

Report

To: Chair and Members of the Union Water Supply System Joint Board of Management

From: Rodney Bouchard, Union Water Manager

Date: March 11, 2021

Re: Moratorium on Applications for UWSS Treated Water Allocations



Recommendation:

That the Union Water Supply Joint Board of Management (UWSS Board) implements a moratorium to take effect immediately on new requests for treated water allocations from new or existing entities that use more than 50,000 litres per day;

And further, that the moratorium would not apply to any type of residential development;

And further, that the moratorium will be in effect for up to 12 months;

And further, that the UWSS Board directs the UWSS General Manager, with support from the UWSS-Municipal Treatment Capacity Allocation Working Group (Working Group), to undertake an evaluation of all approved treated water allocations to identify any discrepancies between approved allocations versus actual water usage;

And further, that the UWSS Board directs the UWSS General Manager to deliver a report to the UWSS Board by October 31st, 2021 that provides the Working Group's conclusions and recommendations in regards to the evaluation of approved treated water allocations.

Background:

The Union Water Supply System Board of Management is responsible under Transfer Order Union W1/1999 for considering any application by a municipality within its service area for adding a large water service.

New applicants for large water services (i.e. large water users) in the UWSS service area are required to seek approval from the UWSS for treatment capacity allocation and from the local municipality for water distribution capacity. Review of large service applications for water treatment capacity allocation is completed by a consultant on behalf of the UWSS. Upon completion of an application review, the consultant issues a letter to UWSS and the local municipality that provides a recommendation in regards to treatment capacity allocation for the proposed development.

A review of available records indicates that since the creation of the UWSS in 2001, almost all large service applications have been for greenhouse expansions and new greenhouse developments. It should also be noted that records indicate that most large service applications for UWSS treatment capacity have been reviewed and addressed on a “first come, first served” basis.

At the January 20th, 2021 meeting of the UWSS Board, the UWSS General Manager presented report *UW06-21 UWSS Water Treatment Capacity Allocation* (copy attached). The report highlighted the following:

- Potable water demand from the UWSS has been on a steady increase since 2015. Water demand in 2020 was 32.8% greater than 2015 demand. Most of this increase (approx. 21%) occurred between 2018 and 2020.
- The recent significant increase in water demand is attributed to moderate increase in residential growth but mainly due to significant greenhouse growth in Kingsville and Leamington. Further, some of the water demand increase is likely related to greenhouse crop switchover from food crop to cannabis, which appears to be a more water intensive crop.
- Of the UWSS’ approved 24.7 million imperial gallons per day (IGPD) treatment capacity for the UWSS, approximately 2 million IGPD remains “unallocated” and is available to support growth in the UWSS service area. This remaining “unallocated” treatment capacity has been apportioned to each owner municipality based on UWSS ownership share.

Report UW06-21 also recommended the formation of a working group consisting of UWSS and municipal administration representatives to address the issue of treatment capacity allocation and to develop a more robust and equitable application process for allocation of UWSS treatment capacity. This was supported by the UWSS Board.

The UWSS-Municipal Treatment Capacity Allocation Working Group (Working Group) was created in January 2021 with support from the UWSS’ 4 owner municipalities. The Working Group held its first meeting on February 24, 2021.

Discussion:

The introductory meeting of the Working Group was held on February 24th, 2020 via Zoom. The meeting included 13 participants: 2 from UWSS and 11 from the municipalities of Leamington, Kingsville, Essex and Lakeshore. Discussions at the meeting were related to various items relating to existing treatment capacity allocations, planned and projected growth in various sectors within municipalities and projected water demands.

The main item of discussion was the existing situation with greenhouse industry growth and the limited remaining treatment capacity at UWSS. This discussion resulted in

agreement by Working Group participants that a moratorium should be imposed on new applications from Large Water Users, including greenhouse developments, due to the limited remaining treatment capacity. This moratorium would be in place to ensure that residential and commercial developments that are already in the planning/approval process can move ahead from a water requirement perspective. The proposed moratorium would be temporary until additional UWSS treatment capacity is made available.

Based on the comments and feedback received from municipal representatives at the February 24th, 2021 meeting of the Working Group and from subsequent consultations with staff from owner municipalities, the UWSS General Manager proposes that a temporary moratorium be implemented immediately on new applications for UWSS treated water allocations for large water users. The temporary moratorium is proposed as follows:

- Applications for new requests for treated water allocations from new or existing operation that use more than 50,000 litres per day would no longer be reviewed for approval;
- All types of residential developments would be exempt from the moratorium;
- The moratorium would extend for a period of up to 12 months and may be rescinded or extended at the discretion of the UWSS Board based on review of supporting information.

The proposed upper threshold limit of 50,000 litres/day for new applications is based on the Permit to Take Water (PTTW) application under Ontario Regulation 387/04 (Water Taking and Transfer) made under the *Ontario Water Resources Act, 1990*. By law, a person/entity must have a permit from the Ministry of Environment, Conservation and Parks (MECP) if that person/entity plans to take greater than 50,000 litres of water in a day from the environment. The UWSS General Manager stipulates that this value provides a good basis for establishing what could be considered a “large water user”.

Also, as per the feedback received from the Working Group, the UWSS General Manager proposes that an evaluation of existing approved treatment capacity allocations be completed. The purpose of the evaluation would be as follows:

- Identify historical approved allocations that may never have been used. It has been recently noted during an application review that some historical allocation approvals for greenhouses have not been used. These allocations should be cancelled so that the associated treated water capacity is available for future use.
- Identify discrepancies between approved allocations and actual water usage for each operation. It should be noted that for greenhouse allocations, some historical allocations were based on 10,000 IGPD/ acre. However, based on technological improvements and conservation measures in the greenhouse industry, water

usage per acre has decreased. As such, through the years, allocations were decreased to 8,000 IGPD/acre and now the standard for new applications is 6,000 IGPD/acre. Actual water usage for all allocations should be reviewed so that historical higher allocations can be reassessed to lower allocations thus freeing up treatment capacity for future growth.

- Provide recommendations for water allocation that would identify proposed volume rates for future applications.
- Provide recommendations for a revised application process that is more comprehensive and based on actual needed treated water volumes.

This evaluation would be led by UWSS with support and advice from the Working Group. The consultant that currently reviews applications for treated water allocations would also be retained to assist with this evaluation. The UWSS General Manager anticipates that a report would be provided to the UWSS Board no later than the October 20th, 2021 UWSS Board meeting.

It should be noted that support for the moratorium has been received by Working Group participants. Owner municipalities have been consulted in regards to this proposed moratorium.

Closing Comments and Recommendations:

Current treatment capacity allocation methodology has been mostly focused on the growth in the greenhouse industry and has not really taken into consideration other types of growth in the UWSS service area.

The proposed moratorium on new applications by large water users for treated water is intended to allow for continued residential development (and commercial/industrial developments that are not treated water intensive) while restricting non-residential developments that are dependent on large volumes of UWSS treated water.

This will allow the UWSS (in consultation with its owner municipalities) time to complete the required evaluations of existing and proposed future treatment capacity allocations so as to identify “unused” treatment capacity that is already allocated and to develop a more effective process for allocating future treated water requests..

Respectfully submitted,



Rodney Bouchard, General Manager
Union Water Supply System Joint Board of Management

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Attachments