

## Chapter 56

# Water Security Agency – Drinking Water Regulation

### 1.0 MAIN POINTS

The Water Security Agency (Agency) is responsible for regulating public waterworks that provide drinking water in Saskatchewan. By May 31, 2015, the Agency had implemented all six recommendations we made in 2013 to improve its drinking water regulation processes.

### 2.0 INTRODUCTION

Municipalities, Saskatchewan Water Corporation, and others (e.g., Hutterite colonies, parks) own and operate public waterworks that provide drinking water to the majority of people in Saskatchewan. Public waterworks owners are ultimately responsible for providing safe drinking water to their consumers. Under *The Water Security Agency Act*, the Agency is responsible for regulating public waterworks owners in Saskatchewan. The Agency regulates these public waterworks owners by issuing permits, periodically inspecting waterworks, and enforcing permits. Overall, the Agency regulates about 770 public waterworks. Without effective regulation, there is an increased risk of public waterworks providing unsafe drinking water.

This chapter describes our follow-up of the Agency's actions on six recommendations we made in our *2013 Report – Volume 1*, Chapter 17. In that report, we concluded that for the period of October 1, 2012 to March 31, 2013, the Water Security Agency had effective processes to regulate public waterworks except it needed to:

- › Inspect all waterworks and identify non-compliance with drinking water tests in a timely manner to better monitor waterworks owners
- › Establish policies to direct staff to take consistent action on non-compliance
- › Coordinate efforts with the Ministry of Government Relations to ensure feasible plans for water infrastructure upgrades are in place before approving new residential developments
- › Develop an enforcement policy for those waterworks owners that are failing to upgrade waterworks for new residential developments as promised
- › Align its regulations and permits with the national drinking water guidelines

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Agency's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Agency's management agreed with the criteria in the original audit. We interviewed Agency staff, examined policies, reviewed waterworks inspection results, and assessed new legislation.

### 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the



recommendation at May 31, 2015, and the Agency's actions up to that date. We found that the Agency has implemented all six recommendations.

### 3.1 Provincial Water Quality Standards Align with National Guidelines

We recommended that the Water Security Agency complete its process to update *The Water Regulations, 2002* and its permits to align with the current *Guidelines for Canadian Drinking Water Quality*. (2013 Report – Volume 1; Public Accounts Committee agreement January 13, 2014)

**Status** – Implemented

Saskatchewan uses national drinking water quality guidelines set by Health Canada to establish its indicators of drinking water quality. The national guidelines, known as the *Guidelines for Canadian Drinking Water Quality*, cover bacteriological water quality, chlorine, turbidity (cloudiness), and chemical (e.g., health and toxicity) standards. Up until June 1, 2015, the Agency had its provincial drinking water quality standards set in *The Water Regulations, 2002*. We found, in our original audit, that the provincial drinking water quality standards did not align with the national guidelines for all relevant standards.

Since our audit, the Agency established *The Waterworks and Sewage Works Regulations* (new regulations) that outline new provincial drinking water quality standards. The new regulations, which repealed *The Water Regulations, 2002*, became effective June 1, 2015. The new regulations align with national guidelines.

The Agency plans to begin altering its waterworks permits to align with the new regulations. If there is a conflict between the permit to operate and the new regulations, the new regulations require waterworks owners to comply with the more stringent requirements.

### 3.2 Timely Inspections and Identification of Non-Compliance Occurring

We recommended that the Water Security Agency perform inspections of public waterworks in accordance with the frequency specified in its policies. (2013 Report – Volume 1; Public Accounts Committee agreement January 13, 2014)

**Status** – Implemented

We recommended that the Water Security Agency identify non-compliance with drinking water sampling requirements in a timely manner. (2013 Report – Volume 1; Public Accounts Committee agreement January 13, 2014)

**Status** – Implemented

From 2012-13 to 2013-14, the Agency increased the number of inspections performed from 726 to 896 inspections.<sup>1</sup> The Agency requires all waterworks that supply drinking water to be inspected at least once a year, and waterworks that serve cities to be inspected at least twice a year. We found the Agency has been performing inspections in accordance with its policy; all waterworks were inspected at least once and all waterworks serving major cities were inspected at least twice within the past year.

The Agency requires all waterworks owners, through permits to operate, to sample health and toxicity levels in drinking water between once every six months to two years. It continued to use inspections to follow up on non-submitted health and toxicity samples; these inspections are occurring more timely than in the past, as noted above. We found that only three waterworks owners had ongoing instances of submitting late health and toxicity samples between April 1, 2013 and March 31, 2015. The Agency had identified these three instances and was taking appropriate actions to address them.

### 3.3 Enforcement Protocol Implemented

We recommended that the Water Security Agency establish policies to consistently address non-compliance by waterworks owners and take action when they do not comply with permit conditions. (2013 Report – Volume 1; Public Accounts Committee agreement January 13, 2014)

**Status** – Implemented

The Agency has developed and implemented an enforcement protocol designed to ensure consistent action is taken when waterworks owners do not comply with their operating permit conditions. Environmental Project Officers (EPOs) are responsible for taking compliance action. In general, EPOs are expected to first give a verbal warning and note the non-compliance on inspection reports. If non-compliance continues, EPOs are expected to issue a notice of violation that outlines various actions and requirements depending on the type of non-compliance. Further enforcement action can be a Minister's Order, administrative penalties, or prosecutions. Compliance actions taken by EPOs are ultimately at the discretion of EPOs. In a sample of 20 waterworks, we found the Agency followed its enforcement protocol when addressing non-compliance.

### 3.4 Waterworks Being Upgraded for New Residential Developments

We recommended that the Water Security Agency determine an appropriate enforcement policy for waterworks owners that do not fulfill their commitments to upgrade waterworks for new residential developments. (2013 Report – Volume 1; Public Accounts Committee agreement January 13, 2014)

**Status** – Implemented

<sup>1</sup> Water Security Agency 2012-13 and 2013-14 Annual Reports, p. 18 and p. 20.



We recommended that the Water Security Agency and the Ministry of Government Relations coordinate their efforts to ensure waterworks owners have feasible plans for upgrading water infrastructure before approving new residential developments to ensure sufficient infrastructure exists as development occurs.

(2013 Report – Volume 1; Public Accounts Committee agreement January 13, 2014)

**Status – Implemented**

To ensure that growing communities have adequate drinking water infrastructure, since 2009, the Agency has issued permits for some constructions under a “parallel growth” policy. This policy allows construction permits issued for new subdivision developments to include conditions where waterworks owners provide written commitments that waterworks upgrades will take place as residential development occurs.

In 2013, the Agency developed an enforcement policy for waterworks that do not fulfill their commitments to upgrade waterworks for new residential developments. The Agency has not needed to use the enforcement measures set out in this policy as waterworks owners have been fulfilling their commitments to upgrade waterworks for new residential developments. From 2012 to 2015, seven communities gave written commitments to the Agency to upgrade their waterworks. Four of these communities have completed their upgrades and the other three are scheduled to complete construction in the summer and fall of 2015.

As well, the Agency has been participating on the Rapid Growth Communities committee<sup>2</sup> led by the Ministry of Government Relations (Ministry). The purpose of this committee is to:

- › Assess community and regional capacity in a number of specific infrastructure/service delivery areas (including drinking water infrastructure)
- › Provide advice to the community/region and identify any public service/infrastructure issues that need addressing
- › Highlight public service/infrastructure issues that require the attention of the province in rapid growth communities/regions
- › Focus Ministry/Agency resources to support communities

The Rapid Growth Community committee demonstrates coordination efforts between the Ministry of Government Relations and the Agency to ensure that waterworks owners have feasible plans for upgrading water infrastructure as development occurs.

<sup>2</sup> The Saskatchewan Housing Corporation, SaskTel, SaskPower, SaskEnergy and the Ministries of Highways and Infrastructure, Environment, Education, Justice, Health, Social Services, and Economy also participate on this committee.