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DRINKING WATER QUALITY MANAGEMENT STANDARD IMPLEMENTATION AND MUNICIPAL DRINKING WATER LICENSE PROGRAM UPDATE

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, October 22, 2008, from the Commissioner of Environmental Services:

1. RECOMMENDATIONS

It is recommended that:

Regional Council delegate authority for authorization and submission of the application for Municipal Drinking Water Licenses and supporting components to the Commissioner of Environmental Services.

Staff report back to Regional Council in Spring 2009 after submission of the Operational Plans to the Ministry of the Environment.

2. PURPOSE

This report provides an update on the implementation of the Drinking Water Quality Management Standard and the proposed schedule for the remainder of 2008.

3. BACKGROUND

Implementation of the Drinking Water Quality Management Standard and the Municipal Drinking Water License Program application are required under the Safe Drinking Water Act

The Drinking Water Quality Management Standard (DWQMS) was developed by the Ministry of the Environment (MOE) in response to a recommendation from Justice O'Connor in the Walkerton Report 2002. York Region is required, under the Safe Drinking Water Act (O.Reg. 188/07), to submit Operational Plans for the DWQMS for each drinking-water system by January 1, 2009.

In conjunction with the DWQMS, the MOE has developed a new operational licensing program that will be issued to all drinking-water systems in Ontario. The Municipal Drinking Water License (MDWL) program will consolidate a number of programs and approvals into one license, including:

- Accreditation to DWQMS through submission and approvals of Operational Plans
- Drinking Water Works Permit (which will replace Certificates of Approval)
- Permit to Take Water
- Financial Plan

York Region's drinking-water systems have been registered to the ISO 9001:2000 standard since the year 2000. As such, the requirements for the DWQMS have been fulfilled from the existing quality management framework and augmented where there are gaps in the two standards.

Staff are working to have the Operational Plan submitted to the MOE by mid December 2008. The intention is to submit under 'Option 3 – Full Scope' under the MOE's *Accreditation Protocol* (July 2007). This option requires that a 'full cycle' be completed for the DWQMS and that the system is fully implemented.

Previous reports submitted by staff on the DWQMS

Previous staff reports to Regional Council on the DWQMS requirements include:

- Committee Report 1 January 5, 2005 'Proposed Regulatory Changes – Drinking Water Quality Management System Standard under the Safe Drinking Water Act' and Committee Report 2 February 1, 2006 'Proposed Regulatory Changes – Drinking Water Quality Management System Standard under the Safe Drinking Water Act' detailing the Region's comments on draft material released by MOE.
- Committee Report 1 January 16, 2008 'Roles and Responsibilities as Part of the Regulated Drinking Water Quality Management Standard' and Committee Report 6 June 11, 2008 'Drinking Water Quality Management System Standard Implementation Update' recommending roles and responsibilities to support the DWQMS within York Region.

4. ANALYSIS AND OPTIONS

Applications for the Drinking Water Works Permit will be required by January 1, 2009 and it is recommended that the Commissioner of Environmental Services be delegated the authority to submit the applications

As a requirement in O.Reg. 188/07, York Region must submit an application for a Drinking Water Works Permit (DWWP) for each drinking water system at the same time as the DWQMS Operational Plan by January 1, 2009. Material was released by the MOE in early October 2008, including guidance on the completion of applications for the DWWPs and the application template.

Staff recommend that the Commissioner of Environmental Services be delegated the authority to submit the applications on behalf of York Region in order to meet the intended timelines outlined by the MOE in O.Reg. 188/07.

As part of the MDWL program, a structure for the creation and submission of financial plans for all municipal drinking-water systems is being developed by the MOE. The financial plans are currently required to be submitted by July 1, 2010 as per O.Reg. 453/07.

York Region staff have been working on Financial Plans to meet the requirements for the Public Sector Accounting Board (PSAB) 3150 program. This work will be leveraged to meet the requirements for Financial Plan component of the MDWL program, once full requirements have been identified.

The Operational Plan was audited for conformance to the standard requirements internally by staff and a consultant in October 2008

The draft Operational Plan was completed and reviewed by staff in October. Much of the ISO 9001:2000 policy documentation has been adapted to meet the requirements of the DWQMS and, where absent, gaps have been closed with existing programs or the development of new policies.

Selected staff from the Environmental Services Department were trained in early October 2008 as internal auditors. The internal audit for the DWQMS was conducted in late October 2008. The results of the internal audit will be presented to the Operational Top Management at the Management Review workshop currently scheduled for early November 2008.

An external consultant was acquired to conduct a documentation audit of the draft Operational Plan. The purpose of the documentation audit was to have an unbiased party review the Operational Plan against the requirements of the DWQMS and identify gaps. This process allows for capture of potential non-conformities prior to submission to the MOE in December 2008.

The training program has been finalized and will be delivered to all Operations and Maintenance staff by the end of October 2008

Jacques Whitford was retained in June 2008 to develop a training program specific to requirements of the DWQMS and the content of York Region's Operational Plan. The training program is mandatory for Operations and Maintenance staff and has been granted 'Director's Approval' by the MOE in order to classify as part of the regulatory training hours for staff and award continuing education units.

The training was conducted between September 11th and the end of October 2008.

Management Review of the DWQMS implementation has been scheduled for November 2008

Implementation of any management system considers a 'full cycle' of the 'PLAN-DO-CHECK-ACT' philosophy. The DWQMS has specific requirements to be discussed at management review including the results of internal audits. The Management Review for the DWQMS has been scheduled for early November 2008 and has been formatted into a half-day workshop. The intent is to cover all the requirements of the DWQMS for the management review element and give participants an in-depth understanding of their roles and responsibilities within the standard.

5. FINANCIAL IMPLICATIONS

Drinking Water Works Permit (DWWP) Applications

In early October 2008, guidance material and application packages were made available for the DWWP applications. MOE has indicated that the application fee will likely be similar to their current Certificate of Approvals Process. It is estimated that the fee could be in the order of \$750 per drinking-water system. There will be ten drinking-water systems in York Region and the estimated total cost of applications may be approximately \$7,500. This cost is a one-time cost associated with the initial applications. There will be a separate fee structure developed for any amendments that need to be made to the DWWP as a result of proposed work, etc. similar to the current Certificate of Approvals process.

Accreditation audits conducted by third party as required by the MOE following submission

At this time, the Canadian Goods and Standards Board (CGSB) have been retained by the MOE to conduct the accreditation audits for the DWQMS. A fee structure has been developed but it is unclear whether the auditors will be required to attend each site within the drinking-water system and this would greatly impact the associated costs.

The third party accreditation costs may include:

1. An application fee applied by the accrediting association for accreditation to the standard
2. Document review
3. On-site verification or auditing
4. Listing fee (paid upon accreditation to the accrediting association)

It is estimated that the accreditation process could cost upwards of \$50,000 based on the fee structure provided by the CGSB related to servicing population as outlined in Table 1.

Table 1
Estimated Fees for Accreditation Audits based on the
Fee Structure Provided by the External Auditor (CGSB)

Drinking Water System	Estimated Fee
Ansnorveldt	\$2,600
Ballantrae	\$3,100
Georgina and Keswick	\$7,500
King City	\$3,100
Kleinburg	\$3,100
Mount Albert	\$3,100
Newmarket/Holland Landing/Aurora/York Water	\$8,000
Nobleton	\$3,100
Schomberg	\$3,100
Stouffville	\$4,400
Auditor(s) Travel Fees	\$11,600
Total Estimated Fees	\$52,700

The fees outlined in Table 1 are for the first accreditation audits. Similar to other internationally recognized management systems, the accreditation period will last for 3 years, at which time another cycle of audits will be conducted on the drinking water systems. It is unclear whether the fee structure for the re-accreditation audits will be the same or different as the CGSB and the MOE have not provided any additional guidance on this issue.

Accreditation is not required until the Operational Plan has been submitted to both the accreditation body and the MOE, which is currently scheduled for January 1, 2009. The funding required for the DWWP application and the accreditation audits has been included in the 2009 Environmental Services budget.

6. LOCAL MUNICIPAL IMPACT

The local municipalities, as with all other drinking-water system Owners and Operators, are required to implement the MOE's DWQMS. Timelines for implementation vary depending on the size of the municipality and are detailed in Table 2.

Table 2
Operational Plan and MDWL Program Application Deadlines for Local
Municipalities under Ontario Regulation 188/07

Operational Plan and MDWL Program Application Deadline	Local Municipality
January 1 st , 2009	City of Vaughan
February 1 st , 2009	Town of Markham
February 1 st , 2009	Town of Richmond Hill
August 1 st , 2009	Town of Aurora
August 1 st , 2009	Town of East Gwillimbury
August 1 st , 2009	Town of Georgina
August 1 st , 2009	Township of King
August 1 st , 2009	Town of Newmarket
August 1 st , 2009	Town of Whitchurch-Stouffville

Local municipalities are expected to prepare their own Operational Plans and submit their own plan and applications for the MDWL program directly to the MOE. Each of the local municipalities are expected to submit one Operational Plan and MDWL application. The exception is the Town of Whitchurch-Stouffville, which may be submitting two plans since it has two drinking-water systems within its boundaries. The Town of East Gwillimbury and the Township of King also have two drinking water systems but have chosen to submit one operational plan to cover both systems.

As each local municipality will be submitting Operational Plans and MDWL applications, they will each have to bear the cost of the programs separately. In total, there could be approximately twenty Operational Plans and twenty MDWL's issued across York Region.

7. CONCLUSION

Staff recommend that the Commissioner of Environmental Services be delegated the authority to authorize and submit applications to the Municipal Drinking Water License and supporting components on behalf of York Region in order to meet the timelines set by the MOE in O.Reg. 188/07.

The DWQMS Operational Plan has been completed. A training program has been developed and sessions were completed by late October 2008.

The internal audit and external document audit were completed near the end of October 2008 and management review will be held in November 2008.

Submission of the Operational Plans (due by January 1, 2009) is on target for early December 2008.

Staff will report back in spring 2009 following the submission of the Operational Plans and MDWL applications to the MOE.

For more information on this report, please contact Laura McDowell, Director of Environmental Protection and Promotion, Environmental Services at Ext. 5077.

The Senior Management Group has reviewed this report.