

MILL BAY WATERWORKS DISTRICT

Strategic Plan 2023 - 2025



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ABBREVIATIONS AND ACRONYMS

AC	Asbestos Cement
CVRD	Cowichan Valley Regional District
EOCP	Environmental Operators Certification Program
MBWD	Mill Bay Waterworks District
Mn	Manganese
PVC	Polyvinyl chloride pipe

1. INTRODUCTION

1.1 Mill Bay Waterworks District

Mill Bay Waterworks District (MBWD) is an Improvement District established by Letters Patent by the government of British Columbia in 1962. Located in the South Cowichan Valley of Vancouver Island it provides a water service to over 980 properties, the preponderance of which are residential dwellings. The Letters Patent affords MBWD the authorization to acquire, maintain and operate a system of waterworks and all matters incidental.

Water is sourced from eleven wells, which includes two infiltration galleries. There is an additional well awaiting approval of a license application by the Province of BC before it can be brought online. Water from one of the wells contains iron which is removed at a treatment plant located at the site of the MBWD office on Deloume Road. Water from all other sources only require chlorination which occurs at each of the three reservoirs prior to distribution through a network of 26 Km's of pipe.

MBWD maintains the Shawnigan Lake weir at the headwaters of Shawnigan Creek on behalf of a consortium of MBWD, the Cowichan Valley Regional District (CVRD) and Shawnigan Village Waterworks and holds a license to extract water from Shawnigan Lake. Currently, this license is used to provide irrigation to Brentwood College School by direct pumping from Shawnigan Creek. Groundwater is drawn from aquifers 203 and 206. In the future, additional water will be sourced from aquifers 203 and 208. The MBWD system also provides fire protection to most landowners in Mill Bay.

The only sources of revenue available to an improvement district are user fees, which are collected through utility billing, and annual parcel taxes. User fees fund the day-to-day operations of an improvement district, while parcel taxes fund capital upgrades. Improvement districts are not permitted to apply for federal and/or provincial funding programs such as grants for system upgrades the way local governments can. The only outside funding available is through borrowing from Canadian financial institutions.

1.2 The Drivers for Strategic Planning

The business of MBWD is not complex probably explaining why the organization has never developed a strategic plan in previous years. Several factors have now emerged which has moved the Trustees to consider such a plan. In summary, they are:

- An urgent need to replace approximately 5Km of Asbestos Cement (AC) pipe. Although there is no apparent risk to users, these pipes are now more than 60 years old and beyond their design life;
- Pressure from the provincial government to develop new housing for which there is land available within the MBWD service area;
- The reclassification of the MBWD system, by the Environmental Operators Certification Program (EOCP), now requires staff augmentation and skills enhancement. The EOCP is the provincial regulating body for all publicly operated water systems;

- Reclassification of minimum acceptable standards for Manganese (Mn) content, by Health Canada have now adversely impacted some of MBWD's water sources;
- Insufficient reserves to finance the pipe renewal program requiring MBWD to borrow;
- Climate change is bringing about a need for greater engagement with landowners and with other stakeholders in local water resources.

1.3 The Strategic Planning Process

In early July of 2022, Trustees, and staff of MBWD met at the Mill Bay Community Hall to commence the planning process. Proposals were previously invited from two consulting firms from which Persephone Consulting was selected to provide facilitation of the discussions. The meeting took place over one and a half days.

The consultant was asked to prepare a report on the discussions following which staff and Trustees prepared the formal plan. What follows is the outcome of those meetings and discussions.

2. VISION

The provincial government has an overarching desire to convert improvement districts into either a regional district or a municipality. In creating a Vision Statement for MBWD, Trustees had to be cognizant of this ultimate reality. The resulting statement is:

"Mill Bay Waterworks District recognizes that, at some undefined point in time in the future, it will be converted into either the Cowichan Valley Regional District or a new municipality."

3. MISSION

It might seem that conversion to the CVRD is the logical path, however there is greater flexibility available in a municipality. While there is no pressing need to convert, the Trustees are of the opinion that it is better to direct the conversion toward a municipality. With this in mind, our Mission Statement is:

"In continuing to provide a high-quality water service to its landowners, Mill Bay Waterworks District will seek to enhance its system with a view to conversion into a municipality at some point in the future."

4. STRATEGIC PRIORITIES

4.1 General

4.1.1 Goals, Objectives, and Tasks

Five areas of strategic focus were identified: governance, finances, infrastructure, people, information. For each of these, staff and Trustees identified goals, objectives, and tasks. For clarity, they are defined below:

Goals - broad principles that guide decision making, often difficult to measure, and somewhat intangible;

Objectives - measurable steps to achieving a goal, not necessarily time related;

Tasks - specific actions in meeting objectives, to be accomplished within the time frame of the plan.

4.1.2 Time Frame

The world is changing at a faster pace than occurred fifty or more years ago. New technologies and regulations make it difficult to project specific plans too far into the future. The Trustees have determined that this Strategic Plan should address tasks no further out than three years, while its goals and objectives would be in view for a longer term.

4.2 Governance

4.2.1 Scope

The primary roles of Trustees are Representation, Stewardship, Policy, and Law-Making. It is in their representative role that Trustees believe there is a strategic imperative to engage landowners in the processes that will eventually lead up to conversion. The Board, with the support of Staff, functions effectively in the Stewardship, Policy, and Law-Making roles. While improvements would always be beneficial, such actions are not considered strategic.

4.2.2 Goals, Objectives, and Tasks

			Complete by
1	Goal	Promote greater awareness of factors affecting the future existence of MBWD.	
	Objective	Inform landowners about the strategic direction being taken by Trustees through appropriate communication platforms.	
	Task 1	Arrange a public forum to present the Strategic Plan	February 2023
	Task 2	Build a new website for MBWD	April 2023
	Task 3	Prepare progress reports on plan implementation	Annually

4.3 Finance

4.3.1 Scope

The financial management of operations is functioning satisfactorily and there are no strategic actions needed at this time. However, the concern over the condition of the AC pipe in the system requires development of a plan to fund renewal of this pipe without placing any financial hardship on MBWD and its ratepayers.

4.3.2 Goals, Objectives, and Tasks

			Complete by
1	Goal	Explore means to finance the cost of renewal of AC pipe	
	Objective	Establish financing terms that avoid an excessive tax burden on landowners	
	Task 1	Obtain preliminary approval of a financing plan from the Province of British Columbia	September 2023
	Task 2	Negotiate loan agreement with financial institution	December 2023
	Task 3	Obtain landowner approval to borrow funds	March 2024
	Task 4	Adopt borrowing bylaw and submit to Province of British Columbia for approval	May 2024

Water Source Development

4.3.2 Scope

Water is drawn from sub-surface sources comprising 11 wells, which includes 2 infiltration galleries, all located within the service area of MBWD, with the exception of deliveries to Brentwood College School where water is pumped from Shawnigan Creek to irrigate the school's playing fields under the terms of our water licence on Shawnigan Lake.

Future sources of water will be development driven whereby developers will be expected to supply sufficient water to meet demands of their respective developments. These sources would eventually be taken over by MBWD upon completion of construction.

While considerable care is taken to protect the sites of wells and galleries, MBWD does not have a formal source protection plan. With increasing pressure on development, MBWD now needs to address this deficiency in a more structured manner.

With regard to the reclassification of acceptable contamination levels of Mn in potable water systems, there are currently two wells that contain Mn at concentration levels which no longer meet Health Canada standards. While other wells also contain Mn, those wells fall within acceptable health limits. Vancouver Island Health Authority is tasked with enforcing Health Canada regulations. MBWD has initiated a Mn monitoring program to better understand the magnitude of the problem. Currently, water that does not meet Health Canada manganese standards is blended with other sources whose Mn concentrations are either low or non-existent. Understanding the magnitude of, and resolving this problem was deemed a strategic imperative.

4.3.3 Goals, Objectives, and Tasks

			Complete by
1	Goal	Provide potable water of the best possible quality to customers	
	Objective	Protect the sites of all of MBWD's water sources	
	Task 1	Prepare a water source protection plan	July 2023

			Complete by
2	Goal	Provide potable water of the best possible quality to customers	
	Objective	Evaluate the risk of Mn contamination to water sources	
	Task 1	Continue to monitor Mn content in wells and report on the impacts to water quality	Annually

4.4 Water Distribution System

4.4.1 Scope

The MBWD distribution system comprises a combination of storage reservoirs, treatment facilities, pump stations, pipelines, hydrants, pressure reducing stations and assorted valves and fittings. The system experiences limited breakdowns and is vigilantly maintained.

The pipe distribution network comprises both approximately 5 Km of AC pipe and 21 Km of polyvinyl chloride (PVC) pipe. Most of the AC pipe has passed its design life and the balance is on the margins thereof. Service is at significant risk should the AC pipe fail. Replacing AC pipe is an urgent priority.

4.4.2 Goals, Objectives, and Tasks

			Complete by
1	Goal	Understand long-term operating and financial requirements to maintain sustainable service delivery	
	Objective	Prepare an Asset Management Plan	
	Task 1	Adopt an Asset Management Policy	August 2023
	Task 2	Develop an asset inventory with condition assessments and replacement values	January 2024
	Task 3	Determine climate change impacts to infrastructure	April 2024
	Task 4	Define key performance indicators related to sustainable service delivery	June 2024

			Complete by
2	Goal	Create a renewal plan for AC pipe	
	Objective	Replace AC pipe	
	Task 1	Prepare design and tender documents for replacement of the lines on Mill Bay Road and obtain all permits for construction.	April 2023
	Task 2	Commence the replacement of watermains on Mill Bay Road	July 2024
	Task 3	Complete design and prepare tender documents for replacement of watermain on Noowick Road and obtain all permits for construction	May 2023
	Task 4	Commence the replacement of watermains along Noowick Road	July 2024
	Task 5	Prepare designs and tender documents for replacement of all remaining AC pipes and obtain all permits for construction	January 2025
	Task 6	Commence replacement of all remaining AC pipes, subject to sufficient funding being available for the project	June 2025

4.5 People

4.5.1 Scope

MBWD could not function without the input and support of dedicated qualified staff. The present staff complement meets this expectation. However, trustees are concerned that MBWD may be falling short in providing conditions of employment commensurate with the market, or better. To this end, a Trustee and Employee Handbook has been prepared with staff and Trustee input, but further measures still remain to be developed and implemented.

Perhaps the most significant situation relating to staff is the lack of sustainable support for the Operator. In July 2020 MBWD's water treatment facilities were reclassified by the EOCP as a Level 2 System, and the distribution network a Level 3 System, meaning that the qualifications of operations staff had to be upgraded. Because of pressures of time, the skills upgrading of the Operator have fallen behind. A temporary arrangement for a back-up operator has now endured for four years, which tests the meaning of 'temporary.' One of the major challenges is the lack of qualified personnel on Vancouver Island. Another is the lack of work available for a full-time back up operator. Resolving this apparent impasse is now a strategic imperative.

4.5.2 Goals, Objectives, and Tasks

			Complete by
1	Goal	Create a workplace where staff do not want to leave MBWD	
1	Objective	Maintain competitive terms of employment for all staff	
	Task 1	Review wages and salaries of all staff, on an annual basis, in the light of industry-wide experience	Annual
	Task 2	Review current employment benefits in the light of industry-wide experience	February 2023
	Task 3	Implement a new employment benefits program following completion of Task 2	March 2023

			Complete by
2	Goal	Create a workspace that will meet the needs of a growing organization	
	Objective	Provide adequate work space	
	Task 1	Explore how additional space can be found to meet the needs of a growing workforce and establish a plan to achieve that objective	May 2023

			Complete by
3	Goal	Meet and exceed regulatory standards of water system operation	
	Objective	Operate the MBWD waterworks system with appropriately certified staff	
	Task 1	Ensure present operator can be allocated time to upgrade his skill sets without compromising the performance of the network	May 2023
	Task 2	Explore options to recruit a back-up operator	May 2023
	Task 3	Recruit a back-up operator	October 2023

4.6 Communication and Engagement

4.6.1 Scope

During the strategic planning session, staff and trustees expressed concern that engagement with MBWD's stakeholders was poor. At the same time, it was accepted that MBWD itself contributed significantly to that grading. With around 1,000 connections in the system, representing around 2,500 residents and workers, the Annual General Meeting seldom musters more than 30 to 40 attendees, including trustees and staff. With major decisions to be made in the very near future, such a poor representation of community input needs to be addressed as a strategic imperative. This will not be an overnight fix.

4.6.2 Goals, Objectives, and Tasks

			Complete by
1	Goal	Engage actively with other tiers of government having jurisdiction in MBWD's services area	
	Objective	Build relationships with government agencies	
	Task 1	Maintain dialogue with the Malahat Nation on matters of mutual interest	Ongoing
	Task 2	Strengthen relationship with CVRD on matters of mutual concern	Ongoing
	Task 3	Meet regularly with representatives of the Ministry of Forests, Water Allocation Branch on matters related to water licensing	Ongoing
	Task 4	Create a working group representing MBWD and other interested parties to develop a climate measurement station in the area to the south of MBWD's jurisdiction	June 2023
	Task 5	Establish referral process with CVRD, meaning subdivision, development and building permit applications received by the CVRD where input from MBWD is required prior to issuance of permits, etc.	March 2023

			Complete by
2	Goal	Strengthen public engagement in the affairs of MBWD	
	Objective	Raise the profile of MBWD within the community of Mill Bay	
	Task 1	Participation of staff and trustees in events sponsored by other Mill Bay community organizations, such as Mill Bay Fire Department, Frances Kelsey School, Mill Bay Community League	Ongoing
	Task 2	Organize information meetings to brief constituents on major issues	Ongoing
	Task 3	Create new website	March 2023
	Task 4	Explore other social media options	February 2023