

Properties

PIN

57359 - 0141 LT

Description

PT LT 19, CON 2, BLYTHFIELD, PTS 1-6, 49R13662, S/T R286175, R317022, R317023, R317024, R334218; S/T BLY353, BLY404; S/T EASEMENT OVER PT 1, 49R8296 & PTS 1, 2, 3 & 4, 49R8728 IN FAVOUR OF LT 35 PL 495 AS IN RE81314; TOWNSHIP OF GREATER MADAWASKA

Address

CALABOGIE

PIN

57359 - 0365 LT

Description

BLOCK 1, PLAN 49M102; TOWNSHIP OF GREATER MADAWASKA

Address

CALABOGIE

PIN

57359 - 0366 LT

Description

BLOCK 2, PLAN 49M102; TOWNSHIP OF GREATER MADAWASKA

Address

CALABOGIE

PIN

57359 - 0367 LT

Description

BLOCK 3, PLAN 49M102; TOWNSHIP OF GREATER MADAWASKA

Address

CALABOGIE

PIN

57359 - 0368 LT

Description

BLOCK 4, PLAN 49M102; TOWNSHIP OF GREATER MADAWASKA

Address

CALABOGIE

PIN

57360 - 0074 LT

Description

BLOCK 1, PLAN 49M101; TOWNSHIP OF GREATER MADAWASKA

Address

CALABOGIE

Consideration

Consideration \$0.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name

THE CORPORATION OF THE TOWNSHIP OF GREATER MADAWASKA

Address for Service

19 Parnell Street, P.O. Box 180
Calabogie, Ontario K0J 1H0

This document is not authorized under Power of Attorney by this party.

This document is being authorized by a municipal corporation Allison Holtzhauer, Chief Administrative Officer, and Charles Rigelhof, Councillor.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice is for an indeterminate period

Schedule: See Schedules

Signed By

Carmen Mihaela Baru

205-2039 Robertson Road
Ottawa
K2H 8R2

acting for
Applicant(s)

Signed

2020 02 05

Tel

613-224-6674

Fax

613-505-9639

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

STEPHEN A. RITCHIE

205-2039 Robertson Road
Ottawa
K2H 8R2

2020 02 05

Tel

613-224-6674

Fax

613-505-9639

The applicant(s) hereby applies to the Land Registrar.

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$65.05
<i>Total Paid</i>	\$65.05

THE CORPORATION OF THE TOWNSHIP OF GREATER MADAWASKA

BY-LAW NUMBER 01-2020

Being a By-Law to authorize the execution of a Responsibility Agreement between the Township of Greater Madawaska and Calabogie Peaks ULC

WHEREAS Calabogie Peak ULC, the Owner, have applied to the County of Renfrew under Section 51 of the Planning Act for Plan of Subdivision Approvals;

AND WHEREAS the land located within the approved plans of subdivision may contain a mixture of residential, commercial, and recreational uses, along with infrastructure used to service that land;

AND WHEREAS the water and sewage services provided for by the Owner are communal services in accordance with Section 53 of the Ontario Water Resources Act, R.S.O. 1990, c. 0.40, and Section 53 of the Safe Drinking Water Act, 2002, S.O. 2002, c. 32

AND WHEREAS the Township hereby gives consent in accordance with Section 93 of the Municipal Act, 2001, S.O. 2001, c. 25 for the establishment of communal water and sewage services;

AND WHEREAS to the to limit risk and protect the financial interests of the Township the Council of the Township of Greater Madawaska deems it appropriate to entre into a Responsibility Agreement to define the Owner's design, operation, maintenance, and financial responsibilities associated with the proposed private communal water supply and sanitary sewerage systems as set out in the terms contained in the attached Agreement;

NOW THEREFORE the Council of the Corporation of the Township of Greater Madawaska enacts as follows:

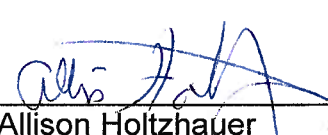
1. **That** the Mayor and CAO/Clerk be authorized to enter into the Agreement marked as Schedule "A" attached hereto.
2. **That** the CAO/Clerk is hereby authorized to make such administrative amendments as necessary to carry out this By-law.
3. **That** this By-law hereby rescinds By-law 67-2019.
4. **That** this By-law shall come into force and take effect immediately upon passage thereof.

READ a first and second time this 7th day of January, 2020.

READ a third time and passed this 7th day of January, 2020.



Brian Hunt
Mayor



Allison Holtzhauer
CAO/Deputy Clerk-Treasurer

SCHEDULE 'A'
By-Law 01-2020

RESPONSIBILITY AGREEMENT

This Agreement dated January 7th, 2020 is made

AMONG:

CALABOGIE PEAKS ULC
(the "Owner")

- and -

THE CORPORATION OF THE TOWNSHIP OF GREATER MADAWASKA
(the "Township")

RECITALS

WHEREAS:

- (a) The Owner warrants and represents that it owns a Resort in the Township of Greater Madawaska on which it intends to develop residential communities and commercial uses (the "Development");
- (b) The Owner services the Development by communal water supply and sanitary sewerage systems that are privately owned and operated;
- (c) The Owner further acknowledges the requirement to enter into a Responsibility Agreement to the satisfaction of the Township for the maintenance, operation, monitoring and financial security of the private communal water and wastewater systems;
- (d) In order to develop the Property the Owner shall not demand of the Township to issue, nor shall anyone claiming title from it or under its authority, demand of the Township to issue, one or more building permits to construct any residential dwelling unit without applying to the Township under section 41 of the *Planning Act*, R.S.O. 1990. c. P.13, for site plan approval;
- (e) Pursuant to section 53 of the *Ontario Water Resources Act*, R.S.O. 1990, c. 0.40, the Owner has a Certificate of Approval for the operation, monitoring and maintenance of the Communal Wastewater System. Prior to any sales, the MOE will require that the Owner enter into a responsibility agreement with the Township which includes the consent of the Township and provides for appropriate financial security to the Township. Pursuant to section 53 of the *Safe Drinking Water Act, 2002*, S.O. 2002, c. 32, the Owner will require the Township's written consent, subject to such conditions and limits that it considers necessary to prevent a deficiency in connection with the Communal Water System, for the installation of a non-municipal residential drinking water system;
- (f) Pursuant to section 93 of the *Municipal Act, 2001*, S.O. 2001, c. 25, the Owner requires the consent of the Township to construct the Systems (as hereinafter defined) and this Agreement is being entered into as a condition of such consent being given; and
- (g) The Township wishes to enter into this Agreement to ensure the appropriate design, operation, maintenance, monitoring and financial security of the Systems, as well as to set out what the Township will do in cases where the Systems are not being operated or maintained properly, and or the Owner is unable, or unwilling to comply with MOE standards, and to ensure that the Owner and any subsequent owners bear full financial responsibility for such systems in perpetuity.

NOW THEREFORE the Owner and the Township agree as follows:

ARTICLE 1
INTERPRETATION

Definitions

1. In this Agreement and in the recitals above,

- (a) **"Agreement"** means this Responsibility Agreement and attached Schedules;
- (b) **"Additional Capital Costs"** means the capital cost of any expansion or expansions to the Systems as described in section 61 of this Agreement. For clarity, Additional Capital Costs does not include capital repairs, replacements and rehabilitation work to the Systems.
- (c) **"Capital Costs"** means the Initial Capital Cost and Additional Capital Costs;
- (d) **"Applicable Laws"** means all federal, provincial and municipal laws, bylaws, rules, regulations, orders, approvals, permits, standards, and all other governmental requirements applicable to (i) the design, construction, operation, maintenance, monitoring and financial security of the Systems, or (ii) any other requirement of the Owner under this Agreement;
- (e) **"Capital Works Plan"** means a five (5) year plan submitted annually for repairs and replacement of the Systems prepared by the Owner's Engineer described in Sections 48 to 61 of this Agreement;
- (f) **"Capital Works Reserve Fund"** means the reserve fund established by the Township for the rehabilitation and replacement of the Systems described in Sections 48 to 61 of this Agreement;
- (g) **"Certificate of Approval"** means the Certificate of Approval, as it may be amended, issued by the MOE under the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40 in respect of the construction, alteration, extension, replacement, operation and maintenance of the Communal Wastewater System and the Permit to Take Water, as amended, issued by the MOE under the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40 in respect of the taking of water, operation, monitoring and maintenance of the communal well on the Property. The Certificate of Approval for the Communal Wastewater System does not have an expiration date. The Permit to Take Water has a 10-year term that expires August 1, 2021. The Permit to Take Water will be renewed prior to its expiration. The Certificate of Approval is attached as Schedule F1;
- (h) **"Communal Wastewater System"** means all of the buildings, equipment, appurtenances, pipes and related infrastructure described in the approved Plans and drawings attached as Schedule B1;
- (i) **"Communal Water System"** means all of the buildings, equipment, appurtenances, pipes, and related infrastructure described in the approved Plans and drawings attached as Schedule B2;
- (j) **"CPI Canada All Items"** means Statistics Canada's most recent annual historic consumer price index (CPI) for Canada, for all items.
- (k) **"Easements"** means the easements described in Sections 85 and 86 of this Agreement;
- (l) **"Easement Lands"** means the lands described in Schedule C;
- (m) **"Independent Engineer"** means the Engineer described in Section 9 of this Agreement;
- (n) **"Initial Capital Cost"** means (i) the capital cost of the Communal Water System in 2019 and the replacement cost of the Communal Wastewater System in 2019;
- (o) **"MOE"** means the Ministry of the Environment, Conservation and Parks for the Province of Ontario and includes any authorized representative of such Ministry;
- (p) **"Operating and Maintenance Works Plan"** means a three (3) year plan outlining and estimating the operations and maintenance of the Systems prepared by the Owner's Engineer and calculated in accordance with Schedule "F2" as described in Sections 41 to 47 of this Agreement;
- (q) **"Operations and Maintenance Manuals"** means the operations and maintenance manuals described in Sections 30 and 31 of this Agreement;
- (r) **"Owner"** means Calabogie Peaks ULC and all subsequent owners of any portion of the Property and/or Systems, including the owners of a parcel of the Property;
- (s) **"Owner's Engineer"** means the engineer described in Section 8 of this Agreement;

- (t) **"Plans"** means the plans, specifications, profiles, contours, surveys and . other engineering and technical reports, materials, drawings, data and investigations required to complete the design and construction of the Systems;
- (u) **"Property"** means the Development lands described in schedule "A";
- (v) **"Residential Dwelling Unit"** means any self-contained dwelling located on a separately conveyable parcel of land the owner of which does not retain the fee or equity of redemption in, or power or right to grant, assign, or exercise a power of appointment with respect to any abutting land.
- (w) **"Surety Bond"** means the surety bond in the form attached in Schedule D to secure the Operations and Maintenance of the Systems and to establish the Capital Works Reserve Fund;
- (x) **"Systems"** means both the Communal Water and Communal Wastewater Systems and associated works and the pipes on the Property as described in Schedules "B1" and "B2"; and
- (y) **"Township"** means The Township of Greater Madawaska acting as a body corporate and, where the context requires, includes all employees, officers, servants and agents of The Township of Greater Madawaska.

Recitals

- 2. The recitals to this Agreement are true and correct.

Schedules

- 3. The following Schedules are attached to and form part of this Agreement:

Schedule A	Legal Description of the Property
Schedule B1	Plans & Specifications of Communal Wastewater System
Schedule B2	Plans & Specifications of the Communal Water System
Schedule C	Legal Description of Easement Lands
Schedule D	Form of Surety Bond
Schedule E1	Replacement Cost Summary for Systems
Schedule E2	Reserve Fund Calculation
Schedule F1	Certificate of Approval
Schedule F2	Annual Operation and Maintenance Costs (3-Year Calculation)
Schedule G	MRA Condensed Projected Financials (Appendix A, B, C, D & E)

Headings

- 4. The division of this Agreement into Articles and Sections, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

References

- 5. Unless otherwise specified, references in this Agreement to Sections and Schedules are to Sections and Schedules in this Agreement.

References to Legislation

- 6. Reference to any statute or statutory provision includes reference to that statute or statutory provision as from time to time amended, extended or re-enacted,

Extended Meanings

- 7. This Agreement shall be read with all changes in gender or number as the context may require.

ARTICLE 2 PROFESSIONAL ENGINEERING REQUIREMENTS

Owner's Engineer

8. The Owner shall retain a professional engineer registered by the Association of Professional Engineers of Ontario and a licensed and certified operator within the meaning of the *Safe Drinking Water Act 2002*, S.O. 2002, c. 32 and the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40 and approved by the Township to:
- (a) monitor and inspect the operation and maintenance of the Systems as required to ensure that all MOE and Township requirements are being met;
 - (b) prepare and update to the satisfaction of the Township, as required, all Plans, Capital Works Plans, Asset Management Plans, Operating and Maintenance Works Plans, Operations and Maintenance Manuals, training programs, "as built" plans, and any other documentation required under this Agreement or Applicable Laws;
 - (c) certify and ensure that the Systems have been constructed, and are being operated, monitored and maintained in compliance with all Applicable Laws and all Township requirements; and
 - (d) supply the Township with both hard and electronic copies of all Plans, reports and documents in a format acceptable to the Township; and
 - (e) provide such other services to the Owner as are required by this Agreement.

Upon request, the Owner shall provide to the Township proof of compliance with this section.

Independent Engineer

9. The Township may retain an Independent Engineer registered by the Association of Professional Engineers of Ontario to:
- (a) review all Plans, Capital Works Plans, Asset Management Plans, Operating and Maintenance Works Plans, Operations and Maintenance Manuals, "as-built" plans, and training programs associated with the Systems;
 - (b) provide such other services to the Township as are required to ensure the due performance of all of the Owner's obligations under this Agreement.
10. The Township shall have sole responsibility to select the Independent Engineer but shall consult with the Owner before so doing.
11. All costs of the Independent Engineer shall be the responsibility of the Owner.
12. Upon request from the Owner, the Township shall review the responsibilities of the Independent Engineer and consider whether and to what extent it remains necessary to continue the services of the Independent Engineer.

ARTICLE 3 DESIGN AND CONSTRUCTION

Design

13. The Owner shall be responsible for the preparation of all Plans of the Systems.
14. The Plans shall be prepared in accordance with all current applicable MOE design guidelines, construction standards and policies. Hard and electronic copies of all final Plans, in a format acceptable to the Township shall be submitted to the Township for approval.
15. The approved Plans for the Systems shall be appended hereto in Schedules "B1" and "B2".
16. No storm or foundation drain connections are to be made to the Communal Wastewater System.

Approvals

17. The Owner shall obtain and maintain all necessary approvals, permits, licenses and certificates of insurance required pursuant to this Agreement for the design, construction, operation, monitoring, maintenance and insurance of the Systems and any alterations to the Systems.
18. The Owner shall not cause the expansion of the Systems, including extensions to water and sewage trunk lines, the addition of peat modules (not including connections to residential dwelling units, commercial or other buildings) until it has received written permission from the Township to commence construction and has received all necessary approvals, permits, and licenses and contributed such securities as may be required under this agreement.
19. The Owner shall maintain, monitor and operate the Systems in accordance with the approved Plans appended to this Agreement as Schedules "B1" and "B2" and the Operations and Maintenance Works Plan.
20. The Owner shall provide the Township with hard and electronic copies of all "as built" plans showing the location of the Systems and other underground utilities. The "as built" plans shall be certified by the Owner's Engineer.
21. Upon request the Owner shall provide to the Township proof of compliance with this section.

Occupancy

22. Owner shall not cause the occupancy of any Residential Dwelling Unit until the Owner's Engineer confirms that
 - (a) the Systems are operational,
 - (b) the Operations and Maintenance Manuals are completed, located on the site and provided to the Township
 - (c) the System operators have been trained and certified as required.

Alteration

23. There shall be no alterations to the Systems without the prior approval of the MOE.
24. Prior to proceeding with any proposed alterations to the Systems, the Owner shall receive all regulatory approvals and provide the Township with copies of all proposed Plans and any other material requested by the Township. The Owner shall provide the Township with hard and electronic copies of "as built" plans within ninety (90) days of substantial completion of any approved alterations.

ARTICLE 4 OPERATION AND MAINTENANCE

25. The Owner shall own, operate, monitor and maintain the Systems and shall have full control and management thereof.
26. The Township shall not have any obligation or responsibility in any way to provide, operate, maintain, monitor, repair, replace or guarantee any facility or equipment required for the Systems or any part thereof.
27. The Owner shall comply with all Applicable Laws in the operation, monitoring and maintenance of the Systems.
28. The operator(s) of the Systems shall be certified, when required, and shall maintain certification in the appropriate operator classification of the MOE. Where an operator of the Systems has been hired on contract to operate, monitor, and maintain the Systems the Owner shall provide the contract to the Township upon request by the Township.
29. The Owner shall be solely responsible for maintaining adequate sewage and water services for any development on the Property notwithstanding any interruption, diminution or loss of the capacity of the original Systems. The Township shall not be liable in any manner to the Owner or any third parties, for any loss or reduction in the quantity of the water or for any reduction in the quality of the water or wastewater.

30. The Owner's Engineer shall prepare and keep up-to-date manuals (the "Operations and Maintenance Manuals") that set out all processes and procedures to be followed in the operation, monitoring, inspection and maintenance of the Systems as well as the training program for the operation of the Systems. The Operations and Maintenance Manuals shall be prepared to the satisfaction of the Township and hard copies shall be kept in an easily accessible location on the Property. Both hard and electronic copies of all Operations and Maintenance Manuals shall be delivered to the Township.
31. The Operations and Maintenance Manuals shall include:
- (a) detailed instructions for the operation and maintenance of the Systems;
 - (b) contingency plans and procedures for the provision of adequate equipment and material to deal with emergencies and equipment breakdown;
 - (c) the delineation of alternative lands to allow for replacement of the initial Systems and allow for potential modular expansion (in the event that regulatory requirements call for additional treatment works);
 - (d) procedures for documenting and responding to complaints;
 - (e) water quality, quantity, and wastewater monitoring programs, in accordance with sampling and testing requirements of the approval permits, that include protocols for notification of adverse water quality samples and wastewater samples;
 - (f) policies to regulate activities within the defined wellhead protection area;
 - (g) a sludge and biosolids management program; and
 - (h) defined system performance measures.

Sludge and Biosolids Management

32. The Owner shall be responsible for the disposal of all sludge and biosolids generated by the Communal Wastewater System in accordance with the methods and at locations set out in the sludge and biosolids management program contained in the Operations and Maintenance Manuals. Such program shall include a contingency plan.
33. The Owner shall follow all Applicable Laws for the management of sludge and biosolids generated by the Communal Wastewater System, including the *Nutrient Management Act*, S.O. 2002, c.4.

Emergency Operation or Repairs

34. If the Systems require emergency operation or repairs, such operations or repairs shall be carried out in an expeditious manner by the Owner. If the Owner does not carry out such operations or repairs expeditiously, then the Township may carry out such emergency operations or repairs at the Owner's expense without notice to the Owner and the Township in its sole discretion may draw on the Capital Works Reserve Fund, and/or draw on the Operations and Maintenance Surety Bond, or charge the Owner; owners, occupants, users or other person in charge with the costs of effecting such emergency operations or repairs to the Systems. The Owner, owners, occupants, and any users of the Systems shall pay such additional sums as may be required as a result of the Township undertaking any emergency operations or repairs.

Inspection and Monitoring

35. The Township, the MOE, the Independent Engineer, representatives of the Township and all other authorized persons shall have an unrestricted right of access and entry over the Easement Lands at all reasonable times and for all reasonable purposes, and without limiting the generality of the foregoing, to conduct periodic inspections and monitoring (including sampling) of the construction, operation: monitoring and maintenance of the Systems. The Owner shall facilitate access to the Systems for the purpose of inspection and monitoring.
36. The monitoring programs to be included in the Operations and Maintenance Manuals shall obligate the Owner to perform bacteriological and chemical sampling and testing in accordance with the Ontario Safe Water Drinking Act standards and any other Applicable

Laws or such other standard as may be required by the Township. The Owner shall retain an accredited lab to assist in the bacteriological and chemical monitoring of the Communal Water System. On an annual basis, the Owner shall certify to the Township that all sampling and testing results comply with Applicable Laws and provide any supporting documents that the Township may require. If one or more samples or test results are not within the parameters required by Applicable Laws, the Owner shall provide an explanation of the work done to correct the situation and achieve samples or test results that comply with Applicable Laws.

37. No later than seven (7) days after the Owner has submitted its Annual Performance Report to the MOE in accordance with its Certificate of Approval for the Wastewater System and in accordance with the requirements under the Drinking Water Systems Regulation 170/03 under the Safe Drinking Water Act, S.O. 2002: c. 32, the Owner shall provide a copy of the reports to the Township. The initial report shall also include the following:
- (a) details of the testing and commissioning sequence and commissioning requirements;
 - (b) summaries and conclusions for all testing;
 - (c) confirmation that the Operations and Maintenance Manuals are up to date and located on site;
 - (d) confirmation of equipment checks;
 - (e) summaries of the results or the continuous seven (7) day testing period;
 - (f) details of the training program for the Systems operators; and
 - (g) details of all regulatory approvals for the operation of the Systems.

ARTICLE 5 FINANCIAL MATTERS

38. The Owner shall be responsible for 100% of all costs and expenses directly or indirectly related to or arising from the design, construction, approval, operation, maintenance, monitoring, repair rehabilitation, and replacement of the Systems and any other matters to be provided by the Owner to the Township pursuant to this Agreement without any contribution whatsoever from the Township.
39. All reductions in the amount of a reserve fund established under this Agreement for the benefit of the Township and any reductions in the amount of any Surety Bond provided by the Owner to the Township pursuant to this Agreement shall be in the sole discretion of the Township and the Township shall not be obligated to reduce any reserve fund or Surety Bond by any amounts based on any work performed by the Owner.
40. If the Owner fails to provide sufficient cash or Surety Bond as required pursuant to the provisions of this Agreement in a timely manner, the Township shall be under no obligation whatsoever to reduce or return the Surety Bond for cancellation or reduce any reserve funds. The Township may use any portion, or all of the Surety Bond and reserve fund provided by the Owner for the Township's benefit as set out in this Agreement regardless of the estimates set out in the attached Schedules.

Security for Operation and Maintenance

41. Upon execution of this Agreement, the Owner shall provide the Township with cash or a Surety Bond in the initial minimum amount that is equal to the highest cost year in the 3 year Operating and Maintenance Work Plan, in the form set out in Schedule "F2", in order to secure the Owner's obligations to maintain and operate the Systems pursuant to this Agreement. The Surety Bond and or cash may be adjusted annually as described herein to reflect the estimates of operating and maintenance established by the most current annual Operating and Maintenance Works Plan.
42. Prior to execution of this Agreement, the Owner shall submit its first Operating and Maintenance Works Plan to the Township for review. The Plan should include:
- (a) three (3) years of estimated expenses for the operation and maintenance of the Systems applying an inflation rate equal to CPI Canada All-Items. The Owner may apply the Bank of Canada's most recent projected inflation rate if it is higher than CPI Canada All-Items; and

- (b) three (3) years of estimated fees and expenses payable to the Township pursuant to this Agreement.
- 43. The annual Operating and Maintenance Works Plan shall also include:
 - (a) the estimated amount of the Owner's additional contributions to the Surety Bond for the applicable fiscal year;
 - (b) the amount and timing of all expenditures to be made by the owner in accordance with the budget for the applicable three (3) year fiscal period; and
 - (c) a description of the proposed operations and maintenance tasks.
- 44. Every Operating and Maintenance Works Plan shall be reviewed by the Township or the Independent Engineer and be subject to the Township's approval. The Township shall make its best efforts to approve the Plan within forty-five (45) days and advise the Owner accordingly of the amounts of any additional contributions required by either cash or an increase to the Surety Bond for operations and maintenance.
- 45. The Owner shall provide the Township with any required additional contributions of cash or an increase in the Surety Bond within thirty (30) days of receipt of the Township's approval of the Operating and Maintenance Works Plan.
- 46. The Owner shall provide the Township with a reconciliation statement of the previous Operating and Maintenance Works Plan to actual expenditures for the previous calendar year within six (6) months after the Owner's fiscal year end. The Owner will be responsible to provide any change in fiscal year end dates to the Township.
- 47. Following the first year, and in all subsequent years, the Owner shall submit its Operating and Maintenance Works Plan sixty (60) days prior to the end of the calendar year for the Township's review.

Repair and Replacement of the Systems

Capital Works Plan and Capital Works Reserve Fund

- 48. Every Capital Works Plan shall set out estimated contributions to and expenditures by the Owner from the Capital Works Reserve Fund for capital repairs, replacements, and rehabilitation work to be undertaken in the next capital works fiscal period.
- 49. Prior to execution of this Agreement, the Owner shall submit its first 5-year Capital Works Plan to the Township. Thereafter, and in all subsequent years, the Owner shall submit its updated 5-year Capital Works Plan sixty (60) days prior to the end of the calendar year.
- 50. Every Capital Works Plan shall be reviewed by the Township or the Independent Engineer in a timely manner and be subject to the Township's approval. The Township may require amendments and additional contributions to be made by the Owner to the Capital Works Plan.
- 51. Upon execution of this Agreement, the Owner shall provide the Township with a Surety Bond in the amount specified in the first Township approved 5-year Capital Works Plan, in the form set out in Schedule "E2".
- 52. The Township shall establish the Capital Works Reserve Fund with the Surety Bond provided by the Owner.
- 53. The Owner shall contribute annually to the Capital Works Reserve Fund in accordance with the Capital Works Plan approved by the Township. The Owner's annual contribution shall be based on the estimated average replacement cost of the Systems for the estimated life expectancy of the Systems.
- 54. Within thirty (30) days of the Township's approval of an annual Capital Works Plan, the Owner shall make any required additional contributions to the Capital Works Reserve Fund and the Township shall disburse the budgeted amounts approved to undertake the planned repairs, replacement and rehabilitation.
- 55. The Township may reduce the Surety Bond provided for in Section 51 in its sole discretion in amounts equal to the cash contributions made by the Owner to the Capital Works

Reserve Fund where the Township is satisfied that the Owner is in compliance with its obligations under this Agreement.

56. Upon execution of this Agreement, the Owner shall provide the Township with a surety bond in an amount equal to 25% of the Initial Capital Cost. The Township may reduce the surety bond in its sole discretion in amounts equal to the annual cash contributions in accordance with Schedule E2, made by the Owner to the Capital Works Reserve Fund described herein where the Township is satisfied that the Owner is in compliance with its obligations under this Agreement.

The Township shall maintain minimum security of 25% of all Capital Investments and this amount represents the minimum security that the Township will hold at all times.

Except in the event of default, the Township shall not reduce the surety bond in an amount that would cause the Township to hold less than the 25% of all Capital Investments (Canadian dollars) of funds to secure the Owner's obligations under this Agreement.

57. If the Owner wishes to make any expenditure in excess of the approved amounts, or which was not anticipated by a Capital Works Plan, then the Owner (other than in cases of emergency) shall advise the Township and prepare a report on the particular expenditures, including details of any additional commitments to be made to contractors for extra work performed, and submit it to the Township for the Township's prior approval. The Township reserves the right not to disburse funds that it considers to be unreasonable or unwarranted.
58. Within six (6) months after the Owner's fiscal year end, the Owner shall provide the Township with a reconciliation statement of the previous Capital Works Plan to actual expenditures for the previous calendar year.
59. The Township may use any portion, or all or the security provided by the Owner in whatever form, including security in the Capital Works Reserve Fund and the Operating and Maintenance Surety Bond to satisfy any obligation set out in this Agreement regardless of the estimates in Schedules "E1" and "E2".
60. Upon request from the Township, the Owner shall provide to the Township copies of any financial information in its possession relating to the Capital Works Plan including the most recent financial statements of the Systems.
61. If the Owner expands the Communal Water and/or Communal Wastewater System to service additional customers or development, it will increase the Surety Bond provided for in section 51. The amount of the increase will be 25% of the capital cost of such expansion.

Administrative Fees

62. Prior to the execution of this Agreement by the Township, the Owner shall pay to the Township the costs and expenses incurred by the Township up to the date of this Agreement for
- (a) work done by the Township's staff;
 - (b) the costs of the Independent Engineer;
 - (c) legal fees in the preparation and processing of this Agreement;
 - (d) the costs of registering all documents; and
 - (e) the financial administration fees, including Township accounting fees (if necessary)
63. The Owner shall pay 100% of all fees (including legal, accounting and engineering fees), charges, costs and expenses for any other work done by or on behalf of the Township in relation to the on-going administration and enforcement of this Agreement including, but not limited to, those set out in Section 9 (Independent Engineer), Section 34 (Emergency Operation or Repair), Sections 48 to 61 (Capital Works Plan), and Section 74 (remediation of any default).

64. The Owner shall ensure that sufficient monies are available to maintain its obligation to pay for three (3) years of estimated fees and expenses payable to the Township.
65. The Owner shall pay all accounts rendered by the Township for work done under this Agreement within thirty (30) days of the day of billing, and, in the event of failure to pay, a penalty will be charged on the amount outstanding at the rate of one and one quarter percent (1¼%) per month on the first day of each calendar month thereafter in which default continues.

Insurance

66. The Owner shall obtain and maintain policies of insurance that are primary policies of insurance with insurer(s) who are licensed to do business in the Province of Ontario and that in each case names the Township as an additional insured with the following types of coverage and associated limits:
- (a) Property Policy to insure the Systems in an amount equal to the full replacement cost of the Systems, without deduction for depreciation;
 - (b) General Liability coverage to a limit of \$10,000,000;
 - (c) Auto Liability Insurance coverage to a limit to \$2,000,000;
 - (d) Professional Liability and Errors and Omissions Insurance coverage to a limit of \$2,000,000; and
 - (e) Environmental Impairment Liability coverage to a limit of \$5,000,000
67. The Owner shall ensure that its professional engineer obtains and maintains Professional Liability Project specific insurance coverage to a limit of \$2,000,000.
68. All insurance required under Sections 66 and 67 shall be to the satisfaction of the Township's Treasurer and proof of insurance on the Township's insurance certificate shall be delivered to the Township annually upon signing this Agreement. Such evidence shall specifically identify this Agreement.
69. All insurance policies shall specify that they shall not be cancelled or changed to reduce the coverage unless the insurance company has given sixty (60) days' prior written notice to the Township.
70. Certified copies of all insurance policies shall be provided to the Township prior to the commencement of this Agreement.
71. The issuance of any policy of insurance shall not be construed as relieving the Owner from responsibility from other or larger claims, if any, for which the Owner may be held responsible.

Indemnification

72. The Owner and any subsequent Owner, successor or assign shall indemnify and save harmless the Township from all losses, damages, costs, expenses, claims, demands and actions of every nature and kind whatsoever, including death or injury (collectively referred to as "losses"), arising directly or indirectly from the design, construction, maintenance, monitoring or operation of the Systems or any other matter under this Agreement, whether or not such losses are incurred by reason of negligence on the part of the Owner, including any default by the Owner pursuant to the terms of this Agreement, or by reason of any negligence or wrongful act of the Owner, its servants or agents or representatives, and without limiting the generality of the foregoing, such indemnification shall extend to the following:
- (a) all engineering fees, disbursements and related expenses of the Independent Engineer as a result of his services required to be performed for the Township in connection with this Agreement, the Property, the reserve funds, or any other matter or thing in connection therewith or pertaining thereto;
 - (b) all legal fees and disbursements as a result of legal services tendered to the Township in connection with this Agreement, the Property, or any other matter or thing in connection therewith or pertaining thereto;
 - (c) any costs and damages suffered by third parties as a result of the negligence of the Owner or the default of the Owner pursuant to the terms of this Agreement or the contravention

of any Laws, notwithstanding the fact that such third parties have not claimed or are not entitled to claim against the Township for such damages or costs; and

- (d) the cost of all services and employment of all persons, firms and corporations in connection with this Agreement or referred to herein.

ARTICLE 6 DEFAULT

Events of Default

73. The Owner shall be in default under this Agreement if:

- (a) it fails to remedy any situation that causes either of the Communal Wastewater or Water System to be out of compliance with the requirements of any Certificate of Approval, Township approval, regulatory approvals, license, permit or any other Applicable Law;
- (b) it fails to comply with an order of the MOE;
- (c) it causes the operation or maintenance of either the Communal Wastewater or Communal Water System to be so faulty that, in the opinion of the local Medical Officer of Health or a Township Public Health inspector, or an Independent Engineer, there are reasonable grounds to believe that a health hazard, as defined in the *Health Protection and Promotion Act*, R.S.O. 1990, c. H.7, is likely to exist;
- (d) it fails to design, construct, maintain, monitor or operate any part of the Systems as required by this Agreement, or fails to carry out any other obligation under this Agreement;
- (e) the Owner ceases to carry on business, whether such cessation of business is voluntary or involuntary;
- (f) the Owner fails to provide sufficient cash or Surety Bond required pursuant to the provisions of this Agreement; or
- (g) the Township:
 - i. receives notice of a proposed cancellation or non-renewal of any form of financial security which the Owner has provided to the Township pursuant to this Agreement; and
 - ii. the Owner has not provided an alternative form of financial security to the Township no later than seven (7) days prior to cancellation or expiry of the financial security.
- (h) In the event of transfer of any interest in land that is subject to this Agreement, the Owner or its successor(s) fails to bring the Agreement to the attention of the potential purchaser in accordance with sections 87 and 96.
- (i) At the time when this Agreement is registered against title to the Property, the Owner does not own the Property.
- (j) At the time when this Agreement is registered against title to the Property, there are encumbrances of the Property.

74. The Owner shall immediately notify the Township of any default under Section 73 and shall immediately take steps to remedy such default.

75. If the Owner is in default and such default has continued for a period of thirty (30) days (or such longer period as may be reasonably required in the circumstances to cure the default) after receipt of notice from the Township setting out the particulars of the default, the Township may enter upon the Property and do all such matters and things as are required to remedy the default; and/or assume responsibility for the operation and maintenance of the Systems until the Owner remedies the default; and/or terminate this Agreement and realize all or part of the Property secured by this Agreement in the same manner as if the Township was enforcing its rights as a mortgagee against such Property.

76. Notwithstanding the foregoing, in a situation deemed by the Township, in its sole discretion, to be an emergency, the Township may exercise any of the rights and take any of the actions set out at section 75 without delay, regardless whether the Owner has given

notice of the default or has had an opportunity to cure the default. The Township will provide notice of the deemed emergency to the Owner as soon as it is practicable.

77. The Owner shall not apply for any building permit on the Property if the Owner is in default under this Agreement.
78. Actual costs incurred by the Township in carrying out any emergency or remedial work including operating and maintaining either System plus twenty-five percent (25%) of such costs as a charge for overhead (to be construed as a liquidated amount not as a penalty) shall be paid by the Owner to the Township in accordance with the terms set out in Sections 63 and 65.
79. Any arrears of payment for any sum required to be paid by the Owner pursuant to the terms of this Agreement shall constitute a charge and a lien upon the Property and shall be enforceable in accordance with the provisions of the *Mortgages Act*, R.S.O. 1990, c. M.40 and successor legislation, as if the same were a mortgage or charge in arrears, and in accordance with Standard Charge Terms No. 200033 (Dye & Durham).
80. The Township may use funds from the secured funding or may draw upon the Surety Bond to satisfy any costs associated with remedying any default. The Township may also add such costs to the tax roll and collect them in the same manner as taxes in accordance with section 446 of the *Municipal Act, 2001*, S.O. 2001, c. 25.
81. Failure by the Township to exercise any of its rights, powers or remedies under this Agreement or any delay in doing so shall not constitute a waiver of those rights, powers or remedies. The single or partial exercise of a right, power or remedy shall not prevent its subsequent exercise or the exercise of any other right, power or remedy.
82. If the Township assumes ownership and/or control of the Systems, the Owner, owners, occupants, or other person in charge of the Property including owners or occupants of the Residential Dwelling Units shall be responsible for all of the actual costs of operating, maintaining, monitoring, repairing and replacing such System(s) plus a 25% administration fee.

ARTICLE 7 JOINT AND SEVERAL LIABILITY

83. The Owner, together with any and all subsequent owners, successors and assigns, managers and occupants of the Property or any portion of the Property shall be jointly and severally liable to indemnify the Township against all actions, causes of actions, suits, claims and demands whatsoever which may arise either directly or indirectly under this Responsibility Agreement.

ARTICLE 8 GENERAL MATTERS

Ontario Water Resources Act

84. The Owner acknowledges that a Director's order under section 62 of the Ontario Water Resources Act may require the Township to make changes to the Systems. The Owner acknowledges and agrees that it is responsible for reimbursing the Township for any expenses incurred by the Township responding to a Director's order.

The Owner shall pay all accounts rendered by the Township for work done under a Director's order within thirty (30) days of the day of billing, and, in the event of failure to pay, a penalty will be charged on the amount outstanding at the rate of one and one quarter percent (1¼%) per month on the first day of each calendar month thereafter in which default continues.

Easements

85. Contemporaneously with the execution of this Agreement, the Owner shall transfer to the Township easements or rights in the nature of an easement (the "Easements") on, over, under and in the Easement Lands for the purposes of inspecting, monitoring, installing,

maintaining, repairing, operating and replacing all or any pan of the Systems including the associated works and pipes.

86. Nothing in the Easements shall prevent the Owner from using the Property for any purposes which are not inconsistent with the terms of this Agreement.

Registration

87. This Agreement and the Easements shall be registered against title to the Property and shall be enforceable against the Owner and all subsequent owners of the Property including in accordance with the *Planning Act*, R.S.O. 1990, c. P.13. The Owner shall notify the first purchaser of a Residential Dwelling Unit of the existence and terms of this Agreement and include such notice in any offer to purchase or other similar document dealing with the Property (Disclosure Statement) including notice of their obligations to the Township under Sections 82 and 96 and thereafter any Condominium Corporation to be created on the Land shall include this information in its status certificates.
88. The Owner agrees to reimburse the Township for all costs incurred in preparing and registering this Agreement on title and in carrying out any of the provisions hereof.
89. The Owner shall not make any application or permit or authorize any person to make an application to remove this Agreement or the Easements from title to the Property.

Term of Agreement

90. The term of this Agreement shall commence on the date that it has been executed by all parties and shall continue in perpetuity unless terminated by the Township.

Successors and Assigns

91. This Agreement shall not be assigned by the Owner without the prior written approval of the Township.
92. This Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns and may be enforced by the Township against the Owner and their respective successors and permitted assigns pursuant to subsection 51(26) of the *Planning Act*, R.S.O. 1990, c.P.1 and this Responsibility Agreement.

Reasonableness

93. When required to give its approval or permission to anything to be done by the Owner under this Agreement, the Township shall act reasonably, promptly and in good faith. No approval or permission given by the Township under this Agreement shall in any way relieve the Owner of liability to which it would otherwise be subject in respect of the matter approved or permitted.
94. Whenever the Township is entitled or required to an opinion or exercise any of its rights under this Agreement, including making any determination with regard to any cost or expense to be borne by the Owner, the Township shall act reasonably, promptly and in good faith.

Transfer

95. The Owner shall not dispose of or transfer the whole or any part of the Easement Lands without the prior written approval of the Township.
96. The Owner shall disclose to all purchasers of any interest in the Property that the Systems are not public systems, that there is no intention that the Systems will become public systems and, in the event, that these do become public systems, that they will be responsible for all costs, fees and charges incurred by the Township as a result thereof. For condominium units on the Residential Lands, such information shall be contained in the disclosure documents. The disclosure documents shall also contain a description of the existence and meaning of this Agreement.

Entry onto Property

97. Whenever the Township or Independent Engineer is required, authorized or permitted to enter onto the Property for purposes of inspecting, monitoring, constructing or operating any part of the Systems, performing any obligation of the Owner, or otherwise, the Township shall not be considered to be a trespasser, nor shall it be liable in any way for acts or omissions unless occasioned by gross negligence.

Amendments

98. No amendment to this Agreement shall be effective unless it is in writing and signed by both the Township and the Owner and registered on title to the Property.

Disputes

99. Claims and controversies arising out of or relating to this Agreement may, subject to the agreement of the parties, be subject to mediation upon mutually agreeable terms and conditions. Nothing however shall prevent either party from filing suit in a court of competent jurisdiction in Ontario.

Independent Contractor

100. In giving effect to this Agreement, no Party shall be or be deemed to be an agent or employee of another Party for any purpose and their relationship to each other shall be that of independent contractors. Nothing in this Agreement shall constitute a partnership or joint venture between the Parties. No Party shall have the right to enter into contracts or pledge the credit or incur expenses or liabilities on behalf of the other Party.

Workplace Safety and Insurance Claims

101. The Owner shall comply with all applicable Occupational Health and Safety laws and Workplace Safety and Insurance Laws in Ontario, including the requirement to file timely Elections to Claim Compensation Forms with the Ontario Workplace Safety and Insurance Board.

Validity

102. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and this provision is hereby declared to be separate, severable and distinct in accordance with the foregoing.

Governing Law

103. This Agreement shall be construed, interpreted and enforced, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Ontario, Canada and applicable federal laws herein. The Parties irrevocably and unconditionally submit to the exclusive jurisdiction of the Courts of Ontario.

Conflicts

104. In the event of any conflict between the provisions of this Agreement and the Schedules, the provisions of this Agreement shall prevail.

Further Assurances

105. The Owner shall promptly and duly execute and deliver to the Township such further documents and assurances and take such further action as the Township may from time to time request in order to more effectively carry out the intent and purpose of this Agreement and to establish and protect the rights, interests and remedies intended to be created in favor of the Township.
106. The Township will be notified of Board meetings and one or more representative of the Township shall be permitted to attend.

Notices

- 107.
- (1) Any notice to the Owner under this Agreement shall be in writing and shall be delivered to the following addresses:

Calabogie Peaks ULC
30 Barrett Chute Rd.
Calabogie, Ontario K0J 1H0

Attention: President
Fax: 877-533-5170
Email: pmurphy@calabogie.com

- (2) Any notice to the Township under this Agreement shall be in writing and shall be delivered to the following address:

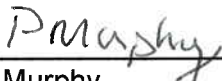
The Township of Greater Madawaska
19 Parnell Street
Calabogie Ontario K0J 1H0

Attention: Chief Administrative Officer
Email: cao@greatermadawaska.com

- (4) Notice shall be sufficiently given if,
- (a) delivered in person; or
 - (b) sent by registered mail; and
 - (c) sent by email.
- (5) Each notice sent shall be deemed to have been received,
- (a) on the day it was delivered;
 - (b) on the third business day after it was mailed; or
 - (c) on the same day that it was sent by email or on the first business day thereafter if the day on which it was sent by email was not a business day.
- (6) The Owner may change its address for notice by giving notice to the Township Clerk in the manner provided in this Section.

IN WITNESS WHEREOF the Owner and the Township have executed this Agreement.

CALABOGIE PEAKS ULC

Per: 
Name: Paul Murphy
Title: President
I have authority to bind the Corporation

THE CORPORATION OF THE TOWNSHIP OF
GREATER MADAWASKA

Per: 
Name: Allison Holtzhauer
Title: Chief Administrative Officer

Per: 
Name: Brian Hunt
Title: Mayor

We have authority to bind the Corporation

Schedule A
Legal Description of the Lands

1. Base Mountain Parcel

a) PIN: 57359-0365

Description: Block 1, Plan 49M – 102, in the Township of Greater Madawaska, in the County of Renfrew.

b) PIN: 57359-0366

Description: Block 2, Plan 49M – 102, in the Township of Greater Madawaska, in the County of Renfrew.

c) PIN: 57359-0367

Description: Block 3, Plan 49M – 102, in the Township of Greater Madawaska, in the County of Renfrew.

d) PIN: 57359-0368

Description: Block 4, Plan 49M – 102, in the Township of Greater Madawaska, in the County of Renfrew.

2. Oaks Parcel

PIN: 57360-0074 (LT)

Description: Block 1, Plan 49M – 101, in the Township of Greater Madawaska, in the County of Renfrew.

3. Golf Course & Waterfront Parcel

PIN: 57359-0141 (LT)

Description: Part Lot 19, Concession 2, Blythfield, Parts 1-6, 49R13662, S/T R286175, R317022, R317023, R317024, R334218; S/T BLY353, BLY404; S/T Easement over Part 1, 49R8296 & Parts 1, 2, 3 & 4, 49R8728 in favour of lot 35 plan 495 as in RE81314; in the Township of Greater Madawaska, in the County of Renfrew.

Schedule B1
Plans & Specifications of Communal Wastewater System

The existing sewage works is comprised of six (6) individual Class 4 Systems and a Peat Bed Subsurface Disposal System (PBSSDS). Table 1 provides an inventory of the individual sewage works for each facility:

Table 1: Sewage Works Inventory

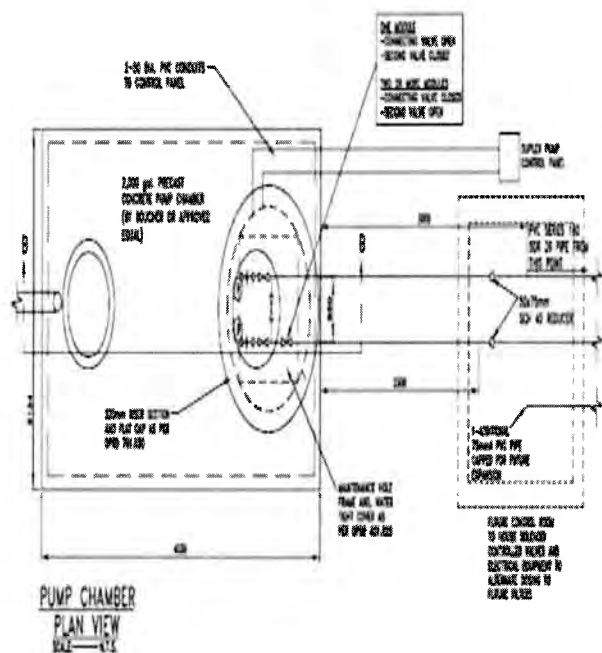
Building Name	System Type	Date Installed	Certificate of Approval	Tank Size (L)	System Type
The Hotel	PBSSDS	2002	2256-5F9KU9	65,634	Peat Bed
The Cedars	PBSSDS	2002	2256-5F9KU9	21,600	Peat Bed
The Pines	Class 4 System	1985	8694	13,627	Filter Bed
Ski Lodge	Class 4 System	1972	10	33,122	Filter Bed
O'Brien's Bunkhouse	Class 4 System	1986	9420	4,500	Filter Bed
The Oaks	Class 4 System	1986/ 1988	9411/9417	7,571	Filter Bed
Beachfront Grill (golf course)	Class 4 System	1990/ 1997	12096/ 17046	15,142	Conventional System
Cottage 1	Class 4 System	1970	---	1,893	Conventional System
Cottage 2	Class 4 System	1987	9418	3,600	Conventional System
Garage	Class 4 System	1988	10624	7,571	Conventional System

Notes: "----" no number provided in letter

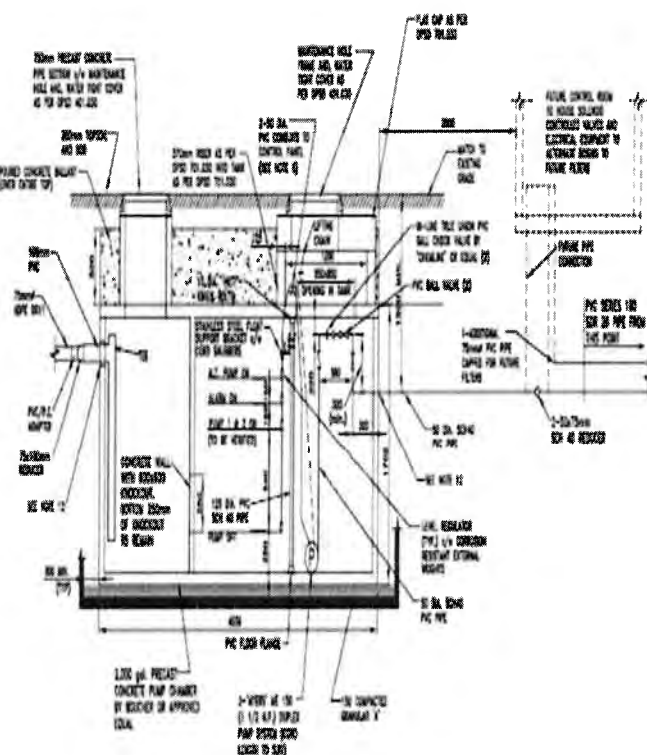
All Class 4 Systems were approved and constructed according to individual specific C of A's that are under the jurisdiction of the RCDHU, as sewage flows are less than 10 m³/day to these systems. The PBSSDS operates under an existing MECP C of A (No. 2256-5F9KU9 as it has a design capacity (*i.e.*, >10,000 L/day).

The following systems are covered by the Municipal Responsibility Agreement

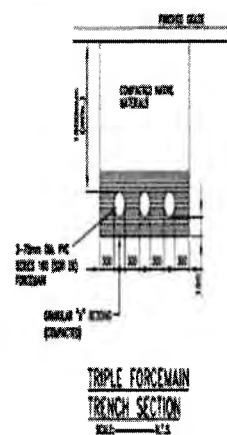
1. The Peat Bed servicing the Hotel and Cedars
2. The Conventional System Servicing Pines
3. The Conventional System Servicing Oaks




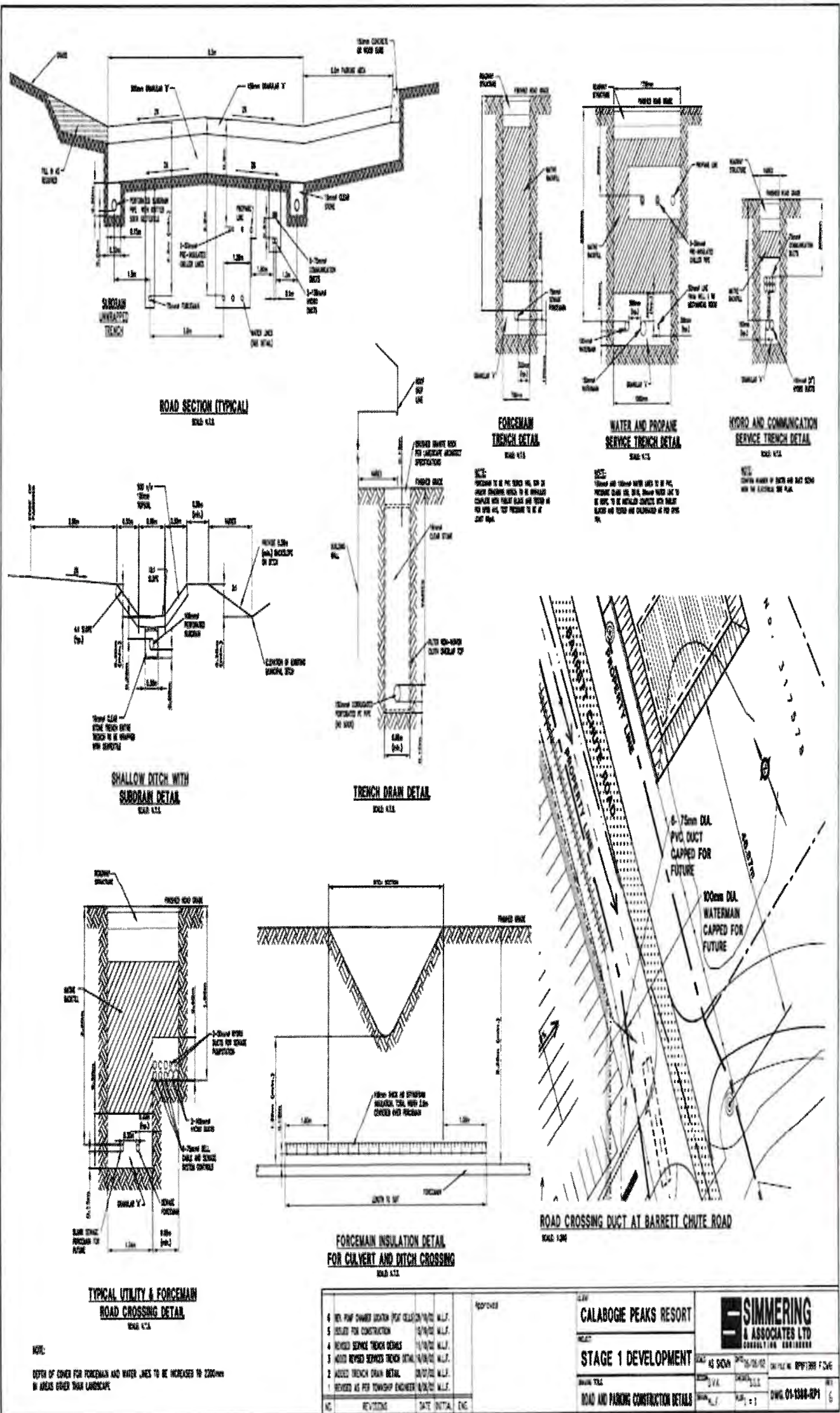
EFFLUENT PUMP
POWER DISTRIBUTION DIAGRAM

[illegible]

PUMP CHAMBER
SECTION B-B
R41—R51



		APPROVED		DATE CALABOGIE PEAKS INC. PROJECT CALABOGIE PEAKS DRAWING TITLE MAIN PUMP CHAMBER		 SIMMERING & ASSOCIATES LTD. CONSULTING ENGINEERS	
2	ISSUED FOR CONSTRUCTION	21/10/01	N.L.F.			DATE	AS SHOWN
1	GENERAL REVISION	18/10/01	N.L.F.			DATE	01/12/01
0	ISSUED FOR APPROVAL	02/10/01	N.L.F.			DATE	05/02/02
NO	REVISIONS	DATE	INITIAL	ENG.		DRAWING NO. 0502-388-046 DWG. 01-1088-082	



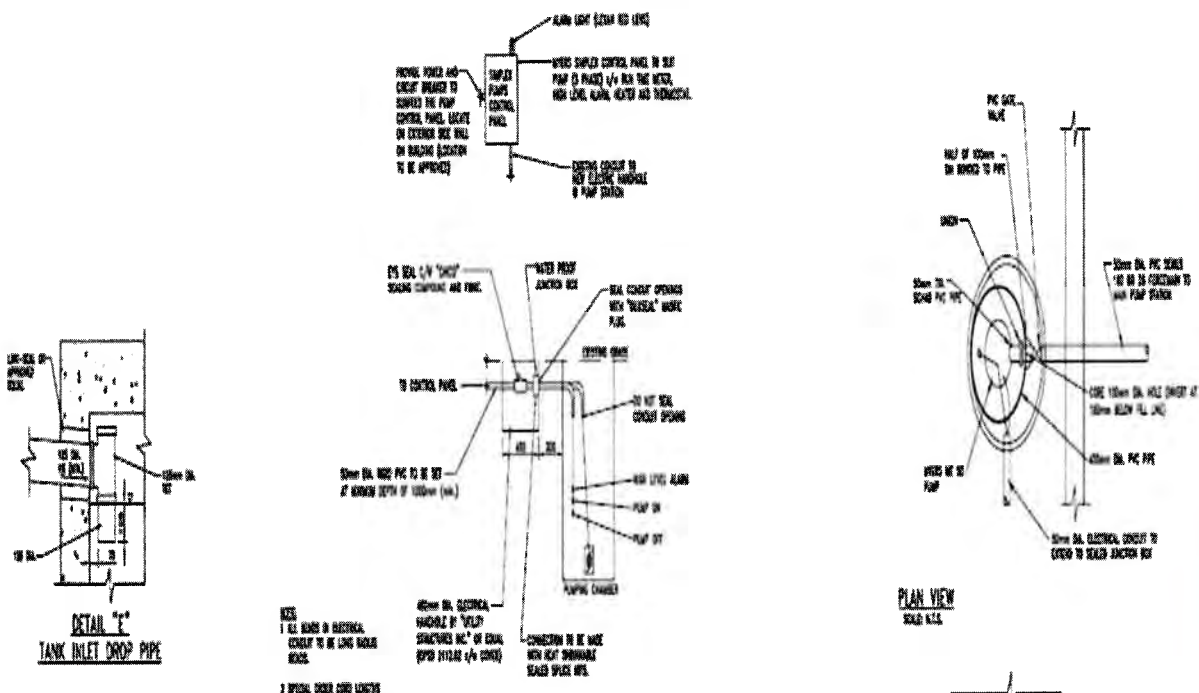
趙 德 輝

7. UNIFORM

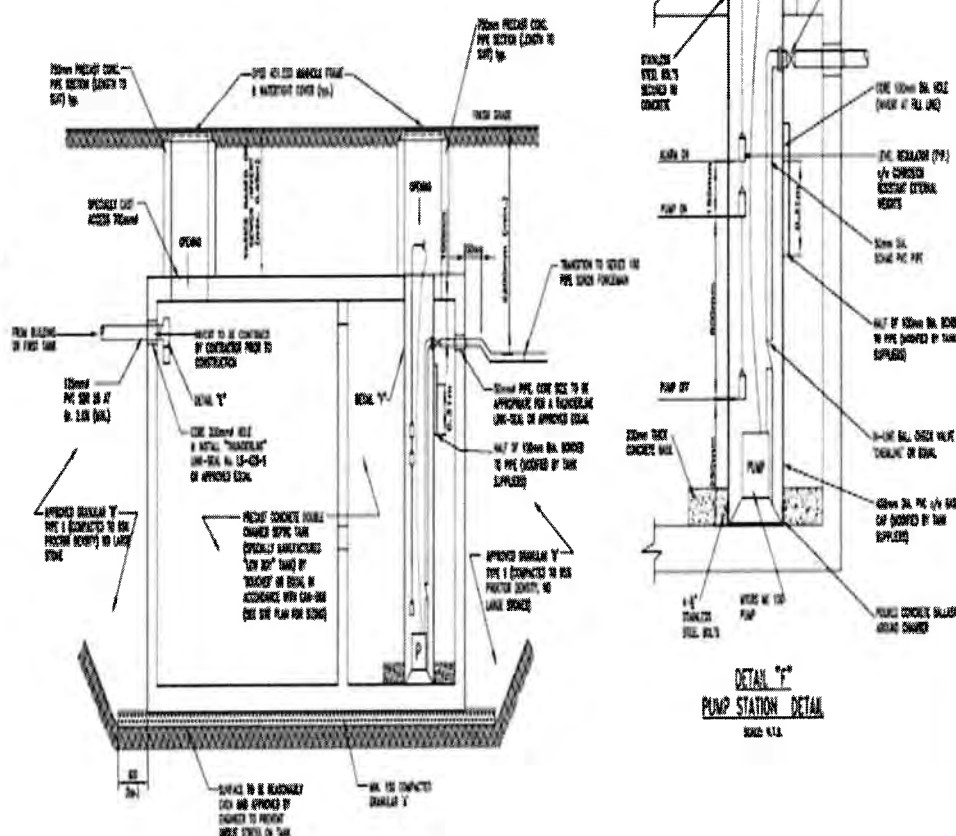
1. **NAME** _____

2. CALL STATE FOR UNKNOWN PERSONS, INDICATE

1. TO REPLACE PUMP, TURN OFF POWER AT MAIN SUPPLY
DISCONNECT PUMP WIRING AT JUNCTION BOX, AND TURN OFF
WATER TO PREVENT BACKFLOW.



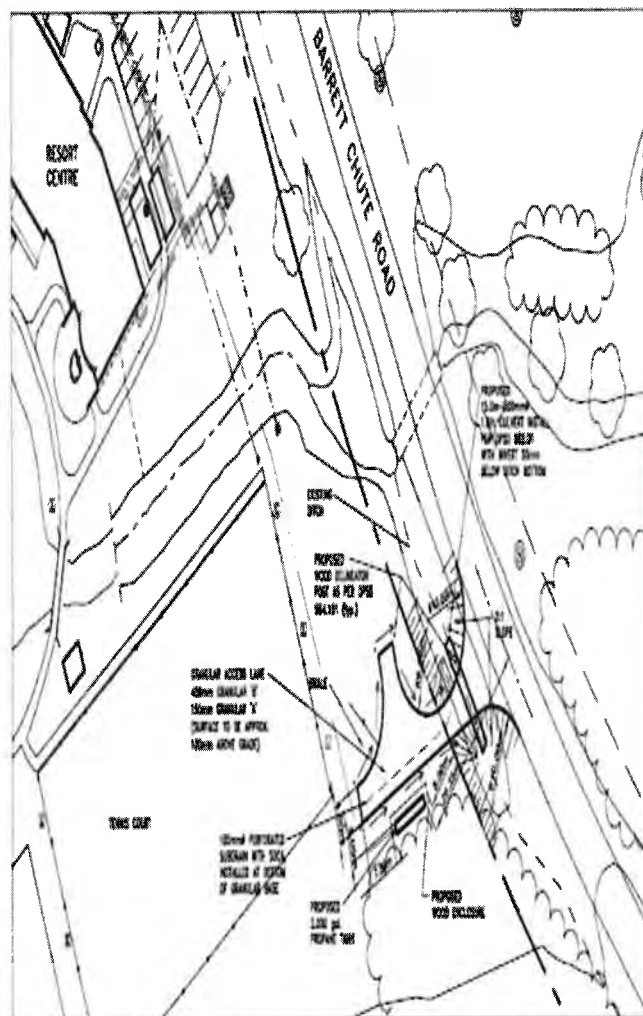
EFFLUENT PUMP
POWER DISTRIBUTION DIAGRAM



NOTES:

- 1) SUBMERGIBLE PUMPS TO BE "WET" WEIGHT OF 150 (1) 125 WLL & 1 PUMP (1) 100 WLL TO BE USED TOGETHER TO PROVIDE PROTECTIVE REDUNDANCY. PUMP TOTAL OF 250 WEIGHT, PLUMBING TO BE INCLUDING DOWN AND UPWELL.
- 2) CONSTRUCTION TO PROVIDE "WET" WEIGHT THUNDER SHIELD PUMP CONTROLS 1 PANEL, 1/4" CLAMPED THE WATER AND CABLE COUPLERS FOR EACH PUMP AND WATER AND THUNDERSHIELD. ELECTRICAL CABLES BUNDLED ON POWER PILES TO PANEL, INCLUDES ALARM LIGHT AND AUDIBLE ALARM 1/4" BATTERY RESET, ALARM TO ACTIVATE WITH ALARM RESET AND RETURN ON 24 HRS. MANUAL RESET.
- 3) ALL TUBES AND ALL WELDED DISCREETLY TO BE FLARED AND HAVE "WETTED" WITH "THUNDER SHIELD" ELECTRICAL GREASE TO PREVENT CORROSION.
- 4) ALL DISCREETS ARE TO BE WELDED TO ALL DISCREETS REQUIRED.
- 5) TANK SIZE TO BE CONFIRMED FOR SUPPLY ON VERIFIABLE LOCATION WHEN IT IS PLACED IN PLACE, TANK MUST HAVE RELATED CODES.
- 6) TANK TO BE CERTIFIED BY SUPPLIER TO VERIFIABLE WEIGHT, WEIGHT OF 150 WLL AND 100 WLL, CERTIFICATION TO BE SHOWN AND SIGNED BY ENGINEER PRIOR TO DELIVERY OF TANK TO THE VERIFIABLE INTERFERENCE PRESSURE TO SURFACE.
- 7) PUMPS TANK AND BATTERY TO BE WELDED TO ALL TUBES TO SURFACE WITH 1/4" WLL PLUMBING TANK.
- 8) CABLES TO BE DISCREETLY TO BE 1/4" PLUMBING TANK.
- 9) TANK PILES TO BE WELDED AND MANUAL "THUNDERSHIELD" TANK-WEIGHT ON ALL PILES CONNECTED TO TANK.
- 10) ALL WELLS SHALL BE PLACED FIRST FROM PUMPS TO CONTROL PANEL.

[illegible]



22:15

[illegible]

Schedule B2
Plans & Specifications of the Communal Water System

The drinking water system at consists of a centralized water treatment system (CWTS) and various individual point-of-use (POU) systems.

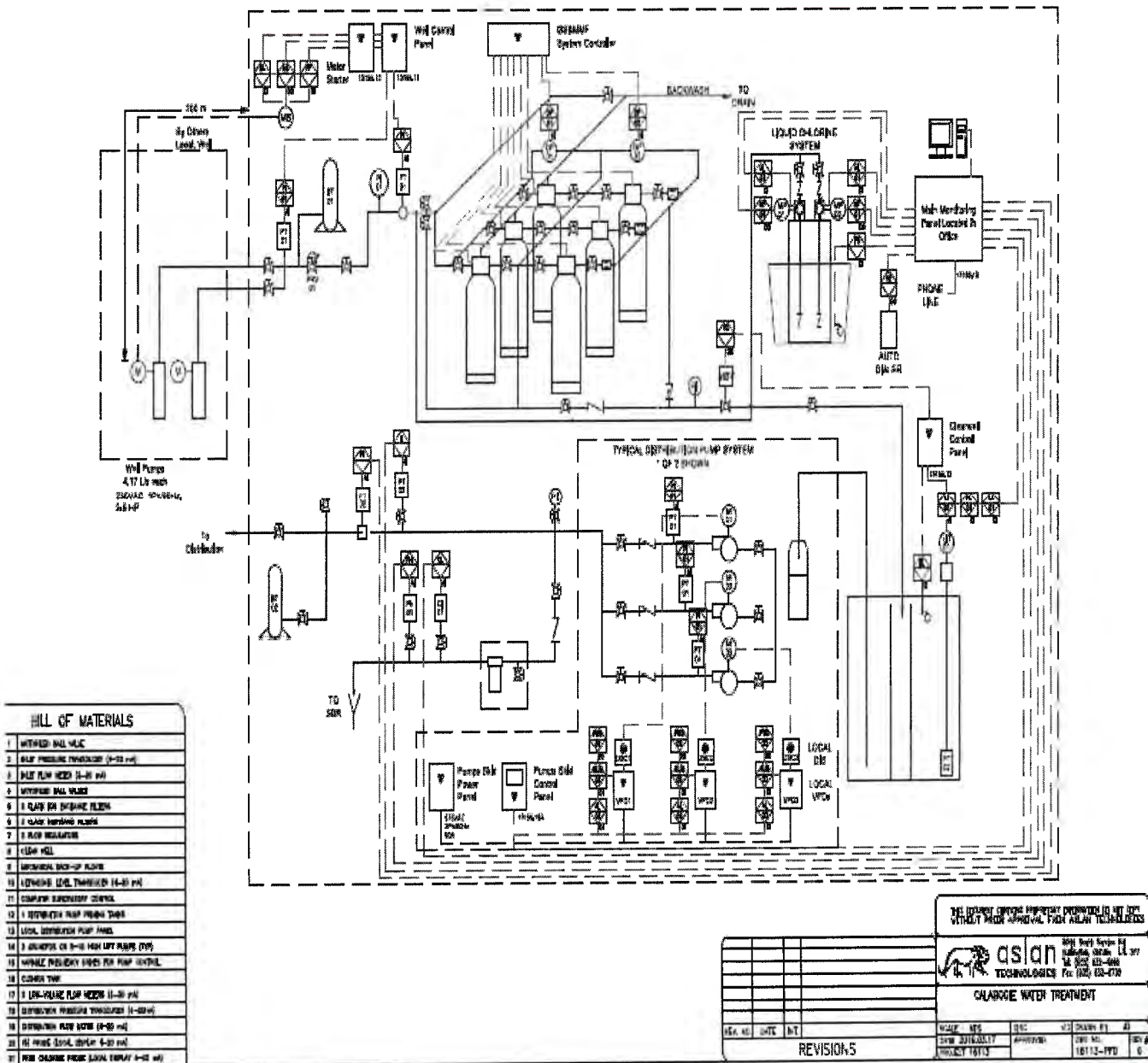
The Municipal Responsibility Agreement covers the CWTS.

The water supply is from 2 wells with submersible pumps rated at 3.215 liters per second.2

The water treatment system consists of sand filtration, iron, manganese and hardness reduction, and subsequent disinfection. The sand filtration and softener system (for iron, manganese and hardness) is rated to treat 500 L/min, which is the combined full flow of each individual well. The softener system has a modulating bypass valve that allows for a blending of the softener system to control the reduction percentage of iron, manganese and hardness.

The CWTS was installed in 2019 to be the Resort's primary drinking water system. It supplies potable water to the Pines, Cedars and Oaks buildings, the Hotel, the ski lodge, O'Brien's Bunkhouse and the First Tracks suites.

The CWTS is situated in the resort parking lot. A detailed schematic of the CWTS is provided below:



Schedule C
Legal Description of Easement Lands

1. Base Mountain Parcel

a) PIN: 57359-0365

Description: Block 1, Plan 49M – 102, in the Township of Greater Madawaska, in the County of Renfrew.

b) PIN: 57359-0366

Description: Block 2, Plan 49M – 102, in the Township of Greater Madawaska, in the County of Renfrew.

c) PIN: 57359-0367

Description: Block 3, Plan 49M – 102, in the Township of Greater Madawaska, in the County of Renfrew.

d) PIN: 57359-0368

Description: Block 4, Plan 49M – 102, in the Township of Greater Madawaska, in the County of Renfrew.

2. Oaks Parcel

PIN: 57360-0074 (LT)

Description: Block 1, Plan 49M – 101, in the Township of Greater Madawaska, in the County of Renfrew.

3. Golf Course & Waterfront Parcel

PIN: 57359-0141 (LT)

Description: Part Lot 19, Concession 2, Blythfield, Parts 1-6, 49R13662, S/T R286175, R317022, R317023, R317024, R334218; S/T BLY353, BLY404; S/T Easement over Part 1, 49R8296 & Parts 1, 2, 3 & 4, 49R8728 in favour of lot 35 plan 495 as in RE81314; in the Township of Greater Madawaska, in the County of Renfrew.

**Schedule D
Form of Surety Bond**

Bond No.

To: The Corporation of the Township of Greater Madawaska (the "Township")

APPROVAL/CERTIFICATE OF PROPERTY USE/ORDER NUMBER:

AMOUNT: \$

SITE LOCATION: Calabogie Peaks Resort, 30 Barrett Chute Rd. Calabogie ON K0J 1H0

We, Calabogie Peaks ULC (the "Principal") and _____ COMPANY (the "Surety") are jointly and severally bound to the Township, in the sum of _____ Canadian dollars (the "Bond Amount"), for the payment of which sum the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, by this bond.

The Principal is required under the Responsibility Agreement between the Principal and the Township dated November __, 2019 (the "Responsibility Agreement") to undertake certain activities at Calabogie Peaks Resort, 30 Barrett Chute Road, Calabogie ON K0J 1H0.

The Principal must submit Financial Assurance to the Township as a condition of the Responsibility Agreement.

Upon notification by the Township that, in its view, the Principal has violated the terms, conditions or requirements of the Responsibility Agreement the Bond Amount shall be paid to the Township forthwith on written demand upon the Surety to be held under the terms of the Responsibility Agreement. The demand made by the Township shall be honoured by the Surety without enquiring whether the Township has a right as between Township and the Principal to make such demands, and without recognizing any claim of the Principal and the Principal and the Surety each consent to the Township obtaining, on written notice, summary judgments for the full amount secured hereunder if payment is not made forthwith upon demand.

This bond will be valid for the term from _____ day of January, 2020 to _____ day of January, 2021 and shall be automatically renewed without further documentation from year to year thereafter on the same terms and conditions as noted above.

If the Principal sends written notice to the Surety terminating this bond, such notice shall not become effective until the Surety: (1) pays the Bond Amount to the Township or (2) receives written confirmation from the Township that the Principal has provided replacement Financial Assurance satisfactory to the Township.

If the Surety intends to put an end to the bond hereby entered into, it shall give 60 days' notice in writing to the Principal and to the Township.

During the 60 days' notice period, the Township may call for payment on the full amount prior to the date of termination if the Principal has not provided replacement Financial Assurance satisfactory to the Township. Until the Township receives the full Bond Amount, the bond shall not cease. If the Township does not call for payment, this bond and all accruing responsibility thereunder shall, after the 60 days' notice, cease, except insofar as the Principal has made default prior to the last day of the notice period.

Any notice hereunder may be given,

(a) in the case of the Township by registered mail or prepaid courier to:

The Corporation of the Township of Greater Madawaska 19 Parnell Street Calabogie ON K0J 1H0

(b) in the case of the Principal by prepaid mail to:

Calabogie Peaks ULC 30 Barrett Chute Road Calabogie ON K0J 1H0

(c) in the case of the Surety by delivery to or by prepaid mail to:

COMPANY

The Surety may not give notice specifying an address outside of the Province of Ontario without the written consent of the Township.

Any notice, demand, or authorization by the Township may be signed by the Chief Administrative Officer, the Clerk Treasurer or such other person as the Township's elected municipal council, appoints in writing for the purpose.

The Surety acknowledges that it is aware that if notice terminating this bond is issued prior to the Township receiving substitute Financial Assurance satisfactory to the responsible Director, the Township is entitled to convert this bond into cash.

Notwithstanding anything to the contrary contained herein, the Surety shall not be liable for a greater sum than the Bond Amount. The Bond Amount is not cumulative from Term to Term.

This bond shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF this bond has been duly signed, sealed and delivered

COMPANY

, Attorney-in-fact

I have the authority to bind the Principal.

THE CORPORATION OF THE TOWNSHIP OF GREATER
MADAWASKA

Calabogie Peaks ULC

By: _____
Paul Murphy, President

Schedule E1
Replacement Cost Summary for Systems

		No	Unit Cost	Total Cost
1.0	Water Treatment Plant			
	10 Year Life Assets			
	Reinvestment			
	Depreciation			
	Submersible Pumps & Controls	2	\$20,000	40,000
	Chlorination Pump	2	3,000	6,000
	Reservoir Miltronics	1	2,500	2,500
				<u>48,500</u>
	15 Year Life Assets			
	Reinvestment			
	Depreciation			
	Totalizing Flow Meter	2	2,500	5,000
				<u>5,000</u>
	20 Year Life Assets			
	Reinvestment			
	Depreciation			
	UV Disinfection	5	5,000	25,000
	Control System	1	40,000	40,000
	Distribution Pumps	2	15,000	30,000
				<u>95,000</u>
	25 Year Life Assets			
	Reinvestment			
	Depreciation			
	NextSand Filters	3	30,000	90,000
	Iron, Maganese & Softening	3	20,000	60,000
				<u>150,000</u>
	50 Year Life Assets			
	Reinvestment			
	Depreciation			
	WTP Building	1	35,000	35,000
	Storage Clearwell	1	100,000	100,000
	Design	1	15,000	15,000
				<u>150,000</u>
	Total Water Treatment Plant Investment			<u>448,500</u>
2.0	Undergrounds			
	Capital Investment			
	Initial			100,000
	Reinvestment			
	Cummulative			
	Total Water Treatment Underground Investment			<u>100,000</u>
TOTAL Water Investment				<u><u>\$548,500</u></u>

Year		Note	No	Unit Cost	Total Cost
1.0	Peat Bed & Pines Class IV System				
	10 Year Life Assets				
	Reinvestment				
	Depreciation				
	Magnetic Flow meter - Peat Bed	1	1	\$ 10,000	10,000
					<u>\$ 10,000</u>
	20 Year Life Assets				
	Reinvestment				
	Depreciation				
	Discharge Pump (Pines, Cedars, Hotel & Dosing Chamber (2))		5	2,000	10,000
					<u>10,000</u>
	30 Year Life Assets				
	Reinvestment				
	Depreciation				
	Peat Module	2	1	50,000	50,000
	Pines Small septic beds < 5,000 L/d	3	4	6,000	24,000
					<u>\$ 74,000</u>
	50 Year Life Assets				
	Reinvestment				
	Depreciation				
	Pines Septic Tanks				
	2,000 gallon (7,560 L) septic tank	4	1	8,500	8,500
	1,000 gallon (3,780 L) septic tank	4	1	5,000	5,000
	600 gallon (2,268 L) pump chamber	4	1	6,500	6,500
	Hotel Septic Tanks				
	17,360 gallon (65,634 L) septic tank	5	1	20,000	20,000
	5,715 gallon (21,600 L) pump chamber	5	1	8,000	8,000
	Cedars Septic Tank				
	5,715 gallon (21,600 L) septic tank & pump chamber		1	8,000	8,000
	Peat Bed				
	Force Main	5	1	50,000	50,000
	Central Dosing Chamber	5	1	46,000	46,000
	Electrical Infrastructure (Peat Bed, Pines, Cedars & Hotel)		1	10,000	10,000
					<u>\$ 162,000</u>
	Total Peat Bed & Pines Class IV System				<u>\$ 246,000</u>
2	Undergrounds & EQ Tank				
	50 Year Life Assets				
	Equalization tank		1	125,000	125,000
	Sanitary Sewers		1	75,000	75,000
	Total Undergrounds & EQ Tank				<u>\$ 200,000</u>
TOTAL Waste Water Investment					<u>\$446,000</u>

Schedule E2
Reserve Fund Calculation

Township of Greater Madawaska - Water Utility Financial Security

		Note	2019	2020	2021	2022	2023
<u>CAPITAL</u>							
	Total Capital Costs		548,500	566,860	588,708	614,177	675,333
<u>SECURITIES</u>							
1	25% of Total Capital Costs	1	137,125	141,715	147,177	153,544	168,833
+							
2	Operating & Maintenance Fund	2	47,427	55,488	64,267	74,985	86,492
A	Capital Works Reserve Fund Contributions	3	1,744	21,301	21,738	22,247	23,470
-							
B	Capital Works Plan Expenditures	4	-	-	-	-	-
+							
C	Investment Income on Reserve Fund	5	1	35	462	906	1,369
+							
D	Contributions to Retire Performance Bond		-	-	-	-	-
=							
E	Capital Works Reserve Fund	6	1,745	23,081	45,280	68,432	93,271
1 + 2 + E	Total Township Security	7	186,297	220,284	256,724	296,961	348,596

NOTES

- 1
25%
- 2
Direct Operating Cost for the highest of three years forward from the current year. Source: Water Budget.
- 3
Annual contribution equals annual depreciation. Section 53 of Responsibility Agreement. Source: Water Depreciation
- 4
Amounts spent to replace, repair & rehabilitate the water plant and equipment. Source: Water Depreciation
- 5
The Capital Works Plan Reserve Fund is assumed to earn 2% annual return
- 6
The Capital Works Reserve Fund equals all contributions to the Capital Works Reserve Fund less Capital Works Plan Expenditures. Section 52 of Responsibility Agreement
- 7
TGM's Total Security equals:
25% of Total Initial Capital Investment
Direct Operating Costs for the highest of three years forward from the current year, plus
The Capital Works Reserve Fund
- 8
In the event of a default and TGM takes ownership of the Water Utility, it can sell the utility to a third party. See the "Water Valuation" tab.

Township of Greater Madawaska - Waste Water Utility Financial Security

	Note	2019	2020	2021	2022	2023
<u>CAPITAL</u>						
Total Capital Costs		446,000	543,560	564,560	588,560	702,990
<u>SECURITIES</u>						
1 25% of Total Capital Costs	1	111,500	135,890	141,140	147,140	175,747
+						
2 Operating & Maintenance Fund	2	26,056	31,006	33,280	58,663	68,167
A Capital Works Reserve Fund Contributions	3	728	9,100	9,520	10,000	10,600
-						
B Capital Works Plan Expenditures	4	-	-	-	-	-
+						
C Investment Income on Reserve Fund	5	15	15	197	391	599
+						
D Contributions to Retire Performance Bond		-	-	-	-	-
=						
E Capital Works Reserve Fund	6	743	9,858	19,575	29,966	41,166
F Pre-2019 Depreciation	7	137,200	137,200	137,200	137,200	137,200
				-	-	-
1 + 2 + 3 + E + F Total Township Security	8	275,499	313,954	331,195	372,970	422,280

NOTES

- 1 The security posted equals 25% of the Capital Costs as defined in Responsibility Agreement. See also sections 56 & 61 of Responsibility Agreement. 25%
- 2 Direct Operating Cost for the highest of three years forward from the current year. Source: Waste Water Budget.
- 3 Annual contribution equals annual depreciation. Section 53 of Responsibility Agreement. Source: Wastewater Depreciation
- 4 Amounts spent to replace, repair & rehabilitate the water plant and equipment. Source: Wastewater Depreciation
- 5 The Capital Works Plan Reserve Fund is assumed to earn a 2% annual return
- 6 The Capital Works Reserve Fund equals all contributions to the Capital Works Reserve Fund less Capital Works Plan Expenditures. Sections 52 to 54 of Responsibility Agreement
- 7 Accumulated depreciation on wastewater assets that have been in service for a number of years. See Resort WW Systems
- 8 TGM's Total Security equals:
 25% of Total Initial Capital Investment
 Direct Operating Costs for the highest of three years forward from the current year, plus
 The Capital Works Reserve Fund
 The wastewater assets that serve the Pines, Hotel and Cedars buildings have been operating for many years
 The Pines septic bed is 34 years old, and reached it's expected life in 2015
 The Peat System's septic bed is 15 years old. There is a difference in view on it's useful life and the range is 15 to 30 years.
 Tests will be conducted in 2020 to assess the age and condition of these assets, and the results will determine their remaining useful lives
 Pending the review of the test results by the Resort and TGM's engineers, the full current replacement cost of these assets has been added to TGM's security.
 This ensures there is money available to replace them at any time.
 The model assumes these assets are replaced in 2034. This will be adjusted based on the engineers' agreement on the appropriate alternative date(s).
- 9 In the event of a default and TGM takes ownership of the Wastewater Utility, it can sell the utility to a third party. See the "Wastewater Valuation" tab.

**Schedule F1
Certificate of Approval**



Ontario

Ministry of Environment
and Energy Ministère de
l'Environnement
et de l'Énergie

**CERTIFICATE OF APPROVAL
MUNICIPAL AND PRIVATE SEWAGE WORKS
NUMBER 2256-5F9KU9**

Calabogie Peaks Inc.
30 Barrett Chute Road, P.O. Box 90
Greater Madawaska, Ontario
K0J 1H0

NOV 12 2002

REGISTERED

Site Location: Calabogie Peaks Resort
Lot 19, Conc. 2, 30 Barrett Chute Road
Greater Madawaska Township, County of Renfrew

You have applied in accordance with Section 53 of the Ontario Water Resources Act for approval of:

A peat based subsurface sewage treatment system, having a rated capacity of 131,760 L/day, consisting of the following:

SEPTIC TANKS

A septic tankage system consisting of six (6) septic tanks, each with an internal pump station:

- Resort Centre Hotel, 65,634 L septic tank;
- Timeshare (proposed), 21,600 L septic tank;
- Future Timeshare, 86,400 L septic tank;
- Future Commercial, 45,000 L septic tank;
- Timeshare (existing), 21,200 L septic tank;
- Other existing/proposed, 90,000 L septic tank.

with discharge of sanitary sewage from each internal septic tank pumping station to the central dosing chamber through a common forcemain.

CENTRAL DOSING STATION

- one (1) central dosing station having a volume of approximately 8.6 m³, including a duplex alternating pump system with submersible non-clog pumps discharging a minimum of three quarters of the distribution pipe volume in 15 minutes or less, with each pump dosing between 346 and 388 L/min. depending on the number of cells in operation, the pumps controlled by four (4) float switches and alarm systems installed in the chamber, with doses alternating between the three peat filter modules, using an alternator in the control panel, with doses directed to one module at a time using a solenoid valve

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- (5) "District Manager" means the District Manager of the Ottawa District Office of the Ministry's Eastern Region;
- (6) "Owner" means Calabogie Peaks Inc.;
- (7) "licensed installer" means a person who holds a licence under Article 2.12.3.1 of the Ontario Building Code.
- (8) "Professional Engineer" means a person entitled to practise as a Professional Engineer in the Province of Ontario under a licence issued under the Professional Engineers Act;
- (9) "works" means the sewage works described in the Owner's application, this certificate and in the supporting documentation referred to herein, to the extent approved by this certificate;
- (10) "sewage system" means the entire sewage treatment and subsurface disposal system;
- (11) "grab sample" means an individual sample of at least 1000 millilitres collected in an appropriate container at a randomly selected time over a period of time not exceeding 15 minutes;
- (12) "average daily flow" means the cumulative total sewage flow to the sewage works during a particular calendar month divided by the number of days during which sewage was flowing to the sewage works that month;
- (13) "BOD5" means five day biochemical oxygen demand measured in an unfiltered sample;
- (14) "E. Coli" refers to the thermally tolerant forms of Escherichia that can survive at 44.5 degrees Celsius;

You are hereby notified that this approval is issued to you subject to the terms and conditions outlined below:

TERMS AND CONDITIONS

1. CONSTRUCTION

- 1.1 The Owner shall ensure that the construction of the sewage works is supervised by a licensed installer or a Professional Engineer.
- 1.2 The Owner shall, within one month of completion of construction of the sewage works, prepare a statement, certified by a licensed installer or a Professional Engineer, that the sewage works are constructed in accordance with this Certificate of Approval, and upon request, shall make the written statement available for inspection by Ministry personnel.

2. PERFORMANCE

- 2.1 The Owner shall ensure that the average daily flow of effluent from the sewage works, measured in accordance with condition 3.1, does not exceed 131,760 L/d for any period of time greater than one (1)

calendar month.

3. MONITORING, RECORDING AND REPORTING

3.1 The Owner shall ensure that the following monitoring program is carried out upon commencement of operation of the sewage works:

FLOW MONITORING

3.1(1) Flow measuring devices, calibrated at regular intervals not exceeding one year to ensure their accuracy to within plus or minus 5% of actual rate of flow within the range of 10% to 100% of the full scale reading of the measuring devices, shall be installed, maintained and operated in order to measure and record:

- (a) the effluent from the sewage works, measured by means of flow measurement devices installed at appropriate locations after the central dosing tank and before the peat filters;
 - (b) the water usage at the Calabogie Peaks Resort Complex, measured by means of flow measurement devices installed where water for the property is taken;
- (2) Daily quantities of effluent from the sewage works shall be measured by means of a calibrated flow measurement device installed as per subsection (1), and recorded.
- (3) Daily quantities of water usage at the Calabogie Peaks Resort Complex shall be measured by means of calibrated flow measurement devices installed as per subsection (1), and recorded.

EFFLUENT MONITORING

3.1 (4) Grab samples of effluent from the sewage works shall be collected after the commencement of operation of the sewage works, from a monitoring well installed immediately downgradient of the peat filters, at a location acceptable to the District Manager, and analyzed for at least the following parameters on a quarterly basis.

Effluent Parameter

BODs
Suspended Solids
Total Phosphorus
(Ammonia + Ammonium) Nitrogen
Nitrates
Nitrites
DOC
Faecal Coliform
Total Coliform
Chloride

GROUNDWATER RECEIVER MONITORING

3.1 (5) (a) The Owner shall submit to the District Manager prior to commencement of operation of the sewage works, and within two (2) months of the issuance of this Certificate, a groundwater

monitoring program report, certified by a professional engineer, containing, as a minimum, the following information:

- i) the number, locations, depths and design details of the groundwater monitoring wells to be used for monitoring groundwater quality both upgradient and downgradient of the sewage works;
- ii) the methodology to be used for determining the direction of groundwater flow;

3.1 (5) (b) Following the District Manager's written approval of the report mentioned in section (a) above, the Owner shall complete the construction of the upgradient and downgradient monitoring wells. The construction of the monitoring wells shall be completed prior to the commencement of operation of the sewage works.

3.1 (6) Following the District Manager's written approval of the aforementioned report, grab samples of groundwater shall be collected during the first week of each quarter from each upgradient and downgradient monitoring well after the commencement of operation of the sewage works, and analyzed for at least the following parameters:

BOD₅
Suspended Solids
(Ammonia + Ammonium) Nitrogen
Nitrates
Nitrites
Total Phosphorus
DOC
Faecal Coliform
Total Coliform
Chloride

3.1 (7) The direction of groundwater flow at the site shall be determined by the Owner on a quarterly basis for a period of three (3) years after the commencement of operation of the sewage works.

3.1 (8) The sampling and analyses required by section 3.1 (4), and (6) above, shall be performed in accordance with the Ministry's Procedure F-10-1 (formerly Policy No. 08-06); "Procedure for Sampling and Analysis Requirements for Municipal and Private Sewage Treatment Works (Liquid Waste Streams Only)", Ministry of Environment and Energy, December 31, 1994; or as described in the American Public Health Association's publication "Standard Methods for Examination of Water and Wastewater", 20th Edition, 1998, or a more recently published edition.

3.1 (10) The District Manager may, if deemed to be appropriate, with written notice to the Owner, change the frequencies of the monitoring required in section 3.1 (4), (6) and (7) above;

3.2 The Owner shall retain for a minimum of three years from the date of their creation, all records and information related to or resulting from the monitoring activities required by this certificate. The Owner shall make this information available for inspection by Ministry personnel upon request.

4. OPERATION AND MAINTENANCE

- 4.1 The Owner shall use best effort to operate the sewage treatment facilities with the objective that the concentrations of the materials named below as effluent parameters are not exceeded in the effluent from the sewage works:

<u>Effluent from the sewage works</u>	<u>Concentration</u>
BOD ₅	5 mg/L
Suspended Solids	5 mg/L
(Ammonia + Ammonium) Nitrogen	1 mg/L
Phosphorus	1 mg/L

- 4.2 Based on the operational objectives stipulated above in Condition 4.1, the Owner shall prepare an operation and maintenance manual within three (3) months of the commencement of operation of the sewage works and keep it up to date. Upon request, the Owner shall make the manual available for inspection by the Ministry personnel and furnish a copy to the Ministry.
- 4.3 The Owner shall prepare and make available for inspection by Ministry personnel upon request, a complete set of record drawings within six (6) months of the commencement of operation of the sewage works. The drawings shall show the sewage works as constructed at that time.
- 4.4 A complete set of the record drawings, incorporating any amendments made from time to time, shall be kept by the Owner at the site of the sewage works for as long as the sewage works are in operation.

5. REPORTING

- 5.1 One week prior to the commencement of operation of the sewage works, the Owner shall notify the District Manager (in writing) of the pending commencement date.
- 5.2 The Owner shall prepare, and submit to the District Manager annual performance reports for the sewage system. The first such report shall cover the period from the commencement of operation of the sewage works to the end of the calendar year and shall be prepared within the following ninety (90) calendar days. Each subsequent annual report shall be prepared within ninety (90) calendar days following the completion of the calendar year being reported upon. The reports shall contain the following information in a format acceptable to the District Manager:
- (a) a tabulation of all monitoring and analytical results obtained during the reporting period, including sampling/monitoring locations and dates;
 - (b) a tabulation of daily volumes of effluent from the sewage works disposed of during the reporting period, and a tabulation of the daily volumes of water used at the site during the reporting period;
 - (c) a tabulation of the volumes of sludge accumulated within the sewage works on a quarterly basis, a tabulation of the sludge pumped out of the sewage works on a quarterly basis, along with all documentation on sludge generation, transportation and ultimate disposal at the receiver's site.

- (d) a record of system maintenance undertaken during the reporting period;
- (e) a report on the monitoring undertaken for the determination of the direction of groundwater flow at the site, including the methodologies used and the results obtained; and,
- (f) an account of any environmental and operating problems encountered at the site and the mitigative measures taken during the reporting period.

6. CLEARANCE REQUIREMENTS

- (1) The Owner shall ensure that the final location of the sewage works is selected in order to maintain the minimum clearance requirements stipulated in the *Ontario Building Code*.

7. SEWAGE SLUDGE MANAGEMENT

The Owner shall ensure that sewage sludge accumulations within the septic tanks and central dosing station are pumped out on a regular basis by a licensed hauler, and disposed of at a facility approved for the treatment and disposal of sewage sludge.

8. GENERAL CONDITION

(1) Except as otherwise provided by these Conditions, the Owner shall design, build, install, operate and maintain the sewage works in accordance with the description given in this Certificate, the application for approval of the sewage works and the submitted supporting documents and plans and specifications as listed in this Certificate.

(2) Where there is a conflict between a provision of any submitted document referred to in this Certificate and the Conditions of this Certificate, the Conditions in this Certificate shall take precedence, and where there is a conflict between the listed submitted documents, the document bearing the most recent date shall prevail.

The reasons for the imposition of these terms and conditions are as follows:

1. Conditions 1.1 and 1.2 are included to ensure that the sewage works are constructed, and may be operated and maintained such that the environment is protected and deterioration, loss, injury or damage to any person or property is prevented. Certification by a professional engineer or a licensed installer is required to assure the quality of the sewage works system.
2. Condition 2.1 is included to ensure that the flow of sewage to the sewage system is within the approved treatment capacity of the sewage works.
3. Conditions 3.1 and 3.2 relating to monitoring and recording the quality and quantity treated effluent from the sewage works, and the quality of the groundwater receiver and the direction of groundwater flow are required to enable the Owner to evaluate the performance of the sewage works and to ensure that it is

operated and maintained at a level which is consistent with the design objectives and other requirements of this certificate.

4. Conditions 4.1 through 4.4 are included to ensure that the sewage works will be operated and maintained in a manner enabling compliance with the terms and conditions of this certificate, such that the environment is protected and deterioration, loss, injury or damage to any person or property is prevented.
5. Conditions 5.1 and 5.2 are included to ensure that all pertinent information is available for the evaluation of the performance of the sewage works.
6. Condition 6 is included to ensure that minimum clearance requirements (to potable water wells, etc.) are maintained in accordance with the Ontario Building Code.
7. Condition 7 is included to ensure that sludge buildup within the sewage works does not compromise the ability of the sewage works to adequately treat sewage and to prevent possible overflows of the septic tanks.
8. Condition 8 is imposed to ensure that the sewage works are built and operated in the manner in which they were described for review and upon which approval was granted. This condition is also included to emphasize the precedence of Conditions in the Certificate and the practice that the Approval is based on the most current document, if several conflicting documents are submitted for review.

In accordance with Section 100 of the Ontario Water Resources Act, R.S.O. 1990, Chapter 0.40, as amended, you may by written notice served upon me and the Environmental Review Tribunal within 15 days after receipt of this Notice, require a hearing by the Tribunal. Section 101 of the Ontario Water Resources Act, R.S.O. 1990, Chapter 0.40, provides that the Notice requiring the hearing shall state:

1. The portions of the approval or each term or condition in the approval in respect of which the hearing is required, and;
2. The grounds on which you intend to rely at the hearing in relation to each portion appealed.

The Notice should also include:

3. The name of the appellant;
4. The address of the appellant;
5. The Certificate of Approval number;
6. The date of the Certificate of Approval;
7. The name of the Director;
8. The municipality within which the works are located;

And the Notice should be signed and dated by the appellant.

This Notice must be served upon:

The Secretary
Environmental Review Tribunal
2300 Yonge St., 12th Floor
P.O. Box 2382
Toronto, Ontario
M4P 1B4

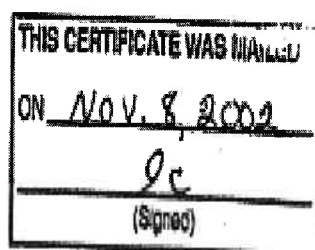
AND

The Director
Section 53, Ontario Water Resources Act
Ministry of Environment and Energy
2 St. Clair Avenue West, Floor 12A
Toronto, Ontario
M4V 1L5

* Further information on the Environmental Review Tribunal's requirements for an appeal can be obtained directly from the Tribunal at: Tel: (416) 314-4600, Fax: (416) 314-4506 or www.ert.gov.on.ca

The above noted sewage works are approved under Section 53 of the Ontario Water Resources Act.

DATED AT TORONTO this 4th day of November, 2002



A handwritten signature in black ink, consisting of a large 'M' and a stylized 'D'.

Mohamed Dhalla, P.Eng.
Director
Section 53, Ontario Water Resources Act

PS/

c: District Manager, MOEE Ottawa
Dennis G. Martin, P.Eng., Simmering & Associates Ltd. ✓



Ministry of the Environment
Ministère de l'Environnement

PERMIT TO TAKE WATER
Surface and Ground Water
NUMBER 3587-8KDLBF

Pursuant to Section 34 of the Ontario Water Resources Act, R.S.O. 1990 this Permit To Take Water is hereby issued to:

Calabogie Peaks Inc.
30 Barrett Chute Road, PO Box 90
Calabogie, Ontario K0J 1H0
Canada

For the water Well (W1), Well (W2)

taking from:

Located at: 30 Barrett Chute Rd Former Geographic Township of Blythfield
Greater Madawaska, County of Renfrew

For the purposes of this Permit, and the terms and conditions specified below, the following definitions apply:

DEFINITIONS

- (a) "Director" means any person appointed in writing as a Director pursuant to section 5 of the OWRA for the purposes of section 34, OWRA.
- (b) "Provincial Officer" means any person designated in writing by the Minister as a Provincial Officer pursuant to section 5 of the OWRA.
- (c) "Ministry" means Ontario Ministry of the Environment.
- (d) "District Office" means the Ottawa District Office.
- (e) "Permit" means this Permit to Take Water No. 3587-8KDLBF including its Schedules, if any, issued in accordance with Section 34 of the OWRA.
- (f) "Permit Holder" means Calabogie Peaks Inc..
- (g) "OWRA " means the *Ontario Water Resources Act*, R.S.O. 1990, c. O. 40, as amended.

You are hereby notified that this Permit is issued subject to the terms and conditions outlined below:

TERMS AND CONDITIONS

1. Compliance with Permit

- 1.1 Except where modified by this Permit, the water taking shall be in accordance with the application for this Permit To Take Water, dated May 24, 2011 and signed by Paul Murphy, and all Schedules included in this Permit.
- 1.2 The Permit Holder shall ensure that any person authorized by the Permit Holder to take water under this Permit is provided with a copy of this Permit and shall take all reasonable measures to ensure that any such person complies with the conditions of this Permit.
- 1.3 Any person authorized by the Permit Holder to take water under this Permit shall comply with the conditions of this Permit.
- 1.4 This Permit is not transferable to another person.
- 1.5 This Permit provides the Permit Holder with permission to take water in accordance with the conditions of this Permit, up to the date of the expiry of this Permit. This Permit does not constitute a legal right, vested or otherwise, to a water allocation, and the issuance of this Permit does not guarantee that, upon its expiry, it will be renewed.
- 1.6 The Permit Holder shall keep this Permit available at all times at or near the site of the taking, and shall produce this Permit immediately for inspection by a Provincial Officer upon his or her request.
- 1.7 The Permit Holder shall report any changes of address to the Director within thirty days of any such change. The Permit Holder shall report any change of ownership of the property for which this Permit is issued within thirty days of any such change. A change in ownership in the property shall cause this Permit to be cancelled.

2. General Conditions and Interpretation

2.1 Inspections

The Permit Holder must forthwith, upon presentation of credentials, permit a Provincial Officer to carry out any and all inspections authorized by the OWRA, the *Environmental Protection Act*, R.S.O. 1990, the *Pesticides Act*, R.S.O. 1990, or the *Safe Drinking Water Act*, S. O. 2002.

2.2 Other Approvals

The issuance of, and compliance with this Permit, does not:

- (a) relieve the Permit Holder or any other person from any obligation to comply with any other applicable legal requirements, including the provisions of the *Ontario Water Resources Act*, and the *Environmental Protection Act*, and any regulations made thereunder; or
- (b) limit in any way any authority of the Ministry, a Director, or a Provincial Officer, including the authority to require certain steps be taken or to require the Permit Holder to furnish any further information related to this Permit.

2.3 Information

The receipt of any information by the Ministry, the failure of the Ministry to take any action or require any person to take any action in relation to the information, or the failure of a Provincial Officer to prosecute any person in relation to the information, shall not be construed as:

- (a) an approval, waiver or justification by the Ministry of any act or omission of any person that contravenes this Permit or other legal requirement; or
- (b) acceptance by the Ministry of the information's completeness or accuracy.

2.4 Rights of Action

The issuance of, and compliance with this Permit shall not be construed as precluding or limiting any legal claims or rights of action that any person, including the Crown in right of Ontario or any agency thereof, has or may have against the Permit Holder, its officers, employees, agents, and contractors.

2.5 Severability

The requirements of this Permit are severable. If any requirements of this Permit, or the application of any requirements of this Permit to any circumstance, is held invalid or unenforceable, the application of such requirements to other circumstances and the remainder of this Permit shall not be affected thereby.

2.6 Conflicts

Where there is a conflict between a provision of any submitted document referred to in this Permit, including its Schedules, and the conditions of this Permit, the conditions in this Permit shall take precedence.

3. Water Takings Authorized by This Permit

3.1 Expiry

This Permit expires on August 1, 2021. No water shall be taken under authority of this Permit after the expiry date.

3.2 Amounts of Taking Permitted

The Permit Holder shall only take water from the source, during the periods and at the rates and amounts of taking specified in Table A. Water takings are authorized only for the purposes specified in Table A.

Table A

	Source Name / Description:	Source Type:	Taking Specific Purpose:	Taking Major Category:	Max. Taken per Minute (litres):	Max. Num. of Hrs Taken per Day:	Max. Taken per Day (litres):	Max. Num. of Days Taken per Year:	Zone/ Easement/ Notthing:
1	Well (W1)	Well Drilled	Other - Water Supply	Water Supply	250	24	360,000	365	18 360237 5014748
2	Well (W2)	Well Drilled	Other - Water Supply	Water Supply	250	24	360,000	365	18 360298 5014732
						Total Taking:	360,000		

3.3 Well (W2) shall be maintained and used only as a back-up water supply well and shall not be operated simultaneously with Well (W1).

3.4 In the event that on the same day water taking occurs from Well (W1) and Well (W2), the total amount of water taken from both Well (W1) and Well (W2) shall not exceed 360,000 litres in a day.

4. Monitoring

4.1 The Permit Holder shall maintain a record of all water takings. This record shall include the dates and times of water takings, and the total measured amounts of water pumped per day for each day that water is taken under the authorization of this Permit. A separate record shall be maintained for each source. The Permit Holder shall keep all required records up to date and available at or near the site of the taking and shall produce the records immediately for inspection by a Provincial Officer upon his or her request.

4.2 The total amounts of water pumped shall be measured using a flowmeter and totalizer.

5. Impacts of the Water Taking

5.1 Notification

The Permit Holder shall immediately notify the local District Office of any complaint arising from the taking of water authorized under this Permit and shall report any action which has been taken or is proposed with regard to such complaint. The Permit Holder shall immediately notify the local District Office if the taking of water is observed to have any significant impact on the surrounding waters. After hours, calls shall be directed to the Ministry's Spills Action Centre at

5.2 For Surface-Water Takings

The taking of water (including the taking of water into storage and the subsequent or simultaneous withdrawal from storage) shall be carried out in such a manner that streamflow is not stopped and is not reduced to a rate that will cause interference with downstream uses of water or with the natural functions of the stream.

For Groundwater Takings

If the taking of water is observed to cause any negative impact to other water supplies obtained from any adequate sources that were in use prior to initial issuance of a Permit for this water taking, the Permit Holder shall take such action necessary to make available to those affected, a supply of water equivalent in quantity and quality to their normal takings, or shall compensate such persons for their reasonable costs of so doing, or shall reduce the rate and amount of taking to prevent or alleviate the observed negative impact. Pending permanent restoration of the affected supplies, the Permit Holder shall provide, to those affected, temporary water supplies adequate to meet their normal requirements, or shall compensate such persons for their reasonable costs of doing so.

If permanent interference is caused by the water taking, the Permit Holder shall restore the water supplies of those permanently affected.

6. Director May Amend Permit

The Director may amend this Permit by letter requiring the Permit Holder to suspend or reduce the taking to an amount or threshold specified by the Director in the letter. The suspension or reduction in taking shall be effective immediately and may be revoked at any time upon notification by the Director. This condition does not affect your right to appeal the suspension or reduction in taking to the Environmental Review Tribunal under the *Ontario Water Resources Act*, Section 100 (4).

The reasons for the imposition of these terms and conditions are as follows:

1. Condition 1 is included to ensure that the conditions in this Permit are complied with and can be enforced.
2. Condition 2 is included to clarify the legal interpretation of aspects of this Permit.
3. Conditions 3 through 6 are included to protect the quality of the natural environment so as to safeguard the ecosystem and human health and foster efficient use and conservation of waters. These conditions allow for the beneficial use of waters while ensuring the fair sharing, conservation and sustainable use of the waters of Ontario. The conditions also specify the water takings that are authorized by this Permit and the scope of this Permit.

In accordance with Section 100 of the Ontario Water Resources Act, R.S.O. 1990, you may by written notice served upon me, the Environmental Review Tribunal and the Environmental Commissioner, Environmental Bill of Rights, R.S.O. 1993, Chapter 28, within 15 days after receipt of this Notice, require a hearing by the Tribunal. The Environmental Commissioner will place notice of your appeal on the Environmental Registry. Section 101 of the Ontario Water Resources Act, as amended provides that the Notice requiring a hearing shall state:

1. The portions of the Permit or each term or condition in the Permit in respect of which the hearing is required, and;
2. The grounds on which you intend to rely at the hearing in relation to each portion appealed.

In addition to these legal requirements, the Notice should also include:

3. The name of the appellant;
4. The address of the appellant;
5. The Permit to Take Water number;
6. The date of the Permit to Take Water;
7. The name of the Director;
8. The municipality within which the works are located;

This notice must be served upon:

*The Secretary
Environmental Review Tribunal
655 Bay Street, 15th Floor
Toronto ON
M5G 1E5
Fax: (416) 314-4306*

*AND
The Environmental Commissioner
1075 Bay Street
6th Floor, Suite 605
Toronto, Ontario M5S 2W9*

*AND
The Director, Section 34
Ministry of the Environment
1239 Gardiners Rd, PO Box
22032
Kingston, ON
K7P 3J6*

Further information on the Environmental Review Tribunal's requirements for an appeal can be obtained directly from the Tribunal:

by telephone at (416) 314-4600

by fax at (416) 314-4506

by e-mail at www.ert.gov.on.ca

This instrument is subject to Section 38 of the Environmental Bill of Rights that allows residents of Ontario to seek leave to appeal the decision on this instrument. Residents of Ontario may seek to appeal for 15 days from the date this decision is placed on the Environmental Registry. By accessing the Environmental Registry, you can determine when the leave to appeal period ends.

Dated at Kingston this 9th day of August, 2011.

Peter Taylor

*Peter Taylor
Director, Section 34
Ontario Water Resources Act, R.S.O. 1990*

Schedule F2

Annual Operation and Maintenance Costs (3 Year Calculation)

Water Utility Budget					
	2019	2020	2021	2022	
Inflation Factor	1.00	1.02	1.04	1.06	
Customers	26	38	52	68	
Peak Volume m3/d	47	66	85	111	
Commercial - Cal Peaks m3/d	19	19	19	19	
Occupancy	50%	50%	51%	52%	
Average Daily Flow	46,773	46,773	65,973	85,173	
Net PP&E	546,756	543,815	543,926	547,148	
Costs					
Submetering	\$ 113	\$ 2,016	\$ 2,813	\$ 3,752	
Repairs & Maintenance	-	2,000	2,040	2,081	
Certified Operator	1,475	17,700	17,700	17,700	
Chlorine	181	271	385	524	
Salt	92	1,597	2,144	2,902	
Filter Media	-	-	-	-	
7470 - Utilities					
7471 - Power	250	3,065	4,498	6,042	
7476 - Telephone	-	-	-	-	
7479 - Gasoline & Deisel	-	-	-	-	
Total Utilities	\$ 250	\$ 3,065	\$ 4,498	\$ 6,042	
Audit (Review Engagement)	1,500	1,530	1,530	1,592	
Insurance	250	\$ 3,024	\$ 3,165	\$ 3,536	
TGM Peer Review	800	816	832	849	
Performance Bond Fees	423	5,423	5,815	6,285	
Labour Overheads	65	1,163	1,623	2,165	
Direct Operating Costs	\$ 5,150	\$ 38,604	\$ 42,546	\$ 47,427	
Capital Works Reserve Fund Contributions	1,744	21,301	21,738	22,247	
Cost of Capital	-	-	4,500	18,500	
Income Taxes					
Contributions to Retire Performance Bond	-	-	-	-	
Cost Total	\$ 6,894	\$ 59,904	\$ 68,784	\$ 88,174	
Recoveries					
Allocations					
Commercial	40%	28%	22%	17%	
Residential	60%	72%	78%	83%	
Dollars					
Residential	\$ 4,127	\$ 38,760	\$ 53,623	\$ 73,231	
Commercial	2,767	21,144	15,161	14,943	
	\$ 6,894	\$ 59,904	\$ 68,784	\$ 88,174	
Monthly Water Rate					
Residential					
Raw	\$ 344	\$ 85.00	\$ 85.93	\$ 89.74	
Target	85.00	85.00	86.36	87.74	
Net of Headroom					
Commercial	2,767	1,762	1,263	1,245	

- Notes:
- 1 Annual projected inflation rate
 - 2 See Utility Expansion Model "W & WW Expansion Capital" tab
 - 3 Historic occupancy of 50% assumed to grow out to 65% as the community expands and attracts some full time residents
 - 4 Submetering water is per month, per customer
Submetering contractor measures consumption remotely via internet, invoices connected customers monthly, collects all monthly payments, remits them to CP in one transfer and handles all customer inquiries.
 - 5 Repairs and maintenance follow Clublink actuals. Clublink also started with new equipment.
 - 6 Annual Contract with certified operator.
 - 7 Requires 1.5 L/d of chlorine per m³ processed. Cos 2.55 1.4%
 - 8 20 grain hardness softened to 85 - 90 mg/l requires 0.64 lbs. of salt per m³ processed 0.64 lbs. cost \$ 0.130
 - 9 Sand filter is backwashed; no other filter product required
 - 10 ClubLink Benchmark - Annual Flow 73,883,300 Power cost 26,010 Cost per liter
 - 11 No phone required; all communications and alarms by internet
 - 11 Utility Vehicles covered by Certified Operator Cost
 - 12 Audited utility financial statements (Review Engagement) (50% water-50% STP)
 - 13 Property, CGL, Auto and EL required by section 62 of the Responsibility Ag. Property @ 0.0017400 per dollar of property value
 - 14 Township's Engineer peer review per section 9 of Responsibility Agreement and per Scope of Work "Normal Operations"
 - 15 Performance bond per sections 32 and 49 of Responsibility Agreement ann. 2.75%
 - 16 Estimated annual cost per customer of
 - 17 Contributions to the Capital Works Reserve Fund. See "TGM Security - Water" tab.
 - 18 Cost of Capital equals the Ontario Energy Board's Weighted Average Cost of Capital ("WACC") plus 250 basis points to adjust for the utility's (i) small size and (ii) use of the private capital markets (higher funding cost than a public)
Capital cost recovery is waived or reduced to avoid rate shocks
 - 19 In the initial years, available consolidated Headroom, if any, is used to reduce the Performance Bond
 - 20 Recoveries are allocated between Residential and Commercial customers based on each customer group's share of peak capacity
Commencing in 2021, the monthly water residential water and wastewater rate will be divided into two components - a fixed connection fee plus a charge for each connected customer's volumetric use of the water system
 - 21 Target Growth Rate of
 - 22 Headroom only recovered when necessary to collect revenue requirement
 - 23 Headroom = the amount above Total Cost that may be recovered in rates until the rate exceeds the Target rate.
Revenue Deficiency = Total Cost not recovered in rates. The Water Utility's headroom offsets the Wastewater Utility's revenue deficiency and the consolidated Utilities have headroom every year
 - 24 Months of the year 12

Wastewater Utility Budget

	Note	Peat Bed 2019	2020	2021	2022
Costs					
Repairs & Maintenance	6	167	2,000	2,081	2,122
Certified Operator	7	-	-	-	-
Chemicals, Supplies & Sludge Disposal	8	-	1,000	1,275	1,301
7470 - Utilities					
7471 - Power	9	142	1,698	2,444	3,282
7476 - Telephone		-	-	-	-
7479 - Gasoline & Diesel		-	150	156	159
Total Utilities		\$ 142	\$ 1,848	\$ 2,600	\$ 3,441
Audit (Review Engagement)	10	1,500	1,530	1,561	1,582
Insurance	11	354	5,700	5,953	5,154
TGM Peer Review	12	800	816	832	849
Performance Bond Fees	13	630	8,363	8,570	9,433
Labour Overheads	14	97	1,163	1,623	2,165
Direct Operating Costs		\$ 3,689	\$ 22,420	\$ 24,494	\$ 26,056
			508%	9%	6%
Working Capital Build					
Capital Works Reserve Fund	15	728	9,100	9,520	10,000
Cost of Capital	16	-	12,000	22,500	32,375
Income Taxes					
Contributions to Retire Performance Bond	17	-	-	-	-
Cost Total		\$ 4,417	\$ 43,520	\$ 56,514	\$ 68,431
Recoveries					
Allocations	18				
Peak volume m3/d		19	19	19	19
Commercial		40%	28%	22%	17%
Residential		60%	72%	78%	83%
Dollars					
Commercial		1,773	12,384	12,456	11,597
Residential		2,644	31,136	44,058	56,834
		\$ 4,417	\$ 43,520	\$ 56,514	\$ 68,431

Monthly Wastewater Rate

Residential

Raw		101.70	68.28	70.61	69.65
Target	19	70.00	70.00	71.12	72.26

Commercial

		1,773	1,032	1,038	966
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Notes: 2,129

- Annual inflation rate 2%
Sources: Most recent Bank of Canada monetary policy report projects 1.8% in 2019 and 1.9% in 2020 www.bankofcanada.ca/publications/impl/
- See Utility Expansion Model "W & WW Expansion Capital" tab
- Historic occupancy of 50% assumed to grow out to 65% as the community expands and attracts some full time residents
- No of Peat Bed modules installed and operating. When the WWTP is installed, the Peat Bed Modules continue to operate until customer growth reaches a scale that will justify taking the Peat Bed out of service.
- No of WWTP (SBR) modules installed and operating. 90 m3 each Shakespeare STP = 350
- Peat Bed = Daily visual, test & recording (20 mins a day); quarterly lab test (1 hour each) & repairs & maintenance (ten days a year). STP = Repairs and maintenance follow Clublink actuals. Clublink also started with new equipment
- Annual Contract with certified operator when cut over to SBR STP. \$ 10,000 \$ 5,000
- WWTP based on Shakespeare SBR; adjusted for volume (m3) Shakespeare SBR has 350 customers. Annual chemical cost is
- ClubLink Benchmark - Annual Flow 29,014,000 Power cost 14,412 Cost per liter
- Audited utility financial statements (Review Engagement) (50% water-50% STP) 1,500
- Property, CGL, Auto and BL required by section 62 of the Responsibility Agreement Property @ 0.0017400
- Township's Engineer peer review per section 9 of Responsibility Agreement and per Scope of Work "Normal Operations"
- Performance bond per sections 32 and 49 of Responsibility Agreement Annual Cost 3%
- Estimated annual cost per customer of \$30
- Contributions to the Capital Works Reserve Fund. Source: TGM Security - VWW
- Cost of Capital equals the Ontario Energy Board's Weighted Average Cost of Capital ("WACC") plus 250 basis points to adjust for the utility's (i) small size and (ii) use of the private capital markets (higher funding cost than a publicly traded utility)
Capital cost recovery is waived or reduced to avoid rate shocks
- In the initial years, available consolidated Headroom, if any, is used to reduce the Performance Bond
- Recoveries are allocated between Residential and Commercial customers based on each customer group's share of peak capacity
Commencing in 2021, the monthly water residential water and wastewater rate will be divided into two components - a fixed connection fee plus a charge for each connected customer's volumetric use of the water system
- Target Growth Rate of 1.6%
- Headroom = the amount above Total Cost that may be recovered in rates until the rate exceeds the targetted rate.
Revenue Deficiency = Total Cost not recovered in rates. The Water Utility's headroom offsets the Wastewater Utility's revenue deficiency and the consolidated Utilities have headroom every year

Schedule G

MRA Condensed Projected Financials (Appendix A, B, C, D & E)

Appendix A

Year	MRA FINANCIALS - Total Securities Held by TWP											
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Securities Held												
Total Water Securities Held (Appendix B)	186,297	220,285	256,724	296,961	348,596	407,519	472,016	541,256	615,722	686,368	760,277	778,512
Total Wastewater Securities Held (Appendix C)	275,499	313,954	331,195	372,970	422,280	481,013	718,629	784,987	1,029,468	1,300,167	1,431,259	1,742,110
Total Securities Held by Township	461,796	534,239	587,919	669,931	770,876	888,533	1,190,645	1,326,242	1,645,190	1,986,535	2,191,536	2,520,623

MRA FINANCIALS - Water Capital Investments and Securities Breakdown												
Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
INVESTMENTS - Water												
Capital Investments												
Water												
Initial Investment	\$48,500											
Additional Investments		18,360	21,848	25,469	61,155	76,526	86,513	92,524	98,758	72,303	73,749	75,224
Total Water Investments to Date	\$548,500	\$566,860	\$588,708	\$614,177	\$675,333	\$751,858	\$838,372	\$930,896	\$1,029,654	\$1,101,957	\$1,175,706	\$1,250,930
Annual Depreciation	1,744	21,301	21,738	22,247	23,470	25,001	26,731	28,581	30,556	32,002	33,477	36,162
Accumulated Depreciation Previous Years		1,744	23,045	44,782	67,029	90,499	115,500	142,231	170,812	201,368	233,371	266,848
Total Accumulated Depreciation	1,744	23,045	44,782	67,029	90,499	115,500	142,231	170,812	201,368	233,371	266,848	303,011
Water Net Investment	\$546,756	\$543,815	\$543,926	\$547,148	\$584,833	\$636,359	\$696,141	\$760,084	\$828,286	\$868,586	\$906,858	\$947,920
SECURITIES - Water												
Capital Securities Held by Township												
25% of Total Water Investments to Date	137,125	141,715	147,177	153,544	168,833	187,965	209,593	232,724	257,413	275,489	293,927	312,733
Depreciation (Capital Works Reserve Fund) to Date	1,744	23,046	44,782	67,029	90,499	115,500	142,231	170,812	201,368	233,371	266,848	303,011
Estimated Annual interest earned on Depreciation (Capital Works Reserve Fund)(Estimated at 2% for this)	1	35	462	906	1,369	1,865	2,403	2,985	3,617	4,300	5,026	5,796
Estimated Accumulated Interest Earned on Depreciation (Capital Works Reserve Fund)	1	1	36	498	1,403	2,772	4,637	7,040	10,025	13,642	17,942	22,969
Less: Depreciation (Capital Works Reserve Fund) Utilized for Replacement/upgrade of Capital												-60,304
Total Depreciation (Capital Works Reserve Fund)	1,745	23,082	45,280	68,432	93,271	120,137	149,271	180,837	215,010	251,313	289,817	331,472
Total Water Capital Securities Held	\$138,870	\$164,797	\$192,457	\$221,977	\$262,104	\$308,102	\$358,864	\$413,561	\$477,424	\$526,802	\$583,743	\$644,204
Operating Securities Held												
(Based on the highest estimated cost in the three(3) years following the current year)												
Water	47,427	55,468	64,267	74,985	86,492	99,418	113,153	127,694	143,298	159,566	176,534	194,308
TOTAL Water Securities Held by Township (Capital and Operating)	\$ 186,297	\$ 220,285	\$ 256,724	\$ 296,961	\$ 348,596	\$ 407,519	\$ 472,016	\$ 541,256	\$ 615,722	\$ 686,368	\$ 760,277	\$ 838,512

MRA FINANCIALS - Wastewater Capital Investments and Securities Breakdown

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<u>INVESTMENTS - Wastewater</u>												
Capital Investments												
Wastewater												
Initial Investment	446,000											
Additional Investments		97,560	21,000	24,000	114,430	36,000	721,261	43,500	624,714	636,278	46,500	660,105
Total Wastewater Investments to Date	446,000	543,560	564,560	588,560	702,990	738,990	1,460,251	1,503,751	2,128,465	2,764,743	2,811,243	3,471,348
Annual Depreciation	728	9,100	9,520	10,000	10,600	11,320	37,871	38,741	64,022	89,615	90,545	117,134
Accumulated Depreciation Previous Years	137,200	137,928	147,028	156,548	166,548	177,148	188,468	226,339	265,079	329,101	418,716	509,260
Total Accumulated Depreciation	137,928	147,028	156,548	166,548	177,148	188,468	226,339	265,079	329,101	418,716	509,260	626,394
Wastewater Net Investment	308,072	396,532	408,012	422,012	525,841	550,521	1,233,912	1,238,671	1,799,364	2,346,027	2,301,983	2,844,954
<u>SECURITIES - Wastewater</u>												
Capital Securities Held by Township												
25% of Total Wastewater Investments to Date	111,500	135,890	141,140	147,140	175,747	184,747	365,063	375,938	532,116	691,186	702,811	867,837
Depreciation (Capital Works Reserve Fund) to Date	137,928	147,028	156,548	166,548	177,148	188,468	226,339	265,079	329,101	418,716	509,260	626,394
Estimated Annual Interest earned on Depreciation (Capital Works Reserve Fund)(Estimated at 2% for this)	15	15	197	391	599	823	1,486	2,273	3,094	4,436	6,317	8,254
Estimated Accumulated Interest Earned on Depreciation (Capital Works Reserve Fund)	0	15	29	227	618	1,217	2,041	3,527	5,800	8,894	13,330	19,647
Less: Depreciation (Capital Works Reserve Fund) Utilized for Replacement/upgrade of Capital	0	0	0	0	0	0	0	0	0	0	0	0
Contributions to Retire Performance Bond to Date	0	0	0	0	0	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Total Depreciation (Capital Works Reserve Fund)	137,943	147,058	156,775	167,166	178,366	211,509	250,866	291,880	358,995	453,045	549,907	675,295
Total Wastewater Capital Securities Held	249,443	282,948	297,915	314,306	354,113	396,256	615,928	667,817	891,111	1,144,231	1,252,718	1,543,132
Operating Securities Held												
(Based on the highest estimated cost in the three(3) years following the current year)												
Wastewater	26,056	31,006	33,280	58,663	68,167	84,757	102,700	117,169	138,357	155,936	178,541	198,978
TOTAL Wastewater Securities Held by Township (Capital and Operating)	275,499	313,954	331,195	372,970	422,280	481,013	718,629	784,987	1,029,468	1,300,167	1,431,259	1,742,110

MRA FINANCIALS - Water and Wastewater Budget												
Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
No. of Customers on system												
Residential	26	38	52	68	88	112	139	168	199	230	261	292
Commercial	1	1	1	1	1	1	1	1	1	1	1	1
Revenue												
Water												
Residential	4,127	38,760	53,623	73,231	99,140	124,875	143,451	162,860	183,851	202,821	222,433	248,581
Commercial	2,767	21,144	15,161	14,943	14,818	14,156	12,703	11,652	10,895	10,257	9,811	9,722
Total Water Revenues	6,894	59,904	68,784	88,174	113,958	139,031	156,154	174,512	194,746	213,079	232,245	258,304
Wastewater												
Residential	2,644	31,136	44,058	56,834	71,425	97,026	136,451	180,961	229,197	283,002	337,813	387,342
Commercial	1,773	12,384	12,456	11,597	10,676	10,999	12,083	12,947	13,582	14,313	14,901	15,149
Total Wastewater Revenues	4,417	43,520	56,514	68,431	82,101	108,025	148,534	193,907	242,778	297,315	352,714	402,491
Total Water and Wastewater Revenues	11,311	103,425	125,298	156,605	196,059	247,055	304,687	368,419	437,524	510,394	584,959	660,794
Expenses												
Water												
Direct Operating Costs (Including Overhead)	5,150	38,604	42,546	47,427	55,488	64,267	74,985	86,492	99,418	113,153	127,694	143,298
Depreciation (Capital Works Reserve Fund)	1,744	21,301	21,738	22,247	23,470	25,001	26,731	28,581	30,556	32,002	33,477	36,162
Cost of Capital (Repayment)	0	0	4,500	18,500	35,000	49,763	54,438	59,439	64,772	67,923	71,073	78,843
Total Water Expenses	6,894	59,904	68,784	88,174	113,958	139,031	156,154	174,512	194,746	213,079	232,245	258,304
Wastewater												
Direct Operating Costs (Including Overhead)	3,689	22,420	24,494	26,056	31,006	33,280	58,663	68,167	84,757	102,700	117,169	138,357
Depreciation (Capital Works Reserve Fund)	728	9,100	9,520	10,000	10,600	11,320	37,871	38,741	64,022	89,615	90,545	117,134
Cost of Capital (Repayment)	0	12,000	22,500	32,375	40,494	42,424	52,000	87,000	94,000	105,000	145,000	147,000
Contribution to Retire Performance Bond	0	0	0	0	0	21,000	0	0	0	0	0	0
Total Wastewater Expenses	4,417	43,520	56,514	68,431	82,101	108,025	148,534	193,907	242,778	297,315	352,714	402,491
Total Water and Wastewater Expenses	11,311	103,425	125,298	156,605	196,059	247,055	304,687	368,419	437,524	510,394	584,959	660,794
Surplus (Deficit)	0	0	0	0	0	0	0	0	0	0	0	0

MRA FINANCIALS - Water and Wasterwater Rates

Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
No. of Customers on system											
Residential	38	52	68	88	112	139	168	199	230	261	292
Commercial	1	1	1	1	1	1	1	1	1	1	1
RATES - Monthly											
Water											
Residential	85.00	85.93	89.74	93.88	92.73	85.85	80.65	76.88	73.39	70.93	70.87
Commercial	1,761.51	1,263.27	1,245.17	1,234.78	1,177.32	1,056.68	969.41	906.59	853.67	816.64	809.30
Wastewater											
Residential	68.28	70.61	69.65	67.64	72.19	81.80	89.76	95.98	102.54	107.86	110.54
Commercial	1031.99	1038.02	966.43	889.64	916.60	1006.91	1078.88	1131.82	1192.71	1241.73	1262.42
TOTAL Water and WW Monthly Rate Residential	153.28	156.53	159.39	161.51	164.92	167.65	170.42	172.86	175.93	178.79	181.41
TOTAL Water and WW ANNUAL Rate Residential	1,839.37	1,878.39	1,912.64	1,938.18	1,979.01	2,011.84	2,045.00	2,074.29	2,111.12	2,145.51	2,176.90
Total Water and WW Monthly Rate Commercial	2,793.51	2,301.30	2,211.60	2,124.41	2,093.91	2,063.59	2,048.29	2,038.41	2,046.38	2,058.37	2,071.73
Total Water and WW ANNUAL Rate Commercial	33,522.08	27,615.59	26,539.15	25,492.97	25,126.96	24,763.11	24,579.51	24,460.86	24,556.52	24,700.39	24,860.71