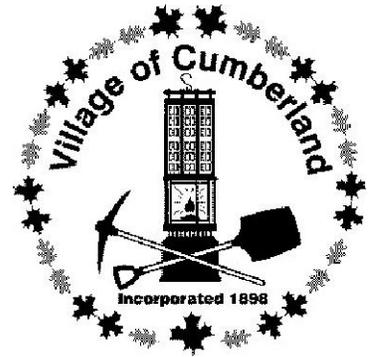


# COUNCIL REPORT



REPORT DATE: January 6, 2015  
MEETING DATE: January 12, 2015

TO: Mayor and Councillors  
FROM: Sundance Topham, Chief Administrative Officer  
SUBJECT: Liquid Waste Management Plan Status Update

---

## RECOMMENDATION

- i. THAT Council receive the Liquid Waste Management Plan (LWMP) Status Update report for information.
- ii. THAT upon resolution of the Village of Cumberland's participation in the South Regional Sewer Project that the Village of Cumberland re-establish the LWMP Public Advisory Committee (PAC), Technical Advisory Committee (TAC) and Steering Committees.

## SUMMARY

The LWMP process is an approach utilized by local governments to develop a wastewater management strategy for their communities. It is designed to allow communities to tailor solutions for managing liquid waste to their specific situation, while meeting provincial and federal regulatory requirements.

The Village of Cumberland has been engaged in a LWMP process since 1999, and this report provides an update in regards to the current status of the Village LWMP process.

## BACKGROUND

There are three stages to the LWMP process. Stage One involves an inventory of existing conditions and development projections (long list of options). Stage Two is a detailed evaluation (short list of options) and the selection of the preferred option. Stage Three involves the summary of the LWMP, financing and implementation schedule.

The Village is currently nearing the end of Stage Two of the LWMP process, and in order to complete Stage Two the following needs to be completed:

- Confirmation of the selected option
- Completion of the Environmental Impact Study
- Completion of the Stage Two Supplementary Report
- Preparation of the Draft Waste Management Plan

A key component of a LWMP is the fact that upon approval of a LWMP a local government does not require approval of electors for the borrowing of funds necessary to finance any capital works associated with the plan, including wastewater infrastructure. Because of this provision the public consultation process must provide opportunities for elector participation during the development and amendment of a plan. This elector participation is typically done through the creation of a number of committees, including a Public Advisory Committee, a Technical Advisory Committee, and a Steering Committee.

As mentioned earlier in this report the Village of Cumberland has been engaged in a Liquid Waste Management Plan (LWMP) process since 1999. This process has stretched out over 15 years due in part to the fact that the growth projections in the community contemplated when the LWMP process first started changed when the Official Community Plan (OCP) was updated in 2004.

This change, along with Ministry of Environment concerns in regards to the type of treatment proposed for Cumberland (Constructed Treated Wetland), led the Ministry of Environment to require an amendment to the already submitted LWMP Stage Two Report, along with a reexamination of the Stage Two options. The original advisory committees struck in 1999 were reformed again in 2008.

These committees were composed of a Public Advisory Committee (PAC) and a Technical Advisory Committee (TAC) who reported to a Steering Committee (Council) – (Committee Terms of Reference attached as Appendix A). The PAC and TAC reviewed numerous options during the evaluation process, eventually settling on three shortlisted options.

After an extensive public consultation process, which included a triple bottom line evaluation of the options (economic, environmental and social) the preferred option was determined to be the South Sewer option, which was recommended to Village of Cumberland Council by the Public Advisory Committee and Technical Advisory Committee (PAC recommendation letter attached as Appendix B).

Based on the recommendations, Council unanimously passed the following motion at their July 25, 2011 Council meeting:

*THAT the Council of the Corporation of the Village of Cumberland resolves that:*

*The Stage 2 Supplemental Report under Cumberland's LWMP be completed with identifying the proposed South Regional Sewer System (SRSS) as Cumberland's preferred option for long-term sewage treatment and disposal; and staff are authorized to proceed with Stage 3 of the LWMP process;*

*Conditional upon the following:*

- 1. To ensure the viability of the SRSS, Cumberland requires commitment to the project from all currently identified proposed partners; and*
- 2. Stage 3 of the LWMP process is completed with all financial, governance and implementation issues associated with the SRSS being resolved to Cumberland's satisfaction.*

This recommendation from the Steering Committee/Council represented an important step in the process; however, the recommendation was conditional, and since 2011 the Village has been working to move the project forward, specifically in regards to settling the governance and financial issues to Cumberland's satisfaction.

Although the parameters for project governance have been agreed to (governance press release attached as Appendix C), the financial end of the project is still a work in progress, as initial cost estimates from 2011 for Cumberland's portion of the three short-listed options ranged from \$20 million to \$27 million (2011 LWMP Financial Implications Report attached as Appendix D).

To help improve project success the Village and its partners (Comox Valley Regional District and K'ómoks First Nation) participated in a joint application to the Union of British Columbia Municipalities (UBCM) for Gas Tax funding, and were able to secure \$15 million towards the project (which has a total Stage One price tag of approximately \$42 million), and the Village continues to work with K'ómoks First Nation and the CVRD to access PPP Canada funding for the project.

The financial impact of obtaining a grant was not included in the selection process for the preferred LWMP option; however, a key element in the financial analysis included recognition that Cumberland's current borrowing capacity is approximately \$8 million, which is insufficient to undertake a project of this magnitude alone. Participation in the CVRD financed SRSS will help to overcome this limitation.

While the Village has been working hard to move forward its LWMP by addressing governance and financing concerns, our project partners at the CVRD have been undertaking their own LWMP. As part of their LWMP process the CVRD is examining various South Sewer options and updating the various cost estimates that pertain to these options. These updated cost estimates have a bearing on Cumberland, as the Village is a key participant in all of the South Sewer project options being considered by the CVRD, and the Village and CVRD will be jointly releasing the full range of cost estimates under consideration by the CVRD to the public on January 22<sup>nd</sup>, 2015.

The CVRD will have identified the preferred option for their LWMP at the beginning of March. So in March the Village will know what the final option for the South Regional sewer project is (i.e. where the proposed south sewer outfall is located), and therefore, what the Village's participation costs are to a Class C estimate (plus or minus 30 per cent).

Although Cumberland has been approached by suppliers of sewage treatment equipment throughout the LWMP process, it should be noted that the process to date has not precluded any legitimate treatment process that will produce the required effluent quality dictated by the discharge. The selection of equipment will be made in Stage Three of the LWMP.

Once the final South Sewer option is chosen by the CVRD, the Village will have clarified the governance and financing conditions as much as possible while still sticking to the proposed project timeline of construction by 2018, and Council will need to determine whether or not to participate in the project.

While all of these discussions and negotiations in regards to governance and financing have been taking place the PAC and TAC have been sitting dormant, and a key component moving forward will be the re-establishment of the Public Advisory Committee (PAC), Technical Advisory Committee (TAC) committees and Steering Committee (composed of Council), as the committees that were in place when the SRSS was recommended are no longer active.

The exact work plan of the committees will not be known until Council has determined whether or not to move forward with the South Sewer option, but once Council has made a decision as to whether or not to participate, the committees will need to be formed to complete the LWMP Process.

Although having a gap in the project timelines between the last consultation period and the reforming of the committees is not ideal, it's not something that's out of the ordinary, and in discussions with the Ministry of Environment they've noted that as long as the actual project scope hasn't changed dramatically from what was envisioned in 2011, the key will be to ensure that any new revisions to cost estimates are made widely available to the public.

## **FINANCIAL IMPLICATIONS**

There is no financial implication to receiving this report. There will be costs associated with reforming any LWMP Committees, and the overall costs will depend on the scope of work involved in completing the LWMP project. There is currently \$134,885 in the Five Year Financial Plan earmarked for completion of the LWMP.

## **STRATEGIC OBJECTIVE**

The South Sewer Project relates directly to Council's 2014 strategic objective of *Developing an environmentally sustainable method of treating the liquid waste that is produced by the Village.*

## **ATTACHMENTS**

1. Appendix A – Village of Cumberland LWMP Terms of Reference
2. Appendix B – July 22, 2011 - PAC Recommendation Letter - LWMP Stage Two Report
3. Appendix C – August 26, 2014 - CVRD Governance Press Release
4. Appendix D – July 20, 2011 - LWMP Proposed Options - Financial Implications Report

## **CONCURRENCE**

Michelle Mason, Financial Officer

Rob Crisfield, Manager of Operations

## **OPTIONS**

1. Receive this report as information.
2. Any other action deemed appropriate by Council.

Respectfully submitted,

---

Sundance Topham  
Chief Administrative Officer  
Village of Cumberland

COPY

VILLAGE OF CUMBERLAND

LIQUID WASTE MANAGEMENT PLANNING PROCESS

**STEERING COMMITTEE POLICY STATEMENT AND TERMS OF REFERENCE**

On February 8<sup>th</sup>, 1999 the Cumberland Village Council resolved to enter into a Liquid Waste Management Plan (LWMP) process as detailed in the attached copy of that resolution. The Village Council will act as the Steering Committee for the Cumberland LWMP process and will oversee the work in accordance with the B.C. Ministry of Environment, Lands and Parks (MELP) *Guidelines for Developing a Liquid Waste Management Plan, August 1992*. To ensure that Cumberland's LWMP policies meet the requirements of both local and provincial government, a MELP representative will serve as a member of the Steering Committee. The objective of this process is to produce an LWMP approved by the Minister of MELP that is in concert with the *Village of Cumberland Official Community Plan, December 1998*.

The Village Council is firmly committed to public participation in all aspects of community planning and as such strongly solicits the involvement of residents in the LWMP process. The following guidance is provided to ensure that the process is open to the widest number of residents possible while ensuring an effective and efficient use of tax dollars;

- The Steering Committee will establish a Public Advisory Group (PAG) of four residents through a public solicitation, with the chairperson serving as an ex-officio member of the Technical Advisory Group;
- The Steering Committee will establish a Technical Advisory Group (TAG) in accordance with the MELP *Guidelines* with the Village Manager of Operations as the chairperson and an ex-officio member of the Public Advisory Group;
- The *Village of Cumberland Official Community Plan, December 1998* will constitute the community input to commence the LWMP process. The upcoming Zoning Bylaw Amendment will also provide direction to the LWMP;
- The PAG will;
- advise the Steering Committee with respect to community desires and concerns regarding liquid waste management issues;
- design the public participation element of the LWMP process and obtain approval of the design from the Steering Committee;
- manage the public participation in the LWMP process with assistance from municipal staff; and
- comment upon all TAG reports submitted to the Steering Committee.
- The TAG will;
- seek input from the PAG, and confirmation from the Steering Committee, with respect to any community planning issues;
- produce a draft LWMP for review by the Steering Committee that embraces environmental, economic and quality of life issues as best as possible;
- produce an LWMP Stage 1 report in accordance with the order, schedule and funding enclosed; and
- comment upon all PAG reports submitted to the Steering Committee.

Wm. Moncrief  
Mayor  
Village of Cumberland



# Corporation of the Village of Cumberland

2673 Dunsmuir Avenue  
P.O. Box 340  
Cumberland, B.C.  
V0R 1S0  
Telephone: 250-336-2291  
Fax: 250-336-2321

**Council Meeting: July 25, 2011**

## REPORT

**TO: COUNCIL**

**FROM: ROGER KISHI, CHAIR  
LWMP PUBLIC ADVISORY COMMITTEE**

**DATE: July 22, 2011**

**RE: RECOMMENDATIONS RE LWMP STAGE 2 REPORT – PREFERRED OPTION**

---

### **PURPOSE**

The purpose of this report is to provide recommendations from the Public Advisory Committee (PAC) to Council, as the Steering Committee under the Liquid Waste Management Plan (LWMP) relating to the preferred option for Cumberland's long-term sewage treatment and disposal.

### **BACKGROUND**

The PAC has held several joint meetings with the Technical Advisory Committee to review the revised draft Stage 2 report and in particular to review the options that have been identified. These options were recently narrowed down to 3, for various technical and viability reasons, being:

1. Maple Lake Creek (MLC) – continue with year-round discharges to Maple Lake Creek/Trent River system, with construction of a new treatment plant;
2. Rapid Infiltration Basin (RIB) – discharging effluent into the ground; and
3. South Regional Sewer System (SRSS) – discharging effluent to a new plant proposed to be located in the Union Bay area with outflow to the ocean.

These 3 options were presented by the Village's municipal engineer at a public information meeting held on July 18<sup>th</sup>, 2011. Subsequent to that meeting, PAC met to consider the comments from members of the public in attendance at the meeting as well as comments received following the meeting. Of the comments received, there was overwhelming support for the SRSS, primarily based on the comparative cost factors as presented by the engineer. At PAC's recent meeting, we also reviewed the financial impact report by Michelle Mason, Financial Officer, which is on the agenda for the Council meeting scheduled for July 25<sup>th</sup>.

At its meeting on April 11<sup>th</sup>, 2011, Council passed the following Resolution:

"THAT the Council of the Corporation of the Village of Cumberland:

1. Agrees to participate in the current CVRD funding application for the proposed SRSS, and authorizes staff to finalize the details of such application; and
2. Directs that such participation in the SRSS is conditional upon the finalized and approved LWMP Stage 2 Supplemental Report supporting the selection of the SRSS as Cumberland's preferred long range strategy for sewage treatment and disposal, and is further conditional upon addressing financing and governance issues to the satisfaction of Cumberland."

The Province has advised the CVRD that not having Cumberland's support of the project would negatively impact the evaluation of the application as there would be more perceived risk that the project would not proceed. To eliminate this risk the Province has requested that Cumberland provide a resolution from Council in support of the regional option as the chosen path forward for Cumberland **by the end of July preferably or by August 12<sup>th</sup> at the very latest.**

It is the Committee's recommendation that the SRSS be the preferred option for Cumberland, based on strong public support and results of the Triple Bottom Line assessment.

**RECOMMENDATION**

Based on the above information, the Public Advisory Committee recommends to Council/Steering Committee that it consider passing the following Resolution:

"THAT the Council of the Corporation of the Village of Cumberland resolves that:

The Stage 2 Supplemental Report under Cumberland's LWMP be completed with identifying the proposed South Regional Sewer System (SRSS) as Cumberland's preferred option for long-term sewage treatment and disposal; and staff are authorized to proceed with Stage 3 of the LWMP process;

Conditional upon the following:

1. To ensure the viability of the SRSS, Cumberland requires commitment to the project from all currently identified proposed partners; and
2. Stage 3 of the LWMP process is completed with all financial, governance and implementation issues associated with the SRSS being resolved to Cumberland's satisfaction."

Respectfully Submitted,

Roger Kishi, Chair  
LWMP Public Advisory Committee

For Immediate Release

Aug. 26, 2014

## **Partners approve governance structure for proposed south sewer project in Comox Valley Regional District's south region**

The south sewer project partners have reached an agreement on a governance structure for construction and operation of the wastewater management and water resource recovery system being planned for the Comox Valley Regional District (CVRD) south region.

A structure for the implementation of the south sewer project has been approved by the partners that will see the project managed through the creation of three services – one for electoral area conveyance and collection, one service for Cumberland conveyance, and one for all shared infrastructure. A commission made up of all three partners will be created to manage these services. This establishes how decisions will be made regarding the construction of the proposed project and ongoing operational management into the future. This governance structure will be implemented once the liquid waste management plan (LWMP) is complete.

The CVRD is currently working with consultant engineering firm Associated Engineering on a two-year LWMP process to assess options for wastewater management and water resource recovery for the south region and to determine the best option for moving forward. The LWMP process includes significant public consultation and is paired with an environmental impact study to ensure all environmental risks associated with the project are identified and mitigated.

In 2013, the partnership between the CVRD, Village of Cumberland and K'ómoks First Nation received a federal Gas Tax Fund grant of \$15 million for the proposed south sewer project which aims to address the impact of failing wastewater management systems in Royston, Union Bay, and Cumberland on the receiving waters of Baynes Sound, and to support economic development for the K'ómoks First Nation. Also in 2013, the CVRD allocated \$2 million of Area 'A' and Area 'C' Community Works Funds towards the CVRD portion of the project.

“This is an important step in finding a solution to the wastewater challenges we face in Royston and Union Bay. Jointly, the CVRD, the Village of Cumberland, and the K'ómoks First Nation have agreed to a governance model that will ensure each of our respective concerns are addressed as the south sewer project moves forward,” said Bruce Jolliffe, CVRD's director for Baynes Sound-Denman Hornby Islands (Area 'A').

“We are glad to be working together towards a solution that will provide an important service to the residents as well as protect the environment in the long term,” said Cumberland Mayor Leslie Baird. “It shows the good working relationships that have developed between the project's partners and the work that is ongoing to ensure this significant project continues to move forward.”

With this important milestone achieved, project partners will continue to work towards an agreement on apportionment of project costs.

More information about the LWMP and south sewer project is available online at [www.comoxvalleyrd.ca/southregionlwmp](http://www.comoxvalleyrd.ca/southregionlwmp) and at the project office at 3843 Livingstone Road, which is open to the public Thursday afternoons from noon to 4 pm.

The Comox Valley Regional District is a federation of three electoral areas and three municipalities providing sustainable services for residents and visitors to the area. The members of the regional district work collaboratively on services for the benefit of the diverse urban and rural areas of the Comox Valley.

- 30 -

**Media contact:**

Kris La Rose, manager of liquid waste planning  
Tel: 250-871-6100 ext. 25

Choose your favorite way to stay up-to-date or to join in the conversation:



Visit [www.comoxvalleyrd.ca](http://www.comoxvalleyrd.ca) for frequently updated content



Find us on **Facebook** at [www.facebook.com/comoxvalleyrd](https://www.facebook.com/comoxvalleyrd)



Follow us on Twitter at [www.twitter.com/comoxvalleyrd](https://www.twitter.com/comoxvalleyrd)



Subscribe to our RSS feed for the latest news and events



Watch CVRD videos on YouTube



# Corporation of the Village of Cumberland

**ITEM**  
2673 Dunsmuir Avenue  
P.O. Box 340  
Cumberland, B.C.  
V0R 1S0  
Telephone: 250-336-2291  
Fax: 250-336-2321

**Council Meeting: July 25, 2011**

## REPORT

**TO: COUNCIL**

**CC: Roger Kishi, Chair  
Public Advisory Committee**

**FROM: Michelle Mason, Financial Officer**

**DATE: July 20, 2011**

**RE: LWMP Proposed Options - Financial Implications**

---

### **PURPOSE**

The purpose of this report is to provide the Liquid Waste Management Plan (LWMP) Steering Committee (Council) with supplementary debt servicing information needed to make a decision on a preferred strategy for wastewater treatment and disposal.

### **CONTEXT**

The LWMP identifies three options for wastewater treatment and disposal: year round discharges to the Maple Lake Creek/Trent River System (MLC), Rapid Infiltration Basin (RIB) and South Regional System (SR). The costs for each are outlined below:

### **OPTION COST - COMPARISONS**

	<b>CAPITAL</b>	<b>NPV</b>	<b>STAGE 1 \$/Lot</b>
<b>MLC</b>	\$27M	\$35M	\$17,000
<b>RIB</b>	\$20M	\$27M	\$12,000
<b>SR*</b>	\$22M	\$25M	\$14,000

\* Cumberland's portion

The Corporation of the Village of Cumberland currently has approximately \$6.5M in available borrowing and it is estimated that in 2016, only \$3.5 million of borrowing authority will be available based on the 2011 to 2015 Financial Plan. Although section 174(4) of the Community Charter allows for the liability servicing limit to be exceeded (with the approval of the province), this is not recommended due to the strain this would put on The Village of Cumberland financially. The Corporation has limited reserves. Only a portion of the capital works can be allocated to growth so DCC funds would not be available for the entire cost. In any event, our current DCC reserves are insufficient. We have been advised that provincial grant funding is unlikely to be forthcoming for individual municipalities within the region at this time.

**PAGE**

**ITEM**

If the Village were to choose one of the local options, either the MLC or the RIB, and exhaust the available borrowing authority, the utility rate payers would still have a minimum \$16.5M up front capital costs to pay. Of equal concern is that these options would eliminate all borrowing capacity for the entire Corporation, impacting all service areas until revenues grow substantially. The financial viability of the Corporation as a going concern would be severely compromised.

Using the Regional District’s larger borrowing capacity for the SR capital costs, funding for this treatment system could be through long-term borrowing. Debt servicing payments would still have a significant impact on the utility rate payers. A 20 year borrowing term debenture at 6% for the SR capital piece estimated at \$22M would have a \$2M annual debt servicing cost, which for the current 1,350 sewer connections, is approximately \$1,500 each.

All three options would have annual operating costs; however, the SR option could allow for economies of scale, especially if future developments in the Royston and Union Bay area join the system thus diluting both the operating and capital costs. Additional factors over and above the costs for the sewage treatment options to consider are the ongoing committed Village’s sewer separation program and future water capital/operating costs for compliance with the mandatory VIHA 4-3-2-1 disinfection policy. A consideration for the SR option is that the comparison in connection rates may not take into account that we also have pre existing collection systems that will require replacement and upgrading. Each participating community should either be responsible for their own collection systems, or all costs associated with collections should be considered in comparisons for grant distribution purposes, assuming approval on the joint grant application.

**CONCLUSION**

Based on this review, staff must recommend that Council consider the South Regional System option as the only viable financial option available to the municipality’s rate payers. Although even a regional solution is expected to have a significant impact on sewer rates in the near future, the Region has a larger borrowing capacity, a larger levy base with economies of scale and is more likely to obtain provincial grant funding. Staff would further recommend that Council consider the cost allocation and grant distribution methods during the implementation process in the event of a successful grant application to ensure it is fair to all participants. We also need to ensure that capital and operating costs are fairly allocated and that future users pay fairly towards capital expenditures of the system.

Respectfully submitted by:	Approved by:
<hr/> <p style="text-align: right;">Michelle Mason Financial Officer</p>	<hr/> <p style="text-align: right;">Anja Nurvo Chief Administrative Officer</p>