
MEETING TYPE: Regular Council Meeting
MEETING DATE: November 7, 2023
AUTHOR: Greg Buchholz, Director of Utilities
DEPARTMENT: Utilities
ITEM TITLE: Liquid Waste Management Plan Update and Financial Strategy
DESCRIPTION: Review Stage 1/2 LWMP Report and proposed Financial Strategy Policies for Information

PURPOSE

The purpose of this report is to update Council on the Liquid Waste Management Plan (LWMP). The update covers the planning process, major plan elements, Environmental Impact Study, community engagement, and financial strategy. This update is to inform Council about the plan's status before the finalization of the LWMP document, which will be presented to Council for adoption in a subsequent meeting.

RECOMMENDATION

The LWMP update is presented for informational purposes, and no specific recommendations are being put forth for Council's consideration at this time.

DISCUSSION/ANALYSIS

Background

Our currently approved Liquid Waste Management Plan was accepted and approved by the Minister of Environment on October 22, 1998, coinciding with the initiation of sewer services for our community. In response to the Ministry of Environment's request, we have been diligently working on updating our LWMP since 2008. This process has encountered several challenges, primarily related to the safe return of treated effluent to the environment. We have now made significant progress and are well-positioned to overcome the hurdles, which is crucial for supporting ongoing community growth while maintaining our commitment to environmental and public health protection.

Planning Process

Wastewater treatment in British Columbia is governed by the Provincial Government's Ministry of Environment, which mandates compliance with the Municipal Wastewater Regulation (MWR) or the approval of an LWMP. In both cases, rigorous environmental assessments are essential. For MWR compliance, proponents must undergo a comprehensive British Columbia Environmental Assessment as prescribed by law. This process is intricate and demanding, prompting the District to pursue LWMP updating, which still necessitates an Environmental Impact Study (EIS) for the receiving environment.

The completion of an LWMP follows a well-defined three-stage process, as outlined below:

Stage 1 - Assessment and Planning: This involves an analysis of existing conditions, development projections, and the identification of various options.

Stage 2 - Plan Development: In this stage, a detailed evaluation is carried out, preferred options are selected, and planning recommendations are made.

Stage 3 - Plan Finalization: This stage summarizes the plan, including projected funding requirements and an implementation schedule.

It's important to note that the LWMP process is distinct from other infrastructure plans the District undertakes. It necessitates strict adherence to a process overseen by the Ministry of Environment, culminating in approval by the Minister for the plan to take effect. Once an LWMP is approved, it cannot be appealed, and it eliminates the need for electoral assent by the local government to secure long-term borrowing, provided the project or initiative is identified in the plan. Consequently, the LWMP process requires substantial and meaningful public and First Nations engagement, bolstered by the establishment of technical and advisory committees to oversee the planning process. Additionally, thorough environmental assessments of the receiving environment for returning treated effluent are conducted to ensure its safety in the prescribed manner.

Our LWMP Plan

The District's Liquid Waste Management Plan is divided into separate Stage 1/2 and Stage 3 reports. The Stage 1/2 Report has been made publicly available and can be accessed on the District's "Let's Talk Lake Country" website, alongside the *Okanagan Lake Cleaned-Water Return Outfall Receiving Environment Environmental Impact Study Summary Report*. Both the Stage 1/2 report and the Environmental Impact Study have received preliminary support from Ministry staff, with additional guidance provided for the preparation of the Stage 3 Report. Key among these recommendations is a continued and expanded focus on public engagement and, in particular, initiatives that promote reconciliation with our Indigenous communities.

The technical aspects of the plan are rooted in sound Asset Management principles and methodologies, with a central focus on aligning the plan's functions (levels of service) with the community's financial capacity. Our overarching objective is to provide sustainable service delivery. Therefore, all costs related to Liquid Waste services are carefully considered, encompassing ongoing operations and maintenance, as well as capital projects slated for execution over the 20-year duration of the plan.

The major plan elements outlined in the Stage 1/2 report include:

1. A well-defined sewer service area, which aligns with the growth areas specified in the Official Community Plan (OCP) requiring sewer services. Additionally, the plan addresses the introduction of retrofit sewers in the Winfield ward's East-facing residential subdivisions, as well as in the Oyama Isthmus and Cornwall area of Oyama. These retrofit sewer areas have been prioritized based on various factors, with a primary focus on environmental protection and public health considerations.
2. The establishment of a new outfall to Okanagan Lake, located to the south of the Lakestone waterside development. This new outfall enables the return of cleaned water to Okanagan Lake, while still making use of ground infiltration systems adjacent to the treatment plant. These ground infiltration systems are currently operating at full capacity. The proposed surface water return system necessitates several enhancements at the centralized treatment plant.
3. The incorporation of future capabilities for reclaimed water, which would allow us to make effective use of this valuable resource. Many neighboring communities already utilize reclaimed water for agricultural irrigation purposes, and the Ministry strongly encourages communities to include such provisions in their LWMPs. This not only promotes responsible water usage but also helps safeguard our collective water supplies.

APPLICABLE LEGISLATION, BYLAWS AND POLICY

The Liquid Waste Management Plan requires acceptance and approval from the Minister of Environment to come into effect. Once Ministerial approval is granted, the District is bound to adhere to the provisions of the plan, ensuring compliance with the objectives of relevant environmental legislation.

IMPACT ON INFRASTRUCTURE, SERVICES AND STAFF CAPACITY

The LWMP represents a substantial initiative encompassing several significant infrastructure projects. Expanding wastewater processing capacity is critical for the sustained growth of our community. Failure to increase our capacity within the next decade, to receive, treat, and return cleaned water to the environment, would likely necessitate restrictions on further growth in the District.

The projects themselves are extensive and complex, demanding skilled and experienced project managers for successful execution. Notably, projects like the cleaned water outfall and retrofit sewers are viewed as highly disruptive from a community standpoint, involving the installation of deep utilities in numerous roadways within neighborhoods and high-traffic areas. Each of these major projects will entail multiple years for design and construction. Additionally, coordination with other District infrastructure projects, including those directed by the District's infrastructure master plans and market-driven developments, is imperative.

FINANCIAL IMPLICATIONS

None Budget Previously Approved Other (see below)

Financial Sustainability: The success of any infrastructure plan hinges on its long-term financial viability. The District employs comprehensive financial models that extend over the 20-year duration of the plan while also accounting for full life cycle considerations, recognizing the need for sustained service provision well beyond the initial 20-year period.

Comprehensive Financial Modeling: The LWMP financial model encompass both assets and liabilities, projecting costs, timelines, and cash flow to determine the funding requirements, which are spread across user rates, developer contributions, grant funding support, and potential borrowing to fully realize the plan.

Guiding Financial Principles: To inform policies and mechanisms for cost recovery, a set of financial guiding principles has been established. These principles play a pivotal role in shaping the financial strategies and practices of the District.

CONSULTATION AND COMMUNICATION

Engaging the Public and Collaborating with First Nations:

Throughout the LWMP process, a primary focus has been on educating the public, seeking input and feedback, and working closely with First Nations communities. This commitment to engagement remains central as we near the finalization of the plan. Spearheaded by our communications team, innovative initiatives have been introduced, proving highly successful in generating community interest and participation.

Transparent, Honest, and Enjoyable Engagement:

Our approach to engagement has been marked by transparency, honesty, and a sense of enjoyment, with the intention of fostering meaningful community involvement. We have remained open to feedback and committed to incorporating input from a community perspective. Notably, community feedback has influenced the elevation of reclaimed water provisions in the Stage 1/2 report.

Community-Derived Plan:

Our "Let's Talk Lake Country" website serves as a comprehensive resource, offering a wealth of information. The LWMP reports encapsulate and summarize the outcomes of public engagement, truly reflecting a plan that has been shaped by the community.

ALIGNMENT WITH COUNCIL STRATEGIC PRIORITIES

- Create and Support Opportunities for a Healthy, Active and Inclusive Community
- Create Infrastructure That Meets Community Needs
- Encourage Growth of the Downtown Core
- Ensure Sustainable Water Service Delivery for the Community
- Explore Opportunities to Engage With Regional Local Governments for the Betterment of the Community
- Honour Reconciliation by Strengthening Relationships and Inclusiveness With Our Indigenous Partners
- Identify and support improvements to the Development Process
- Implement the Agricultural Plan
- Preserve, Protect and Enhance Our Natural Environment
- Secure long term wastewater service delivery for our community
- Support Opportunities to Diversify Lake Country's Tax Base

ALIGNMENT WITH MASTER PLANS

- | | |
|---|--|
| <input type="checkbox"/> Agricultural Plan | <input checked="" type="checkbox"/> Official Community Plan |
| <input checked="" type="checkbox"/> Climate Action Charter | <input type="checkbox"/> Parks & Recreation Master Plan 2019 |
| <input checked="" type="checkbox"/> Housing Needs Report | <input checked="" type="checkbox"/> Sanitary Sewer System Map |
| <input checked="" type="checkbox"/> Liquid Waste Management Plan Stage 1/2 Report | <input type="checkbox"/> Transit Future Plan-Central Okanagan Region-DRAFT |
| <input type="checkbox"/> McCoubrey Plateau Area Structure Plan | <input type="checkbox"/> Transportation for Tomorrow |
| <input checked="" type="checkbox"/> Mobility Master Plan | <input checked="" type="checkbox"/> Water Master Plan |

Respectfully Submitted,
Greg Buchholz, Director of Utilities

Report Approval Details

Document Title:	Liquid Waste Management Plan Update and Financial Strategy.docx
Attachments:	- 2023-11-07 Council LWMP Meeting-V2.pptx
Final Approval Date:	Oct 26, 2023

This report and all of its attachments were approved and signed as outlined below:

No Signature found

Trevor James, CFO, Director of Finance & Administration - Oct 26, 2023 - 12:53 PM

Leslie Groulx, Interim Chief Administrative Officer - Oct 26, 2023 - 4:18 PM