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FILE: 5600-03/BCOB

TO: Chair and Director
Black Creek/ Oyster Bay Services Committee

FROM: Marc Rutten
Acting Chief Administrative Officer

Supported by Marc Rutten Acting
Chief Administrative Officer

M. Rutten

**RE: Black Creek/ Oyster Bay Water Local Service Area- New Water Supply Well
Project Update**

Purpose

To update the Black Creek/ Oyster Bay (BCOB) Services Committee regarding the new water supply well project.

Recommendation from the Acting Chief Administrative Officer:

This report is provided for information.

Executive Summary

The BCOB Water System treats and distributes water from two different water sources to properties north of the Oyster River in Electoral Area D of the Strathcona Regional District (SRD) and south of the Oyster River in Puntledge – Black Creek (Electoral Area C) of the Comox Valley Regional District (CVRD). The first water source is ground water wells (two in the Oyster River Nature Park (the Park)) and the second is an infiltration gallery in the Oyster River. Historically, the river infiltration gallery has been the only source used in the summer, with the ground water wells reserved for the winter when the river water quality is compromised and community water consumption is lower.

Over the past several years the river infiltration gallery has proved unreliable, with 2014, 2015 and 2016 being particularly bad years. The CVRD has had to adapt operation of the water resources in the Park, relying much more on the ground water wells during the summer than was originally intended. With summer drought conditions only predicted to worsen, additional groundwater capacity is required to ensure the water service's ability to meet summertime demand.

Grant Funding

In March 2017 the CVRD received approximately \$540,000 from the Clean Water and Wastewater Fund (CWWF), or 83 per cent of the total estimated cost, to install a new production well in the Park to complement the two existing wells. The original grant funding deadline required that the production well be installed by March 31, 2018. Due to challenges obtaining SRD support for the project, the CVRD obtained a one year extension to March, 2019, and then as project support from SRD was still not forthcoming, a final one year extension to March 31, 2020. Grant program staff have indicated this will be the last extension to the funding, as it will bring us to the end of the grant program.

An infrastructure planning grant of \$10,000 has also been received from the Ministry of Municipal Affairs and Housing to help fund the costs of study work required to evaluate water supply to the north and to reach agreement with the SRD on access to the Park.

Groundwater Supply in the Park

In September 2018, as part of the update report to the BCOB Services Committee meeting a Groundwater Availability Study completed by GW Solutions was attached. The study reviewed the potential water supply capacity of the park, the study concluded that the Park and the River are hydraulically connected and therefore “all the water extracted from the wells is water that is taken from or not made available for the Oyster River”, resulting in Environmental Flow Needs (EFNs) needing to be considered. This study, forwarded to SRD staff in May 2018, concluded that if additional wells were installed in the park, and the neighboring farm well were used, there could be enough water for both service areas in good years if Northern Area D water service per capita consumption could be reduced to a level similar to the BCOB water service. However, given the connection between these groundwater wells and the river, any new water license obtained for the new infrastructure would likely come with restrictions to be imposed in drought years.

In March 2019, CVRD and SRD staff had a conference call with GW Solutions to discuss the conclusions of their report and the next steps. SRD staff indicated that the SRD is looking for a concise answer in regards to is there enough water within the park for both the BCOB WLSA and the SRD’s Northern Area D water system. It was determined that further information on the requirements surrounding the EFN’s for the Oyster River were needed as a next step.

In April 2019, CVRD staff and GW Solutions attended a meeting with the Ministry of Forests, Lands, Natural Resources Operations and Rural Development to better understand what would be required to develop an improved understanding of EFNs and what water restrictions may look like if demand from the Oyster River Nature Park increased to also service Northern Area D. The key points from that meeting were:

- The Oyster River is the most productive cutthroat trout habitat on Eastern Vancouver Island due to cooler river temperatures that are caused by infiltration of groundwater into the river. The lower reaches of the Oyster River are considered critical habitat.
- The cumulative total of the existing water licenses on the Oyster River is more than the actual total late summer river flow, i.e. if all existing licenses were maxed out, the river would run dry.
- Any increased withdrawal of water that will result in a reduction in fish habitat is not desirable, and any new asks for increased withdrawal rates in and around a fish bearing stream are challenging and not always approved. Further monitoring would be required to confirm:
 - Connectivity of river and groundwater wells;
 - Effect of groundwater from the Park on the temperature of the Oyster River; and
 - Review of other demands on the River.

CVRD staff’s key take away from that meeting was that based on the above points, additional water license capacity from the Oyster River, including for nearby groundwater wells that are deemed to be connected to the river, is not likely to be approved.

Memorandum of Understanding (MOU) with SRD

On February 20, 2019 the CVRD Board Chair and Chief Administrative Officer met with their SRD counterparts to discuss the issue and to try to work towards SRD approval to install the new production well. At that meeting:

- The SRD expressed concern that they would be giving away a resource by approving installation of additional well without a commitment from the CVRD to share the water.
- The SRD indicated that the Board would have to consider the matter.
- The CVRD indicated that a decision was required by May 2019 to ensure the well project could be complete in time for the March 2020 grant deadline.

- Both parties agreed to draft and enter into a MOU to outline the terms of SRD support for the project.

The CVRD subsequently worked to develop a draft MOU, which was then forwarded to the SRD for review. Key terms of the draft MOU include:

- Acknowledging the split jurisdiction and the rights of each organization as they are today.
- Recognize what waterworks currently exist and that the works belong to the BCOB water service.
- SRD support for the well by May 2019.
- Agree to finalize the groundwater study.
- Agree to work towards sharing of the water resource should the study confirm there is enough water.
- Agree to ongoing discussions and resolution of outstanding and complex issues that require time for both parties to consider.
- Agreement to cooperate and information share all reports with respect to the property and service copied to respective Chief Administrative Officer’s.
- Regular meetings between SRD and CVRD moving forward.

Although there have been several exchanges of comments and revisions to the MOU, several outstanding issues remain. With the deadline for initiating construction of the well approaching, SRD support of the project does not appear imminent.

While CVRD staff are supportive of exploring concepts for providing other parts of SRD Area D with water from the BCOB treatment facility, a firm commitment would not be possible without confidence in obtaining the required additional water license capacity without unacceptable restrictions on use during drought years. To commit to providing other parts of Area D with water now could jeopardize the CVRD’s ability to guarantee water supply to the existing BCOB Water Local Service Area, which does not have an alternate source of water.

Prepared by:

K. La Rose

Kris La Rose, P. Eng.
Senior Manager of Water/
Wastewater Services

Stakeholder Distribution (Upon Agenda Publication)

Strathcona Regional District	✓
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