



INFRASTRUCTURE SERVICES *Staff Report*

REPORT NO: IS-2025-09

TO: Council

SUBMITTED BY: Jeff Molenhuis, P.Eng., Director of Infrastructure Services

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REVIEWED BY: Greg Clark, Acting Chief Administrative Officer

DATE: 2025-04-07

SUBJECT: **Knipfel/Petersburg DWS Conversion – Director’s Order**

RECOMMENDATION:

THAT Report IS-2025-09 - Knipfel/Petersburg DWS Conversion – Director’s Order be received for information.

SUMMARY:

The purpose of this report is to inform Council of the Director’s Order #1-WTS114, issued by the Ministry of Environment, Conservation and Parks (MECP) under the Safe Drinking Water Act (SDWA). The order, received on February 27, 2025, is outlined in *Attachment 1 - Director’s Order No.1-WTS114*.

The order pertains to the Township of Wilmot’s (Township) responsibilities for the Petersburg Distribution Water System (DWS) and outlines the Township’s required actions and temporary relief measures.

BACKGROUND:

The Township assumed operations responsibility for the Petersburg DWS, formerly Knipfel Water Incorporated, as of May 13, 2024. This followed a Notice of Intention from the MECP after the previous owner informed the MECP of their decision to cease operations, discontinue

the business, and no longer operate and maintain the system for properties connected within the Petersburg community.

The Township responded to the Notice of Intent by outlining a plan to establish a municipal drinking water system to serve residents of the major residential development supplied by the Petersburg DWS. The response also detailed the Township's approach to overseeing the system's implementation and ensuring compliance with regulatory requirements. The response is detailed in *Attachment 1 - Director's Order No.1-WTS114*.

REPORT:

Director's Order Requirements

The Director's Order requires the Township to undertake two primary actions. First, the Township is required to implement its proposed plan, as outlined in its response to the Notice of Intent issued by the MECP on January 15, 2024. This includes the establishment of a municipal drinking water system to serve residents of the major residential development supplied by the Petersburg DWS. Second, the Township is directed to operate the Petersburg DWS as a Class 1 Water Distribution Subsystem, ensuring that it is managed by certified operators with the required licenses. The classification will remain in place until the Director, under Section 3 of O. Reg 128/04, issues a certificate of classification for the system or has determined that classification is not required. The Township accepts the Director's Order as issued and has no intention to appeal it.

Reasons for the Director's Order

The Knipfel Well Supply has not seen significant upgrades since its construction, and most of the original equipment, including the well, reservoir, and watermains, will need replacement in the coming years. The aging iron pipes are increasingly susceptible to breaks and leaks, which could lead to serviceability and water quality risks. Without an owner or sufficient reserve funds, there is a heightened risk of system failure. Residents may also drill private wells, fragmenting from the system, as occurred in 2017. This could result in inconsistent service and cross-contamination issues without proper backflow prevention. The Medical Officer of Health agrees that the system requires municipal oversight to protect residents and ensure long term sustainability and access to drinking water for the residents of Petersburg. The Township plans to implement the proposed actions to transition to a municipal drinking water system, including improvements and replacements, under the Director's oversight.

Current System

The Petersburg DWS is currently being operated as a Small Municipal Residential System which is governed by O. Reg 170/03. This classification has less stringent monitoring and reporting requirements in comparison to a Class 1 Water Distribution Subsystem. A Class 1 Water Distribution System is regulated by O. Reg 128/04 which mandates more rigorous water quality monitoring, record-keeping, and operational procedures. Additionally, a Class 1 system must be operated by certified operators holding a Class 1 Water Distribution Operator

Certificate. Township staff ensure compliance with this requirement, as all other water systems operated and maintained by the Township are Class 1 systems, and all Township water/wastewater operators are certified to operate them and required to hold this certification.

Temporary Relief Measures

The MECP has granted the Township temporary relief from strict compliance with specific provisions of the SDWA and associated regulations. This relief remains in effect until either December 31, 2025, or the issuance of a municipal drinking water licence for the system. Specifically, the Township is exempt from compliance with clause 31(1)(b) of the SDWA and subsection 1(1) of O. Reg. 453/07, which pertains to financial plans. Until the Director, under Section 3 of O. Reg 128/04, classifies the system or determines classification is not required, the Township is temporarily exempt from Sections 22 and 23 of O. Reg 128/04, which govern operator certification and staffing requirements. These temporary measures allow the Township to continue operating the system while maintaining compliance with provincial requirements.

Next Steps

Township staff will continue to work towards meeting the requirements of the Director's Order while also working to complete the financial plan and detailed design for the Petersburg DWS.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

This initiative supports the goals and strategies of enhancing Responsible Governance through Active Communications, Fiscal Responsibility, and Infrastructure Investments.

FINANCIAL CONSIDERATIONS:

The transition from a Small Municipal Residential System to a Class 1 Water Distribution Subsystem will increase the workload of the Township's water and wastewater operators, as well as the Supervisor of Water/Wastewater Operations, Operations Technician, License and Compliance Coordinator, and the Manager of Public Works, due to stricter regulatory requirements. Under O. Reg. 128/04, enhanced compliance standards will necessitate more detailed water quality monitoring, reporting, and system inspections, leading to increased operational oversight across these positions.

ATTACHMENTS:

Attachment 1 - Director's Order No.1-WTS114