



THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE

Subject: Bruce Power Water Supply

Report Number: Environmental Services-2022-04

Meeting Date: Monday, March 14, 2022

Recommendation: THAT Council support, in principle, the request for the supply of municipal water by Bruce Power;

AND FURTHER THAT Council direct staff to prepare a draft agreement between the Municipality and Bruce Power for Council consideration;

AND FURTHER THAT the agreement incorporate the full-cost recovery model as a guiding principle from both a capital and operating cost aspect.

Date to be considered by Council: Monday, March 14, 2022

Report Summary:

The Municipality and Bruce Power have been exploring the potential to make Bruce Power a Municipal water customer. Through a peer review of our system and their operational needs, we have confirmed the technical feasibility of them becoming a customer. In principle Bruce Power would fund the capital additions to the distribution system and proportionally share costs related to increased capacity at the treatment plant. Staff are supportive to proceeding with an agreement between the Municipality and Bruce Power to advance design and eventual construction and connection of Bruce Power to our system. Staff are seeking Council support to advance connection of Bruce Power to the Municipal water system.

Origin: Bruce Power request to consider municipal water supply.

Existing Policy: N/A

Background/Analysis: Team members from Bruce Power, BMROSS and the Municipality have been reviewing options prepared by Stantec for consideration of Municipal water supply to Bruce Power from the Kincardine pipeline. Stantec completed a peer review of our system to confirm if potential existed to supply

Bruce Power with water from our Kincardine treatment (KWTP) and distribution system.

Stantec's review confirms the technical feasibility to supply water to Bruce Power. Due to existing development commitments, Bruce Power usage and projected growth plant expansion is required to facilitate a connection. Additional to KWTP upgrades, a booster station along the pipeline and a pipeline extension to the Bruce Power site will be required. Bruce Power has committed in principle that all works related to their connection will be at their cost and not borne by the ratepayer; however, any plant upgrades related to future growth needs will be proportionally shared between the Municipality and Bruce Power.

If Council were to commit in principle to making Bruce Power a customer, next steps would include preparation of a cost sharing agreement and then advancing designs related to the necessary upgrades. Staff are confident the proposal imposes no negative impact to the existing system and its users and recommends Council support making Bruce Power a municipal water customer.

Corporate Strategic Plan 2020-2025: Sustainable Practices: The Municipality is progressive in its efforts to maintain and build out infrastructure, its operational practices and managing finances.

Financial Implications: All engineering costs incurred to perform the peer review have been reimbursed to the Municipality by Bruce Power. In regard to servicing the Bruce Power site with municipal water, Bruce Power is fully aligned with municipal staff in that this expansion will have no financial impact on ratepayers and existing users of the system from both a capital and operating standpoint. The full-cost recovery model will continue to be applied in this undertaking, including the future costs of replacement of any new infrastructure acquired for this purpose.

Attachments: Bruce Power offer letter; BMROSS – Review of Bruce Power offer

Report Approval Details

Document Title:	Bruce Power Water Supply - Environmental Services-2022-04.docx
Attachments:	- Bruce Power offer letter.pdf - BMROSS - Review of Bruce Power offer.pdf
Final Approval Date:	Mar 9, 2022

This report and all of its attachments were approved and signed as outlined below:

Roxana Baumann

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