

STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT

REPORT TO: Infrastructure and Recreation
 Committee

MEETING DATE: June 12, 2012

REPORT NO.: EPW.12.045

SUBJECT: Drinking Water Quality
 Management Standard
 Accreditation Options

PREPARED BY: Meg Boyd, Compliance & Efficiency
 Coordinator

A. Recommendations

THAT Council receive Report No. EPW.12.045 entitled “Drinking Water Quality Management Standard Accreditation Options” for their information.

B. Background

The Canadian General Standards Board (CGSB), a federal government organization under Public Works and Government Services Canada, was contracted by the Ontario Ministry of the Environment (MOE) to provide accreditation services for the purposes of the Municipal Drinking Water Licensing Program.

One of the main purposes of the Accreditation Program is to recognize operating authorities of municipal residential drinking water systems that demonstrate, through accreditation by an independent third party, that their quality management systems meet the requirements of the Drinking Water Quality Management Standard (DWQMS).

The accreditation of operating authorities is a mandatory requirement under the Safe Drinking Water Act, 2002 (SDWA). The MOE requires owners of municipal residential drinking water systems to have an accredited operating authority prior to the issuance of a Municipal Drinking Water Licence (MDWL).

In March 2012, the Town received notification from both CGSB and the MOE advising that the MOE would be transitioning accreditation bodies over the next few months as outlined in Attachment # 1 and Attachment # 2.

A second communiqué was received on May 23, 2012 (Attachment # 3) from the MOE advising that the MOE has designated two accreditation bodies under the SDWA: NSF International Strategic Registrations and QMI-SAI Global.

Next Steps:

Effective July 1, 2012 CGSB will no longer be designated as an accreditation body under the SDWA. The MOE has requested that Municipalities select an accreditation body before June 22, 2012 in order to minimize disruption to current accreditation status. If an accreditation body is not selected by June 22, 2012, the owner of the

municipal residential drinking water system (Town) risks non-compliance with subsection 13(1) of the SDWA.

A brief overview of each firm has been provided by the MOE and has been included as Attachment # 4 and Attachment # 5.

Staff will review the credentials for each firm and ensure a Transfer of Accreditation form has been completed by the Director of Engineering and Public Works prior to the June 22nd deadline. Staff will update Committee at the July 10th meeting as to the firm selected. The expected annual cost is less than \$5,000 and is within the authority of Staff under the Town's Purchasing Policy.

C. The Blue Mountains' Strategic Plan

The acceptance of this Report by Council furthers the Town Strategic Plan Goal # 6 "Providing a Strong, Well-Managed Municipal Government."

D. Environmental Impacts

N/A

E. Financial Impact

The anticipated cost of a Surveillance Audit (year 1) is \$2,805 based on a serviced population of 10,001 to 100,000.

F. In Consultation With

None

G. Attached

1. Attachment # 1 – Ministry of the Environment Letter – March 6, 2012
2. Attachment # 2 – Canadian General Standards Board Letter – March 7, 2012
3. Attachment # 3 – Ministry of the Environment Letter – May 23, 2012
4. Attachment # 4 – NSF Internal Strategic Registrations
5. Attachment # 5 – QMI-SAI Global

Respectfully submitted,

Meg Boyd
Meg Boyd
Compliance & Efficiency Coordinator
Engineering & Public Works

Reg Russwurm
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Director, Engineering and Public Works

**Ministry of
the Environment**

Drinking Water Management
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**Ministère de
l'Environnement**

Division de la gestion de la qualité de
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March 6, 2012

To all owners and operating authorities of municipal drinking water systems:

Re: Transition of Accreditation Bodies under the Municipal Drinking Water Licensing Program.

I am writing to thank you for your ongoing participation in the ministry's municipal licensing program for drinking water systems and to provide you with an update on the program.

As you may know, all municipal drinking water systems have now received licences. Now that we have reached this significant milestone, the ministry is reviewing and updating the accreditation framework.

As part of this work, the ministry will be transitioning accreditation bodies over the next few months. We will be working very closely with the Canadian General Standards Board during this transition to ensure that it happens as seamlessly as possible for all involved. We will be providing additional information and opportunities for dialogue as we move forward. Please be assured of our continued support and guidance throughout this process. The ministry will advise you as soon as new accreditation bodies have been designated under the Safe Drinking Water Act, 2002.

In the interim, if you have any additional questions about the transition, please contact Paul Nieweglowski, Deputy Chief Drinking Water Inspector/Director, Drinking Water Management Division at 416-314-1977 or paul.nieweglowski@ontario.ca.

Regards,



John Stager
Chief Drinking Water Inspector / Assistant Deputy Minister
Drinking Water Management Division



Gouvernement
du Canada

Office des normes
générales du Canada

Place du Portage III – 6B1
Gatineau (Québec)
K1A 0S5

Government
of Canada

Canadian General
Standards Board

Place du Portage III – 6B1
Gatineau, Quebec
K1A 0S5

EPW.12.045
Attachment # 2

Wednesday, March 07, 2012

Owners and Operating Authorities
Municipal Drinking Water Systems of Ontario

Re: Termination of CGSB Accreditation Program – Operating Authorities of Municipal Drinking Water Systems of Ontario

Dear Client,

This letter is to advise you that the Canadian General Standard Board (CGSB) has been informed by the Ontario Ministry of the Environment (MOE) that they will be transitioning to a new accreditation body (or bodies) over the next few months. We have been and will continue to work closely with the MOE to achieve an orderly winding down of our services and to help them transition your file to a new accreditation body.

As a result of this upcoming change to the program, please note the following:

- CGSB is not planning to conduct any new audits, but will ensure MOE is aware of the status of your file.
- CGSB will continue to work with you on Corrective Action Responses (CARs) to resolve as many as possible before the termination of our program. This will help the new accreditation body more easily take over your file and issue its own certificate of accreditation.
- CGSB will transfer all files to the MOE upon or before the termination of our program.

During the transition you are expected to continue to meet your accreditation obligations, and required to notify CGSB of any changes to your quality management system (see section 6.5 of Program Handbook), since we will have to assess these to keep your accreditation in effect until program termination. The outcome of that assessment will determine what actions or decisions need to be taken.

We will be providing you with information on any steps you need to take following the termination of our services, and ask that you contact MOE directly for any questions related to the review of the accreditation framework.

CGSB remains committed to its clients and welcomes any questions on your file, as well as any suggestions you may have to make this transition easier. We thank you for your continued support and cooperation over that last few years and hope that we can be of service to you in the future.

Regards,

Begonia Lojk
Acting Director CGSB
(819)956-0383 begonia.lojk@tpsgc-pwgsc.gc.ca

c.c. John Stager, Chief Drinking Water Inspector, ADM, Drinking Water Management Division,
Ministry of the Environment

**Ministry of
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May 23, 2012

To all operating authorities of municipal residential drinking water systems:

Re: New Accreditation Bodies under the Municipal Drinking Water Licensing Program

The ministry has designated two new accreditation bodies under the *Safe Drinking Water Act, 2002*: NSF International Strategic Registrations and QMI-SAI Global. Information about these accreditation bodies has been included for your reference. Both accreditation bodies are ready to receive your accreditation records from your former accreditation body.

Next Steps:

As of June 30, 2012, the Canadian General Standards Board will no longer be providing accreditation services to operating authorities of municipal residential drinking water systems. **To minimize any disruption to your current accreditation, you should complete and submit the attached form to one of the new accreditation bodies before June 22, 2012.** This should allow sufficient time to complete the transfer. If you are experiencing any difficulties in doing so, please notify the Ministry so that we may provide further direction.

While there will be no cost associated with the administrative transfer of your accreditation records, you will be expected to enter into an agreement with your selected accreditation body for a term that extends to the end of the current three-year cycle for your accreditation.

Your selected accreditation body will work with you to maintain your accreditation from the current stage in the accreditation process. The ministry has established maximum billing thresholds related to accreditation services to be provided by the new accreditation bodies. Information about these maximum thresholds and allowable exceedences to these thresholds has been included for your reference.

Please be assured of our continued support and guidance throughout this process. If you have any additional questions about the transition, please contact Paul Nieweglowski, Deputy Chief Drinking Water Inspector/Director, Drinking Water Management Division at 416-314-1977 or paul.nieweglowski@ontario.ca.

Regards,



John Stager
Chief Drinking Water Inspector/Assistant Deputy Minister
Drinking Water Management Division

cc:

All owners of municipal residential drinking water systems, Canadian General Standards Board, NSF International Strategic Registrations, QMI-SAI Global

Attachments:

Questions & Answers for Operating Authorities, Maximum Billing Rates for Accreditation Services, Reasons for Exceeding the Maximum Allowable Billing Rates, Information about QMI-SAI Global, Information about NSF International Strategic Registrations

Questions & Answers for Operating Authorities Transition to New Accreditation Providers

Q	Will I have to start the accreditation process over?
A	No, your selected accreditation body will work with you to maintain your accreditation status from its current stage in the accreditation process.
Q	Is there any cost associated with transferring to a new accreditation body?
A	There will be no cost associated with the initial transfer of your accreditation from the Canadian General Standards Board to a new accreditation body. You will be expected to enter into an agreement with your selected new accreditation body for a term that extends to the end of the current three-year cycle for your accreditation.
Q	Why do I have to select a new accreditation body before June 22, 2012? What will happen if I have not selected a provider by that date?
A	Effective July 1, 2012, the Canadian General Standards Board will no longer be designated as an accreditation body under the <i>Safe Drinking Water Act, 2002</i> . Accreditations issued by the Canadian General Standards Board will no longer be valid as of this date. It is important to have a new accreditation body by June 22, 2012; otherwise, the owner of the municipal residential drinking water system risks non-compliance with subsection 13(1) of the <i>Safe Drinking Water Act, 2002</i> . The transfer of your accreditation records should begin as soon as possible and no later than June 22, 2012 in order to facilitate this process – please see the Transition Form.
Q	Who do I contact if I have questions about my quality management system, my current accreditation or this transition?
A	The ministry will be your point of contact during the transition from the Canadian General Standards Board to a new accreditation body. If you have any questions, please contact Paul Nieweglowski, Deputy Chief Drinking Water Inspector/Director, Drinking Water Management Division at 416-314-1977 or paul.nieweglowski@ontario.ca .

Maximum Billing Rates for Accreditation Services

Population Served	Limited Scope – Transitional	3 Year Audit Cycle		
		Surveillance Audit (year 1)	Surveillance Audit (year 2)	Re-Accreditation Audit (year 3)
1 to 1,000	\$1,650	\$1,650	\$1,650	\$2,475
1,001 to 10,000	\$2,145	\$2,145	\$2,145	\$2,970
10,001 to 100,000	\$2,805	\$2,805	\$2,805	\$4,125
100,001 to 500,000	\$3,300	\$3,300	\$3,300	\$6,105
Greater than 500,000	\$4,125	\$4,125	\$4,125	\$8,250
Each additional drinking water system	\$900	\$900	\$900	\$1,200

The maximum billing rates set out in this table are all inclusive for all accreditation and auditing services provided by an accreditation body to an operating authority.

With respect to the ‘Each additional drinking water system’ row, some municipalities have multiple, distinct, drinking water systems that are operated by the same operating authority. In such cases, an operating authority may choose to develop Quality Management System (QMS) components that are common for all of its drinking water systems. The operational plan for the system would contain these common components, or would reference separate documents that would be available to users of the operational plan. The common QMS components would be implemented at both the system and corporate levels. In such a case, the common QMS components would be reviewed once by an accreditation body.

When drinking water systems are grouped together in this way:

1. The ‘population serviced’ is the combined population serviced by all of the drinking water systems together.
2. The maximum billing rate may be increased by the fixed amount identified in the table for each additional system. The total maximum billing rate for the combined group of systems would be:
 - a. The amount identified for the population served; plus,
 - b. Per additional drinking water system, the amount for “each additional drinking water system” as identified in the table.

For example, the maximum billing rate for a surveillance audit for a group of three drinking water systems with a combined population serviced of 500 people would be \$1,650 + \$900 + \$900, for a total of \$3,450.

Note: The maximum billing rates allow for one full corrective action cycle. A full corrective action cycle includes the preparation of corrective action requests by an auditor and the subsequent review of the responses to those requests. For each additional corrective action cycle, an accreditation body may charge additional fees beyond the maximum billing rates, at an hourly rate.

REASONS FOR EXCEEDING MAXIMUM ALLOWABLE BILLING RATES

The Accreditation Body is required to make every effort to bill within the maximum billing rates outlined in Schedule G of the Agreement, but certain situations may occur that are beyond the control of the Accreditation Body.

The following list identifies the sole permissible reasons that the Accreditation Body may need to exceed the maximum billing rate for an Operating Authority. The Accreditation Body may not exceed the maximum billing rate, except for the reasons included in this list. To exceed the maximum billing rate for any of the listed reasons, the Accreditation Body must first obtain written approval from the affected Operating Authority.

Reasons for exceedance:

1. If the Operating Authority is not prepared at the time of an onsite audit, as agreed to by the Operating Authority during the audit planning stage:
 - a. Materials are not available at a central location; or,
 - b. Required Operating Authority personnel are not available.
2. If, during the course of an audit, an Auditor determines that the Operational Plan contains a significant number of non-conformities to warrant the revision and re-submission of the Operational Plan.
3. If the Operating Authority is not responsive to a request from the Accreditation Body within the timeframes identified in the Accreditation Protocol, and the Accreditation Body is required to spend additional time following-up with the Operating Authority for a response.
4. If an Operating Authority requests that the Accreditation Body change the date of a scheduled audit and:
 - a. The Accreditation Body has already spent time preparing for the audit; or,
 - b. An Auditor has already been booked and a non-cancellable fee is required to be paid by the Accreditation Body to the Auditor as agreed to by contract.
5. If an Operating Authority receiving services from the Accreditation Body for Subject Systems that are located in multiple municipalities elects to deal with non-conformities at a corporate level.

Notwithstanding any item on the above list, should the reason for the exceedance be caused by an emergency situation that is beyond the control of the Operating Authority, and the Operating Authority has taken appropriate measures to notify the Accreditation Body, the Accreditation Body should take reasonable actions to ensure that the maximum billing rate is not exceeded.



NSF International Strategic Registrations (NSF-ISR)

NSF-ISR is a division of NSF International, a not-for-profit global organization, head-quartered in Ann Arbor, Michigan, whose mission is protecting public health. Founded in 1944, NSF offers services for auditing, testing, certification, training, validation, risk management and standards development in areas including food safety, water quality, health sciences, consumer products, sustainability and management systems registration.

Widely recognized for its scientific and technical expertise in the health and environmental sciences, NSF is a World Health Organization Collaborating Centre for Food and Water Safety and Indoor Environment. NSF serves companies in more than 150 countries worldwide. Its 1,200-plus staff includes auditors, microbiologists, toxicologists, chemists, engineers, environmental and public health professionals.

Water and Utility Experience: NSF also has worked since 1984 to develop standards and certification programs for treatment chemicals, and treatment and distribution products for water systems. NSF has worked with water utility representatives and state and provincial regulators including the MOE and Health Canada to develop NSF/ANSI Standard 60: Drinking Water Treatment Chemicals – Health Effects and NSF/ANSI Standard 61: Drinking Water System Components – Health Effects. Today certification of products to those standards is required across North America, and Ontario has been a leader in enforcing these requirements. NSF provides testing and certification of products used by water systems from treatment chemicals to water meters. More recently NSF began providing validation testing for membrane filtration and UV systems for log reduction of microbial contaminants.

The NSF mark on drinking water distribution and treatment products is the most widely recognized and accepted in the industry.

NSF-ISR can offer:

- Twenty years of experience in management systems auditing
- Offices in Burlington, Guelph and Windsor to provide easily accessible local service support
- Highly experienced English and French speaking local auditors throughout the Ontario province
- Easy transfer process from your current accreditation body to NSF-ISR
- Complimentary management system audit services in quality, environmental and occupational health and safety systems, key risk management areas for utilities
- Expertise in HACCP-based auditing programs
- NSF Online, our proprietary, web-based information management system provides secure, 24/7 access to certificates, audits, corrective actions, invoices and management systems information. Management reports and graphical dashboards, help you make faster and better business decisions

Fees:

- Management and Administrative Services: \$100.00 per hour (support services related to managing the audit process)
- Auditing Services: \$200.00 per hour (audit time for systems, accreditation, surveillance and re-accreditation audits will be fixed)
- Transfer Process: No charge for accreditations in good standing. Transfer costs will be quoted if accreditations are not in good standing but will not exceed the Ministry Guidelines.
- Travel Time: Travel time in excess of 6 hours round trip will be charged at \$50.00 per hour.
- Cancellation Fees: If a confirmed audit is cancelled with less than 15 days notice then 50% of quoted audit time will be billed. 16-30 days notice – 25%. No charge for cancellations with 31 days or more notice. Any applicable non-reimbursable travel expenses will be charged in addition to the above cancellation fee.

General Contact Information: Phone: 1-866-261-0086; Direct 1-519-821-3334; Canada@nsf.org

Paul Beaudoin – Business Development Manager
Direct – 289-838-2204
pbeaudoin@nsf-isr.org

Brad Kitchen – Managing Director
Direct – 289-288-3930
bkitchen@nsf.org

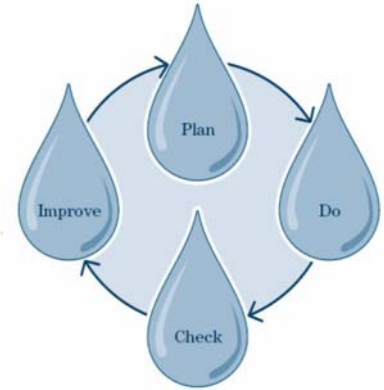
QMI-SAI Global

Headquartered in Toronto, ON, QMI-SAI Global is the Americas division of SAI Global. SAI Global is a public company traded on the Australian Stock Exchange and it is one of the world's leading organizations in publishing, compliance, training, business improvement and organization assessments. Our objective is to help organizations manage risk, achieve certification and drive improvement by providing audit and verification services, training, and supplier management programs.

Note: As of July 1st, 2012, QMI-SAI Global will trade under the name of SAI Global.

QMI-SAI Global offers:

- Over 20 years of management system auditing experience
- A dedicated full-service team
- Customized Training Services
- Capability to provide certification to over 20 internationally recognized management system standards, accredited with internationally recognized accreditation bodies
- Combined & scheduled assessments with other operating authorities to minimize cost and demonstrate economies
- English and French speaking local assessors, based in Kitchener, London, Ottawa, Thunder Bay, Sudbury, GTA and more
- Easy transfer for your accreditation from current accreditation body to QMI-SAI Global with minimum disruption. No matter where your organization is in the cycle
- Over 1,100 auditors world-wide



Highly experienced auditing force: With an average of 10 years auditing and 13 years of industry experience, including DWQMS, QMI-SAI Global auditors are ideally suited to fulfill your commitment to the Drinking Water Quality Management Standard by leveraging their industry knowledge during your audit. Many of the auditors on our team have already worked with you for the past several years.

Knowledge, skills and expertise: QMI-SAI Global has a wealth of experience working with both large and small, urban and rural municipalities or communities, with clients in the areas of water/wastewater and countless environmental organizations around the world, including: City of Welland, City of Fredericton, Ministry of Northern Development & Mines, Membertou First Nation, Sagamok Anishnawbek First Nation, Lake Huron Primary Water Supply System and The Mountain View Regional Water Services.

Fees:

- **Management and Administrative Services:** \$100.00 per hour. *(Management, administrative, or other services undertaken in relation to an audit. This includes work not undertaken by a qualified auditor.)*
- **Audit Services:** \$175.00 per hour. *(Any audit or related work undertaken by a qualified Auditor.)*
- **Transfer Fees:** No Charge
- **Travel Time:** Over 25 km will be charged at \$87.50/hour
- **Travel Expenses** as per government rates

Cancellation Fees: Within 15 days of the Audit = 100% of the Audit Cost. Within 30 Days of the Audit = 50% of the Audit Cost. All fees detailed above exclude any relevant taxes and will not exceed maximum allowable billing as per MOE requirements.

QMI-SAI Global is committed to working with the government of Ontario to ensure accreditation to the Drinking Water Quality Management Standard. Safe drinking water is essential to our communities, and it's important to partner with a reputable organization that is committed to the advancement of these principles.

To see why QMI-SAI Global should be your choice for standards registration and download a copy of the standard, visit our DWQMS web page:

www.saiglobal.com/assurance/drinking-water