



INFRASTRUCTURE SERVICES COMMITTEE
Thursday, November 15, 2018
SCRD Boardroom, 1975 Field Road, Sechelt, B.C.

AGENDA

CALL TO ORDER 1:30 p.m.

AGENDA

1. Adoption of Agenda

PRESENTATIONS AND DELEGATIONS

2. General Manager, Infrastructure Services Presentation
 Regarding SCR D Rural Areas Wastewater Treatment Verbal

REPORTS

3. General Manager, Infrastructure Services Annex A
 SCR D Rural Areas Wastewater Treatment Review Pages 1 - 5
 (Voting – A, B, D, E, F)

COMMUNICATIONS

NEW BUSINESS

IN CAMERA

That the public be excluded from attendance at the meeting in accordance with Section 90 (1) (c) and (k) of the *Community Charter* – “labour relations or other employee relations” and “negotiations and related discussion respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public”.

ADJOURNMENT

SUNSHINE COAST REGIONAL DISTRICT- STAFF REPORT

TO: Infrastructure Services Committee – November 15, 2018

AUTHOR: Remko Rosenboom – General Manager, Infrastructure Services

SUBJECT: SCRD ELECTORAL AREAS WASTEWATER TREATMENT REVIEW

RECOMMENDATION(S)

THAT the report titled SCRD Electoral Areas Wastewater Treatment Review be received for information.

BACKGROUND

The Sunshine Coast Regional District (SCRD) manages 18 wastewater treatment facilities which are all located within the Electoral Areas. The management of these facilities is one of the statutory mandates of the Regional District as set by the *Local Government Act*. Table 1 presents an overview and some key details of these facilities.

Table 1: Overview wastewater treatment facilities

Wastewater Treatment Facility	Electoral Area	Constructed in	SCRD assumed responsibility in	Number of parcels serviced
Greaves Road	A	Unknown	1983	6
Woodcreek Park	E	1999	1995	73
Sunnyside	E	1979	1983	11
Jolly Roger	B	1979	1985	32
Secret Cove	B	1981	1986	34
Lee Bay	A	1979	1986	179
Square Bay	B	1970/2018	1990	93
Langdale	F	1981	1990	40
Canoe Road	A	1982/83	1990	10
Merrill Crescent	A	Unknown	1990	14
Curran Road	B	1982/83	1992	70
Roberts Creek Co-Housing	D	2003	2004	31
Lily Lake Village	A	2005	2008	28
Painted Boat	A	2008	2012	34
Sakinaw Ridge	A	2007	2018	19
Pender Landing	A	2008	In Progress	41
YMCA	F	2011	In Progress	Youth Camp
Malibu Club	A	2007	In Progress	Youth Camp

The SCRD is responsible to meet the regulatory requirements under the provincial *Environmental Management Act*, the *Local Health Authority Act* or the federal *Fisheries Act* for all these wastewater treatment facilities.

Each facility consists of a collection system, a wastewater treatment plant and a disposal system. Every facility has a different combination of collection system (mains, manholes), service connections, treatment system (plant and tanks), and effluent disposal system (drain field or ocean outfall). Facilities are serving anywhere between 6 and 173 land parcels and are considered to be a small treatment facility for regulatory purposes. All facilities were constructed by developers and community associations before the SCRD assumed responsibility once fully commissioned. The SCRD assumed all facilities within the past 35 years.

The regulatory framework for new community sewer system has changed over the past several decades. Currently, any new community sewer is required to comply with SCRD Subdivision Servicing Bylaw 320 and the current provincial and federal legislative requirements. In accordance with this bylaw, persons seeking to construct a community sewer system to serve two or more parcels in the SCRD must first apply and receive approval in writing from the SCRD. Then further process steps are required to be followed before the SCRD can actually take over the full management of a facility.

The Chief Administrator Officers' Report for the September 27, 2018 Board Meeting states that "*staff have identified a significant gap in the delivery of the services for the wastewater treatment facilities and drinking water facilities*" and that "*Staff are continuing to develop an Action Plan and associated Service Plan to address performance issues, asset management plans, appropriate rate structures, reserve levels and qualified staffing levels. This information will be a key focus for the new Board in the Pre-Budget meetings in November.*"

This report presents the preliminary findings of the internal review of all SCRD Electoral Areas wastewater treatment facilities, in conjunction with the ongoing corporate asset management planning work in these areas.

DISCUSSION

Regulatory Regime

The SCRD is responsible to meet provincial and federal regulatory requirements for the following 18 wastewater treatment facilities (Functional Area numbers are listed between brackets):

- Greaves Road (381)
- Woodcreek Park (382)
- Sunnyside (383)
- Jolly Roger (384)
- Secret Cove (385)
- Lee Bay (386)
- Square Bay (387)
- Langdale (388)
- Canoe Road (389)
- Merrill Crescent (390)
- Curran Road (391)
- Roberts Creek Co-Housing (392)
- Lily Lake Village (393)
- Painted Boat (394)
- Sakinaw Ridge (395)
- Pender Landing
- YMCA
- Malibu Club

Operating these facilities involves regular inspection and maintenance of the collection system, treatment system, and effluent disposal system. This includes daily, weekly, and monthly

monitoring and reporting of various components of each facility depending on facility type and size.

While the majority of these facilities are regulated by the provincial *Environmental Management Act* (EMA), six plants are regulated under the federal Wastewater Systems Effluent Regulations under the *Fisheries Act*.

In addition to effluent water quality monitoring, the SCR D is also responsible for ensuring that staff are qualified to operate these facilities and that operational and contingency plans are monitored and up-to-date.

On July 24, 2018 the SCR D received a Warning letter under the EMA from the Ministry of Environment and Climate Change Strategies (MOE) for repeatedly being in non-compliance with the water quality requirements for effluent water of the Woodcreek wastewater treatment facility. Subsequently, staff initiated a review of the SCR D's management of all 18 wastewater treatment facilities.

Specific to the Warning letter for the Woodcreek wastewater treatment facility, steps have been initiated to address the facility's operational issues in the short-term.

This Warning letter triggered the review of the compliance rates for a number of facilities. The results of this review indicated that there are several other SCR D facilities that are also of concern given the effluent quality. Consequently, the SCR D is at risk of receiving further Warning letters for other wastewater treatment facilities. Failing to comply with any regulatory requirements could result in the issuance of legally binding Orders, financial penalties and the suspension or cancellation of permits. Further analyses and inspections of all facilities is needed to determine the entire scope of the steps required to meet all regulatory requirements and will be part of reports presented at Committee in Q1 & Q2 2019.

Asset Management Planning

Staff are currently working on developing a comprehensive Asset Management Plan for the wastewater treatment facilities, which was identified as a priority for the organization due to the high level of risk associated with the service. This project was initiated as a result of funding available through the SCR D's Gas Tax-Strategic Priorities Fund (SFP) Grant for the development of an Enterprise Asset Management System. The scope of the grant was changed in early 2018 to accommodate this and other asset management projects, as funding constraints within the service would have made it difficult to do any of the necessary engineering and technical reviews needed to gather the data.

As a first step, a condition assessment of the assets for 15 of the 18 wastewater facilities was completed. Preliminary findings conclude that the majority of these facilities do not have sufficient funding to cover the operational or capital needs of the services. Staff plan to present these findings as part of the 2019 Pre-Budget deliberations and will result in recommendations for rate adjustments for these services. For example, rates for some of the facilities will need to increase over 100% or by several hundreds of dollars to be financially sustainable. Understanding this will also require public consultation with the various communities as these changes are contemplated.

The development of a Comprehensive Asset Management Plan for the wastewater treatment facilities will continue and will be the subject of future board reports in Q1 and Q2 2019.

Binding Agreements

The review concluded that several of the wastewater treatment facilities lack the legally binding access and ownership agreements, or management agreements with third parties. Without these agreements in place, the SCRD has not secured full control over the facilities or their management, while still being legally responsible for meeting their regulatory requirements. This is a risk to the SCRD which must be addressed. The SCRD intends to have made significant progress on updating its binding agreement for all wastewater treatment facilities by Q4 2019.

Bylaws

The SCRD established bylaws for the Service Areas for all but three facilities (Pender Landing, YMCA, and Malibu Club). The internal costs for the facilities with Service Areas are recovered through parcel taxes and user fees by only the benefiting properties with the service areas. The internal costs for the facilities with no established Service Areas are charged to the facility owners. The review concluded that several bylaws are outdated and the overall bylaw structure for wastewater facilities needs to be updated. This will also require public consultation and part of the implementation plan for addressing the various issues with the service.

Operational budget implications

There currently is insufficient funding to cover current operational requirements of the plants, nor enough operational funding to cover infrastructure planning such as, the agreements or bylaw revisions described above.

The shortage in qualified and skilled staff combined with an insufficient Asset Management Plan are contributing to the high amount of non-compliances with legislative requirements. Staff are currently addressing the high number of immediate performance issues on a case by case bases, however, this requires a significant amount of staff resources, which are not available. Therefore, this results in resources from other systems such as the water utility systems to assist outside of their regular working hours. This results in more overtime pay-outs and also puts strains on the existing staff and budgets. This ad-hoc process has resulted in a wage and operational deficits in many of the systems over the years.

An assessment of staffing levels and operational budgeting are ongoing as part of the overall Asset Management and Service Planning for the wastewater facilities. Staff plan to present these findings as part of the 2019 Pre-Budget deliberations and rate reviews in Q1 & Q2 2019.

STRATEGIC PLAN AND RELATED POLICIES

Addressing the issues identified in the review of the wastewater treatment facilities will result in increased regulatory compliance. The recommended development and implementation of the SCRD's Wastewater Asset Management Plan and reviews of current rate structures for all water treatment facilities would contribute to the SCRDs financial sustainability.

CONCLUSION

A recent review of all 18 wastewater treatment facilities managed by the SCR D identified several critical issues that could pose a risk to the SCR D. These include the lack of legally binding agreements, non-compliance with regulatory permits, insufficient number of staff holding the required certifications to manage the facilities, and replacement of these facilities according to the SCR D’s Asset Management Plan.

Preliminary modules of the Comprehensive Asset Management Plan for the wastewater treatment facilities conclude that current rates are not sufficient to cover both the operational and capital requirements to maintain the assets. Financial implications of the new resources will be incorporated into the ongoing asset management planning and rate structure reviews for the water and wastewater services. Staff plan to present these findings as part of the 2019 Pre-Budget deliberations and will most likely result in a proposal for rate adjustments for these services. The findings of the more detailed inspections and analyses of all the facilities will be subject of future board reports.

Reviewed by:			
Manager		CFO	X -T.Perreault
GM		Legislative	
CAO	X – J. Loveys	Other	