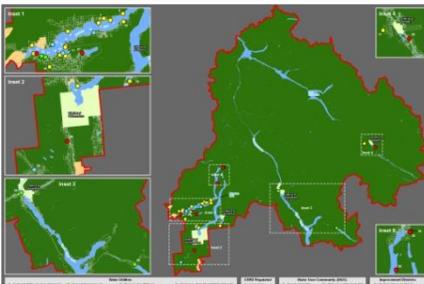


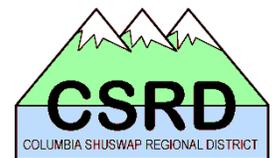


COLUMBIA SHUSWAP REGIONAL DISTRICT



Sewer System Acquisition Strategy

Sewer System Acquisition Policies and Assessment



June 18, 2010 (Revision 4)
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URBANSYSTEMS®

#2353 – 13353 Commerce Parkway
Richmond, BC V6V 3A1
Phone: (604) 273-8700
Fax: (604) 273-8752



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PART 1 INTRODUCTION AND BACKGROUND

To-date, the CSR D has adopted four Liquid Waste Management Plans (LWMPs), which each strive to protect public health and the environment by ensuring that liquid waste is properly managed today and in the future. Each of the CSR D's LWMPs recommends the development of a sewer system acquisition policy to define the terms and conditions under which the CSR D would acquire community sewer systems. To follow through on these LWMP recommendations, the CSR D has developed this *Sewer System Acquisition Strategy*.

This document outlines policies and practices that form the foundation of the CSR D's *Sewer System Acquisition Strategy*, and which will guide all future decisions related to community sewer system acquisition, assessment, and operations. These policies and assessment procedures have been written to specifically minimize the CSR D's risk and maximize benefits to sewer system users.

To minimize risk, these policies and assessment procedures have been developed to ensure that:

- the CSR D has as complete an understanding of the condition of a candidate community sewer system as possible prior to acquiring that system;
- the CSR D has the necessary resources (e.g., financial resources, organizational capacity, technology) to own and operate additional systems; and,
- the candidate community sewer system will be financially viable over the long-term under CSR D ownership.

To maximize benefit, these policies and assessment procedures have been developed to ensure that:

- CSR D ownership yields significant improvements in the quality and reliability of sewer service;
- economies of scope and scale are realized to reduce costs and improve affordability of user rates; and,
- sewer system users are fairly represented within the governance system.

This Report is organized into the following parts:

Part 1 – Introduction and Background

Part 2 – Sewer System Acquisition Policies



PART 2 SEWER SYSTEM ACQUISITION POLICIES

This Part outlines sewer system acquisition policies that will be presented to the Board for adoption.

CONSISTENCY WITH LIQUID WASTE MANAGEMENT PLANS

Consistency with LWMPs

At present, the CSR D has completed LWMPs for Electoral Areas 'C' & 'E', the North Shuswap (Area 'F') and Seymour Arm. The policies in this document are consistent with the region's LWMPs.

Policy No. 1:

The CSR D will acquire, own, and operate community sewer systems in a manner that is consistent with adopted LWMPs.

APPLICATION

Application of Policies

The policies in this document are to apply to the entire Regional District, irrespective of whether or not an LWMP has been adopted for the area.

Policy No. 2:

This Sewer System Acquisition Strategy applies to all rural areas of the CSR D. The CSR D will consider acquisition of community sewer systems in any of its electoral areas regardless of whether a LWMP has been adopted.

ACQUIRING SYSTEMS

Acquisition of New Community Sewer Systems

All four of the CSR D's LWMPs support the development of policies that define the terms under which the CSR D will acquire newly built community sewer systems. The CSR D would like to be the owner of newly built community sewer systems that meet its requirements for acquisition (as outlined in this *Strategy*).

**Policy No. 3:**

*The CSRD will acquire all new community sewer systems within its electoral areas that meet the criteria outlined in this Strategy. **Appendix A** outlines the acquisition process.*

Initiating the Acquisition of Existing Community Sewer Systems

While most acquisitions will likely be initiated by sewer system users or sewer system owners, in certain instances the CSRD may choose to initiate the process itself.

Policy No. 4:

(a) *The CSRD will entertain requests to assume ownership of existing community sewer systems from:*

- (i) sewer system users; or*
- (ii) sewer system owners*

provided that the Electoral Area Director concludes that there is sufficient local support for the potential acquisition, which is often provided by an informal petition signed by area residents requesting that the CSRD investigate the feasibility of acquiring a community sewer system. If sewer system users approach the CSRD directly to request acquisition, the CSRD will consult with the community sewer system owner to obtain the owner's consent prior to initiating the acquisition process.

(b) *Alternatively, the CSRD will initiate a community sewer system acquisition process itself if the owner of the community sewer system agrees and such an acquisition would:*

- (i) result in measurable improvements to sewer service provision (i.e., compliance with the Municipal Sewage Regulation and the CSRD's Subdivision Servicing Bylaw);*
- (ii) likely be supported by the users of that community sewer system;*
- (iii) enable the CSRD to realize economies of scope or scale, which would result in cost savings relative to the sewer systems meeting the same standards on their own; and,*
- (iv) support broader CSRD objectives.*



Financial Viability of Community Sewer Systems

The CSRD will not consider acquiring community sewer systems that are not expected to be financially viable to operate under CSRD ownership. It is recommended that the CSRD limit acquisition to systems with at least fifty connections, but to still also evaluate financial viability even for larger systems. This policy will help ensure that CSRD resources are allocated to systems that are financially sustainable.

Policy No. 5:

The CSRD will consider acquiring only those community sewer systems that have at least 50 connections or serve at least 50 parcels and are expected to be financially viable to own and operate.

Acquisition of Multiple Sewer Systems

Given that there are approximately 30 sewer systems within the CSRD's unincorporated areas, the Regional District could potentially face multiple acquisition proposals within a single year. It is therefore recommended that the CSRD first assess its ability to manage multiple acquisitions prior to initiating any transfers. In some cases, the CSRD may choose to assess multiple systems within a single year, but to phase in transfer of ownership over a longer period of time. Furthermore, it is recommended that the CSRD acquire additional community sewer systems only if its existing systems are up to Provincial standards or plans have been made to make the necessary improvements.

Policy No. 6:

The CSRD will assess its capacity to acquire any additional community sewer systems prior to doing so. If required, potential acquisitions will be phased in over multiple years. The CSRD will acquire additional community sewer systems only if:

- (a) all community sewer systems owned by the CSRD at that time are compliant with Provincial legislation; or*
- (b) system assessments have been completed and corresponding financial plans are in place to upgrade any non-compliant CSRD system to meet Provincial legislation.*

Public Assent Process for Acquiring Systems

For existing systems, once the contents of the engineering report and the overall financial picture have been discussed, residents will be asked if they wish to go to the



next step, a formal public assent process. A public assent process basically asks, “Are you in favour of the CSRD taking over the system and taxing you for the capital and maintenance costs?” This can be accomplished by referendum, formal petition, or through an alternative approval process (i.e., counter petition where fewer than 10% of the electors petition against the proposal). Referendums are quite costly (\$5,000 plus) and require a majority vote (50% plus one) in favour to pass. Petitions are relatively inexpensive, but require a time commitment from the local residents to ensure that petitions are circulated, completed correctly and returned to the CSRD by a given deadline. A passing petition requires at least 50% of the total assessment and number of landowners in favour.

For newly developed systems, the public assent process is simplified as there is a single owner (i.e., the developer) and not yet any sewer users connected to the system. In this case, elector assent can be provided by a petition signed by the owner.

If the public assent process is successful, the CSRD will prepare the necessary bylaws and paperwork to establish a service area and legally transfer ownership of the utility, and will develop operational criteria.

Policy No. 7:

The CSRD will assume ownership of a community sewer system only upon a successful public assent process to establish a sewer service area. A public assent process should be completed before the end of August (in order to enable appropriate coding by the BC Assessment Authority) to ensure that a CSRD takeover is possible for the following year.

Establishing Service Areas under LWMPs

Under the *Environmental Management Act*, local governments are authorized to establish service areas for community sewer systems without an elector assent process provided: 1. a liquid waste management plan is in place and defines that service area clearly; and, 2. the liquid waste management planning process provided for adequate public consultation. If these conditions are met, the CSRD may choose to establish a service area without the public assent process.

***Policy No. 8:***

The CSRD may waive the requirement for a separate public assent process for establishing a sewer service area if:

- (a) an LWMP has been recently adopted for the area;*
- (b) the LWMP clearly delineates the service area; and,*
- (c) the LWMP process provided adequate opportunity for public input into the establishment of that service area.*



Amended
February 2011

Engineering Assessments

To make informed decisions about which community sewer systems to acquire, the CSRD will complete comprehensive assessments of candidate community sewer systems. Assessments will not be limited to engineering assessments, but will include investigations into financial viability, environmental impacts, safety, and land administration issues as well as record keeping and other matters. It is also essential that assessments be carried out by qualified professionals who can be held accountable for their work. To ensure consistency across assessments, a Terms of Reference for Sewer System Assessments has been developed. Among other stipulations, the Terms of Reference for Sewer System Assessments requires candidate sewer systems to be assessed against the standards and specifications established in the latest version of the Master Municipal Construction Documents until such a time as the CSRD adopts community sewer system standards in its Subdivision Servicing Bylaw. Once the CSRD adopts community sewer standards in its Subdivision Servicing Bylaw, then these standards and specifications would apply.

Policy No. 9:

*The CSRD will not acquire a community sewer system until a comprehensive assessment has been carried out by qualified professionals consistent with the requirements established by the CSRD in its Terms of Reference for Sewer System Assessments (see **Appendix B**).*



Amended
February 2011

Limit to Number of Assessments

The policies of the Water System Acquisition Strategy and the Sewer System Acquisition Strategy provide a mechanism for owners of private water and sewer systems to approach the CSRD and request acquisition. The process for acquisition



includes the completion of a comprehensive engineering assessment (funded from the Rural Feasibility Study Fund) of the candidate system. Once the assessment is completed, the acquisition process awaits grant funding opportunities, as the total cost of the capital upgrades is typically beyond the affordability of the property owners in the proposed service area. The CSR D, without imposing a limit on the number of engineering assessments, could end up with a considerable number of water and sewer engineering assessments that become outdated while awaiting grant funding opportunities.

Policy No. 10:

- (a) The CSR D will limit the combined number of completed engineering assessments for water and sewer systems destined for CSR D acquisition at any point in time to a total of three.*
- (b) In extenuating circumstances, the Board may waive this requirement.*

Amended
February 2011

Existing Properties Connecting to a CSR D Sewer System

The CSR D needs to establish a fee for a contribution to capital reserve for properties outside the service area that wish to connect to a CSR D sewer system. Funds collected will assist with required future capital upgrades. The required contribution to the capital reserve account is based on ten times the current parcel tax for each respective sewer system. This contribution will be applied to residents and/or business within each parcel (i.e. multi-unit building or trailer park).

Policy No. 11:

- (a) Existing properties applying to connect to a CSR D sewer system shall pay a contribution into the respective sewer system's Capital Reserve Fund for future capital infrastructure at a rate of 10 times the current parcel tax of the respective sewer system, based on the number of residences and/or businesses on the property, in addition to the established connection fee.*
- (b) In extenuating circumstances, the Board may deviate from this formula to calculate the contribution to a capital reserve account.*



Seed Fund for Long-Term Capital Replacement

The Municipal Sewage Regulation (MSR) states that no individual, company or Strata Corporation may treat, reuse or dispose of municipal sewage generated by a residential development unless security is provided. Regional Districts, however, are not required by the Province to provide this security.

As a condition of acquisition, the CSR D will require the owner to pay 10% of the value of the system or \$50,000 (whichever is greater) into a fund for long-term capital replacement. If the owner had needed to meet the security requirements of the MSR, a security equal to maximum daily flow in $m^3 \times \$1,400$ would have been required by the Ministry of Environment. Developers, therefore, should still have a clear financial incentive to opt for CSR D ownership.

Policy No. 12:

As a condition of acquisition of a new system, the CSR D will require the developer to provide 10% of the value of the community sewer system's tangible capital assets to the CSR D or \$50,000 (whichever is greater). This amount will be deposited into a reserve fund for long-term capital replacement.

Payment for Community Sewer Systems

It is possible that owners of systems, particularly private utilities may wish to recover their costs for the construction or improvement of their systems. Recognizing that these costs are typically recovered through lot sales and that, generally, there is a need to make capital improvements, it is recommended that the CSR D pay no more than a single dollar to acquire any system. However, in extenuating circumstances, the Board may choose to waive this policy in order to fulfill the intent of the *Sewer System Acquisition Strategy*.

Policy No. 13:

- (c) It is the policy of the CSR D to pay not more than a consideration of \$1.00 for the acquisition of any sewer system.*
- (d) In extenuating circumstances, the Board may waive this requirement.*

Transfer of all Financial Assets at Conversion

There may be instances in which the owner of a private sewer utility agrees to transfer ownership of the utility to the CSR D, but also wishes to retain funds that have either



been prepaid by sewer utility users or have been deposited with the Ministry of Environment. To ensure the financial viability of newly acquired systems, it is recommended that any conversion of a community sewer system to CSR D ownership be conditional on the transfer of all of the community sewer system's funds and financial assets to the CSR D. However, in extenuating circumstances, the Board may choose to waive this policy in order to fulfill the intent of the *Sewer System Acquisition Strategy*.

Policy No. 14:

- (a) The transfer of an existing community sewer system to CSR D ownership will be conditional on the transfer to the CSR D of all of the financial assets related to the community sewer system including all pertinent reserve and trust funds, bonds or other securities, as well as any pre-servicing or other prepaid commitments.*
- (b) In extenuating circumstances, the Board may waive this requirement.*

RISK MITIGATION

Transfer of Systems and Legal Risk

The CSR D's involvement in the ownership and operation of community sewer systems is motivated by a number of important objectives including the effective provision of needed services and the protection of public health and safety. Another important objective is the management of risk. The acquisition of systems that are subject to litigation or other legal action could place the CSR D at risk. Therefore, it is recommended that the CSR D assess its legal risk on a case by case basis prior to acquiring a new community sewer system. **Appendix C** includes a sample heads of agreement for transferring a system.

Policy No. 15:

The CSR D will not acquire or assume responsibility for a community sewer system if the CSR D determines there is undue legal risk associated with doing so.

Transfer of Systems without Valid Permits or Licenses

Consistent with the overall objective of managing the CSR D's risk, it is recommended that community sewer systems not be acquired where there is substantial risk that the required permits or licenses will not be obtained.

***Policy No. 16:***

The CSRD will not acquire or assume responsibility for a community sewer system if the CSRD determines that there is substantial risk that it will not be able to obtain valid permits for the construction or operation of the system.

Constructed Works Protected By Rights-of-Way, Easements, Lease or Fee Simple Ownership

A key issue with many older, smaller systems is the failure of the owners to secure the necessary rights-of-ways, easements, leases or other tenures to protect the systems. There is the risk that the CSRD may not be able to acquire the necessary land tenure, which may prevent it from properly operating the system. It is recognized that the CSRD may have greater ability to resolve land and right-of-way issues; however, the Regional District may wish to reduce its risk by requiring that easements and rights-of-way be in place prior to the acquisition of any community sewer system.

Policy No. 17:

The CSRD will not assume ownership or responsibility for a community sewer system where major facilities, mains and other constructed works are not located within registered rights-of-way or easements held by the owner of the system or within legal parcels owned or leased by the owner unless the CSRD deems that it, rather than the existing owner, is in a better position to acquire the required rights-of-way, easements or parcels.

SERVICE DELIVERY**Connecting Properties within a Service Area**

One of the key policies established by the LWMPs relates to connecting individual private systems to CSRD community systems. Each LWMP requires independent private systems to connect to a CSRD-owned system where possible. Regardless of whether or not an LWMP applies, the elector assent process for acquiring a sewer system will include this requirement as a condition of acquisition.

**Policy No. 18:**

- (a) *The CSRD will require all properties within a service area for a CSRD-owned community sewer system to connect to that community sewer system within one year of the establishment of the service area.*
- (b) *This requirement will be discussed as part of the elector assent process.*

Service Delivery

It may become feasible for the CSRD to contract out certain aspects of the operation and maintenance of its sewer systems. As the number of systems under CSRD ownership grows, there may also be opportunities to engage the private sector as partners (i.e., through public private partnerships) in certain aspects of community sewer system service delivery.

Policy No. 19:

All activities related to the management, operation and maintenance of CSRD community sewer systems will be carried out by CSRD staff, its contractors and/or private sector partners.

Emergency Response

In order to minimize the impact of any emergency situation that may arise, the CSRD will work with the Interior Health Authority and the Ministry of Environment to develop emergency response plans for each of its systems. In the event of an emergency or any problem that may lead to an emergency, it is important that CSRD residents, its contractors, and relevant agencies are notified as soon as possible. In the event of such an emergency, the CSRD and its contractors will take it upon themselves to alert the Interior Health Authority directly (instead of waiting for MoE to notify IHA) and will work with the relevant agencies to inform residents.

Policy No. 20:

- (a) *The CSRD will develop emergency response plans for its community sewer systems.*
- (b) *The CSRD will alert the IHA directly if there is a problem or an emergency (i.e., the CSRD will not wait for MoE to notify IHA).*



Supervisory Control and Data Acquisition (SCADA) Systems

Given the significant distances that will likely be between sewer systems within the CSRD and the limited human resources available to the CSRD, it may not be practical to conduct site visits to each sewer system as needed. To ensure all CSRD community sewer systems receive an appropriate level of service in a cost-effective manner, it is clear that the CSRD must establish a well-developed SCADA system to monitor and operate its sewer systems. To realize economies of scale, it is absolutely essential that the use of SCADA be planned for at the outset, and that it is established as an integral part of the CSRD's *Sewer System Acquisition Strategy* as soon as possible.

Policy No. 21:

- (a) The CSRD will prioritize the development and installation of a regional SCADA system to ensure efficient and effective service delivery to all of its community sewer systems.*
- (b) All upgrades to existing community sewer systems and all plans for new community sewer systems must either include SCADA system components or accommodate the future installation of SCADA systems.*

STANDARDS

Servicing Standards for New Community Systems

The CSRD will be amending its Subdivision Servicing Bylaw to include up-to-date servicing and design standards for community sewer systems. Once the new bylaw is adopted, all new community sewer systems constructed in the CSRD's unincorporated areas will have to be built to CSRD standards. The *Local Government Act* does not allow local governments to impose these requirements within a strata development. However, where the CSRD will be acquiring the new system, that system must be built to CSRD standards as a condition of acquisition even if the system serves a strata development.

Policy No. 22:

- (a) The CSRD will require all new community sewer systems serving fee simple developments to meet the sewer system design standards and construction specifications outlined in the CSRD's Subdivision Servicing Bylaw, or until such time as CSRD community sewer system standards are adopted, to the latest version of the Master Municipal Construction Documents.*



- (b) *As a condition of acquisition, new sewer systems must be built to the community sewer system design standards and construction specifications outlined in the CSR D's Subdivision Servicing Bylaw, or until such time as CSR D community sewer systems standards are adopted, to the latest version of the Master Municipal Construction Documents. This requirement applies to all types of systems, including those related to strata developments.*
- (c) *As a condition of acquisition and in accordance with the CSR D's Subdivision Servicing Bylaw, the CSR D may engage a third party (chosen by the CSR D) to review any document, report, or analysis related to the community sewer system that the developer has submitted to the CSR D. The developer will be responsible for the full cost of any required third party review.*

to be revised once plans for the sanitary standards are finalized

Servicing Standards for Existing Community Systems

To ensure a high level of sewer service provision, it will be important that any existing community sewer system acquired by the CSR D be brought up to an acceptable standard. It is recommended that the CSR D upgrade any newly acquired system to comply with its Subdivision Servicing Bylaw.

Policy No. 23:

Over time, the CSR D will bring all existing community sewer systems it acquires into compliance with the community sewer system design standards and construction specifications outlined in the CSR D's Subdivision Servicing Bylaw, or until such time as CSR D community sewer systems standards are adopted, to the latest version of the Master Municipal Construction Documents, as system components are replaced and/or upgraded.

Sewer System Maintenance Standards

To ensure CSR D community sewer systems are maintained appropriately, the CSR D has developed a Master Sewer System Maintenance Task List. In addition to operational tasks, the Task List includes a comprehensive list of proactive inspection and maintenance measures to identify problems early and to prevent significant and unforeseen repairs.

***Policy No. 24:***

The CSR D will ensure all of its community sewer systems receive the same high level of preventative maintenance in accordance with its Master Sewer System Maintenance Task List.

Disposition of Residuals and Biosolids

As a proprietor of community sewer services, the CSR D is responsible for planning and providing for the management of wastewater biosolids and process residuals. The CSR D will develop a plan to provide direction on the future management of biosolids and process residuals generated by CSR D-owned sewer systems. The plan will ensure that wastes are dealt with in a manner that is sustainable, reliable, environmentally sound and cost-effective.

Policy No. 25:

The CSR D will develop a regional plan for the disposition of residuals and biosolids from CSR D-owned community sewer systems.

GOVERNANCE**Existing Committees/Governance Structures**

Most private sewer systems within the CSR D have their own governance structures. Since these structures are decision-making bodies (as opposed to advisory bodies) it is recommended that the CSR D dissolve these structures once the system is acquired. Otherwise, it would be unclear to ratepayers which organization is responsible and accountable for the system. However, to ensure successful transition, it is recommended that the CSR D establish a Local Transition Advisory Committee for these systems (to be chaired by the CSR D).

To ensure all CSR D sewer systems have an opportunity to provide local input, it is recommended that the CSR D establish a Regional Sewer System Advisory Committee. Each CSR D sewer system would have a seat (plus an alternate) on this committee. It is recommended that the CSR D limit the Regional Sewer System Advisory Committee's role to an advisory function. In keeping with the current approach, it is recommended that the CSR D not delegate any decision-making authority to the Regional Sewer System Advisory Committee.

**Policy No. 26:**

- (a) *The CSRD will not delegate any decision-making authority related to sewer service provision to a commission, committee or any similar body.*
- (b) *A Regional Sewer System Advisory Committee will be created to provide advice regarding sewer service provision. The Regional Sewer System Advisory Committee will be advisory only and will not have any decision-making authority (see **Appendix D** for the Terms of Reference for the Regional Sewer System Advisory Committee).*
- (c) *Upon the acquisition of an existing sewer system, the CSRD will establish a Local Transition Advisory Committee that will function for one year after acquisition by the CSRD. After this time, the Local Transition Advisory Committee will be dissolved, and the new sewer system will have one representative (plus an alternate) on the Regional Sewer System Advisory Committee, which will play the sole advisory role (see **Appendix E** for the Terms of Reference for the Local Transition Advisory Committee).*
- (d) *In order to plan, construct, operate and maintain sewer systems in a manner which reflects local objectives and views, the CSRD will ensure frequent and ongoing consultations with the MoE and the ratepayers of sewer systems owned by the CSRD.*

COST RECOVERY**Cost Recovery Approach**

Instead of thinking of individual sewer systems as stand-alone entities, under the *Sewer System Acquisition Strategy* each system would be thought of as an integral part of a larger, regional service – physical separation of systems would be less relevant. Accordingly, the CSRD may choose to pool certain costs across all sewer systems to reflect the service delivery approach and improve the financial viability of sewer service provision.

Policy No. 27:

- (a) *The CSRD will consider pooling costs across multiple community sewer systems where appropriate to improve the financial viability of service provision while maintaining fairness for sewer system users.*



- (b) A system's existing debt and reserves will remain with that system and will not be pooled over other systems.*

Grants

While there is really only one reliable source of funds to operate and maintain a sewer system – sewer system user taxes and user fees – the CSRD will pursue senior government grants to help offset major capital costs. The CSRD will also pursue senior government grants for infrastructure planning and capacity building. However, it must be emphasized that there is no assurance of a successful application, and it is risky to establish rates for sewer service provision based on the receipt of grants.

Policy No. 28:

- (a) Where possible, the CSRD will apply for senior government grants for capital projects to help support its sewer systems. Suitable grant programs include:*
- (i) General Strategic Priorities Fund*
 - (ii) Innovations Fund*
 - (iii) Community Works Fund*
 - (iv) Building Canada Fund*
 - (v) FCM Green Municipal Fund*
 - (vi) Towns for Tomorrow*
- (b) Where possible, the CSRD will apply for senior government grants for non-capital initiatives to help support its sewer systems. Suitable grant programs include:*
- (i) Infrastructure Planning Grants*
 - (ii) Restructure Implementation Grants*
 - (iii) General Strategic Priorities Fund*
 - (iv) Innovations Fund*
 - (v) Community Works Fund*
 - (vi) FCM Green Municipal Fund*
 - (vii) Towns for Tomorrow*



Loan Authorization Bylaw

It is expected that many, if not all, of the sewer systems the CSR D will acquire will need capital improvements to comply with CSR D and Ministry of Environment standards. Even if Provincial or Federal grants are secured, the CSR D may have to borrow funds to cover its share of the capital costs. It is recommended that the CSR D advance the loan authorization bylaw at the same time as the establishing bylaw. However, to ensure certainty for ratepayers, it is recommended that the CSR D not proceed with the elector assent process until the outcome of the grant application process is known.

Policy No. 29:

- (a) Where capital improvements are required, the CSR D will submit an application for a capital grant (if a suitable grant program is in place) and will not proceed with the elector assent process or the loan authorization bylaw until it is known whether the grant has been secured.*
- (b) If borrowing is required, the CSR D will advance the loan authorization bylaw (in the amount of the total improvements less committed grants) for elector assent at the same time as the establishing bylaw. Only those properties that benefit from the borrowing would be responsible for the debt payments.*

Full Cost Recovery

To ensure the long-term viability of its sewer systems, the CSR D must base its sewer user rates, parcel taxes, and other charges for sewer services on the full cost of providing the service. To promote sustainability, the CSR D's cost recovery approach should cover the full cost of sewer services (i.e., the rates, parcel taxes, and charges should fully cover operations and maintenance costs, capital costs, contributions to reserves for long-term capital replacement, administration, emergency reserves, operating reserves, and so on). Sewer user rates, taxes, and other charges should be designed to recover these costs fairly across sewer user groups. In order to minimize any substantial increases in user rates, taxes, or charges, the CSR D may consider phasing in increases over time.

***Policy No. 30:***

- (a) The CSR D will base its sewer user rates, parcel taxes, and other charges on full cost recovery.*
- (b) The CSR D will consider phasing in rate increases over multiple years to help mitigate the impact on sewer users.*
- (c) The CSR D will establish sewer user rates, taxes, and other charges to reflect use, and where possible, sewer user rates will be based on water metering.*

Growth Financing

To ensure the long-term financial viability of its sewer systems, it is recommended that the CSR D use various tools (e.g., development cost charges, negotiations, latecomer agreements, development works agreements) to ensure that growth pays its fair share of infrastructure costs. The use of these tools will ensure that infrastructure costs are allocated costs fairly among developers and between new development and existing development. The CSR D will need to evaluate each situation on a case by case basis to determine which financing tools are most appropriate.

Policy No. 31:

The CSR D will use various development financing tools to ensure that new development pays its fair share of community sewer system infrastructure costs.

Tangible Capital Assets

New accounting standards require local governments to evaluate and report their tangible capital assets. To ensure that the CSR D always has the most up-to-date information on its community sewer systems, it is recommended that the CSR D require developers to provide tangible capital asset information (in a form acceptable to the CSR D) for all new sewer system assets they construct/install. For existing systems, it is recommended that the CSR D require an assessment of a system's tangible capital assets as a condition of acquisition and that the costs to complete the assessment are borne by that sewer system.

**Policy No. 32:**

- (a) *Developers must provide information on tangible capital assets in a form acceptable to the CSRD for all new community sewer system infrastructure they construct/install. This information will be provided to the CSRD as a condition of acquisition at no cost to the CSRD.*
- (b) *For existing community sewer systems, the cost of assessing the system's tangible capital assets will be funded as per Policy 33.*

Cost of Conversions

Conducting comprehensive assessments can be costly. For improvement districts, private utilities, stratas, and any other governance model, it is suggested that the CSRD fund the assessment work from the Rural Feasibility Study Fund and recover the costs from the service area if the acquisition is successful. The Province may also provide grant funding for successful transfers. If the acquisition is not successful, the costs would be paid for by the CSRD, net of grants.

Policy No. 33:

- (a) *The CSRD will use its Rural Feasibility Study Fund for assessing the feasibility (see Policy 9) of converting ownership of a community sewer system to the CSRD.*
- (b) *Upon receipt of an expression of interest for CSRD acquisition, the Electoral Area Director will request from the CSRD Board, access to funds from the Rural Feasibility Study Fund to assess the feasibility of CSRD ownership. Where the conversion is successful, the Regional District will recover its costs from Provincial grant programs and from the service area established as a result of the conversion, and this amount is to be repaid by the new function in its first fiscal year.*
- (c) *Where the conversion is not successful, the costs of the assessment will be borne by the CSRD (net of grants).*



PROVINCIAL LEGISLATION AND DIRECTIVES

Compliance with Provincial Legislation and Directives

The CSRD will ensure that it complies with Provincial legislation and directives such as the Environmental Management Act, which regulates the introduction of wastes into the environment. The CSRD will also ensure that it complies with the Municipal Sewage Regulation, which provides detailed requirements under the Environmental Management Act.

Policy No. 34:

The CSRD will operate and maintain its community sewer systems consistent with pertinent Provincial legislation, directives, and best practices including, but not limited to, the sampling, monitoring and reporting, emergency response planning and certification of operators.

SHARED-INTEREST DEVELOPMENTS

Shared-Interest Developments

Sewer systems owned by shared-interest developments are of particular concern to the CSRD. Because shared-interest developments are developments where the land is jointly owned by multiple persons, no subdivision is involved. Consequently, the approving officer cannot impose development standards on shared-interest developments. To ensure the long-term viability of sewer service provision, the CSRD does not support the provision of sewer services by shared-interest developments. If a sewer system to be acquired is part of a shared-interest development, the CSRD will require that the shared-interest development be converted to bare land strata or fee simple status, prior to the CSRDs acquisition of the system.

Policy No. 35:

- (a) The CSRD does not support the provision of community sewer services by shared-interest developments.*
- (b) The CSRD's official community plans and associated zoning bylaws will prohibit the establishment of new shared-interest developments.*
- (c) The CSRD will not acquire any community sewer system owned by a shared-interest development. The shared-interest development must be converted to bare land strata or fee simple status prior to CSRD acquisition.*



LAND USE PLANNING

Consistency with Land Use Planning Regulations and Policies

To help ensure orderly and sustainable growth within the Regional District, it is recommended that the CSR D coordinate its land use planning (e.g., OCPs and zoning regulations) with service delivery objectives.

Policy No. 36:

The CSR D will coordinate its land use planning regulations and policies (e.g., official community plans and zoning regulations), where they exist, with CSR D service delivery objectives.

MONITORING AND EVALUATION

Monitoring and Evaluating Sewer System Improvements

Many parties, including the CSR D, will want to ensure that the *Sewer System Acquisition Strategy* results in measurable improvements in sewer service provision. By monitoring and evaluating the *Sewer System Acquisition Strategy* and specifically tracking improvements in public health and safety, environmental protection and reliability of sewer services, the CSR D will be able to demonstrate its success to the Province and to its residents.

Policy No. 37:

- (a) The CSR D will monitor and evaluate the impact of its acquisition policies and practices in terms of the following:*
 - (i) improvements to the reliability of sewer services provided;*
 - (ii) improvements to sewer service delivery;*
 - (iii) effectiveness of the CSR D's overall strategy for acquiring sewer systems;*
and
 - (iv) effectiveness of the acquisition process.*
- (b) The CSR D will review its policies and practices every five years and will make any necessary changes to ensure that sewer system improvements are occurring and that the provision of sewer services is of the highest quality.*



INTERGOVERNMENTAL RELATIONS

Memoranda of Understanding

The implementation of the *Sewer System Acquisition Strategy* will require the support of various Provincial Ministries and agencies, particularly the Ministry of Environment and the Interior Health Authority. The CSR D will enter into bilateral Memoranda of Understanding with these organizations to clearly identify the roles and responsibilities of each party. It is recommended that the CSR D adopt a policy to respect these established agreements, to periodically review the Memoranda of Understanding, and to revise the terms if needed.

Policy No. 38:

The CSR D will work closely with relevant Provincial Ministries and agencies to improve sewer service provision in the unincorporated areas of the CSR D. The CSR D will periodically review these agreements and, if required, may negotiate new Memoranda of Understanding to better support improvements to sewer service provision in the CSR D's unincorporated areas.



APPENDIX A

Acquisition Process for Newly Developed Community Sewer Systems

Acquisition Process for Newly Developed Community Sewer Systems, 50 Parcel Minimum

Step 1 A B	Initial Consultation with the CSR D and Ministry of Environment (MoE) <ul style="list-style-type: none"> Developer approaches the CSR D to discuss: <ul style="list-style-type: none"> conditions of system acquisition the CSR D's design and construction standards for community sewer systems the type of treatment system and method of disposition the policies of the Sewer System Acquisition Strategy <p>**at this stage, the CSR D has not yet agreed to acquire the system**</p> <ul style="list-style-type: none"> Developer meets with the Ministry of Environment to understand what requirements they must fulfill in order to register a sewage discharge.
Step 2	Formal Registration of a Discharge <ul style="list-style-type: none"> Developer applies to register a discharge. This will require the developer to prepare a number of reports and plans for the proposed system as per MoE requirements. MoE provides written acknowledgement to the CSR D that the registration is compliant with the Municipal Sewage Regulation (MSR). <p>**the developer must agree to make all of reports and plans available to the CSR D should the CSR D agree to acquire the system**</p> <ul style="list-style-type: none"> As a condition of registration, MoE will require security.
Step 3	Design of the Community Sewer System <ul style="list-style-type: none"> Subject to a compliant registration, the developer provides detailed engineering design documents for CSR D review (at the developer's expense).
Step 4	Works & Services Agreement (W&S) <ul style="list-style-type: none"> The Developer and the CSR D sign a Works and Services (W&S) Agreement. The Developer posts W&S performance security. The CSR D commits to taking over the sewer system.
Step 5	Assent and Service Area Establishment <ul style="list-style-type: none"> The CSR D seeks assent and establishes a service area.
Step 6	Construction/Inspections <ul style="list-style-type: none"> Developer constructs community sewer system to meet MoE and CSR D requirements. Developer carries out Quality Assurance/Quality Control (QA/QC) inspections throughout the construction phase, CSR D overviews QA/QC inspections.
Step 7	Long-Term Capital Replacement Contribution <ul style="list-style-type: none"> As a condition of acquisition, the CSR D will require the developer to make a contribution of 10% of the value of the system or \$50,000 (whichever is greater) for long-term capital replacement.
Step 8	CSR D Re-Registration of Discharge <ul style="list-style-type: none"> Following the two year warranty period as outlined in the W&S Agreement, the CSR D will apply to re-register the discharge with MoE. Upon receipt of the CSR D's re-registration application, MoE will release the Developer's security.

****In addition to following the process outlined here, the developer will also have to comply with the CSR D's Subdivision Servicing Bylaw and all pertinent land use bylaws****



APPENDIX B

Terms of Reference for Sanitary Sewer Assessments



Sample Terms of Reference for Assessments

Assessments provide an important basis for negotiating and decision-making. For this reason, they need to be comprehensive, and should be carried out by professionals who can be held accountable for the quality and accuracy of the analysis. An assessment process can have a variety of intentions. For example:

- To ensure regulatory compliance and develop plans for sewer system upgrades;
- To evaluate sewer system security and vulnerability;
- For asset management purposes;
- For environmental protection;
- For risk management; and,
- For public health protection.

These terms of reference contains a list of topics that should be addressed in an assessment of the suitability of a sewer system for CSRD acquisition. The goals of this assessment process are to:

- Provide a description of the existing sewer system, including general information regarding the system and the existing infrastructure, as well as operational, management and financial information;
- Assess the sewer system to determine whether it meets current legislation, CSRD requirements, and best practices. This includes implications for discharge quality, system reliability, current/future needs, administrative/operational/maintenance activities;
- Identify implications for CSRD risk; and
- Determine the financial implications for both the CSRD and its sewer users through the development of a plan for system upgrades, and an assessment of the financial viability of the system.

The assessment process can often be limited by a lack of information regarding the system, including a lack of design/construction/operational records. This is further exacerbated because sewer system infrastructure is mainly buried/not readily visible for inspection.

The level of detail required in the assessment process therefore needs to be balanced with the benefit that will be gained by the assessment. For example, in cases where the existing infrastructure does not appear to meet CSRD standards/current best practices, then the physical assessment process does not need to be extensive.



It is therefore recommended that the assessment process consider the following:

Taking Stock of the Existing Situation

Location, History and Service Area

- Location of the system
- History of system
- Service area
- Number and type of connections (existing/build-out), population served, range of uses served

Governance

- Ownership of System (ID, private utility)
- Bylaws
- Method of Representation/Elections
- Public Accountability Provisions

Administration

- Staffing and organization of staff
- Certification of operators and EOCP classification of sewer system
- Salaries and benefits of staff
- Office facilities, works yards and ownership

Risk Management

- Nature and extent of insurance coverage
- Underwriter
- Premiums
- Emergency response plans
- Spills or fines in the past?
- Sludge management plan

Communications systems

- SCADA
- Method of data recording, alarms

Permits and Licenses

- Discharge registration (MoE)
- LWMP operating certificate
- Highway permits (MoT)
- Easements

*Financial*

- Existing costs (administrative, operational, debt service)
- Sources of revenue and method of cost recovery (taxes, charges, fees, development charges)
- Reserves, trust and other financial assets
- Current annual budget
- Existing rates
- Capital plan

Assets

- Nature and value of physical assets including the system itself, real property, equipment and supplies (in format to be used for tangible capital assets)

Operations

- Sampling, testing and reporting protocols – frequency, methods
- Emergency response procedures
- Standards and specifications for infrastructure and operations
- Maintenance planning and maintenance activities
- Contracting—existing contracts, types of activities contracted out

System Description

- General – record drawings, design reports, geotechnical or other information, monitoring/maintenance records
- Discharge (ground, surfacen water, re-use)
- Treatment facilities (nature of treatment; age; capacity)
- Collection system (pipe material, location, size; lift stations)

Land Use Plans/Regulations

- Official Community Plan status
- Area covered by Zoning Bylaw



Infrastructure Assessment

- Description of design standards used in analysis (standards in the CSRD's Subdivision Servicing Bylaw must be used)
- Condition and adequacy of existing treatment facilities including level of treatment achieved and consistency with Environmental Management Act and Municipal Sewage Regulation and relevant CSRD liquid waste management plans
- Condition and ability of pumping facilities to provide for existing and projected future demand
- Condition and adequacy of existing collection system to meet existing and projected future demand
- Condition and adequacy of operator safety equipment and review of what is required to meet WCB legislation

Assessment of Financial Position and Practices

- Adequacy of rates to recover full cost of operations after CSRD acquisition
- Adequacy of reserves and contingencies to fund replacement and repairs
- Budget process
- Overall financial position of system

Assessment of Easements/Rights-of-way

- Determine whether system facilities are protected by required easements and rights-of-way

Assessment of Permits and Licenses

- Review of licenses and permits to ensure validity, etc.

Land Use Management

- Determine the need for land use planning and regulations in view of potential upgrading of system

Plans and Programs

Infrastructure Upgrading Plan

- Identification of upgrading required to bring (sewer) system into conformity with CSRD standards and specifications, MoE discharge registration, WCB requirements for operator safety equipment, and other relevant standards. The deficiencies noted in the assessment should be



addressed by the recommended works. The plan should include the preparation of capital cost estimates and a recommended phasing plan (in consultation with the CSR D).

Operations and Maintenance Requirements

- Recommended resources and skills needed to operate and maintain the system in consideration of CSR D capacity
- Calculation of operation and maintenance cost for proposed upgraded system
- Recommended training program for operator(s)

Financial Plan – to be completed by the CSR D

- Preparation of a 5 year capital plan including staging of capital projects and proposed sources of capital revenue for each project
- Confirmation of operation and maintenance costs
- Annual costs and required revenues
- Implications for reserve and trust funds
- Implications for user fees, tax rates and tariffs



APPENDIX C

Sample Heads of Agreement for the Transfer of Ownership



Heads of Agreement for the Transfer of Ownership of the (Describe Sewer System) from the (Describe Owner) to the Columbia Shuswap Regional District

Purpose

This heads of agreement is intended to establish the framework of a legal agreement to be prepared in the future between the Columbia Shuswap Regional District and the current Owner for the transfer of the (name of system) from the (owner of private utility or other entity) to the Columbia Shuswap Regional District.

Definitions

In this agreement:

"Regional District" means the Columbia Shuswap Regional District.

"Owner" means the existing owner of the (name of system).

"System" means the (name of system)

"MoCD" means the Ministry of Community Development

Acceptance of Assessment Report

The Regional District and the Owner have reviewed the assessment report for the system prepared by (consultant name) dated (enter date) and are in agreement that the report provides an accurate appraisal of the system's current condition.

Assurances of the Owner

The Owner gives the following assurances to the Regional District:

(a) All Infrastructure, Property and Equipment Transferred

The Owner agrees to transfer all infrastructure, real property and equipment including vehicles which form part of the system to the Regional District.

(b) All Financial Assets Transferred

The Owner agrees to transfer all financial assets associated with the system including all pertinent reserve and trust funds, all performance reserve funds, bonds or other securities as well as any pre servicing or prepaid commitments by users or potential users of the service. In the case of newly developed systems, the Owner also agrees to transfer an amount of 10% of the system's value or \$50,000 (whichever is greater) to the Regional District as per Policy 12.

**(c) Valid Permits and Licenses Transferred**

The Owner assures the Regional District that all licenses/permits/registrations required for the operation and maintenance of the system including discharge registrations issued by the Ministry of Environment are valid and in good standing. The Owner also agrees that such permits and licenses are transferable and that the owner agrees to transfer such permits and licenses at the time of the transfer of ownership of the system to the Regional District.

(d) Easements and Rights-of-Way in Place

The Owner assures the Regional District that all major components of the system including collection mains, lift stations, and treatment as determined by the Regional District are located within easements and rights-of-way registered in the name of the Owner or located within the boundaries of legal parcels either leased or held in fee simple by the owner. Where the major components are not within registered easements, rights-of-way or parcels leased or owned by the Owner, the present Owner agrees to take all necessary actions required to ensure that all major components are located within such registered easements, rights-of-way, leaseholds or parcels before ownership of the system is transferred to the ownership of the Regional District. The Owner also agrees to transfer all easements, rights-of-way, leases and/or properties containing the major components of the system to the Regional District at the time of the transfer of the ownership of the system.

(e) No Existing or Pending Lawsuits

The Owner assures the Regional District that there are no existing or pending lawsuits, legal claims or other legal action related to the system.

(f) Costs for Transfer of System

The Regional District agrees to pay, net of grants, for all professional fees, legal costs, administrative costs or any other costs incurred by the Regional District in the course of assessing and transferring the system. Where the Regional District agrees to acquire the system, all costs incurred by the Regional District will be recovered from the ratepayers of the system.

(g) Required Upgrading of the System (for private utilities only)

The Owner agrees to undertake all of the capital works and other upgrading described in **Appendix ()** at the sole cost of the owner before the (specify date).



Assurances by the Regional District

The Regional District gives the following assurances to the Owner:

(a) Public Meeting

The Regional District assures the Owner that it will organize and hold a public meeting of the ratepayers who will be affected by the acquisition of the system by the Regional District to present and discuss the proposed acquisition and the implications to the ratepayers.

(b) Preparation of Bylaws and Grant Applications

The Regional District agrees to prepare all necessary bylaws to effect the transfer of the system from the Owner to the Regional District including, but not limited to:

- A service area establishment bylaw
- A loan authorization bylaw if required

(c) Grant Applications

The Regional District agrees to prepare all required grant applications:

- A grant application under the Federal/Provincial Infrastructure program
- A transition grant application

(d) Elector Assent

The Regional District assures the Owner that it will seek elector assent within the proposed service area consistent with the requirements of the *Local Government Act* and the requirements of the MoCD.

(e) Proposed Annual Budget

The Regional District agrees to present and use the annual budget for the first year of operations under Regional District ownership contained in **Appendix ()** as a basis for preparing the service establishment bylaw and seeking elector assent.

(f) Proposed Five Year Capital Plan

The Regional District agrees to present and use the five year capital plan as contained in **Appendix ()** as a basis for preparing any loan authorization bylaws and grant applications.



(g) Consideration

The Regional District agrees to pay the Owner a consideration of one (1) dollar for the acquisition of the system.

Conversion of this Agreement to a Legal Agreement

It is the intention of the Owner and the Regional District to convert this heads of agreement to a legal agreement by (date of legal agreement preparation) by engaging (name of solicitor). This heads of agreement made this ____ day of _____, 20__.

Regional District

Owner



APPENDIX D

Regional Sewer System Advisory Committee Terms of Reference



CSR D REGIONAL SEWER SYSTEM ADVISORY COMMITTEE TERMS OF REFERENCE

MANDATE

The CSR D Regional Sewer System Advisory Committee's (hereafter the "Committee") mandate is to act in an advisory capacity to the CSR D – the CSR D Board has not delegated any decision-making authority to the Committee. The Committee's mandate is to:

1. At the request of CSR D staff, provide advice to CSR D staff on the operations and management of CSR D sewer systems. Responsibilities include:
 - Providing advice on:
 - Policies related to the daily operations and long term rehabilitation and maintenance of CSR D sewer systems;
 - Cost recovery approaches; and,
 - Development of relevant bylaws.
 - Communicating to CSR D staff any sewer system issues that have been brought to the attention of the Committee;
 - Purveying local input and knowledge regarding CSR D sewer systems and communicating this information to CSR D staff;
 - Providing a local perspective on sewer service provision within the CSR D's unincorporated areas; and
 - Assisting in communications between the CSR D and sewer users, and vice versa.

2. Provide advice to CSR D staff in support of the implementation of the CSR D's sewer system acquisition strategy. Responsibilities include:
 - Liaising and consulting with sewer users that may be affected by the sewer system acquisition strategy; and
 - Providing advice regarding system acquisition.

MEMBERSHIP

- All members shall be appointed for a two year term.
- Committee members shall be appointed by the Board.
- The Committee shall consist of:
 - one representative plus an alternate from each sewer system operated by the CSR D;
 - the CSR D Waste Management Coordinator (ex-officio); and



- a representative from the Ministry of Environment (non-voting seat).
 - Any member who is absent for three meetings without explanation or reasonable cause in one year shall be removed from the Committee.
 - The Committee shall review its membership annually. Each member's performance over the past year will be reviewed by the Committee in terms of:
 - Contribution to the Committee's mandate.
 - How well the member represents the interests of their sewer system.
 - Ability to solicit and represent local input.
- **It may be advisable to have the first Committee develop its own set of criteria****
- The CSR D Board may remove members from the Committee at any time at its discretion.

PROCEDURE

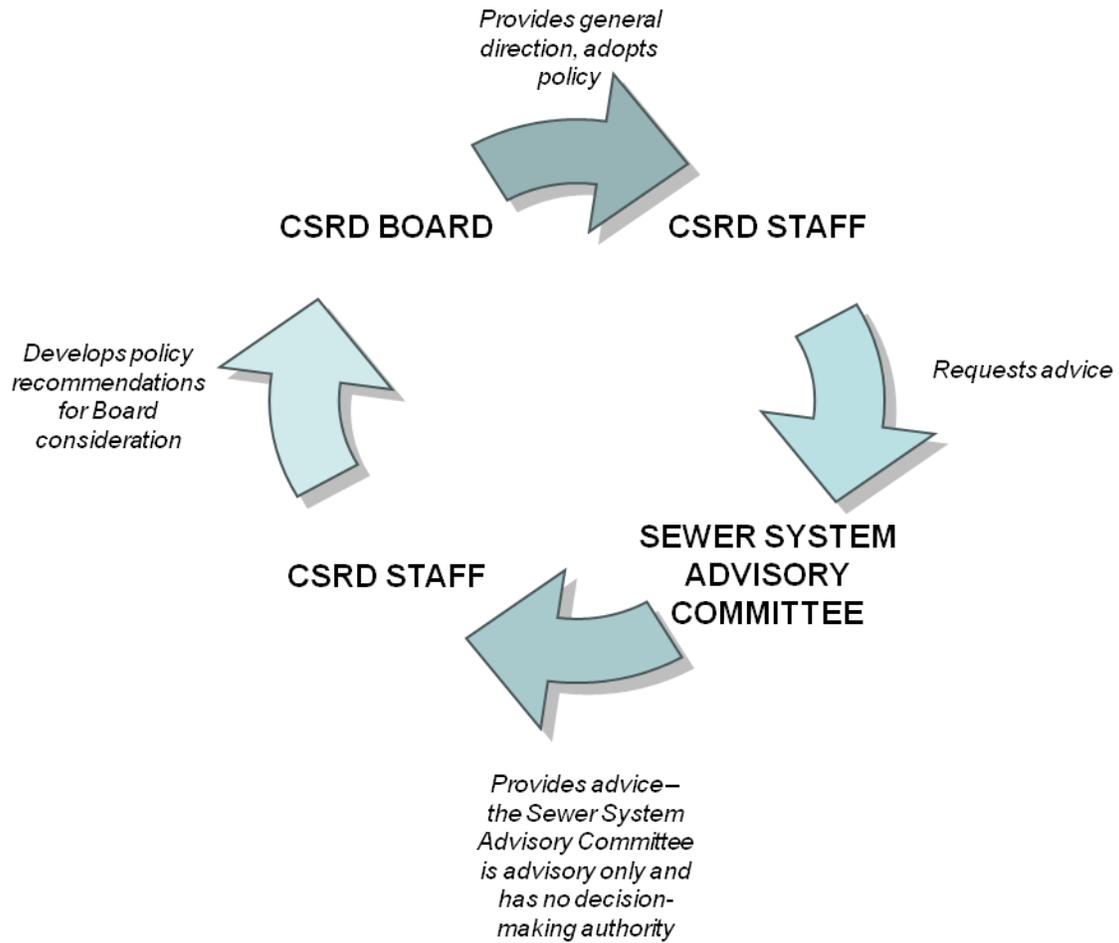
- The Chair and Vice-Chair shall be elected by the Committee at the first meeting of each year.
- The Chair of the Committee shall act as a liaison between the Committee and CSR D staff.
- The Committee shall provide CSR D staff with its recommendations on matters before them by resolution.
- The Committee may invite other persons to participate in making presentations to the Committee in order to benefit from additional expertise pertaining to subjects being discussed.

MEETINGS

- Meetings shall be open meetings and will be held at the call of the Chair.
- Meetings shall be run by the Chair or Committee member designated by the Chair.
- Meetings shall adhere to procedures outlined in Robert's Rules of Order.
- The quorum of the meeting shall be 50% plus 1.
- Minutes for the meeting shall be recorded by CSR D staff.



CSR D Sewer System Governance Proposed Roles





APPENDIX E

Local Transition Advisory Committee – Terms of Reference



LOCAL TRANSITION ADVISORY COMMITTEE TERMS OF REFERENCE

MANDATE

The Local Transition Advisory Committee's (hereafter the "Local Committee") mandate is to act in an advisory capacity to the CSR D Waste Management Coordinator (hereafter the "WMC") – the CSR D Board has not delegated any decision-making authority to the Local Committee. The Local Committee will be dissolved one year from the date the sewer system was acquired by the CSR D, at which time the sewer system will be represented by the CSR D Regional Sewer System Advisory Committee. The Local Committee's mandate is to:

3. Support the transition to CSR D ownership and operation of the sewer system. Responsibilities include:
 - Ensuring a smooth transition to governance by the CSR D Regional Sewer System Advisory Committee;
 - Assisting the WMC in gathering relevant historical records, documentation and information related to the sewer system;
 - At the WMC's request, assisting in communications between the CSR D and sewer users within the service area (and vice versa) about CSR D ownership and operations.
 - Providing recommendations regarding suitable candidates for the CSR D Regional Sewer System Advisory Committee. The Local Committee will not determine who serves on the CSR D Regional Committee; however, recommendations and input will be considered.

4. At the request of the WMC, provide information on the operations and management of their local sewer system. Responsibilities include:
 - Providing historical and current information on:
 - Policies related to the daily operations and long term rehabilitation and maintenance of the sewer system;
 - Cost recovery approaches; and
 - Development of relevant bylaws.
 - Communicating with the WMC about any sewer system issues that have been brought to the attention of the Local Committee



MEMBERSHIP

- All members shall be appointed for a one year term.
- Local Committee members shall be appointed by the Board.
- The Local Committee shall consist of:
 - 5 representatives from the local sewer system service area; and
 - the WMC (ex-officio);
- Any member who is absent for three meetings without explanation or reasonable cause shall be removed from the Local Committee.
- The CSR D Board may remove members from the Local Committee at any time at its discretion.

PROCEDURE

- The Chair shall be elected by the Local Committee at the first meeting.
- The Chair of the Local Committee shall act as a liaison between the Local Committee and the WMC.
- The Local Committee shall provide the WMC with its recommendations on matters before them by resolution.

MEETINGS

- Meetings shall be open meetings and will be held at the call of the Chair.
- Meetings shall be run by the Chair or Local Committee member designated by the Chair.
- Meetings shall adhere to procedures outlined in Robert's Rules of Order.
- The quorum of the meeting shall be 50% plus 1.
- Minutes for the meeting shall be recorded by CSR D staff.