

COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF HURON-KINLOSS MINUTES

Township of Huron-Kinloss Council meet in a special Joint Council session with the Municipality of Kincardine Council and the Municipality of Arran-Elderslie on the 24th day of June, 2013 at 5:00 p.m. in the Municipality of Kincardine Council Chambers .

1.0 CALL TO ORDER

Mayor Kraemer called to Order at 5:00 p.m. on Monday, June 24, 2013 a Joint Meeting of the Councils of The Corporation of the Municipality of Kincardine, The Corporation of the Municipality of Arran-Elderslie and The Corporation of the Township of Huron-Kinloss in the Council Chambers at the Kincardine Municipal Administration Centre.

The special meeting was called to consider the natural gas project.

2.0 ROLL CALL

Municipality of Kincardine - Present: Mayor Larry Kraemer, Deputy Mayor Anne Eadie, Councillors Ron Coristine, Maureen Couture, Kenneth Craig, Jacqueline Faubert, Candy Hewitt, Randy Roppel
Absent: Councillor Mike Leggett

Township of Huron-Kinloss - Present: Mayor Mitch Twolan, Deputy Mayor Wilf Gaml
Councillors Lillian Abbott, Jeff Elliott, Jim Hanna, Don Murray, Carl Sloetjes

Municipality of Arran-Elderslie - Present: Mayor Paul Eagleson, Deputy Mayor Mark Davie
Councillors Doug Bell, Dan Kerr
Absent: Councillors Steve Hammell, Brian Dudgeon, Peter Steinacker

Staff Present

Kincardine - Chief Administrative Officer Murray Clarke, Clerk Donna MacDougall,
Treasurer/Director of Finance Roxana Baumann

Township of Huron-Kinloss - Administrator Mary Rose Walden, Clerk Sonya Watson

Bruce Telecom Board Chair Holly Robinson-Colley, Vice Chair Barry Schmidt, Members Tom Scott and Richard Martin, President & Chief Executive Officer Bart Cameron, Chief Financial Officer Steve Soychak and Penetangore Regional Economic Development Corporation President Jim Prenger and Chief Executive Officer Gerry Taylor were in attendance.

3.0 DECLARATION OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

<u>Name</u>	<u>Item of Business</u>	<u>Nature of Interest</u>
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None disclosed.

4.0 BUSINESS FOR WHICH THE SPECIAL MEETING IS CALLED

4.1 **Natural Gas Project**

Bart Cameron of Bruce Telecom, Todd Karry of Energy Fundamentals Group (EFG), David Matchett of AMEC Environmental & Infrastructure, made presentations.

Mr. Cameron reviewed the history of the current initiative which began in 2011 with a team investigating bringing natural gas to the three municipalities. Bruce Telecom joined the team in fall 2012 to review how Bruce Telecom, as an existing local utility, could support the project. A high-level feasibility review was approved for 2013 which focused on cost of construction, financial viability and organizational structure. AMEC Environmental & Infrastructure and Energy Fundamentals Group (EFG) were the successful bidders for this work.

Mr. Todd and Mr. Matchett reviewed the feasibility study outlining the scope of the study (communities to be served by the proposed distribution system include Lucknow, Ripley, Point Clarke, Kincardine, Tiverton, Inverhuron, Paisley, Chesley); fatal flaw analysis (reviewed design, routing, constructability, market validation, cost estimates) which revealed no "fatal flaws" at this point in their study, noted other alternative strategies should be considered to manage project time-lines and overall cost before the final system is designed); environmental & regulatory (leave to construct application must be filed with Ontario Energy Board, anticipated project duration to "in service" is 30 months); project economics (capital cost of facilities \$58.8 million transmission and \$38.4 million distribution for total \$97.2 million, annual cost of service \$4.8 million transmission and \$3.4 million distribution for total of \$8.2 million with estimated annual load of 1,578 gigajoule (GJ) for delivery cost of \$5.23 per GJ; conclusions (economic justification and commercial feasibility of obtaining necessary approvals and constructing distribution facilities as well as developing an alternative approach to affecting the delivery of gas to feed these facilities will depend on the level of market commitment that can be secured to underpin the project, the projected all-in landed cost of gas, projected in-service date, security of supply, end-user conversion costs, incentives to convert will all be factors in securing market commitment, while technically feasible to install the necessary facilities to accomplish the goal, the commercial viability of doing so and the optimal approach relative to cost and timing has not been fully developed), recommendations (develop a full formed business plan that addresses market validation and commitment, competitive alternatives, optimal facilities design and cost, implementation timeline and critical path, project execution and at risk costs, regulatory requirements, financing).

Discussion took place concerning the proposed project including: cost and time involved in development of the business plan; potential alternative approaches; confirming market validity and commitment; amortization.

4.2 Closed Session

Resolution # 06/24/13 - 01

Moved by: Candy Hewitt
Seconded by: Maureen Couture

THAT Council move into closed session to consider the security of the property of the municipality or local board and advise that is subject to solicitor client privilege, including communications necessary for that purpose (natural gas project);
AND FURTHER THAT Council return to regular open meeting upon completion.

Carried.

5.0 ADJOURNMENT

Resolution # 06/24/13 - 02

Moved by: Maureen Couture
Seconded by: Candy Hewitt

THAT this meeting be adjourned at 7:25 p.m.

Carried.

Mayor

Clerk