THE CORPORATION OF THE COUNTY OF DUFFERIN



REPORT TO COUNTY COUNCIL



To: Warden Kolodziechuk and Members of County Council

From: Sonya Pritchard, Chief Administrative Officer

Meeting Date: October 11, 2012

Subject: Rail Corridor Easement Request - Options for Next Steps

Purpose

The purpose of this report is to provide Council with an update regarding the rail corridor easement request and to provide options for next steps.

Background & Discussion

In late 2011, Dufferin Wind Power Inc. (DWPI) approached the County of Dufferin with a request for an easement along the vacant rail corridor for the installation of 230 kV transmission line as one of two options, to support a wind energy generation project being proposed in Melancthon. Over the past year the County has engaged in limited discussions with DWPI as the preliminary background work on the project was undertaken. DWPI has recently announced that the rail corridor is now their preferred route for the transmission line. The County of Dufferin will need determine whether or not to grant the easement in the near future. Should Council wish to proceed, staff recommend completing a consultant review, conducting public consultations, and finalizing terms in a draft Agreement to Grant an Easement.

Consultant Review

At the September Council meeting a Memorandum of Understanding with Dufferin Wind Power Inc. (DWPI), regarding the recovery of costs related to investigating and preparing documents for the proposed rail corridor easement was approved. County staff has been working to define the terms of reference and to engage the necessary consultants to conduct a technical review and assist with the valuation. This task can be somewhat streamlined following the receipt of correspondence from DWPI earlier this week.

Jeff Hammond, Senior Vice President, has provided additional information regarding the process DWPI intends to follow and has indicated that the detailed specifications regarding the placement and installation of the high voltage transmission line will be forwarded to the County of Dufferin later this month. The following is a summary of the technical actions DWPI proposed in the aforementioned correspondence:

- Submission of updated power line design and proposed construction methodology including pole configurations and heights, sighting information and other related data. The design will ensure there is no impediment to future uses;
- Submission of a copy of the project's Leave To Construct application and Letter of Direction once received from the Ontario Energy Board;
- Completion of an electronic survey; and thermal, electric resistivity, and geotechnical tests on the soil along the rail corridor;

Once the proposed studies are complete and all of the documentation is received it will be possible to complete a peer review. As part of the MOU with DWPI a budget for the County's consulting costs must be mutually agreeable. Staff anticipates being able to submit this information to DWPI before the end of October. DWPI has indicated that their engineering consultants will be available for discussions with the County consultant.

Public Consultation

Since the initial announcement of this project, the County of Dufferin has received numerous letters and comments both in opposition to and support of the use of the rail corridor for the transmission line. Residents adjacent to the line have expressed several concerns ranging from negative health effects to the impact on property values. In an effort to ensure residents are provided with as much information as possible about the proposed transmission line and given an opportunity to provide feedback; staff recommends that a formal public consultation process be included in the County's review.

The public consultation could include the following:

- A Public Information Centre (PIC) meeting and individual notification via mail to all adjacent residents regarding the status of the request from DWPI for an easement along the rail corridor;
- Notification of the upcoming peer review being conducted by the County of Dufferin;
- Posting of the Peer Review report (once completed) on the County of Dufferin website along with an opportunity to submit comments;
- A PIC meeting to share the findings of the peer review and collect feedback.

A report on the public consultation would consolidate the findings and be submitted to Council for consideration.

Draft Agreement to Grant an Easement

The County solicitor had previously prepared a draft agreement to grant an easement that can serve as the basis for additional discussions. Mr. Hammond has requested that this work take place concurrently with the technical review. Staff, in consultation with the County solicitor, could proceed with discussions with DWPI to finalize the terms of the

draft agreement. However, it should be noted that some of the findings from the technical review and public consultation may result in changes to the draft agreement at a later date.

Next Steps

Council may wish to consider the following options:

Option 1:

Direct staff to proceed with a consultant review and public consultation and report back to Council with the findings. Review the findings of these actions prior to continuing with the drafting of the agreement.

Option 2:

Direct staff to proceed concurrently with a consultant review, public consultation and drafting of the agreement and report back to Council.

Option 3:

Direct staff to cease all discussions with DWPI and deny the request for an easement.

Local Municipal Impact

The proposed project and transmission line impacts residents of Melancthon, Shelburne and Amaranth.

Financial, Staffing, Legal, or IT Considerations

There will be ongoing financial and legal issues. DWPI has agreed to cover consulting and legal costs incurred by the County Of Dufferin.

Recommendation

THAT, the report of Sonya Pritchard, Chief Administrative Officer dated October 11, 2012 regarding the Rail Corridor Easement Request – Options for Next Steps be received for consideration;

AND THAT; staff be directed to

Respectfully submitted.

Sonya Pritchard, CMA Chief Administrative Officer