



## THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE

### FYI REPORT

**Subject:** Bruce Power Water Supply Servicing

**FYI Report Number:** Environmental Services-2023-15

**Meeting Date:** **Monday, May 8, 2023**

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#### **Purpose of Report:**

Bruce Power and the Municipality have been exploring the potential of Bruce Power becoming a municipal water customer through connection to the existing municipal distribution pipeline. They would become a customer for potable water supply only. Bruce Power will continue to source lake water for all nuclear systems, including reactor cooling and fire suppression. Bruce Power will not return any wastewater so there is no impact to the municipal wastewater system. Council to date has supported the notion which has allowed the undertaking of an Environmental Assessment (EA) to further explore the opportunity.

Prior to Bruce Power becoming a customer, Council will need to enter into a water supply agreement with Bruce Power. In order to allow Council the opportunity to make an informed decision on such an agreement, staff are providing a historical summary of the events that have brought us to the current state. We are working to finalize a draft water service agreement for Council's consideration.

#### **Report:**

In 2016 Bruce Power approached staff on the potential to become a water customer. In mid-2016 Council committed to complete a water and wastewater master plan to better understand servicing commitments, growth opportunities and what those impacts looked like from a servicing consideration. Concurrently with the master plan review, we assessed the potential for Bruce Power to connect to our water system. Bruce Power covered their proportional cost of the master plan review. The master plan was completed and adopted by Council in early 2018.

In mid-2017 Council and Bruce Power entered into an agreement for a refined review of costs to provide water and wastewater servicing to the Bruce Power site which Council considered in report PWD 2017-12. This process followed the Class EA model and was fully funded by Bruce Power. The proposal for water supply involved a secondary

treatment facility near the BP site off of Concession 2 and connection to the existing lagoon system at the BEC at a proposed demand of 4,400 m<sup>3</sup>/day.

In 2019 Bruce Power decided to abandon the EA process as they were able to provide servicing on-site for their current needs at a more economical consideration. Report Public Works-2019-32 was presented to Council to bring this decision into the public realm. The rationale for a new treatment facility at the north end was considered a benefit to the municipal system, as it would provide system redundancy to the Municipality overall and the supply and storage would be in proximity to the Bruce Power site which overall would mitigate risks with a large volume customer that are considered at the end of the current pipeline.

In the fall of 2019, Bruce Power re-engaged in discussions with Kincardine jointly with EPCOR regarding municipal services. EPCOR reviewed the work done with BMROSS and proposed the option reconsider servicing with less expensive options, including water supply from the current pipeline and treatment facility.

Staff's recommendation of a complete analysis of the EPCOR option to extend the existing pipeline in order to connect Bruce Power was supported by Council. The purpose of the analysis of the EPCOR proposal was to ensure growth demands and all current customers would not be negatively impacted. It was agreed by all parties to hire a 3<sup>rd</sup> party consultant to complete a review. Stantec was retained to complete the 3<sup>rd</sup> party review at Bruce Power's cost.

COVID19 impacted the overall progress of the review by Stantec as all parties shifted priorities for a period of time. By mid-2021 the working group of BMROSS, Bruce Power, Stantec, EPCOR and Kincardine completed a review of the overall assessment of Bruce Power as a customer connected to our existing system, however at a reduced demand of 1,382 m<sup>3</sup>/day. The updated figure was a result of Bruce Power doing a more thorough review of their actual needs. All parties agreed that it was technically possible to connect Bruce Power to our system.

In January of 2022 Bruce Power presented staff with a letter requesting to become a customer to our municipal water system following the technical confirmation. The letter stated that providing water to the Bruce Power site should not in any way impact the ratepayer, limit municipal growth, or require municipal capital. Staff presented report Environmental Services 2022-04 to Council in March of 2022. Council passed resolution # 03/14/22 – 04 with the following direction:

THAT Council support, in principle, the request for the supply of municipal water by Bruce Power as outlined in Report Environmental Services 2022- 04;

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

AND FURTHER THAT Council direct Staff to amend the existing agreement with Bruce Power (By-law No. 2017-124) for the reimbursement of funds to the

Municipality of Kincardine to include engineering and EA Services required to be undertaken to advance the provision of water to the Bruce Power Site;

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

In July of 2022 Council received report Environmental Services 2022-10 in which Council passed resolution #07/11/22 – 13 with the following direction:

THAT the "Bruce Power Water Environmental Assessment Agreement By-law" be deemed to be read a first, second and third time, finally passed and numbered as By-law No. 2022 - 129.

Following approval of the EA agreement, Stantec collected information from the stakeholders involved and has been progressing on schedule overall. They are aiming for a draft screening report in the third quarter of 2023 with a goal of wrapping up the EA process by the end of Q3. Following the successful completion of the EA, a consultant would be able to advance the detailed design for the infrastructure that is required to address the problem statement from the EA. Once designed the project could be tendered and moved to construction providing all permits are in place.

Next steps with Bruce Power require entering into the water services agreement. Staff have been working with Bruce Power, BMROSS and all parties' legal teams to advance a draft agreement and will bring the agreement back for Council consideration once completed should Council wish to move the process forward. To date, Bruce Power has covered all costs related to engineering services to explore servicing.

**Attachments:** Summary of Bruce Power\_Kincardine agreements 03MAY2023

**Prepared by:** Adam Weishar, Director of Infrastructure & Development

**Submitted by:** Adam Weishar, Director of Infrastructure & Development

## Report Approval Details

Document Title:	Bruce Power Water Supply Servicing - Environmental Services-2023-15.docx
Attachments:	- Summary of Bruce Power_Kincardine agreements 03MAY2023.pdf
Final Approval Date:	May 4, 2023

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

**No Signature - Task assigned to Roxana Baumann was completed by delegate Jennifer Lawrie**

Roxana Baumann

Jillene Bellchamber-Glazier