

SCC Responses
to the
Notice to Parties in Part 2 regarding some additional items for
consideration at
Public Hearings 7 and 8

[Note: The SCC has taken the liberty of extracting the questions and adding comments where appropriate].

The agendas for the upcoming Public Hearings on Management and financing of drinking water systems; and Laboratories have been circulated and posted to the web. The proposed recommendations from the Parties who have asked to participate in the hearing have also been posted. All Parties who will be participating are strongly encouraged to read all of the proposed recommendations, as the Commissioner may solicit your thoughts on any of them.

The Commissioner may also seek your views on some of the following issues. Parties or members of the public who will not be participating in this Public Hearing may comment on these points in writing.

A. Governance

1. Should the Province play a role in determining:

- the *internal governance structure* (e.g. PUC, line department, or municipally-owned corporation), or
- the *operating entity* (e.g. direct municipal operation; regional consolidation; or contracting out to other municipalities, OCWA, or the private sector)

adopted by municipalities for water and wastewater utilities?

2. Should the Province impose minimum standards for *capacity* (i.e. technological, managerial, and financial) and identify municipal systems that are *non-viable*? Is this an acceptable form of compelled re-structuring by the Province? If so, what are the transitional issues?
3. Should OCWA be required to run small or remote systems that are unable to meet minimum standards when no one else wishes to do so and, if so, on what terms? Are there other ways to ensure non-viable municipalities achieve minimum competency?

B. Accreditation

1. What are the key components of a good accreditation program? How appropriate as models for Ontario are the AWWA model, the Australian Framework, and the OCWA Environmental Management System?

SCC Comments:

- *The key components include clear and understandable criteria, procedures and instructions, such as are available for a variety of uses from the international third party community led by documents prepared by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). Most developed and many developing countries have adopted these documents for use nationally. The National Standards System, developed and managed by the Standards Council of Canada, a Federal Crown corporation, has a number of accreditation programs that could address the needs of Ontario and other provinces and territories;*
- *The accreditation activities of the SCC provide the opportunity to provide consistent and comprehensive coverage to meet these needs. Registration Bodies (ISO 9000 and 14000) are accredited by the SCC and they, in turn, register/certify client operations. There is thus an accreditation infrastructure for both these international standards that could be applied directly or on the basis of a partnership with public or not-for-profit associations. The SCC accredits product Certification Bodies with positive inputs from the provincially represented safety councils and organizations having regulatory responsibility. This arrangement has existed since the SCC accredited the original CB's about 20 years ago. One Auditor Certifiers (Environmental) is accredited by the SCC (Canada's Quality Auditor Certifier has applied for accreditation) and this program will be expanded to provide accreditation services to Certifiers of Persons when a new ISO/IEC standard (17024) is available in 2002. This program can embrace a broad range of certifiers from the certifiers of Commissionaires to water treatment plant operators;*
- *Over the past few years, the SCC has formed several partnerships with regulatory authorities for such things as equine testing, food testing, medical devices, communications security evaluation and test, etc. It is anticipated that there will be more partnerships formed in support of other initiatives and the SCC is well placed to provide support in the domain of drinking water testing. The partnership with CAEAL has demonstrated just how well the labs testing drinking water can be accredited for what they do in a way that will help provide the necessary assurances to Ontario officials.*

2. Should the Province play a lead role in developing an accreditation model for Ontario? What is the appropriate process?

SCC Comments:

- *While Ontario certainly can develop an accreditation model for Ontario, it is proposed that the appropriate process is in partnership with the SCC. It is acknowledged that other agencies involved should continue to play a part; the partnership approach should not be overlooked;*

3. Who should be the accrediting authority?

SCC Comments:

- *Providing the regulatory authority has an opportunity to be part of the process, the accreditation authority can be the SCC, working within a mandate defined in an agreement between the regulatory authority and the SCC. It also is possible for the SCC and a specialist organization to partner for accreditation delivery, and for the arrangement to be “blessed” by the regulatory body;*
- *In the case of ISO 14000, there are already 7 registration bodies accredited with more coming. For the Quality side, there are now 18 with more on the way. For product certification, the SCC has 21 accredited clients;*
- *The SCC’s mandate geographically is quite broad, though for practical purposes the SCC deals with clients in Canada and the U.S.*

4. How should the Province regulate an accreditation program? Should anyone else be involved in the regulation?

SCC Comments:

- *While the Province certainly has the authority to develop and operate an accreditation program, the National Standards System already has a capability that can (or could be made to) provide what the Province needs and avoid duplication of the accreditation capability;*
- *If, for example, the Province wishes the labs to provide PT data, it is simply a matter of ensuring the regulation spells out what the regulator expects to receive; the labs would be required to comply with that requirement;*
- *The SCC would provide the accreditation services but would not be involved in any way in the regulatory side of the process. Current examples prove this approach does work well;*
- *Notwithstanding the above, there are currently several good examples where there are strong links between regulatory bodies and the SCC. In the case of Medical Devices, Health Canada has a veto over the SCC activities with respect to the qualification of registration bodies to the Canadian Medical Devices Conformity Assessment System requirements.*

5. Should there be a separate audit function? By whom? How does this differ from regulation and inspection by the province? Would either of these functions – regulation and audit – become unnecessary in some instances?

SCC Comments:

- *SCC experience has shown that the regulatory authorities may participate in the SCC accreditation activities and thus maintain their confidence in the process and in the capability of the certification organization to function as expected. For the accreditation of food labs, for example, the SCC team is made up of an SCC Team Leader plus at least one Technical Assessor. These Assessors are provided by the Canadian Food Inspection Agency (CFIA). In this way, the CFIA is able to function as the regulator without having to operate an accreditation program.*

6. Should accreditation be a condition of the Certificate of Approval or an operating license?

SCC Comments:

- *This is entirely up to the regulatory authority in seeking to demonstrate strong control over the entire process. In the case of Ontario, the regulation promulgated in the summer of 2000 mandated accreditation for drinking water testing labs and thus effectively is a condition to be met before testing of Ontario drinking water will be permitted. In terms of the water treatment plant operators, as another example, those certifying the operators could be required to be accredited by an agency such as the SCC. This would provide added confidence that another part of the drinking water system is under control and is meeting a set of standards in a consistent way from one jurisdiction to another. This would call for strict control by the Province, but is achievable.*

7. Does Accreditation differ significantly from the current process of Engineer's Reports for municipal systems?

SCC Comment:

- *Not being familiar with the nature and content of the Engineer's Report, the SCC is unable to comment. That said, SCC accreditation of bodies called upon to conduct surveys leading to a report could be ensuring similar protocols are followed to those conducted in the development of the Engineer's Report.*

8. Should accreditation apply to both water and sewage systems? Could this delay implementation?

SCC Comments:

- *Yes! In all likelihood, there would be many aspects in common between water and sewage systems. In terms of possible delay, it is recommended that this be studied by Ontario Environment and include CAEAL and the SCC, once Ontario's intentions are known.*

C. Individual operators

1. Should mandatory training be required for new operators? For presently certified operators? What improvements should be made to current training programs? How much training should be required? Should the MOE approve training courses and accredit course providers?
2. Is there a role for an apprenticeship program?
3. What are the areas of greatest need for training and apprenticeship programs?
4. Is there a role for the federal government in training operators?
5. What is the future for grand-parented operators?

D. Financing

1. Should users pay the full cost of treated water? What expenses should be included in full cost recovery (e.g. laboratory services; research and development; source protection; or generation of profit/ surplus)?
2. Should the Province encourage or mandate full cost recovery or full cost pricing?
3. Should there be one-time subsidies to assist with a transition to full cost recovery or pricing? Is the OMWA/OWWA proposal for a revolving loan fund the best approach? Should there be a trustee appointed to guide recipient systems during the transition?
4. Is the Super Build study to identify deficiencies in existing systems adequate?
5. If subsidies are provided to systems for which full cost pricing is prohibitive, should they be paid to the water system or to individual households?
6. Should concerns about individual hardship for increased water prices be met by providing a basic amount of water at a very low cost (e.g. 100 litres per day per person) with increasing rates on a full cost basis beyond the basic amount? Should this be supported by a provincial subsidy or equalization program?
7. Should water systems be required to employ full cost accrual accounting methods? Should all systems have identical procedures with regard to accounting and asset depreciation?
8. Should the choice as to the appropriate funding mechanism (e.g. user fees, property taxes, development charges, etc.) be solely that of the municipality?

E. Laboratories

1. Is there any need to modify the current CSA and CAEAL-based accreditation program?

SCC Comments:

- *If we read SCC for CSA above, we would comment that as a result of discussions during the Inquiry there could be some changes that could provide more assurance that the entire drinking water process is under control. In terms of sampling, the utility could be given explicit instructions to follow. For government access to data, it is simply a matter of adding the requirement to the regulation. The SCC-CAEAL Partnership is bound to adhere to the regulations. If the regulator wishes to be advised when any suspension action is taken, this too can be addressed by an addition to the regulation or a direct request to the SCC-CAEAL Partnership;*
- *It is apparent that the laboratory assessors need to be trained to understand the provincial regulation. Environment Ontario could achieve this in conjunction with CAEAL since CAEAL has regular training sessions with its assessors to keep them current. CAEAL has recently conducted a special 2-day training*

workshop for microbiology assessors who were introduced to the regulatory requirements of at least three provinces including Ontario;

- *In terms of the needs of the Medical Officers of Health, the SCC and CAEAL are reviewing the comments of the OMA to determine what would need to be done to better meet their needs that are within the bounds of the laboratory accreditation program.*

2. Should laboratories be required to use identical testing methods?
3. Should the Province play any role in inspecting and regulating private or municipal laboratories?
4. Are there any issues relating to conflict of interest when municipalities test samples from their own system?
5. What is the appropriate role of the MOE Laboratory Services Branch (e.g. research, support, standard setting, policy development, regulatory functions, monitoring drinking water database; monitoring the accreditation status of private and municipal labs)?
6. Is there unnecessary overlap between MOE and MOH labs? What should be done?
7. Should municipalities be permitted to do Presence/ Absence testing for coliforms in house? If so, what safeguards should apply?
8. Should the public be entitled to free testing for private wells?
9. Who should investigate emerging contaminants in drinking water?