

DATE: November 29, 2023

FILE: 5330-20/SESP

TO: Chair and Directors
Electoral Areas Services Committee
(Sewer Extension South LWMP
Addendum Steering Committee)

Supported by James Warren
Chief Administrative Officer

J. Warren

FROM: James Warren
Chief Administrative Officer

RE: Sewer Extension South – Draft LWMP Addendum

Purpose

To present the draft Stage 1/2 Liquid Waste Management Plan (LWMP) Addendum report for the Sewer Extension South Project and to seek the committee's support for moving forward with next steps in public engagement.

Recommendation from the Chief Administrative Officer:

THAT staff proceed with next steps in development of the Sewer Extension South Liquid Waste Management Plan Addendum, including public consultation events in January 2024.

Executive Summary

A regional approach to wastewater management and environmental protection will benefit the entire Comox Valley and is in alignment with the board's strategic drivers. The Sewer Extension South Project is being developed in cooperation with K'ómoks First Nation (K'ómoks) as a key partner, supports environmental protection of Baynes Sound and sustainable development in Baynes Sound - Denman/Hornby Islands (Electoral Area A), and provides the most cost-effective solution for providing sewer service to the communities of Royston and Union Bay.

Subsequent to the June 2022 Electoral Areas Services Committee and Sewage Commission support for developing the Sewer Extension South Project through an Addendum to the Comox Valley Sewerage Service (CVSS) LWMP, significant progress has been made:

- Sewer Extension South LWMP Addendum Joint Public and Technical Advisory Committees (PACTAC) have been formed.
- A value engineering workshop for the project has been completed, identifying potential options to improve the overall value of the project.

- Five PACTAC meetings have been held, covering a considerable quantity of background and technical material, including project cost estimates and financial impacts to homeowners.
- In May 2023, the Sewer Extension South LWMP Addendum Steering Committee endorsed recommendations put forward by the PACTAC, and supported moving forward with Phase Two of the public engagement plan.
- In June 2023, public engagement activities including a webinar, public open house and Engage Comox Valley project page were implemented.
- Engineering for the project components has been advanced to a preliminary design level with associated Class C cost estimates.
- The draft LWMP Addendum report has been prepared, incorporating feedback from committees and public engagement, and including summaries of project design and cost estimates.
- The draft LWMP Addendum was presented at the November 22, 2023 meeting of the PACTAC, where support for moving forward with next steps in development of the LWMP Addendum was expressed.

Subsequent to presentation of the draft Addendum report to the Sewer Extension South LWMP Addendum Steering Committee and the CVSS LWMP Steering Committee, it will be presented to the public at a series of open house events in January 2024. Feedback received will be incorporated into the final Addendum report, which upon an additional round of reviews by each committee and approval by the board will be submitted for provincial review in May 2024.

Prepared by:

Concurrence:

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Government and Community Interests Distribution (Upon Agenda Publication)

K'ómoks First Nation	✓
Sewer Extension South LWMP Addendum Joint Public and Technical Advisory Committee	✓

Background/Current Situation

Longstanding concern regarding septic systems in the Royston and Union Bay area is a key driver supporting efforts to bring sewer servicing to these communities. The extension of sewer services south is understood to be the most reliable, sustainable and long-term means of wastewater management for this

area. The extension of the CVSS service area boundary to include the south region, the consideration of south wastewater flows in the CVSS LWMP process and historic LWMP efforts in the south all support development of the Sewer Extension South Project through an addendum to the CVSS LWMP.

Sewer Extension South Project Concept

The Sewer Extension South Project is envisioned to unfold over several stages, with initial priority for servicing being given to areas with higher dwelling density and higher environmental risk. The initial phase, termed Phase 1A, will provide servicing in the historic core areas of Union Bay and Royston, and establish the critical collection and conveyance infrastructure to support future expansion to additional portions of the Royston area as well as the Kilmarnock neighborhood, in Phase 1B. The system will also serve Union Bay Estates and K'ómoks First Nation Treaty Settlement Lands, for which development and economic growth will be an important part of reconciliation. The conveyance infrastructure constructed for Phases 1A and 1B will also provide initial capacity to support proposed development in the area. Future phases will add additional collection and conveyance capacity as development and population growth unfolds.

Draft LWMP Addendum

Community input is a key consideration for the Addendum. Development of the Addendum includes the involvement of public and technical advisory committees, and public and First Nations engagement in accordance with provincial LWMP guidelines. To date, there have been five PACTAC meetings, an LWMP Addendum Steering Committee meeting, a public online webinar, two public open houses and ongoing engagement with First Nations.

An extensive amount of material has been covered at the PACTAC meetings, ranging from a general overview of the LWMP process and a history of liquid waste planning work in the south region to technical and financial details on the Sewer Extension South Project and consideration for further regulation of septic systems. Several recommendations put forward by the PACTAC were reviewed and endorsed by the Sewer Extension South LWMP Addendum Steering Committee in May of this year.

In June 2023, the second phase of public engagement for the project was initiated. The focus of this phase was to inform residents about the urgency of the project, as well as to provide more details about the project, the LWMP addendum process, and how the community will be consulted. The public events included two in-person events in the communities of Royston and Union Bay and one online webinar. At these events there was information available for takeaway, including a

project backgrounder offering more information on cost options and a mock-up tax bill. Feedback forms were available to submit both online and in-person.

The input received from the public and technical advisory committees, guidance provided by the steering committee, further input received at the public open houses and First Nations consultation has informed the development of the draft Addendum report, attached as Appendix A. The Addendum report provides background on the future serviced areas including population and flow projections, project phasing from the initial phases up to the ultimate full build-out of the system, and details on the forcemain, pump stations and collection systems envisioned to be constructed in Phases 1A and 1B of the project.

The draft Addendum report was presented for consideration at the November 22 LWMP Addendum PACTAC meeting, where committee members supported moving forward with the next steps in development of the Addendum. Questions raised by committee members were related to the following:

- Collection system design changes resulting in a broader application of LPS connections.
- Timing of parcel tax in relation to availability of sewer connection—some concern that residents could be charged for sewer service before it is actually provided.
- Future committee involvement in project design changes (i.e. Royston pump station).

A discussion paper on public requests received for phasing and boundary changes was also presented, including a suggested approach to consider changes where there would be little to no impact on per property costs. Staff will be following up with property owners in the affected areas to confirm their interest in sewer servicing, and work to incorporate any necessary changes in the next draft of the LWMP Addendum report.

Updates on the proposed septic deferral and septic regulatory programs were also provided. Questions raised by committee members included the following:

- Clarification on the eligibility timeframe for the deferral program, and the length of time sewer costs could be deferred.
- Clarification on what would be required in order for a septic regulatory program to work within the LWMP plan area in the event the proposed region-wide program does not proceed.

Subsequent to presentation of the draft Addendum report to the Sewer Extension South LWMP Addendum Steering Committee and the CVSS LWMP Steering Committee, it will be presented to the public at a series of open houses in January

2024. Feedback received will be incorporated into the final Addendum report, which upon an additional round of reviews by each committee and approval by the board will be submitted for provincial review in May 2024.

Options

1. Support next steps in development of the LWMP Addendum report, including public consultation events in January 2024.
2. Provide an alternate course of action for the LWMP Addendum report.

Option 1 is recommended by staff.

Financial Factors

The Addendum is being funded via the Liquid Waste Management Planning service, function 340, and the Electoral Area A Baynes Sound feasibility studies service, function 151.

External funding for the Sewer Extension South project will include project partner contributions, the \$30 million Critical Community Infrastructure grant received from the Province of BC in April 2023 and approximately \$1.2 million in Community Works Funds allocated to the project. The remainder of project costs will be funded through long-term borrowing, to be recovered via parcel tax from the approximately 460 Royston and Union Bay properties in Phase 1A.

The draft LWMP Addendum report includes updated cost estimates for the main project components, reflecting additional design work completed on the collection systems and consideration of value planning recommendations. Internal analysis and review of these estimates, including considerations for additional project risk contingencies, construction cost escalation, internal costs, grant funding and anticipated project partner contributions has resulted in a reduction in per-connection costs than previously presented to the public in June, as summarized below:

	June 2023 estimate	November 2023 estimate
Annual Parcel Tax	\$1400 - \$1700	\$1,200 - \$1,500

Strategic Considerations - Strategic Drivers								
Fiscal Responsibility	✓	Climate Crisis and Environmental Stewardship and Protection	✓	Community Partnerships	✓	Indigenous Relations	✓	Accessibility, Diversity, Equity and Inclusion

A regional approach to wastewater management and environmental protection will benefit the entire Comox Valley and is in alignment with the board’s strategic drivers. The Sewer Extension South Project is being developed in cooperation with K’ómoks as a key partner, supports environmental protection of Baynes Sound and sustainable development in Electoral Area A, and provides the most cost-effective solution for providing sewer service to the communities of Royston and Union Bay. Considering this project within the CVSS LWMP process is in alignment with four of the strategic drivers.

Strategic Considerations - Regional Growth Strategy Goals							
Housing	✓	Ecosystems, Natural Areas and Parks	✓	Local economic development	✓	Transportation	✓
Infrastructure	✓	Food Systems	✓	Public Health and Safety	✓	Climate Change	✓

Union Bay is one of the three settlement nodes identified by the Regional Growth Strategy (RGS) to accommodate compact forms of development. MG Policy 1B-1 of the RGS states that growth in settlement nodes shall be accommodated through improvements to public infrastructure, including the provision of appropriate sewer services.

The three settlement nodes, settlement expansion areas (including Royston), and a portion of K’ómoks lands are considered in the RGS as Core Settlement Areas. Infrastructure Policy 5D-4 of the RGS states that the majority of growth should be focused in Core Settlement Areas where appropriate sewer servicing exists. Directing growth to these areas alleviates sprawl pressure within the surrounding rural settlement areas, and ensures that servicing costs will be spread over more users. Growth needs to be planned in accordance with the availability of public servicing and public servicing can be made financially viable by growth when it is directed to the core settlement areas. With or without growth in the settlement expansion areas (i.e. future municipal lands) and settlement nodes, sewage servicing has to be addressed to resolve existing public and environmental health impacts from septic systems.

Intergovernmental Factors

K’ómoks First Nation continues to be a strong project partner with significant current and future land holdings in the area. Regular dialogue continues to occur between the parties in regards to this initiative.

The Sewer Extension South LWMP Addendum Technical Advisory Committee includes representation from the federal and provincial governments, as well as the City of Courtenay and the Town of Comox.

Citizen/Public Relations

Public engagement is a key component of the Sewer Extension South Project. Engagement to date has been guided by a public engagement strategy developed to keep the community informed of project progress and gather feedback on key topics such as service costs and boundaries, service delivery details and the approval process.

The Sewer Extension South LWMP Addendum Public Advisory Committee includes representation from local residents, as well as several community groups.

The Sewer Extension South Addendum Engagement Plan outlines consultation activities, including a range of online and in-person opportunities for discussion with the community. This extensive consultation will ensure community feedback can help inform the plan ahead as it is created, rather than being tasked with a referendum decision once a plan is complete. A successful LWMP consultation on this project will allow a path forward for this critical service in the area.

Attachments: Appendix A – Draft Sewer Extension South LWMP Addendum report