or the procurement of infrastructure.

## 5. KEY STAKEHOLDERS

This graphic illustration outlines all of the project stakeholders (including municipal councils) and ~~depicts-displays~~ the relationships ~~among~~between them. For a description of the roles and responsibilities of each stakeholder, please see Section 6.

See Attachment 1.

## 6. ROLES AND RESPONSIBILITIES

### Project Lead (TBD)

**Federal Government** – In 2012, the federal government passed a law requiring all high-risk Canadian cities to provide secondary sewage treatment by 2020 at the latest. The CRD's core area was ~~deemed~~considered to be in the high-risk category. The federal government ~~has~~ agreed to contribute up to \$253 million towards the project out of three different funding programs: Building Canada Fund (\$120 million), Green Infrastructure Fund (\$50 million) and 3P Canada (\$83.4 million).

- Secondary treatment mandated by 2020
- Funding of \$253 million

**Provincial Government** – In 2006, an environmental report commissioned by the Ministry of Environment noted the contamination of seabed sites ~~near-close to the~~ CRD outfalls where wastewater is discharged. As a result, the CRD was mandated by the province to plan for and initiate secondary wastewater treatment for the region. Provincial funding agreements provide a maximum of \$248 million towards the project.

- Funding of \$248 million
- Approval of LWMP amendment and regulatory requirements

**Capital Regional District Board (CRD Board)** – The CRD Board is responsible for ~~determining-selecting-siting-final site locations~~ and securing lands for wastewater treatment facilities, obtaining the rezoning of lands, approving the architectural design ~~guidelines~~ for facilities, and approving funding agreements and the budget.

- Final approving body for funding, budget and major decisions
- Collect and disburse the local portion of the funding of \$287 million

**Core Area Liquid Waste Management Committee (CALWMC)** – A standing committee of the CRD Board, the ~~Core Area Liquid Waste Management Committee~~CALWMC ~~is comprised~~consists of Directors from municipalities and First Nations participating in the Core Area Liquid Waste Management Plan (CALWMP). The committee is responsible for overseeing the CALWMP and making recommendations to the CRD Board ~~regarding~~about the CALWMP and certain aspects of the Core Area Wastewater Treatment Program.

- Standing Committee of CRD Board

- Responsible for overseeing CALWMP

**Core Area Liquid Waste Management Committee (CALWMC) Chair** – The CALWMC Chair is selected by the Chair of the CRD Board annually. The CALWMC Chair is responsible for participating in CALWMC agenda meetings and chairing CALWMC meetings. The Chair is also responsible for building and maintaining relationships, and liaising with the Chair of the Core Area Wastewater Program Commission and ~~liaising with its chair and with the~~ Chair of the Technical Oversight Panel ~~and liaising with its chair~~. The CALWMC Chair is the public face of the project and is responsible for liaising/communicating with other public bodies at the political level, as well as with the media.

**Core Area Liquid Waste Management Committee (CALWMC) Vice Chair** – The CALWMC Vice Chair is rResponsible for fulfilling the roles and responsibilities of the CALWMC Chair in the Chair's absence.

**Westside Wastewater Treatment and Resource Recovery Select Committee** – Westside participants (Colwood, Esquimalt, Langford, View Royal, and Songhees Nation) ~~have~~ formed the Westside Wastewater and Resource Recovery Select Committee to evaluate westside treatment options and develop a sub-regional wastewater treatment and resource recovery plan. The Select Committee reports to the CALWMC and is supported by CRD staff, Westside staff, consultants and a technical working group.

The participants ~~have~~ initiated the Westside Solutions Project as a way to engage citizens to work collectively to identify solutions for wastewater treatment and resource recovery that meet the unique needs of the Westside ~~in a proactive and timely way~~ communities. The member municipalities' role is to provide political input and take feedback from the public from their respective municipalities and report to the Westside Select Committee. The ~~above-participating~~ municipalities also have zoning authority. The Songhees Nation and the Esquimalt First Nation representatives provide ~~their~~ political input to the Westside Select Committee.

- Representatives from Colwood, Esquimalt, Langford, View Royal and Songhees Nation
- Reports to CALWMC
- Evaluates options to develop a sub-regional wastewater treatment plan
- Supported by CRD staff, Westside municipal staff, consultants and a technical working group

**Eastside Wastewater Treatment and Resource Recovery Select Committee** – Oak Bay, Saanich and Victoria ~~have~~ formed the Eastside Wastewater and Resource Recovery Select Committee to engage with their communities and develop wastewater treatment options that will meet their ~~needs~~ of the Eastside municipalities. The Select Committee reports to the ~~Core Area Liquid Waste Management Committee~~ CALWMC and is supported by CRD staff, participating municipal staff and consultants. The Eastside Select Committee ~~s will develop a plan for the Eastside that~~, in combination with the plan from the Westside Select Committee, could form the basis for an amendment to the ~~Core Area Liquid Waste Management Plan (CALWMP)~~. The ~~municipalities'~~ of the participating municipalities role is to provide political input and take feedback from the public from their respective municipalities and report to the ~~EasWest~~ Eastside Select Committee. The ~~above-participating~~ municipalities also have zoning authority.

- Representatives from Oak Bay, Saanich and Victoria
- Reports to CALWMC

- Working to develop wastewater treatment options for Eastside municipalities
- Supported by CRD staff, participating municipal staff, and consultants

**CRD Chief Administrative Officer (Robert Lapham)** – The CAO oversees all administrative operations and staff, ~~and~~ ensures CRD Board policies are implemented, oversees the operations and functions of the CRD, and aligns the organization to achieve strategic priorities set by the Board. This includes working with federal and provincial staff to coordinate funding agreements and providing advice to the CRD Board regarding potential risks and opportunities for the CRD Board.

- Oversees CRD operations and staff
- Works with partners and stakeholders
- Provides advice to the CRD Board

**General Manager of Parks & Environmental Services (Larisa Hutcheson)** – ~~The GM of Parks and Environmental Services p~~~~Provides~~ general direction and leadership to CRD staff and advises the CALWMC and the Eastside and Westside Wastewater Treatment and Resource Recovery Select Committees regarding the technical and legal aspects of the CALWMP and the wastewater treatment planning process. The General Manager's role is also to provide information to the Core Area Municipalities' CAOs and First Nations Administrators.

- Provides general direction and leadership to CRD staff
- Advises on technical and legal aspects of the CALWMP
- Informs Core Area Municipal CAOs and First Nation Administrators about the project

**General Manager of Finance & Technology (Diana Lokken)** – The GM of Finance & Technology is the Chief Financial Officer for the CRD. ~~The GM of Finance and Technology and~~ is responsible for the budget and all financial services, information technology and geographic information services (IT & GIS), property and real estate services, insurance and risk management, facilities management, ~~and~~ arts development for the Capital Region.

**Corporate Officer (Sonia Santarossa)** – ~~The CRD Corporate Officer p~~~~Provides~~ support and procedural advice to the CRD Board and the ~~Core Area Liquid Waste Management Committee~~~~CALWMC~~, and is responsible for maintaining the official records of these bodies. The officer ~~also~~ processes requests for records in accordance with the Freedom of Information and Protection of Privacy Act.

**First Nations Liaison (Sue Hallatt)** – The First Nations Liaison serves as a point of contact for First Nations communities involved with the project and provides departmental support and assistance in the areas of service delivery, referral processes, outreach, engagement and relationship building.

**Manager, Corporate Communications (Andy Orr)** – The Senior Manager of Corporate Communications provides professional expertise and leads the CRD Corporate Communications team, which ~~will work~~~~s~~ with the General Manager of Parks & Environmental Services and the CAO on overall communications for the CRD Board and CALWMC. There is a ~~dedicated~~ communications coordinator ~~dedicated for this~~~~to working on this project~~. – The Eastside and Westside Select Committee processes are supported by consultants who provide communications ~~support and~~ consultation strategy, ~~and deliverables to those the sub~~ Select committees.



**Technical Oversight Panel (ToP)** – The role of the Technical Oversight Panel is to review the costing and feasibility studies developed by the Engineering ~~Team~~~~Firm~~team during the planning phase of the project and to ensure that the studies for the wastewater treatment options include the necessary due diligence. The TOP will also advise on how to best engage the private sector in this phase of the project. Fundamental to providing independent technical oversight and confirming due diligence is to ensure that the engagement of the private sector in this phase of the project and the innovative solutions that may come forward is informed by, but not necessarily bound by (as per the ToP, TOR), decisions to date regarding sites, option sets, timelines, definitions of treatment and other potential limitations on analysis and costing.

~~The role of the Technical Oversight Panel oP does not include public consultation, media interaction, land acquisition and rezoning, contract management or direction of the Engineering Team.~~ The ToP receives information from and liaises with the Engineering ~~Team~~~~Firm~~ (Urban Systems and Carollo Associates), and provides feedback and recommendations to the CALWMC. The Chair of the ToP, Teresa Coady, reports to the CALWMC biweekly.

- Independent Technical Oversight Panel
- Reviews costing and feasibility studies
- Reports findings to the CALWMC

**Independent Engineering Resources** – The Independent Engineering ~~Team's~~~~Firm's~~ role is to conduct the Feasibility and Costing Analysis (Urban Systems partnered with Carollo) for the ~~CRD Core Area Liquid Waste Management Plan~~~~CALWMP~~ Wastewater Treatment System. The team ~~is will be~~ assessing the feasibility of a regional and sub-regional system in the ~~Ceore~~ Core Area. The team is also looking at a distributed system option based on the potential sites put forward from the Eastside Select Committee and Westside Select Committee. The ~~Engineering Team will~~ provides information to and liaises with the ToP, ~~and~~ reports to and receives direction from the CALWMC. Additional external resources may be required to prepare the LWMP amendment.

- Conducts feasibility and costing analysis
- Assessing feasibility of regional and sub-regional systems in the ~~Ceore~~ Core Area.
- Assists with pPreparation of LWMP amendment

**Fairness and Transparency Advisor (FTA) (Kim Cholette)** – The FTA's role is to act as a point of contact for the public to submit complaints regarding the process of costing the options, working with the host jurisdiction(s) and preparing an amendment to the ~~Liquid Waste Management Plan~~~~LWMP~~ and to ensure that the process is fair, transparent, impartial and objective. The FTA is independent of the CRD. The FTA's role is to investigate appropriate complaints and report to the Board, through the CALWMC, the results of an investigation, to help strengthen the fairness, transparency or objectiveness of the process followed. The FTA is to provide monthly status reports to the CALWMC.

- Independent of the CRD
- Investigates public complaints regarding process
- Ensures process is fair, transparent, impartial and objective

**Core Area Wastewater Treatment Program Commission (the Commission)** – As part of the funding negotiations with the Province, the CRD was required to establish an independent non-political governance body to manage, implement and commission the Core Area

**Comment [LT2]:** Will this be a flag for people?

**Wastewater Treatment Program.** The Commission governs the implementation and operation of the Wastewater Treatment Program ~~and—It~~ oversees the procurement process for all components of the Program. The Commission operates autonomously of the ~~Committee CALWMC~~ and Regional Board ~~—Hh~~ however, the Commission is required to seek CRD Board and funder approval on predetermined items as detailed in the CRD Commission bylaw. Several steps have been ~~completed—taken~~ to scale back operations and reduce costs as the CRD continues its planning work to find a new solution to wastewater treatment ~~for the seven core municipalities~~. The Commission remains in place waiting to implement whatever system of wastewater projects the CRD Board decides upon and is approved by the Province.

- Independent Commission required by Province
- Manages implementation and operations of the Wastewater Treatment Program
- Oversees procurement process

**Technical and Community Advisory Committee (TCAC)** – The Technical and Community Advisory Committee ~~is a funding requirement of the province, and~~ provides technical and community consultation advice and input to the CALWMC. ~~TCAC#~~ assists the CALWMC in making appropriate recommendations to the CRD Board in the following areas: a) plant design criteria and treatment technology, including opportunities for resource recovery, sludge management, odour control and general plant design criteria, b) number and location of treatment plants, and c) timing/scheduling of treatment.

- Provides technical and community consultation advice
- Makes recommendations regarding design criteria, treatment technology, number and location of treatment plants, and schedule for treatment

**Eastside Public Advisory Committee (EPAC)** – The Eastside Public Advisory Committee takes input from the public and provides guidance to the Eastside Wastewater and Resource Recovery Select Committee on the public consultation process.

- Takes input from the public
- Provides Eastside Select Committee on the public consultation process

**Core Area CAOs + First Nation Administrators** – The Core Area CAOs and First Nations Administrators receive project-specific information and updates from the CRD's General Manager of Parks & Environmental Services regarding the progress of the CALWMC and the Eastside and Westside Select Committees.

- Receive project information
- Provide recommendations from municipal staff perspective

**Westside Technical Team** – The Westside Technical Team ~~consistsis comprised~~ of municipal staff, supported by Urban Systems. The technical team provides technical information and input to the Westside Select Committee.

- Comprised of municipal staff and supported by Urban Systems and Aurora Innovations for facilitation and coordination support
- Provides technical advice to the Westside Select Committee

**Eastside Technical Team** – The Eastside Technical Team ~~is~~ comprised of municipal staff ~~and~~;

provides support and input to the Eastside Select Committee.

- Comprised of municipal staff; provides support and information to the Eastside Select Committee

## 7. MILESTONES

The Proposed Work Plan Overlay, which was adopted and submitted to 3P Canada in March 2014, provides the overarching timelines and milestones through the completion of the project (Attachment 2). A draft schedule identifying key tasks and milestones of the feasibility and costing exercise to be achieved by the end of 2015 during Phase 2 of this project is included for discussion (Attachment 3). The scheduling and implementation of the public consultation on the preferred solution sets after the costing analysis ~~will take place in-~~ is anticipated to occur in early December, ~~but~~ and remains to be determined.

A detailed timeline is under development and will be circulated for comment.

## 8. BUDGET

Funding for the project will be drawn from the Core Area Liquid Waste Management Plan operating reserve, funded by all participants in the service based on projected design capacity for 2030. A total budget of ~~\$1,250,000~~ \$1,450,000 has been identified to support this phase of the project, including engineering and public consultation consulting fees, Technical Oversight Panel honorarium and disbursements, Fairness and Transparency Advisor, public consultation process delivery and CRD staff time.

### Phase 2 Budget

Item	Cost
Project Oversight (FTA & ToP)	<del>\$260,000</del> <u>\$280,000</u>
Public Consultation	<del>\$200,000</del> <u>\$240,000</u>
Feasibility and Costing Analysis	<del>\$450,000</del> <u>450,000</u>
Property and Zoning	<del>\$40,000</del> <u>\$75,000</u>
LWMP Amendment No. 10	<del>\$70,000</del> <u>\$75,000</u>
Staff and Wages	<del>\$200,000</del> <u>\$300,000</u>
Miscellaneous and Legal	\$30,000
TOTAL	<del>\$1,250,000</del> <u>\$1,450,000</u>

## 9. CONSTRAINTS, ASSUMPTIONS, RISKS AND DEPENDENCIES

### a) Constraints

- The timelines for this phase of the project are extremely aggressive with no buffer.
- The schedule is dependent on multiple parties and governance bodies meeting their sub-project schedules.

### b) Assumptions

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- The Minister of Environment will provide direct *conditional* approval of the Liquid Waste Management Plan upon submission to the Province

c) *Risks*

- The costing analysis and public consultation processes will be subject to criticism due to time constraints.
- The governance model of the project is complex, leading to miscommunication or contradictory decision making.
- Municipal councils do not endorse siting preferences of the CRD Board.

d) *Risk Mitigation*

- Ensure regular, open reporting of all parties to the Core Area Liquid Waste Management Committee to ensure “no surprises” when public consultation is formally conducted.
- Engage in close municipal staff involvement as preferred sites emerge and municipal planning/siting processes are initiated.
- Ensure ongoing and open discussions with the funding agencies to ensure “no surprises” when the LWMP amendment is submitted for approval and the project is submitted for funding.

e) ~~*Dependencies*~~

- ~~The schedule is dependent on multiple parties and governance bodies meeting their sub-project schedules.~~

Attachments: Attachment 1: Planning Process – Core Area Liquid Waste Management Plan – Roles, Input & Relationships  
 Attachment 2: Proposed Work Plan Overlay – 3P Canada Funding Considerations  
 Attachment 3: Proposed Feasibility and Costing Analysis Schedule (Urban Systems) – August 31, 2015