

Approvals: Dir: _____ ED: _____ Sr.ED: _____ ADM: _____ DM: _____ .

Draft Confidential Advice for Minister and Cabinet
Ministry of Community, Sport and Cultural Development
BRIEFING NOTE FOR DEPUTY MINISTER

Ref #: 148196

FOR INFORMATION

Date: October 7, 2011

Title: Capital Regional District's (CRD) Core Area Wastewater Treatment Project
– Current Status and Next Steps

Issue: Next steps regarding provincial and federal funding for the CRD Core Area Wastewater Treatment project.

Background:

- To date, the CRD has spent approximately \$26 million on the design and development of the project. Of this, the provincial and federal governments have reimbursed \$3.3 million each.

S12

- The Liquid Waste Management Plan approved by the Minister of Environment (MOE) has a project completion date of 2016.
S13, S16
Any request for extension to the LWMP must come from the CRD to MOE.

S12

First Nations Considerations:

- For the last several years, the CRD has been in discussion with First Nations.
- In general, First Nations are supportive of the current plan as no new discharge location is required and the provision of sewage treatment reduces environmental impacts.

Pages 2 through 4 redacted for the following reasons:

S12

S12

Contact: Shauna Brouwer, A/ADM Local Government
Telephone: 250.387.5312

i:\services_infra_div\briefing notes\2011\cliff #147379 information note for crd sewage
update_090611.docx \ Cliff #147379

Page 6 redacted for the following reason:

S12

Approvals: Dir: BB ED: GB Sr.ED: ADM: SB DM: DF

Confidential Advice for Minister and Cabinet
Ministry of Community, Sport and Cultural Development

BRIEFING NOTE FOR MINISTER

Ref #: 147379

FOR INFORMATION

Date: September 6, 2011

Title: Capital Regional District's (CRD) Core Area Wastewater Treatment Project
– Current Status and Next Steps

Issue: Next steps regarding provincial and federal funding for the CRD Core Area Wastewater Treatment project.

Background:

- To date, the CRD has spent approximately \$26 million on the design and development of the project. Of this, the provincial and federal governments have reimbursed \$3.3 million each.

S12

- The Liquid Waste Management Plan approved by the Minister of Environment (MOE) has a project completion date of 2016.
S13, S16
Any request for extension to the LWMP must come from the CRD to MOE.

S13

First Nations Considerations:

- For the last several years, the CRD has been in discussion with First Nations.
- In general, First Nations are supportive of the current plan as no new discharge location is required and the provision of sewage treatment reduces environmental impacts.

Pages 8 through 9 redacted for the following reasons:

S12

S12

Contact: Shauna Brouwer, A/ADM Local Government
Telephone: 250.387.5312

c:\users\levalent\appdata\local\microsoft\windows\temporary internet files\content.outlook\ixovnnh1\cliff
#147379 information note for crd sewage update_090611.docx \ Cliff #147379

Page 11 redacted for the following reason:

S12

Approvals: Dir: CJ ED: Sr.ED: ADM: MF DM: DF

Ministry of Community, Sport and Cultural Development
BRIEFING NOTE FOR MINISTER

Ref #: 147071

FOR MEETING

Date: August 18, 2011

Title: Minister's meeting regarding funding for the Capital Regional District's (CRD) Core Area Wastewater Treatment Project on August 22, 2011 at 2:30 pm.

Staff Attending: Glen Brown, Chris Jensen and Catriona Weidman, LGIF

Issue: The CRD has requested that the Province of British Columbia (Province) identify a timeline for a funding announcement regarding this project. The CRD notes that they have met all the provincial requests for additional study and information.

Attending: Minister Lekstrom and staff from Ministry of Transportation and Infrastructure.

Background:

- At an August 4, 2011 meeting with Minister Lekstrom, the CRD raised the following issues:

S12, S13

- To date, the CRD has spent approximately \$26 million on the design and development of the project. Of this, the provincial and federal governments have reimbursed \$3.3 million each.

S13, S16

S12

- The federal government has confirmed that the CRD sewage project is an infrastructure funding priority for them.

S12

- The Ministry, Partnerships BC (PBC), and the CRD have agreed that a Commission Model will provide fair, independent, transparent and professional governance capable of overseeing and delivering this project.

S12, S16

S13

- The Liquid Waste Management Plan approved by the Minister of Environment (MOE) has a project completion date of 2016.
S13, S17
Any request for extension to the LWMP must come from the CRD to MOE.

S12

First Nations Considerations:

- For the last several years, the CRD has been in discussion with First Nations.
- In general, First Nations are supportive of the current plan as no new discharge location is required and the provision of sewage treatment reduces environmental impacts.

Discussion:

S12, S13, S16, S17

- Provincial funding for the CRD project requires further exploration with Ministry of Finance officials to clarify fiscal plan implications.

Recommended Response:

S12, S13, S16, S17

Contact: Catriona Weidman, Senior Infrastructure Officer
Telephone: 250-952-6517

c:\users\levalent\appdata\local\microsoft\windows\temporary internet files\content.outlook\ixovnnh1\cliff
#147071 meeting note for crd sewage.docx \ Cliff #147071

Page 16 redacted for the following reason:

S12

ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE

Ministry of Community, Sport and Cultural
Development
Updated: April 21, 2011
Minister Responsible: Chong

CRD – Sewage Treatment Project

ADVICE AND RECOMMENDED RESPONSE:

PROJECT MESSAGES:

- We are committed to working with the Capital Regional District to find the best, lowest cost solution for sewage treatment in the region.
- Each year, the Capital Regional District releases more than 40 billion litres of untreated sewage into the ocean. That's more than 126 football stadiums full of sewage every year being pumped into our coastal waters.
-

S13

- Questions on the Liquid Waste Management Plan (LWMP) and environmental regulatory standards should be directed to the Minister of Environment.

P3/PARTNERSHIPS BC MESSAGES:

- To meet provincial policy related to the planning and management of major capital projects, the Ministry has engaged Partnerships BC to assist in the review of the business case for the CRD's proposed wastewater treatment plan.
- Partnerships BC is evaluating the merits of building this project as a public-private partnership.
- Partnerships BC's mandate is to support public-private partnership projects and to identify options for maximizing the value of public capital assets.
- Partnerships BC's involvement in the project is consistent with their mandate, and supports the funding commitments made by the Province.

IF ASKED ABOUT FUNDING TO PBC:

- As of February 2011, the Ministry of Community, Sport and Cultural Development had paid \$560,785 for the advisory and review services provided by PBC over the last three years. These services are consistent with government's policy on major capital projects.

KEY FACTS REGARDING THE ISSUE:

- On August 25, 2010, the Minister of Environment approved Amendment #8 to the CRD Core Area LWMP. The outcome of this plan is for wastewater treatment by 2016.

S13

- The CRD Board approved the Business Case for the CRD Waste Water Treatment program on March 31, 2010 and recommended a hybrid model combining both P3 and

traditional “public” models for procurement.

- There continues to be significant local media attention on this project, with vocal groups continuing to challenge the need for treatment and P3s.
- Senior governments are committed to supporting this initiative. As part of its funding conditions, the Province will require the CRD to maximize recovery of resources (water, energy, nutrients) from the waste streams, while minimizing costs and greenhouse gas emissions.
- The Province, Canada and the CRD are sharing in the funding of the CRD’s program development work, valued at \$10 million (\$3.33 million provincial share). The Province has publicly committed to funding 1/3 of the best, lowest cost solution, subject to P3 consideration. This was done both at UBCM 2006 and in the 2007 throne speech. The federal government has committed to funding 1/3 of the project.

P3s and Partnerships BC:

- All provincially-funded major capital projects in excess of \$50 million must be evaluated by Partnerships BC (PBC) to determine the viability and merit of delivering and financing the project through a P3 agreement.
- Where local government capital projects are involved, the partnering provincial ministry is considered the client of PBC and is responsible for paying their advisory services costs. The partnering ministry is also responsible for administering related treasury board submissions, with procurement-related review and feedback provided by PBC. However, the final business case review and recommendations to Treasury Board are the responsibility of the partnering ministry and PBC.
- The Ministry engaged PBC in late February 2007 to assist in the review of the CRD Wastewater Treatment Project. The Ministry negotiates its contract with PBC annually.

Project Status:

-

S13

- The Ministry, the CRD, and PBC are working together to finalize the project and the procurement planning activities.
- CRD communications efforts continue, providing education, outreach, and feedback mechanisms to support the public and FN consultation process. Increased press coverage is expected to continue, with spikes of controversy expected for discussions on the project’s procurement strategies (P3s).

Communications Contact:	Marika Glickman	387-8031
Program Area Contact:	Liam Edwards/Catriona Weidman	356-0218
File Created:	June 8, 2009	
File Updated:	April 21, 2011	

Comm. Director	Program Area	ADM	Deputy Minister	Minister's Office	CC:
JR	CW	MF			

Approvals: Dir: LE ED: LE ADM: MO DM: _____

Ministry of Community, Sport and Cultural Development
BRIEFING NOTE FOR MINISTER

Ref #: 144367

FOR MEETING

Date: January 21, 2011

Title: Minister meeting for Capital Regional District Core Area Sewage Treatment Program on Monday January 24, 2011 at 1:00 pm

Issue: The Association for Responsible and Environmentally Sustainable Sewage Treatment (ARESST) will present their position that the sewage treatment project proposed by the Capital Regional District (CRD) is not appropriate.

Background:

- In July, 2006, the Minister of the Environment, under the authority of the *Environmental Management Act*, directed the Capital Regional District (CRD) to plan for sewage treatment.
-

S13

- On August 25, 2010, the Minister of Environment approved Amendment #8 to the CRD Core Area Liquid Waste Management Plan, which outlines how the CRD will provide proper treatment for the 40 billion litres per year of sewage that is being discharged into the ocean.
- The federal government has developed a draft regulation under the federal *Fisheries Act* to manage municipal wastewater effluent across Canada.
 - The standards in the regulation are closely linked to those developed through the national organization the Canadian Council of Ministers of the Environment (CCME), of which The Province of British Columbia (Province) is a member.
 - The provincial Minister of Environment signed the CCME Canada-wide Strategy. The standards in the strategy are closely aligned with those already established through British Columbia environmental regulation.

First Nations Considerations:

N/A

*E-mailed to
MO
Jan 21*

Discussion:

- Sewage treatment in Victoria has been an issue of public debate for several decades and there are well-established action groups on both sides of this issue.
- Groups who actively pursued sewage treatment for Greater Victoria include Ecojustice (formerly the Sierra Legal Defence Fund), the Georgia Strait Alliance and the grass-roots local group lead by "Mr. Floatie" called People Opposed to Outfall Pollution (POOP).
- There are two, closely-linked local groups actively opposed to the CRD Sewage Treatment project, including ARESST and Responsible Sewage Treatment Victoria (RSTV).
 - ARESST is against the project, proposing the money would be better spent elsewhere and that sewage treatment does not provide the benefits of environmental and public health protection and the resource recovery outcomes, which are being suggested by the CRD.
 - RSTV claims that there is no need for sewage treatment.
- ARESST identifies themselves as a group of Greater Victoria residents against the sewage treatment program proposed by the CRD.
 - The group is lead by retired local-government and provincial-government politicians and employees and retired engineering and science professionals.
 - Liberal M.P. Dr. Keith Martin and Dr. Shaun Peck, a retired Deputy Provincial Health Officer, have both given their verbal public support to the group.
- The senior government funding that has been identified for this project was allocated to core infrastructure projects and would not likely have been available for education of health related projects.

Recommended Response:

Contact: Liam Edwards, Director of Infrastructure and Engineering
Telephone: 250-356-0218

\\volcano\s33003\services_infra_div\briefing notes\2011\cliff #144367 meeting note for crd sewage
treatment plant.docx \ Cliff #144367

Ministry of Community, Sport and Cultural Development
BRIEFING NOTE FOR MINISTER

Ref #: 144316

FOR INFORMATION

Date: January 14, 2011

Title: Capital Regional District Core Area Sewage Treatment Program - Update

Issue: The Capital Regional District (CRD) has requested provincial funding for their sewage treatment project. The Mayor of Esquimalt and the Mayor of Colwood have each requested a meeting with the Minister to share their thoughts on the project.

Additional background on the project is included in the previous October 2010 Update Note and

S12

Background:

- The CRD has committed to provide sewage treatment for the core area by 2016, and the Minister of Environment (MOE) has authorized the Liquid Waste Management Plan (LWMP) through which that commitment will be implemented.
- The core area to be served by the proposed sewage project includes the core communities of Victoria, Esquimalt, Colwood, Langford, Saanich, View Royal and Oak Bay. The Saanich Peninsula (North Saanich and Sidney) and Sooke each have existing wastewater treatment plants.
- On August 25, 2010, the Environment Minister approved Amendment No. 8 to the CRD LWMP. MOE is responsible to oversee and authorize the CRD's LWMP amendment process, and the consultation that forms part of that process.
- Amendment No. 8 outlines the current project which includes one secondary wastewater treatment plant at McLoughlin Point, one bio-energy facility, new trunk mains to convey flows to and from the treatment facilities, a storage facility in East Saanich to attenuate peak flows, and the necessary upgrades to the existing marine outfall and several trunk mains and pump stations to facilitate the project. The project is illustrated in the schematic attached as Appendix 1.

S12

S12

First Nations Considerations:

- The CRD has developed and is maintaining relationships with local First Nations.

Discussion:

S12

- Ministry of Community, Sport and Cultural Development (MCSCD), PBC and the CRD are working towards a common understanding the best procurement plan for the project. As requested by PBC, the CRD and PBC are undertaking a market sounding exercise to evaluate private sector interest in the project. MCSCD staff will be observing these sessions.

S12, S13, S16

Contact: Catriona Weidman, Senior Infrastructure Resource Officer
Telephone: 250 952-6517

c:\users\sukonkin\appdata\local\microsoft\windows\temporary internet files\content.outlook\y72xjh8c\cliff
#144316 information note for crd sewage.docx \ Cliff #144316

Ministry of Community and Rural Development
BRIEFING NOTE FOR MINISTER

Ref #: 136708

FOR MEETING

Date: July 15, 2010

Title: Capital Regional District Core Area Sewage Treatment Project – Update

Issue: The Capital Regional District (CRD) has requested provincial funding for their sewage treatment project. CRD Board members, the Mayor of Esquimalt, and the Mayor of Colwood have each requested a meeting with the Minister to share their thoughts on the project.

This note is intended to provide information for all of these meetings.

Background:

- The CRD has committed to provide sewage treatment for the core area by 2016, and the Minister of Environment (MOE) has authorized the Liquid Waste Management Plan (LWMP) through which that commitment will be implemented.
- Through a series of LWMP amendments, the CRD is continuing to refine the details of the implementation plan. Part of the plan is the project that will provide the system and facilities for sewage treatment. The remainder of the plan details how the CRD will meet the other requirements of MOE such as monitoring and reporting of the effluent discharge and the receiving environment.
- MOE is responsible to oversee and authorize the CRD's LWMP amendment process, and the consultation that forms part of that process.
- The CRD recently submitted LWMP Amendment No. 8 to the Minister of Environment, and staff are reviewing it now. This amendment updates Amendment No. 7, which was approved by MOE last year, but the outcome of the plan – wastewater treatment by 2016 – does not change.
- The CRD had previously sought an inner-city site to allow the liquid and solids treatment facilities to be co-located; however they have been unsuccessful due to difficulties associated with constructing large conveyance pipes through existing streets and with land costs in developed areas.

S13

LWMP Amendment No. 8

- LWMP Amendment No. 8 proposes to construct a wastewater treatment system to treat the sewage generated in the seven core area communities of the CRD including Victoria, Esquimalt, Colwood, Langford, Saanich, View Royal and Oak Bay.
- The proposed project includes one secondary wastewater treatment plant, one bio-energy facility, new trunk mains to convey flows to and from the treatment facilities, a storage facility to attenuate peak flows, and the necessary upgrades to several existing trunk mains and pump stations to facilitate the project.
- The project meets the provincial requirement for the best, lowest cost option for wastewater treatment as it provides the required treatment outcomes in combination with achievable greenhouse gas reductions and several resource recovery elements, all within a cost-effective scheme.

S13

- The current siting plan places the wastewater treatment plant in Esquimalt, at what is now an old Imperial Oil (Esso) tank farm, the bioenergy facility at Hartland Landfill, and the storage facility in Saanich East, near the university.
 - Trunk mains will need to be constructed under the roadways of Fairfield, a tunnel will carry the sewer pipes across the harbour, and upgrades to existing pipes and pump stations will occur in several locations.
 - A pipeline will be constructed to carry pumped sludge from the treatment plant at McLoughlin Point to the bioenergy plant at Hartland Landfill.
- Resources to be recovered include: pipeline grade biogas to replace natural gas fuel, treated biosolids for use as a fuel substitute, and phosphorous (struvite) for use in fertilizer. The system also provides for a future heat recovery system for district heating in the James Bay area or in the DND development.

First Nations Considerations:

Detailed project background is included in Appendix 1 which provides the previous.

Discussion:

- Currently, the Province of British Columbia (Province) is discussing funding support for the overall project that will provide sewage treatment for the region.
- The level of support being discussed would provide for flexibility to allow the CRD and local communities to refine the project details and the procurement process that will be used.
- The provincial capital standard policy must be followed because the project involves more than \$50 million in provincial funds.
 - The standard requires Public/Private Partnership (PPP) procurement unless an alternate option achieves better value for taxpayers.
 - The configuration of the PPP will be identified through discussions between the CRD and Partnerships BC.
- A sound governance model is important to separate political process from technical project management decisions. An impartial and fair decision-making body should be comprised of individuals with the expertise and ability to see a project of this complexity to completion.

Recommended Response:

S13

Contact: Glen Brown, Executive Director
Local Government Infrastructure and Finance
Telephone: 250 387-4067

c:\users\levalent\appdata\local\microsoft\windows\temporary internet files\content.outlook\ixovnnh1\cliff
#136708 meeting note for crd sewage treatment project.docx \ Cliff #136708

Approvals: Dir: _____ ED: _____ Sr.ED: _____ ADM: _____ DM: _____

Ministry of Community and Rural Development
BRIEFING NOTE FOR MINISTER

Ref #: 136484

FOR INFORMATION

Date: June 16, 2010

Title: Capital Regional District Core Area Sewage Treatment Project

Issue: The Capital Regional District (CRD) currently does not treat the core area sewage. Under direction from the Minister of Environment, the CRD is required to provide treatment to the core area sewage by 2016.

Background:

RATIONAL FOR THE PROJECT

S13

S13

In July 2006, the Province (Minister of Environment), under the authority of the *Environmental Management Act*, directed the CRD to plan for sewage treatment. In response, the CRD committed to provide treatment by the end of 2016, and the Minister of Environment approved an amendment to the CRD's Liquid Waste Management Plan (LWMP) that reflects that commitment.

PROJECT DESCRIPTION

The project is intended to provided, at a minimum, secondary treatment to the core area of the CRD.

As part of its funding conditions, the Province will require the CRD to maximize recovery of resources (water, energy, nutrients) from the waste streams, while minimizing costs and greenhouse gas emissions.

The most current design configuration consists of:

- One secondary treatment plant at McLaughlin Point at the mouth of Victoria's Inner Harbour in Esquimalt.
 - Sewage that currently flows out the Clover Point Outfall will be pumped via a new force main along Dallas Road and under the entrance to the Inner Harbour to McLaughlin Point (Imperial Oil tank farm) for treatment.
 - Sewage that currently flows out the Macaulay Point Outfall will be pumped via a new force main under residential streets to McLaughlin Point for treatment.
 - All treated effluent will be pumped for discharge to the ocean via the Macaulay Point Outfall – a new outfall will be constructed alongside the existing one.
- One holding tanking for wet weather flows in the Saanich East area (near UVIC).
- Various upgrades to the existing collection system and pump stations.
- Residual bio-solids, in the form of sludge, from McLaughlin Point will be pumped via a new high pressure force main to Hartland Landfill for disposal and/or beneficial resource recovery (e.g. methane production and/or composting).
- Various heat recovery technologies may be installed at key locations.

SEE APPENDIX 1 FOR A MAP OF THE PROPOSED SYSTEM

COMMITMENT TO SUPPORT THE PROJECT

In October 2006 at the UBCM convention, the Premier made a commitment to work with the Capital Regional District (CRD) and the federal government to identify the best, lowest-cost solution to provide for sewage treatment in Greater Victoria, and to contribute one-third of the funding to make that happen subject to consideration of a public-private partnership (PPP). This commitment was reiterated in the 2007 Throne Speech and again in a letter dated August 29, 2009, from Minister Bennett to the CRD.

S12

First Nations Considerations:

The core area First Nations have been and continue to be part of the consultation process lead by the CRD.

S12

Contact: Liam Edwards, Director, Infrastructure and Engineering
Telephone: 250-356-0218

i:\services_infra_div\briefing notes\2010\cliff #136484 information note crd sewage treatment.docx \ Cliff
#136484

APPENDIX 1 - McLoughlin Point –Waste Water Treatment Plant Capacity of 107.8 ML/d

