

**Municipality of Kincardine and Bruce Power Agreements
(supporting municipal water supply to Bruce Power site)**

July 27, 2023

Please note, the summary table provided below is for information purposes only and is not intended to be relied upon from a legal perspective. It is provided as a general overview of certain of the key terms of the various agreements referenced herein. Users are advised to review the underlying agreements in their entirety to assess the rights and obligations of the parties.

Agreement	Summary	Cost
2017 Funding Agreement 31AUG2017	<p>Purpose: for the Municipality to complete a portion of work required to evaluate the feasibility of providing water service to the Bruce Site.</p> <p>Scope includes:</p> <ul style="list-style-type: none"> • Original feasibility scope • 2019 work completed for third party to conduct technical review of feasibility to connect Bruce Power to municipal water supply. <p>This Agreement is complete.</p>	The costs of the Municipality’s consultant, BM Ross & Associates, was funded in full by Bruce Power.
2022 Funding Agreement 22JUN2022 Authorized by By-Law No. 2022-129	<p>Purpose: for Kincardine to undertake next phase of work for potential water service to the Bruce Site.</p> <p>Scope includes:</p> <ul style="list-style-type: none"> • Completion of Schedule C Class Environmental Assessment • Preliminary Design Report & Drawings • Cost Estimate 	<p>The costs of the Municipality’s consultants, Stantec Consulting and BM Ross & Associates is paid for by Bruce Power and the parties agreed such costs would not exceed:</p> <ol style="list-style-type: none"> 1) \$445k for Stantec consultant contract 2) \$100k for (BM Ross) Municipal engineering support
Water Supply Agreement (WSA) 2023 (see Phases below)	<p>Purpose: for Kincardine to undertake next phase of work for potential water services to Bruce Power site.</p>	
WSA - Phase 1	<ul style="list-style-type: none"> • All work set out in 2022 Funding Agreement above, including to complete EA and conceptual design including location of the primary booster pumping station. • Identification of the physical facilities required to be constructed (including changes to the water treatment plant). • Assign a proportionate share for each party of the cost of each of the physical facilities to be constructed based on service or benefit that party receives (required if certain facilities are built for benefit of the Kincardine). 	See 2022 Funding Agreement (above)

	<ul style="list-style-type: none"> Prepare a Phase 1 all-in cost estimate <p>Phase 1 off-ramp: Bruce Power and Kincardine each have the right to terminate the agreement within 30 days of receipt of Phase 1 cost estimate.</p> <p>Schedule: August 2022 to August 2023</p>	
WSA - Phase 2	<ul style="list-style-type: none"> Work required to finalize drawings, facilitate issue of Tender and receipt of bids. Phase 2 all-in cost estimate <p>Phase 2 off-ramp: Bruce Power and Kincardine each have the right to terminate the agreement within 30 days of receipt of Phase 2 cost estimate.</p> <p>Schedule: September 2023 to February 2024</p>	<p><u>Phase 2</u> – The parties will agree on a cost cap for the Phase 2 scope of work to be set at the end of Phase 1, including the proportionate share to be paid for by each party.</p> <p>No exceedance of Phase 1 or Phase 2 cost caps allowed without mutual written agreement.</p>
WSA - Phase 3	<ul style="list-style-type: none"> Work required to award construction contract(s), complete the construction and commissioning of the physical facilities, including WTP expansion and tie-in to Bruce Power site. <p>Phase 3 off-ramp: None. Kincardine controls delivery of all construction contracts, and any change and/or terminations. Kincardine to provide Bruce Power with written monthly progress reports and parties agree to transparency on all matters related to construction contracts.</p> <p>Schedule: March 2024 to February 2025</p>	<p><u>Phase 3</u></p> <p>a) Buy-in contribution to be paid by Bruce Power includes Bruce Power’s share of the cost of WTP upgrades.</p> <p>b) Capital Contribution – Bruce Power will pay for its share of all other Phase 3 costs (including all construction contract costs) by pre-funding such costs in multiple stages. Kincardine is never required to pay such costs, even temporarily, from municipal funds. A reconciliation process at end of Phase 3 to determine if a readjustment (over/under) in total payment made by Bruce Power is required.</p>
WSA - Phase 4	<ul style="list-style-type: none"> Operational phase Kincardine delivers water to Bruce site; operates and maintains the drinking water system. Bruce Power pays a fixed and variable fee for water service. Fees set per usual municipal by-law process. Bruce Power to not inequitably subsidize water charges attributable by any other customer. 	<p>Monthly water invoice (fixed and variable charges)</p> <p>Annual break-even invoice (if applicable)</p>

	<ul style="list-style-type: none"> • Provision included for a minimum annual volume to allow Kincardine to break-even. <p>Phase 4 off-ramp: The agreement remains in effect for the duration of Bruce Power's tenure at the Bruce Site except, if at future date water services are no longer required, Bruce Power may end the agreement upon 5 years' written notice.</p> <p>Schedule: commences March 2025</p>	
WSA - Other	<p>Bruce Power agrees to pay its proportional share for an additional booster pumping station(s) or any alternative infrastructure in lieu of a pumping station(s) at a future date should excess capacity displaced by Bruce Power be required for extension in the northern part of the Kincardine Drinking Water System.</p>	

Invoicing and Payments

2022 Funding Agreement	Kincardine issues monthly invoice for completed work.	Bruce Power pays within 30 days
Buy-in Contribution	<ol style="list-style-type: none"> 1. Prior to start of Phase 2, Kincardine issues invoice for Bruce Power share of WTP design (the “WTP Design Invoice”) 2. Prior to start of Phase 3 and award of a construction contract, Kincardine issues the “WTP Construction Contract Invoice”. Reconciliation upon completion of construction with overpayment or underpayment to be invoiced (and paid) or refunded within 30 days. 3. If any of the total Buy-In Contribution remains following 1. and 2., Kincardine to invoice balance on the commencement date. (“Remaining Buy-In Contribution Invoice”) 	Bruce Power pays within 30 days.
Capital Contribution	<p>Kincardine issues a written Funding Request for the first 3 months of projected costs.</p> <p>At the end of any month, Kincardine may provide a further request for funds so that the Municipality continually holds at least 3 months of funds in advance.</p> <p>On or before commencement, a reconciliation of prefunding against actual costs to be completed. Overpayment or underpayment to be invoiced (and paid) or refunded within 30 days.</p>	Bruce Power funds within 14 days.
Volume and Related Charges	<p>Kincardine to issue monthly invoice for fixed and variable charges.</p> <p>Kincardine to issue an annual break-even invoice (if applicable).</p>	Bruce Power pays according to due date on invoice.
Other	Kincardine to invoice for proportional share at the end of construction. No prefunding of future infrastructure.	