



Staff Report

Request for Decision

TO: Committee of the Whole – May 22, 2025

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SUBJECT: Sechelt | shíshálh Hospital Wellfield-Next Steps

OVERVIEW

The purpose of this report is to seek direction to advance the feasibility phase of the Sechelt | shíshálh Hospital Wellfield. This report requests Board decision to accept, reject, or provide alternate direction with respect to staff's recommendation as presented below.

Recommendation(s):

- 1) **THAT a new Sechelt | shíshálh Hospital Wellfield Feasibility Project be initiated to advance site-specific analysis, monitoring, preliminary design, engagement, and related feasibility activities necessary to assess the potential development of a wellfield at this location;**
 - 2) **AND THAT \$864,550, including 0.22 FTE for 2025, be reallocated from the Growing Communities Fund (previously allocated to the Gray Creek Intake and Treatment Design Engineering Project) to support this feasibility work;**
 - 3) **AND THAT the 2025–2029 Financial Plan Bylaw be amended accordingly;**
 - 4) **AND FURTHER THAT staff prepare a Budget Proposal as part of the 2026 Budget Process to request additional funding for remaining feasibility activities, including drilling and testing of new production wells.**
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BACKGROUND

At the April 10, 2025 Committee of the Whole meeting a report titled *Water Supply Plan Feasibility Study Long-Term Ground Water Supply Sources (Groundwater Investigation Phase 5) Update* was presented. The purpose of this report is to provide the Board with updated information and options to consider regarding the Water Supply Plan Feasibility Study Long-Term Ground Water Supply Sources (Groundwater Investigation Phase 5) Project.

Subsequently the Board adopted the following resolutions at the April 24, 2025 meeting:

THAT the Sunshine Coast Regional District (SCRD) advance engagement with shíshálh Nation and Vancouver Coastal Health, submit a Water License Application, and initiate groundwater monitoring for the Sechelt | shíshálh Hospital test well site;

AND THAT the SCRD enter into an agreement with Vancouver Coastal Health to allow for work on the continued feasibility and potential development of the Sechelt | shíshálh Hospital well;

AND THAT the financial implications associated with further wellfield development at the Sechelt | shíshálh Hospital test well site be presented to the Board at a future Committee;

AND FURTHER THAT staff provide an update on the Strategic Water Supply Expansion Scenarios Analysis to a May 2025 Committee to include the new groundwater and reservoir sources.

The above-mentioned report included the following overview on the next steps required for the development of the Sechelt | shíshálh Hospital Wellfield.

Phase 1a	Water License Only Phase 1a <ul style="list-style-type: none"> • Seek a Land Use Agreement with Vancouver Coastal Health. • Submit a Rights and Title Referral to shíshálh Nation. • Water License Application: utilizing the current test well data, prepare and submit a Water License Application, requesting up to 74 L/s. • Continued information sharing and engagement with sN and Vancouver Coastal Health.
Phase 1b & 1c	Ongoing Feasibility, Analysis Phase 1b <ul style="list-style-type: none"> • Develop and implement a Groundwater Monitoring and Testing Program, to include productivity, long-term yield, water quality, and hydrogeological/environmental impacts. • Drilling of two production sized wells (400 mm). • Conduct a Groundwater at Risk of Containing Pathogens (GARP) assessment in support of determining disinfection requirements. • Preliminary design Phase 1c <ul style="list-style-type: none"> • Final design and permitting. • Construction of required infrastructure.

<p style="text-align: center;">Phase 2 (future decision)</p>	<p>Wellfield Expansion – Water License and Environmental Assessment Certificate</p> <ul style="list-style-type: none"> • Application for Environmental Assessment Certificate. • Submit Rights and Title Referral to shíshálh Nation. • Potential drilling of additional large-diameter production size well(s). • Regulatory requirements related to additional hydrogeological and environmental studies and public engagement. • Preliminary design and engineering for any additional infrastructure. • Final design and amended permitting (including, but not limited to, Vancouver Coastal Health Permit, Building Permit, and Development Variance Permit). • Construction of connections to existing infrastructure.
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At the May 22, 2025 Board meeting the Board will consider the following recommendations made at the May 8, 2025 Committee of the Whole meeting:

- 1) THAT staff take no further action on the development of the Gray Creek Intake and Treatment Design Engineering (Phase 1) Project;
- 2) AND THAT the Gray Creek Intake and Treatment Design Engineering (Phase 1) project be abandoned and associated Growing Community Funds be returned to the unallocated pool of Funds;
- 3) AND THAT the 2025-2029 Financial Plan will be amended accordingly.

For the purpose of this report it is assumed that this recommendation will be adopted by the Board at the May 22, 2025 Board meeting.

DISCUSSION

One of the characteristics of confirming the technical feasibility of groundwater wells is that this often requires field assessments to be completed. While data analyses and modelling can be used to assess the potential implications of the development of a well at a certain location, field assessments using full scale wells are often necessary for this purpose.

As indicated in the April 10, 2025 staff report, the test well at the Sechelt | shíshálh Hospital site was assessed in February 2025 for any impacts on some nearby wells. The test well was assessed at a capacity of 22.4 Litres per second, which was the maximum possible with that size of well.

As a Water Licence for a capacity of 74 litres per second is currently pursued by the SCRD, new larger diameter wells would need to be drilled that could produce at least that flow. Such wells would be drilled as part of the activities listed in Phase 1B above.

In addition to the drilling of two full size production wells, this phase would also include the development and implementation of a monitoring plan for impacts to water quality, environmental values, and the hydrogeology in the area associated with the proposed 74 litre per second maximum diversion rate.

It is essential that these assessments are conducted in late summer/early fall, including a 72-hour pump test, when the productivity of the aquifer is expected to be at its lowest and any impacts would be most noticeable.

OPTION 1 - Initiate Feasibility Activities for the Sechelt | shíshálh Hospital Wellfield in 2025

In addition to previously approved 2025 activities for the Sechelt | shíshálh Hospital Wellfield, this option would direct staff to proceed with additional feasibility work to confirm the technical viability of developing a wellfield at this location.

Key activities would include:

- Monitoring and assessment of potential impacts on groundwater, water quality, and the surrounding environment;
- Preliminary design and cost estimation;
- Additional archaeological review;
- Continued engagement with regulatory agencies and First Nation partners.

It is anticipated that the available funding will be sufficient to initiate this work but not to complete full drilling and long-term pump testing of two new production wells. Subject to the findings of early-stage feasibility work in 2025, staff would return with a budget proposal in 2026 for additional funding (estimated at \$350,000–\$400,000) to complete production well drilling and testing.

This option would support the collection of key technical data needed to inform future phases of wellfield development and long-term water supply planning. Findings from this work could be available in late 2026 and used to inform the 2027 budget process.

Advancement of broader wellfield development (e.g., full design and construction under a potential “Phase 2”) would not occur under this option and would be reconsidered following feasibility confirmation.

Financial Considerations

Staff recommend reallocating \$864,550 (including 0.22 FTE for 2025) from the Growing Communities Fund—previously allocated to the now-abandoned Gray Creek Intake and Treatment Design Engineering Project—to support this feasibility work. Additional funding needs will be brought forward as part of the 2026 budget process.

A separate Budget Proposal for final design, permitting, and construction (currently estimated as a future phase) could be prepared for the 2027 budget process. Staff will also explore potential external funding opportunities in collaboration with Vancouver Coastal Health.

Staff Recommendation

Staff recommend this option. Should the Committee support this approach, a corresponding recommendation is provided in the Overview section of this report.

OPTION 2 - Defer Feasibility Activities for the Sechelt | shíshálh Hospital Wellfield to 2026

Under this option, the SCRD would continue with the currently approved 2025 activities for the Sechelt | shíshálh Hospital Wellfield but defer additional feasibility work to 2026. This would postpone site-specific assessments such as drilling of two new production wells, long-term pump testing, impact monitoring, preliminary design, and engagement with regulatory and First Nation partners.

Deferring these activities would delay the collection of technical and environmental data necessary to confirm the viability of the wellfield as a future water supply source. Findings from this work would likely not be available until 2027, which may impact the timing of subsequent planning and development phases.

This option maintains the current project scope for 2025 but slows progress toward confirming the site's suitability for long-term use.

Financial Considerations

There are no immediate financial implications under this option. A Budget Proposal would be prepared for the 2026 budget process to seek funding to advance feasibility work at that time.

Staff Recommendation

Staff do not recommend this option. Delaying the feasibility work would postpone essential technical assessments and could delay future water supply expansion decisions. If the Committee chooses to proceed with this option, the following recommendation could be considered:

THAT staff present a Budget Proposal for feasibility activities related to the Sechelt | shíshálh Hospital Wellfield as part of the 2026 Budget Process.

FINANCIAL IMPLICATIONS

Option 1 requires a Financial Plan amendment as it reallocates the funds previously allocated for the Gray Creek Intake and Treatment Design Engineering (Phase 1) Project inclusive of 0.22 FTE.

The development and operation of any new water supply source will have long-term financial implications, including staffing and maintenance costs. During the development phase, funding is required for staff time, consultants, technical assessments, and preliminary design. More detailed cost estimates for future phases will be presented in subsequent reports.

COMMUNICATIONS

Once the development of the Sechelt | shíshálh Hospital Wellfield is advanced, a specific Let's Talk page for this project will be developed. There are no changes in communication foreseen in the communication about the other water supply expansion projects discussed in this report.

STRATEGIC PLAN AND RELATED POLICIES

This report aligns with the Board's Strategic Priority on **Water Stewardship**: *Continue to explore, enhance, and develop groundwater and surface water sources.*

CONCLUSION

Staff recommend advancing the confirmation of the feasibility of the development of the Sechelt | shíshálh Hospital Wellfield Phase 1B in 2025, funded from Growing Communities Funds originally approved for the Gray Creek Intake and Treatment Design Engineering (Phase 1) Project. Additional funding for the completion of this phase will be sought as part of the 2026 budget process.

Staff suggest deferring the development of the Sechelt | shíshálh Hospital Wellfield Phase 2 until at least 2027, but consider this possibility in the land-use agreement conversations with Vancouver Coastal Health as part of the phased development of this wellfield.

Reviewed by:			
Manager		Finance	X - A. Taylor
GM		Legislative	
CAO	X - T. Perreault	Other	