

NO: R158

COUNCIL DATE: July 24, 2017

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 19, 2017**

FROM: **General Manager, Engineering**

FILE: **0440-20
(Semiahmoo)**

SUBJECT: **Servicing Agreements with the Semiahmoo First Nation**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Authorize staff to prepare municipal type servicing agreements for the provision of sanitary sewer and water to support the existing residents on the Semiahmoo First Nation lands;
2. Authorize staff to prepare a municipal type servicing agreement and a statutory right-of-way, or its equivalent, to allow for stormwater runoff to be discharged through various watercourses on the Semiahmoo First Nation lands;
3. Instruct staff to only bring forward the municipal type servicing agreements for the provision of sanitary sewer and water to support the existing residents on the Semiahmoo First Nation lands and the municipal type servicing agreement and a statutory right-of-way, or its equivalent, to allow stormwater runoff to be discharged through various watercourses on the Semiahmoo First Nation lands to Council for consideration at the same time; and
4. Authorize staff to develop other municipal type servicing agreements, as described within this report, to support the existing and future residents of the Semiahmoo First Nation following consideration of the municipal type servicing agreements described above.

INTENT

The purpose of this report is to provide an overview to Council and obtain approval for the development of municipal type servicing agreements with the Semiahmoo First Nation (the "SFN") for various municipal services.

BACKGROUND

The SFN is an Indian Band with governance authority under federal law and rights of a self-governing nation. SFN has a small reserve of approximately 71 hectares (172 acres) in Surrey.

At one point in time, the City acquired parts of the White Rock Water Utilities Ltd.'s franchise area within Surrey, and as part of the acquisition, the City assumed the operation of water services to two properties on the south side of 8 Avenue on the SFN lands. In 1986, one of the two services was decommissioned at the request of the SFN. Council at its Regular Council Meeting on August 12, 1991, as part of Corporate Report R341; 1991, approved that the connection to 16194 – 8 Avenue be recommissioned in response to a request from the SFN to recommission the service.

Council at its Regular Council Meeting on July 23, 2001, as part of Corporate Report R174; 2001, approved the provision of sewer and water services to the property 16762 Beach Road (commonly referred to as the Peace Arch Duty Free Store), which is part of the SFN lands. Through this agreement, the City established the provision of water and sewer services to the SFN land at 16762 Beach Road on substantially the same basis as for any other sewer and water utility customer. In view of the unique nature of providing sewer and water service to this property within the SFN lands, the agreement prepared between the two parties outlined the terms and conditions of the service, limiting the service to that specific parcel of land. This agreement was along the same lines as the agreement the City has had since 1991 with the Katzie First Nation for the supply of water to their lands on Barnston Island.

In 2015, the City of White Rock acquired EPCOR White Rock Water Inc. (formerly White Rock Water Utilities Ltd.) which provides water to customers in the City of White Rock and a number of residential customers in Surrey along 160 Street and 16 Avenue, as well as the SFN.

Since assuming ownership of the water utility, the City of White Rock has been providing water to the main SFN lands, as well as a few commercial properties on the west end of the SFN lands on the south side of Marine Drive (8 Avenue), as illustrated in the map attached as Appendix "I". The City of White Rock only provides sanitary sewer service to a few commercial properties on the west end of the reserve lands on the south side of 8 Avenue (Marine Drive), as illustrated in the map attached as Appendix "I".

Although the City of White Rock is providing water to the SFN, the SFN has been on a boil water advisory for a number of years as their onsite distribution system is failing. The SFN water distribution system is also insufficient to support their existing population, and it is unable to provide sufficient water for fire protection.

Residential properties on the SFN lands are serviced by septic fields. The SFN has advised that many of these systems are failing and contributing to their current boil water advisory.

In August 2016, the City of White Rock advised the SFN that they will be terminating water and sanitary service to their lands effective February 2018. In response to the termination notice, the SFN is seeking municipal type servicing agreements with the City for sanitary sewer and water to support their existing population. The SFN is also seeking municipal type servicing agreements with the City for other municipal services to support their existing population and potential growth opportunities.

DISCUSSION

Since August 2016, staff have been regularly meeting with staff and elected officials from the SFN, staff from Indigenous and Northern Affairs Canada ("INAC"), and an engineering consultant retained by the SFN and funded by INAC to explore servicing opportunities. These meetings have been productive and are building a positive working relationship.

Services to Support the SFN's Existing Population

The City's existing water distribution system that generally extends east from 160 Street along the perimeter of the SFN lands is sufficient to provide water for domestic purposes for SFN's existing population and for firefighting purposes. The City's existing sanitary sewer system that generally extends east from 160 Street along the perimeter of the SFN lands could be sufficient to receive and convey wastewater from SFN's existing population. Given the location of the City's existing water distribution system and sanitary sewer system, the City is unable to effectively service the commercial properties on the west end of the SFN lands.

While the City's existing water distribution system is sufficient to provide adequate service to support the SFN's existing population, the change in service provider from the City of White Rock to the City of Surrey will not remove the SFN's boil water advisory, as their boil water advisory is related to the condition of their onsite distribution system.

INAC staff have advised that should the SFN be successful in completing municipal type servicing agreements with the City for water and sanitary sewer, INAC will be able to provide significant funding to the SFN towards replacing their onsite water distribution system and building a new sanitary sewer collection system.

Municipal Stormwater Runoff through the SFN

Stormwater runoff from a small portion of South Surrey drains through various watercourses on the SFN lands. Various stormwater management practices, including the provision of stormwater detention ponds and low impact development techniques, have been employed in order to mitigate the impact of development on these watercourses.

In an effort to reduce the number of discharge points through the SFN lands, staff over the past three years have been working with staff and elected officials of the SFN on a drainage outfall consolidation plan with the intent that this plan would lead to a municipal type servicing agreement with the SFN to better define how stormwater runoff is to be discharged through various watercourses on the SFN lands. This type of agreement would be similar to agreements that the City has with the Corporation of Delta and the City of White Rock on the management of inter-municipal stormwater runoff.

Future Municipal Type Service Agreements

The City's existing water distribution and sanitary sewer systems are more than likely insufficient to provide adequate service to any growth opportunities without compromising the growth opportunities that these services were constructed to support (i.e., development within the Douglas Neighbourhood Concept Plan area) and/or requiring various infrastructure improvements such as pump station expansion and pipe replacements. At this time, staff have yet to have a full appreciation of SFN's growth plans so we are not able to determine any impacts or improvements until these plans are established. It is likely that future agreements to support growth will be required and that these agreements will identify costs to the SFN in order for the City to service their planned growth.

In addition to servicing growth, the SFN is interested in establishing other municipal type servicing agreements for the provision of fire protection services and solid waste/recycling services.

Next Steps

It is expected that finalizing municipal type servicing agreements for the provision of sanitary sewer and water to support the existing residents on the SFN lands as well as for the discharge of stormwater runoff through various watercourses on the SFN lands will take many months and will not likely be ready to advance to Council until later this Fall.

As part of these agreements, staff will be including requirements that SFN's onsite water distribution system and the building of a new sanitary sewer collection system are completed and ready for commissioning before any connection to the City's systems are made. Staff will also be requiring that water metering and cross connection control measures are in place before any connection to the City's water system is made.

Should Council authorize the municipal type servicing agreements, it is expected that the replacement of the SFN's onsite water distribution system and the building of a new sanitary sewer collection system will commence shortly thereafter.

Staff believe that the replacement of the SFN's onsite water distribution system and the building of a new sanitary sewer collection system will take no less than six months to complete, and therefore will extend beyond the current service end date of February 2018 by the City of White Rock.

SFN have initiated discussions with the City of White Rock in an effort to seek extension to the current service end date, given that more time is necessary to complete a municipal type servicing agreement and construct the required systems on the SFN lands. The SFN has also initiated discussions to request that the City of White Rock continue to provide water and sanitary sewer services to the commercial businesses on the west end of the SFN lands, as the City is unable to effectively service these properties. Staff will provide any support necessary to the SFN and the City of White Rock during these discussions.

Legal Services Review

Legal Services has reviewed this report and its recommendations and has no concerns.

SUSTAINABILITY CONSIDERATIONS

The establishment of municipal type servicing agreements with the SFN supports the objectives of the City's Sustainability Charter. In particular, the plan supports the Sustainability Charter themes of Inclusion and Infrastructure. Specifically, the establishment of municipal type servicing agreements with the SFN supports the following Desired Outcomes:

- Diversity and Accessibility DO₂: Surrey is a caring and compassionate city that supports its residents of all backgrounds, demographics and life experiences; and
- Infrastructure DO₃: Infrastructure systems are designed to protect human health, preserve environmental integrity, and be adaptable to climate change impacts.

CONCLUSION

The Engineering Department recommends that Council:

- Authorize staff to prepare municipal type servicing agreements for the provision of sanitary sewer and water to support the existing residents on the Semiahmoo First Nation lands;
- Authorize staff to prepare a municipal type servicing agreement and a statutory right-of-way, or its equivalent, to allow for stormwater runoff to be discharged through various watercourses on the Semiahmoo First Nation lands;
- Instruct staff to only bring forward the municipal type servicing agreements for the provision of sanitary sewer and water to support the existing residents on the Semiahmoo First Nation lands and the municipal type servicing agreement and a statutory right-of-way, or its equivalent, to allow stormwater runoff to be discharged through various watercourses on the Semiahmoo First Nation lands to Council for consideration at the same time; and
- Authorize staff to develop other municipal type servicing agreements, as described within this report, to support the existing and future residents of the Semiahmoo First Nation following consideration of the municipal type servicing agreements described above.

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JA/cc

Appendix "I" – Services to the Semiahmoo First Nation



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Scale: 1:13,000 0 120 M



Services to the Semiahmoo First Nation

ENGINEERING DEPARTMENT