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26 June 2009

The Honourable Barry Penner
Minister of Environment
PO Box 9047 Stn Prov Govt
Victoria, BC V9W 9E2

Dear Minister Penner:

RE: CAPITAL REGIONAL DISTRICT – CORE AREA WASTEWATER TREATMENT PROGRAM – JUNE 2009 PROGRESS REPORT

The Capital Regional District (CRD) is pleased to submit this June 2009 progress report on the Core Area Wastewater Treatment Program. The report has been prepared in response to your request of 08 July 2008.

Since the last progress report, dated 15 December 2008, the CRD has made substantial progress in planning for wastewater treatment, some highlights of which are as follows:

- The CRD's Core Area Liquid Waste Management Committee (CALWMC), at its meeting of 2 June 2009, endorsed a distributed wastewater management strategy (referred to as Option 1 in the attached documents) aimed at providing affordable wastewater treatment while optimizing resource recovery and minimizing the generation of greenhouse gases.
- A peer review team of wastewater treatment and resource recovery experts from across North America was engaged to review and comment on the program planning work done to date. These internationally recognized experts provided advice on how to most cost-effectively treat wastewater while taking into account environmental and social values.
- An extensive community engagement program was developed and is being implemented. The program incorporates education and information (website, open houses and advertising), community dialogues (small group exercises and workshops) regarding the project's guiding principles, and a community validation process in which feedback is provided on the findings from the community dialogues.
- A summary report, with related discussion papers, was prepared by the program's consultant team of Associated Engineering, CH2M Hill, and Kerr Wood Leidal Associates, which provides a concise description of the conceptual planning work done to date.
- The CRD purchased a potential wastewater treatment plant site in Saanich East and the identified and evaluated other potential treatment sites in the core area and west shore.
- A review of environmental effects of wastewater facility siting, construction and operation has been initiated. These assessments involve technical analysis and public comment on draft findings.

In your letters of 14 December 2007 and 24 February 2009, you listed six 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.
3. Optimize the distribution of infrastructure based on number 2 above.
4. Aggressively pursue opportunities to minimize and reduce greenhouse gas emissions (e.g., 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 documents attached in Appendices A and B are listed below. They focus on addressing these objectives and explain how the CRD will continue to appropriately engage the public and First Nations in planning and development of the overall wastewater treatment program.

Appendix A includes the following documents which summarize the work done to date and outline the work planned for the remainder of the year:

1. Activity status as of June 30, 2009 for program development phase – conceptual planning with findings and description of selected wastewater management direction
2. Adoption of wastewater management strategy – CALWMC motion (and corresponding staff report) to adopt management strategy.
3. Peer review team final report, which incorporates a comprehensive executive summary
4. Public consultation summary report
5. Update on First Nations consultation and engagement
6. Wastewater facility siting and evaluation – 2009 work program and budget
7. Business case development - Discussion paper on procurement analysis planning: scope and options
8. Summaries of the marine environmental impact study and wastewater characterization study
9. Project schedule to mid 2010

Appendix B includes the consultant team summary report and a CD containing related discussion papers.

Meeting the regulatory standard (objective 1) is a basic goal of the overall program and it is fully addressed in the consultant team summary report (Appendix B) and the discussion papers.

Minimizing the total program cost to the taxpayers while maximizing economic and financial benefits (objectives 2 and 3) are important values that have influenced the development of all the wastewater management options described in the discussion papers on Distributed Wastewater Management and the discussion paper on Biosolids Management also emphasizes these priorities. The updated cost estimates provided in the Capital and Annual Operating and Maintenance Costs discussion paper are based on these values, as are the further refined cost estimates and costs-per-user that are due to be submitted to you in December.

Achieving objective 4 regarding minimizing greenhouse gas (GHG) emissions has been a major focus of the consultant team and CRD staff. GHG reduction is addressed in the discussion papers included on the CD as part of Appendix B.

The CRD wastewater program supports Smart Growth in the region (objective 5). Smart Growth principles dealing with compact form, urban growth boundaries, mixed-use development, and efficient use of resources are reflected in Core Area Official Community Plans and the CRD's Regional Growth Strategy. These plans formed the basis of wastewater flow calculations, the identification of areas that provide opportunities for energy and water reuse from wastewater, including district heating, and the design of facilities that complement present and future neighbourhoods.

Objective 6 is being comprehensively addressed by the CRD's business case consultant and the first portion of their report is attached under Appendix A7. In addition to carrying out environmental and social reviews for the various wastewater facilities, the CRD will conduct environmental impact studies (EIS) as specified in your letter of 14 December 2007 and required by the municipal sewage regulation. These studies will cover the entire wastewater treatment system including each land based facility and each new

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effluent discharge location. The result of the land based EIS and preliminary results for the marine based EIS will be provided to you in December. However, it is expected that further work will be needed to complete the marine based EIS until 2010. A summary of the status of these studies is provided in attachments A6 and A8.

Your feedback on the strategy outlined above, more fully described in the attached documents, would be appreciated.

The CRD remains committed to finding the best solution for wastewater treatment in the core area and west shore, one which satisfies the triple bottom line values of social, economic and environmental responsibility.


Based on the substantial progress made to date, I am confident that the CRD will provide you, on schedule, with the Liquid Waste Management Plan amendment you requested by the end of 2009.

The CRD appreciates the funding commitment for program planning work contained in the contribution agreement dated 11 February 2009 between the CRD and the governments of Canada and British Columbia. Obtaining a similar agreement as soon as possible to fund the procurement phase of the program is a high priority for the Board. The CALWMC has agreed that no further work beyond the planning phase will be undertaken on the Core Area Wastewater Management program until a response is received from both governments regarding a funding commitment for the procurement and capital construction phase of the program.

In this regard, I would like to request a meeting with you and the Honourable Bill Bennett, Minister of Community Development, to discuss this progress report, related funding issues, and how we can move forward with this important environmental program.

Should you or your ministry staff have any questions about the attached documents, please have your staff contact Dwayne Kalynchuk, Project Director, Core Area Wastewater Treatment by telephone at 250-360-3092 or by e-mail at dkalynchuk@crd.bc.ca.

Yours sincerely,



Geoff Young
Board Chair

Attachments: 9

cc: CRD Board of Directors
Randy Alexander, Regional Environmental Protection Manager, Ministry of Environment
Kelly Daniels, Chief Administrative Officer, CRD
Dwayne Kalynchuk, Project Director, Wastewater Treatment, CRD

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