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## REPORT TO COUNCIL

**DATE:** June 3, 2013

**REPORT NO.:** 13-128

**SUBMITTED BY:** Jim Chute  
Chief Administrative Officer

**FILE NO.:** 4-1-2

**SUBJECT:** Sure Water Information and Consultation Outcomes

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### **PURPOSE**

To advise Council of the outcomes of the Sure Water Public consultation process and recommended next steps.

### **SUMMARY/BACKGROUND**

The City has now received the full report from Jan Enns Communication and Alliance Communication, regarding the Sure Water Dawson Creek consultation outcomes. That report includes a full review of all information-sharing activities, all promotional activities, and all input-gathering activities. The report also includes a report from Peacebuilder Mediation regarding the public meeting of April 24, 2013. In that report Mr. Plenert summarizes the meeting itself, and measures the meeting and its outcomes against the City's Policy on Public Participation. Finally, the report includes a report on the telephone survey conducted as part of the Sure Water Dawson Creek initiative.

The City has also received the final report from Peace Country Technical Services Ltd. on the Bearhole Lake Weir Operation that took place this past fall-winter-spring. Both reports are attached for Council's information.

In summary, the report on information-sharing, promotional, and input-gathering activities concludes the following:

"The Sure Water Campaign met the City of Dawson Creek's objective of garnering widespread, statistically valid feedback from water users' about their preferred options for water supply expansion."

"...the majority of Dawson Creek and Pouce Coupe residents want the City to investigate the options and costs associated with developing a new water pipeline to protect against drought and meet the demands of residential, commercial, industrial and agricultural uses well into the future."

The report indicates that only 12% of the respondents learned of the Sure Water initiative through the newsletter placed in every mailbox, and only 7% learned of the initiative through online sources or social media. Instead, 31% heard of the Sure Water Campaign through the local newspaper and 28% by word of mouth.

The telephone survey included 400 participants and is considered accurate within +/- 4.9% at the 95% confidence interval (19 times out of 20). The results from the online survey and the paper version, which are voluntary response mechanisms, were congruent with those from the telephone survey.

In the telephone survey, 94% of respondents were from Dawson Creek and 6% from Pouce Coupe. Fifty-one percent of respondents were between the ages of 40-64, 25% were 65 years of age or older, and 24% were between the ages of 18-39. According to census data, the population of Dawson Creek over 17 is distributed as 41% (18-39), 35% (40-64) and 24% (65 and over). In order to properly reflect the actual demographic, responses were weighted.

The results show that 79% of respondents support the City investigating future water supply options. The waterline to a new water source was the preferred option of 66% of those responding, compared to only 15% for upgrades to the existing system, 15% for more storage reservoirs and 4% for exploring the use of underground aquifers. Sixty-two percent of respondents support increased public education about water conservation. However, 82% of respondents do not support the use of fresh water for industrial uses such as fracking, including 52% who strongly disagree with such usage.

Comments specific to the four options presented were gathered and are included in the report. To summarize, the most frequent comments are as follows:

1. Upgrading the existing system

- Those in favour of this option generally commented that it was the most affordable, and that they don't foresee significant population growth for the community.
- Those opposed commented that the existing system was "maxed out", the Kiskatinaw was a "dirty ditch" and runs dry every year, this would be a patchwork solution and would not give us any more water.

2. Building a new raw water storage reservoir

- Those in favour of this option commented that the option was cost efficient, dependable and attainable in the near term.
- Those opposed commented that it would be a waste of money, would just prolong the inevitable and would divert financial resources from the needed pipeline.

### 3. Tapping into underground aquifers

- Those in favour commented that the groundwater is of good quality and that this option could be less expensive than others under consideration.
- Those opposed commented that there was not enough information about the aquifers, that depleting the aquifers could result in our area becoming a desert, and that aquifers are vulnerable to contamination, especially from oil and gas exploration activities.

### 4. Building a new water pipeline

- Those in favour commented that this was a secure, long-term and lasting solution that would accommodate growth. This was contrasted with the other solutions which were described as “band-aids”.
- Those opposed commented that the pipeline was too expensive, that it was just spending public money to assist the oil and gas industry, that water from the Peace River was poor quality and that this option carried more risk.

Respondents were also asked to identify other options not included in the four identified approaches. Responses included:

- Increase water rates for oil and gas industry.
- Eliminate the use of fresh water for fracking.
- Force oil and gas industry to use “grey” or “brown” water.
- Limit growth and new construction until a secure water source is available.
- Provide grants for the purchase of water efficient fixtures and appliances.
- Increase conservation education.
- Cut industry off first.
- City supplied rain barrels.
- Oil and gas industry to supply a new pipeline.
- Take care of citizens before oil companies.
- Make everyone have their own water cistern like it used to be.
- Change managers – proper management would solve the water problem.

In conclusion, the report’s authors (Jan Enns and Joanne de Vries) conclude that:

“These outcomes provide Dawson Creek Council and staff with a strong mandate to move into the next phase of research and costing.”

The report from Peacebuilder Mediation (Wayne Plenert) on the April 24<sup>th</sup> public meeting indicates that the meeting succeeded in providing information and gathering input. All questions were responded to at the meeting and none were left hanging for further follow up. The meeting was in keeping with the City’s Policy on Public Engagement in so far as it went. The input gathering phase involved significant public involvement. The Policy also indicates that there will be public involvement/engagement in the decision-making phase. How that will

be achieved is not resolved at this point.

Mr. Plenert identifies that there are strongly different views on the possible outcomes. Mr. Plenert indicates that, should Council wish to achieve more public consensus around a water security solution, further process is required. Mr. Plenert offers the opinion that the issue of water security for the City of Dawson Creek and Pouce Coupe is both highly technical and highly value driven. Mr. Plenert identifies this as being similar, for instance, to fishing issues of the Fraser River. Mr. Plenert recommends that Council consider a Participant Driven Process that would “go slow to go long.” The report suggests that if Council elects to “drive directly at outcomes”, the result will likely result in less, rather than more, consensus building. Finally, the report concludes:

“As a next step, I recommend Council and Administration having an in-depth discussion about process. That seems to be mandated by your Practice of Public Participation #7. It will probably lead to a more thoughtful and more acceptable result.”

Also attached to this report is the final report from Peace Country Technical Services Ltd. (Barry Ortman). The report indicates that the release from Bearhole Lake significantly met the City’s objectives for water availability. Further, the report shows that the City’s requirements for additional water were met without compromising the water levels in Bearhole Lake. The Lake recharged from ground water sources to an extent that more than compensated for the City’s withdrawals.

The report is very optimistic that the trial release, if available in similar form in the future, could make the City’s water source significantly more drought resilient. Mr. Ortman concludes:

“Upon review of flows through the Kiskatinaw system, it is evident with a slight change in management and timed releases from the Bearhole storage we can avoid increased levels of water restriction by utilizing the water during timed releases. The only time we may require increased levels of restrictions is when we have equipment failures or contamination of the source.”

It should be noted that the perpetual use of Bearhole storage for drought resilience and to avoid additional water conservation measures is not authorized by the City of Dawson Creek’s current permits from the Ministry of Environment. The City would need to explore permit revisions to use Bearhole Lake storage in the manner proposed by Mr. Ortman.

In October of 2012, the Chief Administrative Officer provided Council with a detailed report on the issues around the proposal to build a pipeline to access water for the City from a new source (either the Murray or the Peace). That report indicated that staff concluded that the current water source is sufficient to serve the community’s current needs and could accommodate projected growth over the next twenty years. The staff report further concluded that, in order to maximize the efficiency of the current system further initiatives were required, particularly related to bringing on additional storage capacity. Finally, staff’s opinion was that a project to supplement the current source by accessing the Murray or Peace River was not the

most efficient use of limited resources.

The recommendation in the October report was the public engagement process that became known as Sure Water Dawson Creek. The outcomes of that public engagement indicate that staff's conclusions are not aligned with public perception on this matter. The information in the Peace Country Technical Services Ltd. report reinforces earlier staff conclusions. However, it appears unlikely the Ortman report would significantly change public opinion on the matter.

Council, of course, is charged with the responsibility of choosing a path forward. As Mr. Plenert points out, this is a matter that is both highly technical (the staff perspective) and highly value driven (public perception). Balancing these elements in the context of the City's financial situation is a difficult and potentially divisive task for Council. Only Council can decide how much effort to achieve the community consensus Mr. Plenert speaks about is appropriate, especially in the context of what appears to be significant majority held viewpoints.

## **ALTERNATIVES**

### **Alternative #1**

Council could accept the advice of Mr. Plenert and schedule a future opportunity for an in-depth discussion about process. Ideally, this would occur after the already scheduled fiscal gap discussions. Council may establish separate direction regarding fiscal matters that would affect the process/timelines around a project such as a new waterline to a second water source.

Process, however, is not project. In fact, from the outside perspective "planning" and "doing nothing" look exactly the same. The prevailing comment from those responding to the Sure Water Dawson Creek public engagement was to support investigation of a particular option, which was the pipeline. Those in favour of that option commented that there has been a failure to address this issue for far too long. It is doubtful that a "process" discussion would satisfy those citizens.

### **Alternative #2**

Council could accept and ratify the staff recommendation as summarized in the October report. The only revision since that time, from staff's perspective, is that the Ortman report potentially diminishes the need for additional raw water storage. That would require adjustments for the City's permits, which staff are pursuing.

Such an approach would align with the technical advice available to Council. Council could then turn its mind to communication strategies to advance the community's understanding of the technical realities. As an example, the City could install a camera showing the Arras Weir and the watershed behind it and make that available in real time 24/7 on the City's website. That would be similar to the highway cams that the Ministry of Transportation has on its Drive BC website. The perspective on water availability in the Kiskatinaw is very different at the Arras Weir, which the public rarely sees, as opposed to at the Highway 97 south Kiskatinaw Bridge or at the campground near the old Kiskatinaw Bridge on Highway 97 north.

The difficulty with this alternative is that water security is not a technical issue for many. As Mr.

Plenert points out, this is a highly value driven issue as well. In the latter context, the desire for water abundance, not water sufficiency is an element. So are factors such as optimism about future growth, concerns about climate change, beliefs about the effect of natural gas exploration on the environment and the economy, the desire for “closure” on the issue, and the level of public faith in the bureaucratic process or bureaucrats in general. It is unlikely that a polarized public will simply accept a Council decision to go with staff advice in the face of public opinion to the contrary. The process to explore aligning technical advice and public values is, as suggested by Mr. Plenert, long and involved.

### **Alternative #3**

Council could proceed to action the majority perspectives identified in the Sure Water Dawson Creek Public engagement process. In brief, that would involve the following specific activities.

1. Direct staff to prepare an RFP for the supply of engineering services to:
  - a) Provide detailed examination of the water quality and security of the Murray and Peace Rivers, including quantity, resilience to future watershed activity such as coal mines or Site C Dam, and compatibility to existing City treatment facilities, and to recommend a source to Council.
  - b) Provide detailed construction drawing stage engineered plans for a pipeline to the chosen source.
2. Direct staff to bring forward amendments to the Water Conservation Bylaw to the effect that, after the first stage of conservation measures (the two day per week lawn watering), the next stage restrict industrial use for fracking, with only subsequent stages eliminating lawn and garden watering or cosmetic uses such as vehicle washing.
3. Direct staff to develop a policy for Council’s approval that prohibits further industrial water sales facilities such as those currently in place for Rockwater or Curtis York Trucking, and requires all expansion in City supplied “fluid” for fracking be accommodated through the reclaimed water facility.

The survey respondents were in substantial agreement on what they believed Council should do. Seventy-nine percent want Council to look past the status quo situation. Sixty-six percent want Council to go forward with a pipeline to a new water source. Eighty-two percent do not agree with using fresh water for fracking purposes.

In order to advance the pipeline project any further, a choice as to source has to be made. Subsequent to that, a realistic price has to be placed on the project so that funding can be accumulated and a permit to allow the project has to be sought from the Provincial Government. To facilitate either of the latter activities, fully engineered drawings are required for cost estimating and permit application.

This engineering will be very expensive and time consuming. The likely source of funding for such an initiative is the current water utility reserve for the new reservoir. This has been accumulated from the surcharge on industrial water usage. Until responses to the RFP are

received, it is unknown if the amounts currently available could fund the work. If not, Council would need to allocate further funding, assumedly from the utility, in the subsequent budget year. Similarly, until the responses to the RFP are received, a timeline for completion to construction drawing stage is unknown. Additionally, it is unknown at this time if land acquisition would need to take place prior to permitting. It is staff's opinion that this project will not be funded in whole by industry or by grants from senior levels of government. However, there is no "project" to pitch to either, and no "magnitude" of ask until drawings are complete and a quantity survey can be undertaken. The "residual" to be funded by the City's taxpayer cannot be determined until all of this activity takes place. Likely, at that point, an authorizing referendum will be required.

The downside of this approach (over and above staff's opinion that this is a "nice to have" project, the expense of which is not justified by any business case at this time) is that the survey and entire public engagement represents a "snapshot" in time and does not necessarily predict future citizen action (like voting yes on a referendum). Ask anyone who followed the polls in the recent BC election about that. It is possible that perspectives will have changed by the time the project design is fully complete. It is possible that the cost implications, once fully known, will alter perspectives. It is possible that intervening events will result in the perspectives on the project being different at a point in the future.

## IMPLICATIONS

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| <b>(1) Social</b>        | Water availability is a necessity for human life and for most commercial activities. The public interest in this issue is very high. The surveys returned and the attendance at the April 24 <sup>th</sup> meeting indicates an interest level at least equivalent to the Multiplex initiative.                       |
| <b>(2) Environmental</b> | Water security touches on many environmental issues and engages citizens on many levels. In most areas there will be controversy and divergence of opinion. The responses and comments against the oil and gas industry generally and against the use of fresh water for fracking reflect this environmental concern. |
| <b>(3) Personnel</b>     | The Sure Water Dawson Creek Campaign has consumed many hours of staff resources. It is anticipated that further use of staff resources will be required in future, but those cannot be estimated with any accuracy at this time.  |
| <b>(4) Financial</b>     | A waterline project would likely be the largest capital expenditure ever undertaken by the municipality.  |

## GUIDING PRINCIPLES

**Inclusivity:** We will create an invitational climate by engaging people in issues that directly affect them.

**Health:** We will optimize opportunities for healthy living by developing an environment free from undue risk.

**The Environment:** We will demonstrate respect for the future of the earth by advocating for the preservation of clean air, clean water, and healthy land.

## **STRATEGIC PRIORITIES**

The Sure Water Dawson Creek public engagement process was Council's number one strategic priority for 2013.

## **IMPLEMENTATION/COMMUNICATION**

Council indicated at the public meeting that the results of the input-gathering process would be made public. The report from Jan Enns Communication and Alliance Communication will be made available for viewing on the website or in hard copy form. The Executive Summary will be used as the basis for a press release outlining consultation outcomes. Information on survey results will be placed in the quarterly newsletter, along with information on any decision of Council.

## **CONCLUSION**

The Sure Water Dawson Creek campaign was designed to inform and engage all water users about past water supply planning process and outcomes, current water supply challenges and opportunities, potential water supply options, and opportunities to provide feedback on these options. Staff's advice to Council has been and continues to be that the addition of raw water storage is the most cost effective solution to provide drought resilience for the system and that a new water source is not required until significant growth in population occurs. The new information regarding the use of Bearhole Lake storage indicates that Bearhole can provide some of the benefits associated with additional storage.

Council's previous direction has been that industrial use of water is a priority over cosmetic uses such as lawn watering. That direction arises from Council's perspectives on job creation and economic activity.

The Sure Water Dawson Creek input-gathering has indicated that the public do not agree with staff's advice regarding raw water storage as the preferred option. Instead the public prefer, by a wide margin of those surveyed (66%), a pipeline to a new source. The Sure Water Dawson Creek input-gathering has indicated that the public do not agree with Council's direction regarding priority uses for water. Instead, the public, by a wide margin of those surveyed (82%), do not support fresh water use for fracking purposes.

It is possible that the citizens' perspectives on the new pipeline project might change if detailed costing was available, and impacts on taxation/water rates known. However, that information can only be obtained through costly and time consuming consultant engineering work. That expenditure would have to be incurred in advance of any final project decision by Council and the electorate. It is unlikely that the citizens' perspectives on fresh water use for fracking will

change. However, it is possible that industry use would be better regarded in a scenario where a new pipeline was in place and there was no “competition” for water usage caused by growth pressure or drought conditions.

It is very difficult for Council to place the waterline project in context with other proposed future capital expenditures when no reliable costing is available. However, the magnitude of expenditure is certain to be such that proceeding would compromise the City’s future ability to take on other infrastructure projects.

**RECOMMENDATION**

That Report No. 13-128 from the Chief Administrative Officer re: Sure Water Information and Consultation Outcomes be received; further that Council direct Administration to prepare amendments to Water Conservation Bylaw No. 3844 to the effect that industrial uses of water for fracking purposes will be prohibited (in times of water shortage) at Stage Two, with the current Stage Two restrictions moved to Stage Three; further, that Council direct Administration to prepare a policy which prohibits connection of any additional private truck fills to the City’s water supply and that future expansion of fracking use will be directed to the reclaimed water facility; further, that Council confirm that the current waiver of policy to permit a private truck fill on the raw water line will not be extended and finally, that Council refer the decision on whether to move forward on the engineering for a pipeline to a water source to the June 24<sup>th</sup> meeting, to allow Council to consider fiscal gap information to be presented June 19, 2013.

Respectfully submitted,

**ORIGINAL SIGNED BY**

Jim Chute  
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