



# REPORT

To: Chair and Directors

Report Number: ENV-BRD-137

From: Kari Bondaroff, General Manager of Environmental Services

Date: April 20, 2023

**Subject: Secure Energy Water Supply Agreement Amendment for Boundary Potable Water Station**

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## **RECOMMENDATION: [Corporate Weighted]**

That the Regional Board approve the "2023 Water Supply Agreement" with Secure Energy Services Inc., for the PRRD to continue to provide fresh water from the pipeline supplied by Whitecap Energy to the Boundary Lake Secure Energy Site at the cost of \$1.50/m<sup>3</sup>, which will offset the costs associated with obtaining raw water from Whitecap Energy for treatment and dispensing at a rate of \$1.50/m<sup>3</sup> for potable water at the Boundary Lake bulk fill potable water station, for a five year term ending 2028; further, that the Chair and Chief Administrative Officer be authorized to sign the agreement on behalf of the Peace River Regional District.

## **BACKGROUND/RATIONALE:**

Within the Area B Boundary Lake Bulk Fill Station, Whitecap operates a Water Injection Pump Station (the "Plant") on land legally described as LSD 15-26-84-14 W6M. For the purpose of operating the Plant, Whitecap uses water which it draws through a pipeline from wells located near the Peace River some distance from the Plant. Pursuant to a Water Supply License Agreement Whitecap grants the PRRD access rights necessary to obtain water from the pipeline in order to provide water to the public and other users. The PRRD pays Whitecap \$1.50/m<sup>3</sup> of dispensed potable water to offset the infrastructure maintenance costs borne by Whitecap and the power supplied by Whitecap to run the station.

When the original raw water station was constructed at Boundary in 2005, CSS Energy, now Secure Energy (Secure), was the major funder of the construction. Within the funding agreement, the PRRD was granted permission to supply fresh water to operate the Boundary Lake Facility owned by Secure. The PRRD has continued to maintain permission to supply fresh water to Secure through the supply agreement with Whitecap, however, the original 2005 Water Supply Agreement with CSS Energy was never amended to reflect the upgrade of the station from raw water to potable water.

The attached amendment to the water agreement with Secure includes the following updates:

- Company name change(s);
- A five year term;
- Water metering requirements and reporting;
- Payment structure;
- Communication parameters;
- Outlined costs per party; and
- Termination and Indemnification clauses.

**ALTERNATIVE OPTIONS:**

1. That the Regional Board provide further direction.

**STRATEGIC PLAN RELEVANCE:**

- Asset and Infrastructure Management
  - Determine Service Expectations for all Assets
  - Identify Funding and Investment Strategies

**FINANCIAL CONSIDERATION(S):**

At this time, it is unknown the quantity of water that has previously been dispensed, through the raw water line from Whitecap through the linear infrastructure, to Secure Energy. The new charge of \$1.50/m<sup>3</sup> will allow for some recovery of costs for the delivery of raw water and power to the Boundary bulk fill potable water station.

**COMMUNICATIONS CONSIDERATION(S):**

None at this time.

**OTHER CONSIDERATION(S):**

None at this time.

Attachments:

1. Water Agreement – Secure