Special Committee of the Whole Meeting Agenda

Monday, November 7, 2016 – 7:00 p.m.
Council Chambers, Guelph City Hall, 1 Carden Street

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Call to Order – Mayor

Disclosure of Pecuniary Interest and General Nature Thereof

Items for Discussion – Infrastructure, Development and Enterprise Services

Chair – Councillor Bell

COW-IDE-2016.18 Process to Support the City’s Submission to the Ministry of the Environment and Climate Change Regarding Ontario’s Water-Taking Regulations

Presentation:
Cathy Kennedy, Manager, Policy and Intergovernmental Relations
Barbara Swartzentruber, Executive Director, Policy, Intergovernmental Relations and Open Government

Recommendation:
That Staff be directed to consider public comments, made through delegations at the November 7th Committee of the Whole meeting, and report back to Council on November 28th with a recommended resolution for approval and submission to the Ministry of the Environment and Climate Change regarding the province’s water-taking review process.

COW-IDE-2016.19 Nestlé Waters Canada – Permit to Take Water Technical Report

Presentation:
Peter Busatto, General Manager, Environmental Services
Dave Belanger, Water Supply Program Manager

Delegation:
Representative, Grand River Conservation Authority
Recommendation:
That this technical staff report on the 2016 Nestlé Aberfoyle Permit to Take Water renewal application be received for information.

Councillor Gordon’s Motion Regarding Permit to Take Water

Delegations
Shayne Ward
Arlene Slocombe, Wellington Water Watchers
Andreanne Simard and Catherine O’Brien, Nestle Waters Canada
Carolyn Fell, Canadian Beverage Association
Hugh Whiteley
Elizabeth Griswold, Canadian Bottled Water Association
Joseph St. Denis
Sean Roberts
John Farley
Susan Watson
Isaak Tonelli
Karen Rathwell
John Cherry
Debbie Moore
Sam Gordon
John Cowan

Correspondence
Line Levesque
Maria Pezzano
Hugh Whiteley
Leslie Dema
Susan Watson
John Cowan

Recommendation:
That Council, with administrative assistance from Intergovernmental Relations, Policy and Open Government staff, submit comments through the Ontario Environmental Registry Process expressing Guelph’s concern about the future sustainability of water-taking from the watershed shared by the City of Guelph.

Mayor as Chair

Adjournment
Process to Support the City’s Submission to the Ministry of Environment and Climate Change Regarding Ontario’s Water-Taking Regulations

Committee of the Whole
November 7, 2016
Purpose

• To provide an update on the opportunities for input into the provincial water-taking policy review process; and

• To receive Council support for a method to provide the Ministry of the Environment and Climate Change (MOECC) with public comments submitted during the November 7, 2016 Committee of the Whole meeting.
Context

• On September 26, 2016, Council passed a motion stipulating “That Council, with administrative assistance from Intergovernmental Relations, Policy and Open Government staff, submit comments through the Ontario Environmental Registry Process expressing Guelph’s concern about the future sustainability of water-taking from the watershed shared by the City of Guelph.” And further “That this motion be referred to the November 7, 2016 Committee of the Whole meeting.”
Proposed Approach: Province’s Water Taking Review Process

• Provincial commitment to a review:
  – Premier’s mandate letter
  – Public consultations
  – Recent ER posting

• Proposed tactics to ensure community input – Staff will:
  – Work with MOECC to facilitate an in-person, open public consultation
  – Consider comments made by public during November 7 delegations, in preparation for a Council resolution for on November 28
  – Provide MOECC with a videotaped recording of the November 7 delegations
Moratorium and Review

• On October 17, 2016, the Province announced a proposed two-year moratorium on new or expanded water takings from groundwater by bottling companies, as well as stricter rules for renewals of existing permits.

• Comments can be made on the ER until December 1, 2016.

• While the proposed moratorium is in place, in the context of overall water management in the Province, the MOECC will also consider:
  – New science
  – New public reporting
  – New operating rules – e.g. reducing licenses to 5 years
Proposed Approach: Nestlé Waters Canada – Permit to Take Water

- Nestlé Waters Canada has made application for a renewed Permit to Take Water
- The renewal request has not been publically posted to the Environmental Registry
- Once the application has been posted, formal staff comments will be finalized and submitted to Council, and from Council to the MOECC
- The existing permit application was submitted by Nestlé to the MOECC in April, 2016. By provincial regulation, the existing permit remains in effect until the MOECC makes a decision on the application
Questions?
Staff Report

To Committee of the Whole

Service Area Office of the Chief Administrative Officer

Date Monday, November 7, 2016

Subject Process to Support the City’s Submission to the Ministry of the Environment and Climate Change Regarding Ontario’s Water-Taking Regulations

Report Number CAO-I-1609

Recommendation

1. That Staff be directed to consider public comments, made through delegations, at the November 7, 2016 Committee of the Whole meeting, and report back to Council on November 28, 2016 with a recommended resolution for approval and submission to the Ministry of the Environment and Climate Change regarding the Province’s water-taking review process.

Executive Summary

Purpose of Report

To provide an update on the opportunities for input into the provincial water-taking policy review process and to receive Council support for a method to provide the Ministry of the Environment and Climate Change (MOECC) with public comments submitted during the November 7, 2016 Committee of the Whole meeting.

Key Findings

On September 26, 2016, Council passed a motion stipulating “That Council, with administrative assistance from Intergovernmental Relations, Policy and Open Government staff, submit comments through the Ontario Environmental Registry Process expressing Guelph’s concern about the future sustainability of water-taking from the watershed shared by the City of Guelph.” And further “That this motion be referred to the November 7, 2016 Committee of the Whole meeting.”

In early October, 2016, the Honourable Kathleen Wynne, Premier for the Province of Ontario acknowledged that some of the conditions for water-taking permits are outdated. The Premier supported a comprehensive Ontario water strategy, which
would include public consultations. Opposition leaders supported the need for public input.

In recognition of this provincial commitment to a review, City of Guelph staff will submit delegation comments received during the November 7, 2016 Committee of the Whole to MOECC for consideration. Additional tactics for engaging with the MOECC in their review are described in this report.

A linked, but distinct matter relates to Nestlé Waters of Canada’s application for a renewed Permit to Take Water for their Aberfoyle water bottling operation. While the application has been submitted, the renewal request has not been publically posted to the Environmental Registry (ER). Formal staff comments will be finalized and submitted to Council, and from Council to the MOECC, once the application has been posted.

Financial Implications

N/A

Report
Province’s Water-Taking Review Process

On September 23, 2016, Premier Kathleen Wynne released mandate letters to her Cabinet Ministers. The correspondence to the Honourable Glenn Murray, Minister of the Environment and Climate Change dictates, in part, that Minister Murray is expected to:

“explor[e] ways to ensure sustainability remains the top priority for the use of our surface and groundwater. Your work will acknowledge that immediate improvements are needed when it comes to water bottling practices, particularly in the face of climate change, the increasing demand on water resources by a growing population, and concerns about water security. You will report back in fall 2016 on options to reform the regulatory process for permits to take water for water bottling purposes, improve Ontarians’ access to refillable water stations in public and private spaces, increase awareness of the rigorous standards municipal water systems must meet to provide the tap water most Ontarians drink, and you will work with the Minister of Finance on pricing options for water takings for bottled water in Ontario.”

Subsequent comments from the Premier indicate an intention to hold public consultations to inform changes to the Province’s water-taking permit program.
Moratorium and Review

Furthermore, on October 17, 2016, the Province announced a proposed two-year moratorium on new or expanded water takings from groundwater by bottling companies, as well as stricter rules for renewals of existing permits. Comments on the proposed moratorium can be made on the Environmental Registry until December 1, 2016.¹

In summary, the proposed regulation would establish a moratorium on the issuance of new or increasing permits for water bottling, when groundwater is used for the purpose of manufacturing bottled water or manufacturing water as a product that is sold in other types of portable containers until January 1, 2019.

While the proposed moratorium is in place, MOECC will also undertake work related to the groundwater and its use of water bottling purposes within the context of overall water management in Ontario. This will include:

- Examining water pricing and other tools
- Reviewing water taking rules
- Advancing knowledge of water resources – including additional research to improve the understanding of groundwater in Ontario

All of these initiatives will be undertaken by the MOECC in consultation with stakeholders and the public.

Intergovernmental staff recommend the following tactics to ensure community input into the Province’s water-taking review process:

- Recognizing MOECC’s role as the regulator, City of Guelph staff work with the MOECC to facilitate an in-person, open, public consultation session in a convenient location in Guelph. City staff will ensure dates and times are communicated to interested citizens and businesses in Guelph and surrounding areas.

- Comments made by the public, through delegations, on November 7, 2016, will be considered, in preparation for a resolution for Council consideration on November 28, 2016. The applicable resolution and written comments will be submitted to the MOECC for their review/consideration.

¹ The link to the specific Environmental Registry posting entitled “A regulation establishing a moratorium on the issuance of new or increasing permits to take water for water bottling” is: http://www.ebr.gov.on.ca/ERS-WEB-External/displaynoticecontent.do?noticeId=MTMwMjU1&statusId=MTk3NDM4&language=en
Together with the resolution and written comments, City of Guelph staff will provide MOECC with a videotaped recording of the delegations and Council meeting held on November 7, 2016.

Additionally, Guelph citizens are encouraged to provide their comments to the MOECC via the ER.

**Nestlé Waters Canada – Permit to Take Water**

A linked, but distinct matter relates to Nestlé Waters of Canada’s application for a renewed Permit to Take Water for their Aberfoyle water bottling operation. While the application has been submitted, the renewal request has not been publicly posted to ER. Once the application has been posted, formal staff comments will be finalized and submitted to Council, and from Council to the MOECC.

Water takings in Ontario are a provincial responsibility and are currently governed by the *Ontario Water Resources Act* (OWRA) and the OWRA’s *Water Taking and Transfer Regulation* (O. Reg. 387/04) and O. Reg. 63/16, made under the *Environmental Protection Act*. Section 34 of the OWRA requires anyone taking more than 50,000 litres of water in a day, with some exceptions, to obtain a permit from the director. Requirements of the permit system, including the factors a director must consider in issuing a permit, notification and consultation, data collection and reporting, are contained in Section 34 of the OWRA and in O. Reg. 387/04.

Subject to any changes arising from the results of the aforementioned ER posting of October 17, 2016, the normal process for the renewal of an existing permit includes the posting of the application on the Provincial ER ([http://www.ebr.gov.on.ca/ERS-WEB-External/](http://www.ebr.gov.on.ca/ERS-WEB-External/)). The post allows for public comment from all interested stakeholders, including municipalities and other water takers. The MOECC then considers the comments in making its decisions on the permit application. While the permit application was submitted by Nestlé to the MOECC in April, 2016, the posting to the ER has not occurred as yet. By provincial regulation, the existing permit remains in effect until the MOECC makes a decision on the application.

Once the application is filed on the Province’s ER, City’s Water Services staff will prepare a response for Council approval and subsequent submission to the MOECC.

**Financial Implications**

N/A

**Corporate Strategic Plan**

2.3 Ensure accountability, transparency and engagement.

3.3 Strengthen citizen and stakeholder engagement and communications.
Communications
The City will build on the Province’s communications efforts to inform the local community of upcoming engagement opportunities lead by the MOECC as part of the water-taking review.

Attachments
N/A

Approved By
Cathy Kennedy
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Recommended By
Barb Swartzentruber
Executive Director, Intergovernmental Relations, Policy and Open Government
519-822-1260 ext. 3066
Barbara.Swartzentruber@Guelph.ca
Nestle Staff Report Presentation

Committee of the Whole
November 7, 2016
Purpose

- Preliminary comments on the proposed Nestle Aberfoyle Permit to Take Water renewal application
- Application not yet posted to Environmental Registry
- New “Regulation Proposal Notice” will delay posting of Nestle Permit application
- Intergovernmental presentation outlined approach for addressing Notice
Context - Permit to Take Water Process

- Ontario Water Resources Act (Sec. 34 – Water Taking) and O.Reg. 387/04 Water Taking and Transfer
- Fair sharing, conservation and sustainable use of waters in Ontario
- Water takings >50,000 L/day require a permit
- MOECC process - Permits posted to ER for comments
- Permit Conditions:
  - Collect and record daily water use
  - Notify MOECC of any complaints from water taking
  - Resolve/restore any negative impacts of the water taking
  - Typically includes monitoring conditions (Nestle permit has many conditions)
TAKING GROUNDWATER TO PRODUCE BOTTLED WATER

• MOECC is inviting comments on the Proposal by Dec. 1 2016.

• At the direction of Council, Staff can bring forward another Staff Report that will provide comments on the Regulation Proposal Notice for consideration by Council.

• Proposal Notice (Moratorium) will result in delays in the posting of the Nestle renewal application to the ER.
Nestle Water Taking (Past ER Posting)

- Maximum rate of taking per minute: 2,500 Litres
- 24 hours/day
- Maximum volume of taking per day: 3,600,000 Litres
- 365 days/year
- Length of Time: 10 years
Nestle Monitoring Program

• Based on information from Nestlé's 2015 Annual Monitoring Report:
  – 58% of permitted volume in 2015 (762ML) = 2,090 m³/d
  – Water levels in aquifer are stable
  – No long-term decline in water levels
  – Water taking is sustainable

Figure 3. Hydrograph of Monitoring Wells 750 m Northwest of TW3-80
Previous Staff Comments on Nestle Water Taking

• 2007 Staff Report:
  – “The City would prefer that no water takings other than municipal, domestic and agriculture be allowed in the Guelph and surrounding area…
  – ...it is important that the Ministry of the Environment (MOE) recognize that there are limits to the local drinking water supply and controls must be placed on local water use to accommodate future municipal growth.”
Previous Staff Comments on Nestle Water Taking

- **2007 Recommendations:**
  - “On a technical basis, the City is not opposed to the renewal of the Nestlé PTTW for a five year period since, based on available information, it does not interfere with the City’s current water takings.
  - The City does have concerns regarding the availability of water supply in the area to satisfy future community growth.
  - The City requests that the MOE not increase Nestlé's PTTW beyond its current approved rate and prior to the renewal of the permit, the MOE consider the water needs of the greater community and the constraints of the natural ecosystem to provide sustainable drinking water supplies.”

- **2011 Comments on the 2011 Renewal – comments from 2007 still stand**
Managing our Water Resources

• Two major projects: Tier 3 Water Budget and Water Supply Master Plan

• Tier 3 Water Budget Project – GRCA, MOECC, Guelph and Guelph Eramosa Twp.

• Part of Source Protection Program under the Clean Water Act

• Intended to address “water quantity threats” in the Provincial list of significant drinking water threats

• “Tiered” approach to determine water budget
Water Budget and Hydrologic Cycle

Components of a Water Budget

Inputs:
1. Precipitation
2. Runoff
3. Groundwater Inflow
4. Surface Water Inflow
5. Water Diversions

Outputs:
6. Evaporation
7. Transpiration
8. Surface Water Outflow
9. Groundwater Outflow
10. Irrigation
11. Industrial Uses
12. Residential Uses
13. Water Diversions
Tiered Process for Water Budgets

**Scoping of Potential Stress to Water Supply**

- **Tier 1 ($)** – Watershed (Use simple tools to eliminate subwatersheds from further study) – **COMPLETED 2009**
- **Tier 2 ($$)** – Watershed / Subwatershed (Use complex tools to identify subwatersheds requiring further study) – **COMPLETED 2009**
- **Tier 3 ($$$)** – Local Area (Assess the sustainability of municipal water takings and potential impact to receptors) – **PROJECTED COMPLETION FALL 2016**
**Water Budgets**

*Water quantity staff characterize the watershed, using models, statistics and estimates to track the volume of water entering, moving through and leaving the watershed/local area for sustainable water use.*

**Climate**

**Surficial Geology**

**Streamflow**

**Recharge**

**Discharge**

**Groundwater Levels**

**Water Use**

**Hydrologic Cycle – Inputs and Outputs**
Guelph Area Water Budget

### Lower Speed River

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<td>Other Discharge (Quarry)</td>
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### Mill Creek

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<tr>
<td>Streams/Lakes</td>
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<td>Groundwater Extraction</td>
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<td>Net Cross Boundary Flow</td>
<td>-10,510</td>
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</table>
Tier 3 Risk Assessment

• Tier 3 Components:
  1. Characterization
  2. Numeric Model
  3. Risk Assessment

• Where do they apply?
  • Based on MOECC “Technical Rules”
  • Tier Two Assessment Moderate or Significant stress

• Risk Assessment Approach
  • Risk of municipal well / intake infrastructure not being able to sustain planned pumping.
  • Test system under a number of scenarios
Guelph/Guelph-Eramosa Tier 3 Risk Assessment Results

- Draft Guelph/Guelph-Eramosa RA Report - a **Significant** risk to municipal drinking water quantity
- Extreme model scenario – 2038 demand, full build-out of City/Twps and 10 year drought
- **Significant** risks require a Risk Management Measures Evaluation Process
- Water quantity policies in City/Township Source Protection Plan
- Nestle may be affected by policies
Drought

- Prolonged period of below average precipitation
- “Dry summer”
- Deep bedrock aquifer – more resistant to a few dry months
- 2013 to 2015 – above average
- Several years of below average precipitation - drought
Water Supply Master Plan Update

• How much water do we have now?
  – WSMP Update – approximately 83,836 m³/day

• How much water do we need by 2038?
  – additional 10,464 m³/day for normal conditions
  – additional 23,172 m³/day for drought conditions
  – additional 18,500 m³/day if we lose 10% of supply capacity

• Where will the water come from?
  – New wells in the City
  – New wells outside the City
Water Supply Master Plan Update

Where will the water come from?

• Hypothetical – based on GW Flow Model

• **Alternative 2E – New Wells Outside City (South)** – Victoria and Maltby Rd. – ~3900 to 5300 m³/day, Cost: $5.2M, $980/m³/day

• Extensive studies required to assess feasibility and impacts

• Potential conflict with Nestle water taking
Nestle Permit Review - Summary

• Nestle application to renew – expected to be delayed
• Regulation Proposal Notice – expected to change review and renewal process
• Nestle Annual Report – sustainable water taking
• Water Budget studies – Significant Drinking Water Threat under extreme scenario
• Risk Management – develop policies to protect existing and future municipal supply
• Water Supply Master Plan – Alternative 2E has a potential for conflict with Nestle water taking
Questions?

Presentation to be posted to City Website
MOECC Permit to Take Water -
https://www.ontario.ca/page/permits-take-water

Lake Erie Source Protection Committee – Water Budget

Guelph Water Supply Master Plan -
http://guelph.ca/plans-and-strategies/water-supply-master-plan/

University of Waterloo Weather Station -
http://weather.uwaterloo.ca/data.html
Staff Report

To Committee of the Whole
Service Area Infrastructure, Development & Enterprise Services
Date Monday, November 7, 2016
Subject Nestlé Waters Canada – Permit to Take Water Technical Report

Recommendation

1. That this technical staff report on the 2016 Nestlé Aberfoyle Permit to Take Water renewal application be received for information.

Executive Summary

Purpose of Report

This Staff Report provides preliminary technical comments on the proposed Permit to Take Water (PTTW) renewal application by Nestlé Waters Canada for a water supply well located in Aberfoyle in the Township of Puslinch. While the application has been submitted, the renewal request was not publicly posted to the Environmental Registry (ER) at the time this report was written. Formal staff comments will be finalized and submitted to Council, and from Council to the Ministry of Environment and Climate Change (MOECC), once the application has been posted.

Key Findings

Nestlé has applied to renew its existing PTTW for an amount of 3,600,000 L/day, which is the same as the current permit (2016), for a period of 10 years; this requested term is five years longer than the term for the existing but expired PTTW.

The existing Nestlé permit contains a number of comprehensive terms and conditions to assess and report on potential impacts of the water taking. A 2015 annual water monitoring report, by Golder Associates Ltd., has concluded the water taking is sustainable.

City staff has provided technical comments on the previous renewal applications in 2007 and 2011 and these comments remain valid today.
The MOECC, on October 17, 2016, posted a Regulation Proposal Notice to the ER to change the permitting process and to impose new restrictions and requirements for water taking for bottle water manufacturing. The Proposal may change the current foundation under which water takings for bottled water are considered in Ontario.

Under the Clean Water Act and provincial Source Protection legislation, the Grand River Conservation Authority (GRCA), the City, Wellington County and Guelph Eramosa Township (GET) are completing a Tier 3 Water Budget and Water Quantity Risk Assessment (Tier 3 RA) which has determined through groundwater modelling that, under an extreme drought scenario, there is a significant risk that the City’s water supply system will not meet the projected future demand. Plans are in development to manage the risk and policies will be developed to protect the City’s water quantity under the City’s Source Protection Program.

The City’s Water Supply Master Plan Update in 2014 (WSMPU) identified potential future water supply sources in south Guelph that may conflict with the Nestlé water taking at some point in the future. Resource management is required to ensure adequate water supplies are available to support Guelph’s future water supply needs.

The City, through its Source Protection Program, will develop risk management plans and policies in 2017 to protect Guelph’s source water quantity and quality and to ensure that the City’s water supply is sustainable.

Additional information is found in the City’s Frequently Asked Questions at –

http://guelph.ca/living/environment/water/Nestlé/

Financial Implications

Staff capacity to conduct this review and comment on the Nestlé PTTW renewal is funded through the Council approved Water Services 2016 Operating Budget. Staff anticipates no other financial implications at this time.

Report

This Staff Report has been prepared by the professional staff of Water Services.

Nestlé Waters Canada submitted an application to renew their PTTW to the MOECC on April 11, 2016. Nestlé has indicated that the permit application is for a 10-year renewal for the taking of water in the amount of 3,600,000 L/day (3,600 m³/day). The water taking is derived from Nestlé’s well located on their property in Aberfoyle in Puslinch Township.
Water takings in Ontario are a provincial responsibility and are governed by the Ontario Water Resources Act (OWRA) and the OWRA’s Water Taking and Transfer Regulation (O. Reg. 387/04) and O. Reg. 63/16, made under the Environmental Protection Act. Section 34 of the OWRA requires anyone taking more than 50,000 litres of water in a day, with some exceptions, to obtain a permit from the director. Requirements of the permit system, including the factors a director must consider in issuing a permit, notification and consultation, data collection and reporting, are contained in Section 34 of the OWRA and in O. Reg. 387/04. Additional information on the PTTW process can be found here - https://www.ontario.ca/page/permits-take-water.

The normal process for the renewal of an existing permit includes the posting of the permit application on the provincial ER (http://www.ebr.gov.on.ca/ERS-WEB-External/) and opening a 30-day public comment period for stakeholders such as municipalities, other water takers, and local community members. The MOECC then considers the comments in making its decisions on the permit application.

Nestlé submitted its permit application to the MOECC in April. The posting on the ER has not yet occurred. By provincial regulation, the existing permit remains in effect until the MOECC makes a decision on the application.

Since the permit application is not yet public available on the ER, this Committee Report was prepared on the direction of Council and is based on technical staff’s review of the existing permit and speculation on the most recent permit renewal application. This report will be updated, as necessary, and brought to Council for approval and submitted via the ER to the MOECC once the Nestlé Aberfoyle application is publicly posted to the ER.

As a new development, on October 17, 2016, the MOECC posted a Regulation Proposal Notice that would establish a moratorium on the issuance of new or increasing permits and for feasibility pumping tests for bottled water manufacturing. The Proposal would impose new stringent rules on bottle water permit renewals including new operational practices, longer comment periods, scientific studies, information publication, shorter renewal periods and mandatory reductions during droughts. MOECC is inviting comments on the Proposal. At the direction of Council, staff can bring forward another Staff Report that will provide comments on the Regulation Proposal Notice for consideration by Council. It is noted that the Proposal Notice will likely result in delays in the posting of the Nestlé renewal application to the ER.

Staff has prepared the following information in anticipation of the renewal application but it must be recognized that the Regulation Notice may change the foundation under which permit renewal applications for bottled water are considered in Ontario.
A separate report is being prepared by Intergovernmental Relations, Policy and Open Government staff to address the Council resolution of September 26, 2016.

**Nestlé Permit to Take Water Application**

Nestlé Canada Inc. proposes to renew an existing PTTW No. 1381-95ATPY for the taking of water from an existing water supply well. Details from the 2011 application are found here - [http://www.ebr.gov.on.ca/ERS-WEB-External/displaynoticecontent.do?noticeId=MTEyMjA2&statusId=MTY5NDgw&language=en](http://www.ebr.gov.on.ca/ERS-WEB-External/displaynoticecontent.do?noticeId=MTEyMjA2&statusId=MTY5NDgw&language=en).

The Nestlé Well, TW3-80, is located in Aberfoyle, in the Township of Puslinch and lies approximately 3.2 km from the southern boundary of the City of Guelph. The well was constructed in 1980 and was purchased by Nestlé in 2000. The well draws water from a bedrock aquifer (Amabel Formation which is equivalent to the Gasport Formation using more recent formation naming nomenclature). In 2015, the well produced 762,363,664 L or 2,088,668 L/day on average or 58% of the permitted volume.

The existing Nestlé PTTW contains a number of terms and conditions under which the well is allowed to operate. The permit conditions for impact monitoring are extensive and include a number of bedrock and overburden monitoring wells, private wells, surface water levels, surface water flows, sediment-water interface temperature monitoring, wetland monitoring and fish spawning surveys. Monitoring data are provided to the MOECC in annual reports prepared by a Professional Geoscientist or qualified Professional Engineer and a qualified surface water scientist.

The Nestlé 2015 Annual Monitoring Report, prepared by Golder Associates Ltd., states that the water levels in the Amabel Aquifer are stable and the groundwater taking has not caused a long-term decline in the aquifer water level and unacceptable impacts to the shallow bedrock and overburden aquifers have not occurred. The report concludes that the water taking at the current rate is sustainable.

In terms of sustainability, groundwater is a renewable resource and relies on precipitation to recharge the aquifer. Groundwater is sustainable if the water takings from the aquifer are a small fraction of the total aquifer recharge. A review of the 2015 Annual Monitoring Report, as noted by Golder, indicates that the aquifer water levels are stable and the water taking is sustainable. This information implies that the water taking, at this rate, is sustainable currently. If the taking was more than the aquifer could sustain, water levels would drop year after year. Future monitoring of the water taking, as per the conditions of the PTTW, would
allow Nestlé to assess the continued sustainability of the water taking in each annual report.

**Previous City Comments on the Nestlé Water Taking**

This is the third permit renewal request for which the City has prepared comments. The first was provided in 2007 and the second in 2011. In 2007, staff provided the following comments:

“The City recognizes that the Permit to Take Water process is intended to allow for the beneficial use of waters while ensuring the fair sharing, conservation and sustainable use of waters of Ontario. The City would prefer that no water takings other than municipal, domestic and agriculture be allowed in the Guelph and surrounding area but recognize that this may not be feasible at this time. While the City does not wish to interfere with Nestlé’s business operations, it is important that the Ministry of the Environment (MOE) recognize that there are limits to the local drinking water supply and controls must be placed on local water use to accommodate future municipal growth.”

In 2007, Staff provided the following recommendation:

“On a technical basis, the City is not opposed to the renewal of the Nestlé PTTW for a five year period since, based on available information, it does not interfere with the City’s current water takings. The City does have concerns regarding the availability of water supply in the area to satisfy future community growth. The City requests that the MOE not increase Nestlé’s PTTW beyond its current approved rate and prior to the renewal of the permit, the MOE consider the water needs of the greater community and the constraints of the natural ecosystem to provide sustainable drinking water supplies.”

Also in 2007, the Mayor, at the recommendation of Council, wrote a letter to the Minister of the Environment voicing the City’s concern on the water taking and providing Council’s resolution and the Staff Report. The 2007 Staff Report, the Council Resolution and the supporting letter from the Mayor are provided in Attachment 1. The Council recommendation was for a 2-year renewal period to allow for a more precautionary approach and more frequent reviews of the water taking. The MOECC renewed the PTTW for a 5-year period.

In 2011, in response to the second Nestlé renewal application, the City confirmed the same comments and again submitted the Mayor’s letter, Council resolution and Staff Report. The 2011 submission is provided in Attachment 2. The MOECC renewed the PTTW for a 5-year period.

The City’s position on this PTTW renewal is the same as the position taken in the previous renewals with the inclusion of additional comments provided herein.
Subject to Council’s direction, the documents noted above can form part of a future submission on the current Nestlé PTTW renewal application, once it is posted on the ER.

**Managing Our Water Resources**

The City, Wellington County (as the municipality responsible for source protection in Puslinch Township), the GRCA (as the Source Protection Authority) and the MOECC (as the regulatory authority) are in the process of completing a Tier 3 Risk Assessment for the water supplies of Guelph and GET under the requirements of the Clean Water Act. The Tier 3 RA has performed a water budget analysis of the areas surrounding Guelph and GET to compare available groundwater and surface water supply to the demand from existing, future and planned drinking water systems. Where the ratio of water demand to water supply is high, subwatersheds have been classified as having a Moderate or Significant potential for water quantity stress.

The process for the Tier 3 RA was defined in technical rules provided by the MOECC and was conducted using three-dimensional integrated groundwater and surface water flow computer models of a large area surrounding Guelph and GET. The groundwater-surface water models were used to assess the availability of water supply under a number of scenarios including existing conditions, future demand, future land development and drought conditions. For most scenarios, Guelph’s existing water supply was able to meet the future demand; however, under the extreme scenario for the combined impact of drought conditions (10 year drought - simulated as the precipitation record during the drought from 1960 to 1970), land use development, and additional future municipal pumping, there was a significant risk that the water supply system would not meet the future demand.

To manage the potential risk, GRCA, Guelph, the County and GET will develop risk management measures and water quantity policies in 2017 under the guidance and public consultation requirements of the Clean Water Act and associated regulations. The Tier 3 RA and the groundwater surface water models provide a sound technical basis for the development of water resources management plans to ensure quantity, protection and preservation of our resources for a sustainable municipal water supply.

As a permitted water taker in the study area for the Tier 3 RA, Nestlé will be subject to the risk management measures evaluation and potentially subject to the water quantity policies to be developed for the Source Protection Plan. It is expected that, since Nestlé is a water taker in the study area, there will be opportunities for the City, County, GET, the GRCA, the MOECC and Nestlé to work together to develop appropriate risk management measures, to effectively manage the local water resources to ensure sustainable water taking for users of the groundwater resources in the study area. It is expected that the current water
taking by Nestlé can be managed to ensure that the potential impacts of the Nestlé water taking on Guelph and the surrounding communities, now and in the future, do not exacerbate the potential risk determined in the Tier 3 RA.

**Guelph’s Future Water Demand Considerations**

The City completed the WSMPU in 2014. The WSMPU can be found at:


The WSMPU provided a review of future water demands in comparison to the City’s water supply capacity and developed a plan to supplement the City’s water supplies to meet demands through 2038 to satisfy growth within the city.

One of the proposed options to supplement the City’s future water supply is a potential new water supply well (“Guelph South Well”) located near the southeast corner of the city. As noted in the WSMPU, this well is a potential future water source as determined from groundwater modelling, and subject to agreement from the Township and County and further investigation and environmental assessment. The well, when it is developed, has the potential to conflict with Nestlé’s water taking. As noted in the 2007 comments and as confirmed in the Tier 3 RA, there are limits to the available groundwater to satisfy Guelph’s future water supply needs.

As such, future renewals of industrial water takings in the area should be weighed against the broader needs of the community, the potential risk that available supply may not meet future demand and that the continued water takings may not be sustainable without proper management of the resource.

**Summary**

At this point in time, the Nestlé permit to take water does not conflict with Guelph’s water supply. However, recent City studies and projects point to a need to develop comprehensive water resource management plans to sustain and protect the City’s water supply sources. Steps are underway, through the Clean Water Act and the City’s Source Protection Program to protect water quantity and quality and to ensure that the City and other water takers have a sustainable water supply in the future.
Financial Implications

At present there are no financial implications associated with the Nestlé water taking. Staff capacity to conduct this review and comment on the Nestlé PTTW renewal is funded through the Council approved Water Services 2016 Operating Budget. Staff anticipates no other financial implications at this time.

In the future, there is the potential for the Nestlé taking to constrain municipal water taking in the south end of Guelph which may result financial impacts as Guelph looks for other, potentially more remote and expensive water supply options.

Corporate Strategic Plan

2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability.

3.1 Ensure a well designed, safe, inclusive, appealing and sustainable City.

Communications

The City's comments on Nestlé’s permit to take water application renewal will be available on guelph.ca, once submitted to the MOECC ER.

The City’s 2007 and 2011 comments on Nestlé’s permit applications are currently available on guelph.ca.

Attachments

ATT-1  2007 Comments on the Nestlé Water Taking Permit
ATT-2  2011 Comments on the Nestlé Water Taking Permit

Report Author
Dave Belanger, M.Sc., P.Geo.
Water Supply Program Manager

Endorsed By
Wayne Galliher, C.E.T.
Interim Plant Manager
Water Services

Approved By
Peter Busatto, B.A.
General Manager
Environmental Services
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Recommended By
Scott Stewart, C.E.T.
Deputy CAO
Infrastructure, Development and Enterprise
519-822-1260, ext. 3445
scott.stewart@guelph.ca
May 11, 2007

Via facsimile: (416) 259-3704

Honourable Laurel C. Broten, Minister
Ministry of the Environment
12th Floor, 135 St. Clair Avenue West
Toronto, ON M4V 1P5

Dear Minister Broten:

Please find attached the position of the City with respect to the Application for Permit to Take Water Ministry Reference Number: 0275-6ZSQSL.

In addition to this position prepared by the City of Guelph’s Water Supply Program Manager, Guelph City Council has asked that I convey some additional concerns. This application has raised concern in our community over the sustainability and appropriateness of this type of water taking.

City Council in particular is concerned about the cumulative impacts of water takings in the region as well as the impact climate change may have on our current understanding of this finite resource. We have experienced several years of drought over the last few years. Climate change predictions suggest we may experience more drought in our watershed in the future. We have always cooperated with the Province in reducing our community’s water consumption during these periods by implementing outdoor water use restrictions. Our residents have been quick to comply and trust that all water takers in the affected areas are also asked to similarly reduce their water takings.

The Places to Grow legislation is expected to place increased growth pressures on our city and region. We urge the Province to introduce legislation that will afford the same level of protection for the Paris Galt Moraine as is afforded the Oak Ridges Moraine.
From a technical perspective our staff do not have a concern with the request for a 5 year renewal of the Permit to Take Water. From a political and policy perspective, Council can only support a 2 year renewal. We are currently going through a long-term growth management strategy to bring our policies in line with the Province’s Place to Grow legislation. We will have a better understanding in 2 years as to the challenges we will face in providing water to a growing urban centre. A two year renewal reflects a more precautionary approach and is consistent with past renewals for this applicant.

Thank you for your consideration of our concerns.

Sincerely,

Karen Farbridge,
Mayor

KF/kam

Attachments

cc: Premier Dalton McGuinty
Liz Sandals, M.P.P., Guelph-Wellington
Don Drone, Director, Wellington Catholic District School Board
Martha Rogers, Director of Education, Upper Grand District School Board
Joyce Sweeney, Council Coordinator
May 11, 2007

Nestle Waters Canada
101 Brock Road South
Guelph ON N1H 6H9

Attn: Ms. G. Cosman, President

Dear Ms. Cosman:

At a meeting of Guelph City Council held on Monday, May 7, 2007, the following resolutions were adopted:

"THAT Clause 1, Paragraph 2 of the Fifth Report of the Community Development and Environmental Services Committee be amended to include as follows:
"THAT the Nestle Permit to Take Water be renewed for a two year period only, at the current rates."

AND

"THAT the position, as outlined in the May 2, 2007 memo from Dave Belanger, M.Sc., P. Geo., Water Supply Program Manager, to the Director of Environmental Services, be adopted as the City Staff's position concerning the application by Nestle Canada Inc. for a Permit-To-Take-Water."

AND
"THAT the City Staff's position, along with a cover letter from Mayor Farbridge, including:
"THAT the Nestle Permit to Take Water be renewed for a two year period only, at the current rates." be forwarded to the Ministry of the Environment, the Premier, Liz Sandals, MPP, the local School Boards and to Nestle Canada Inc. prior to the May 11, 2007 deadline for comments on the application."

Yours truly,

Ms. T. Agnello
Deputy City Clerk

Attach.

cc. Mayor Farbridge
    Dr. J. Laird
    Mr. D.A. Kennedy
To: Janet Laird, Director of Environmental Services
From: Dave Belanger, Water Supply Program Manager
Division: Waterworks
Date: May 2, 2007
Subject: Notification of Application for Permit to Take Water

Ministry Reference Number: 0275-6ZSQSL

Nestlé Canada Inc., operating as Nestlé Waters Canada, proposes to renew an existing Permit to Take Water No. 6673-6CAJWK for the taking of water from a supply well as follows:

- Source Name: Drilled Well TW3-80
- Purpose of Water Taking: Bottle Water
- Maximum rate of taking per minute: 2500 Litres
- Maximum number of hours of taking in a day: 24 hours
- Maximum volume of taking per day: 3600000 Litres
- Maximum number of days of taking in a year: 365
- Length of Time: 5 years

The Nestlé Well, TW3-80, is located in Aberfoyle, in the Township of Puslinch and lies approximately 3.2 km from the southern boundary of the City of Guelph.

Waterworks has reviewed Nestlé’s Permit to Take Water (PTTW) application and the Nestlé 2006 Annual Monitoring Report prepared by Conestoga-Rovers and Associates (CRA). In its review, Waterworks considered potential impacts from the Nestlé water taking on the City’s current and future water supply.

Potential Impacts on Current Water Supply:

The City operates 22 municipal water supply wells in and around the City and in the Arkell Spring Grounds. The City municipal wells primarily draw their water from the Amabel Formation which is the same bedrock formation as used by Nestlé.
Nestlé Canada Inc. has applied to the Ministry of Environment (MOE) for a renewal of an existing PTW of 3,600 m³/day to supply its water bottling plant in Aberfoyle in the Township of Puslinch. The Nestlé water taking lies in the Mill Creek watershed and the City of Guelph’s water taking for its municipal wells lie in the Elora River and Speed River watersheds. A review of groundwater capture zones for the City’s wells indicate that the current capture zones do not extend into the Mill Creek watershed and, in the southern part of the City, do not extend past the Paris Moraine and the groundwater divide between the Speed River and Mill Creek.

Similarly, based on drawdown information provided in the Nestlé 2006 Annual Monitoring Report, the capture zone of the Nestlé well appears to be limited to the immediate area of the well and does not appear to extend to the Mill Creek watershed boundary.

Based on this information, the Nestlé water taking will not interfere with the City’s water taking over the next five years. Nestlé has not proposed to increase its taking such that it would change these groundwater capture zones and interfere with the City’s current water taking.

**Potential Impacts on Future Water Supply:**

The City of Guelph, as part of its 50-year Water Supply Master Plan (WSMP), has identified areas in the south end of the City and in the Mill Creek watershed for potential future increases in its water supply. Two specific areas were identified in the Mill Creek watershed: one to the northeast in the headwaters of Mill Creek (southeast of the City), and one in the central part of the Mill Creek watershed (southwest of the City) on the Mill Creek/Irish Creek boundary. (Note: The WSMP stipulates that these areas would only be developed as water supply sources with the cooperation and approval of the Township of Puslinch.)

The WSMP identified these areas based on an understanding of available groundwater, which in turn was dependent on assumptions of current water takings in the watershed versus the amount of groundwater recharge across the area (i.e. the water budget for the watershed). Since the amount of available groundwater is finite, any increases in the water taking would reduce the amount of available groundwater for municipal use. Future municipal drinking water supplies may be limited if Nestlé or other users maintain or increase the total water taking from the Mill Creek watershed.

**Recommendation:**

Waterworks recognizes that the Permit to Take Water process is intended to allow for the beneficial use of waters while ensuring the fair sharing, conservation and sustainable use of waters of Ontario. However, Waterworks would prefer that no new water takings be permitted in the City and surrounding area, other than for municipal, domestic and agriculture use. It is important that the MOE recognize that are limits to the local drinking water supply and controls must be placed on local water use to accommodate future municipal growth.
On a technical basis, Waterworks is not opposed to the renewal of the Nestlé PTTW for a five year period since, based on available information, their current water taking will not interfere with the City's water takings over the next five years. However, Waterworks does have concerns regarding the availability of water supply in the area to satisfy future municipal growth. Waterworks requests that the MOE not increase Nestlé's PTTW beyond its current approved rate and that, prior to any future renewals of the current permitted rate, the MOE consider the water needs of all municipalities in the area and the constraints of the natural ecosystem to provide sustainable drinking water supplies.

Yours truly,

[Signature]

Dave Belanger, M.Sc., P.Geo.
Water Supply Program Manager

cc: Mayor Karen Farbridge and Members of Guelph City Council
    Peter Busatto, Manager of Waterworks
Via Courier

March 4, 2011

West Central Region
Permit to Take Water Evaluator
Ministry of the Environment
12th Floor
119 King St. West
Hamilton ON L8P 4Y7

RE: Notification of Application for Permit to Take Water
Ministry Reference Number: 0422-8DPRRY (EBR: 011-2481)

Nestle Canada Inc. proposes to renew an existing Permit to Take Water No. 7043-74BL3K for the taking of water from a supply well as follows:
- Source Name: Well TW3-80
- Purpose of Water Taking: Bottled Water
- Maximum rate of taking per minute: 2,500 Litres
- Maximum number of hours of taking in a day: 24 hours
- Maximum volume of taking per day: 3,600,000 Litres
- Maximum number of days of taking in a year: 365
- Earliest calendar date of taking (mm/dd): 01/01
- Latest calendar date of taking (mm/dd): 12/31
- Length of Time: 10 years

The Nestle Well, TW3-80, is located in Aberfoyle, in the Township of Puslinch and lies approximately 3.2 km from the southern boundary of the City of Guelph.

This request is for a renewal of an existing permit. The City of Guelph, in 2007, had provided comments on the renewal of this same permit. The City’s position on this renewal is that it should be approved for two years only, as per the position taken in the previous renewal. The City’s prior position was confirmed at a meeting of Guelph City Council held on Monday, May 7, 2007, where the following resolutions were adopted:

"THAT the Nestle Permit to Take Water be renewed for a two year period only, at the current rates."
"THAT the position, as outlined in the May 2, 2007 memo from Dave Belanger, M.Sc, P. Geo., Water Supply Program Manager, to the Director of Environmental Services, be adopted as the City Staff's position concerning the application by Nestle Canada Inc. for a Permit-To-Take-Water."

We have attached the previous correspondence from 2007 in support of this position.

This letter and the attached correspondence serve as the City of Guelph's comments on the renewal of the Nestle PTTW. The contents of this letter will be submitted online on the EBR web site and this letter and attachments will support the online submission.

If you require more information on this letter, please contact the undersigned.

Sincerely,

Yours sincerely,

Janet L. Laird, Ph.D.
Executive Director
Planning & Building, Engineering and Environment

T 519-822-1260 x 2237
F 519-837-5664
E janet.laird@guelph.ca

Attachments

C. Peter Busatto, General Manager Water Services
   Dave Belanger, Water Supply Program Manager
   Kier Taylor, Compliance Coordinator
May 11, 2007

Via facsimile: (416) 259-3704

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Ministry of the Environment
12th Floor, 135 St. Clair Avenue West
Toronto, ON M4V 1P5

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Thank you for your consideration of our concerns.

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Karen Farbridge,
Mayor

KF/kfm

Attachments

cc: Premier Dalton McGuinty
    Liz Sandals, M.P.P., Guelph-Wellington
    Don Drenze, Director, Wellington Catholic District School Board
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**Recommendation:**

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Yours truly,

[Signature]

Dave Belanger, M.Sc., P.Geo.
Water Supply Program Manager

cc: Mayor Karen Farbridge and Members of Guelph City Council
    Peter Busatto, Manager of Waterworks