

Special Council Meeting Agenda

Date: Monday, January 27, 2025, 9:00 am
 Location: Tecumseh Town Hall - Council Chambers
 917 Lesperance Road
 Tecumseh, Ontario N8N 1W9

Pages

A. Roll Call

B. Call to Order

C. Land Acknowledgement

We acknowledge that we are on land and surrounded by water, originally inhabited by Indigenous Peoples who have travelled this area since time immemorial. This territory is within the lands honoured by the Wampum Treaties; agreements between the Anishinaabe, Haudenosaunee, Leni Lenape and allied Nations to peacefully share and care for the resources around the Great Lakes. Specifically, we would like to acknowledge the presence of the Three Fires Confederacy Ojibwe, Odawa, Potawatomi and Huron/Wendat Peoples. We are dedicated to honouring Indigenous history and culture while remaining committed to moving forward respectfully with all First Nations, Inuit and Métis.

D. Disclosure of Pecuniary Interest

E. Communications

- | | | |
|----|---|--------|
| 1. | PWES-2024-48 Housing Enabling Water System Fund HEWSF
Tecumseh Hamlet Trunk Water and Wastewater | 3 - 10 |
|----|---|--------|

F. By-Laws

- | | | |
|----|---|---------|
| 1. | By-Law 2025-004 Housing Enabling Water Systems

Being a by-law to authorize the execution of an agreement with His Majesty King of Right of Ontario, as represented by the Minister of Infrastructure for funding under the Housing Enabling Water Systems Fund | 11 - 51 |
|----|---|---------|

Recommendation

Moved by _____

Seconded by _____

That By-Law 2025-004, being a by-law to authorize the execution of an agreement with His Majesty King of Right of Ontario, as represented by the Minister of Infrastructure for funding under the Housing Enabling Water Systems Fund be given first and second readings

Recommendation

Moved by _____

Seconded by _____

That By-Law 2025-004, being a by-law to authorize the execution of an agreement with His Majesty King of Right of Ontario, as represented by the Minister of Infrastructure for funding under the Housing Enabling Water Systems Fund be given third and final reading.

G. Adjournment

Recommendation

Moved by _____

Seconded by _____

That there being no further business, the Monday, January 27, 2025 Special Council Meeting **be adjourned** at pm.



The Corporation of the Town of Tecumseh

Public Works & Engineering Services

To: Mayor and Members of Council

From: Phil Bartnik, Director Public Works & Engineering Services

Date to Council: September 10, 2024

Report Number: PWES-2024-48

Subject: Housing-Enabling Water Systems Fund (HEWSF)
Tecumseh Hamlet Northwest Trunk Water and Wastewater
Infrastructure Project Contribution Agreement

Recommendations

It is recommended:

That report PWES-2024-48, Housing-Enabling Water Systems Fund (HEWSF) Tecumseh Hamlet Northwest Trunk Water and Wastewater Infrastructure Project, Contribution Agreement, **be received**;

And that the Tecumseh Hamlet Northwest Trunk Water and Wastewater Infrastructure Project **be approved** with funding allocations reflecting a total project budget of \$20,714,625, with a \$4,142,925 increase to the original allocation as follows:

- Watermain Reserve Fund – increase from \$2,054,300 to \$2,567,875
- Wastewater Sewers Reserve Fund – increase from \$14,517,400 to \$18,146,750

And further that a by-law **be prepared** to authorize the Mayor and Clerk to sign the Contribution Agreement for the Tecumseh Hamlet Northwest Trunk Water and Wastewater Infrastructure Project between His Majesty the King in right of Canada, as represented by the Ministry of Infrastructure (“Province”) and The Corporation of the Town of Tecumseh (“Town”), in a form satisfactory to the Town’s Solicitor, financial content satisfactory to the Town’s Chief Financial Officer and technical content satisfactory to the Town’s Engineer.

Background

The Housing-Enabling Water Systems Fund (HEWSF) is a competitive funding program for projects that improve and construct core water infrastructure across Ontario that will support new housing. In Ontario's 2023 Fall Economic Statement (FES), Ontario announced the HESWF, which invests a total of \$200 million over three years towards the repair, rehabilitation, and expansion of core water, wastewater, and stormwater infrastructure to promote growth and enable new housing development.

Eligible infrastructure projects under the HEWSF must meet the following objectives:

- Enable growth and new housing opportunities;
- Increase access to potable water; and
- Increase treatment and/or management of wastewater and stormwater.

Additionally, projects must include the rehabilitation/repair, reconstruction or expansion of any of the following eligible asset types:

- Wastewater (i.e., lagoon systems, pump stations, lift stations, linear assets, treatment plants, storage tanks, collection systems, private hook ups)
- Drinking water (i.e., treatment plants, reservoirs, local pipes including the distribution system watermain and the municipal portion of service lines, pump stations)
- Stormwater (i.e., management facilities, linear assets including conveyance piping/ditches/culverts).

Eligible applicants include all municipalities that own water, wastewater, and stormwater infrastructure and can nominate one project **provincially funded up to 73%**, up to a maximum \$35 million, with the municipality required to fund the remaining 27% of eligible project costs.

At the March 26, 2024 Regular Council Meeting, Council authorized Administration, under report [PWES-2024-17](#), to submit an application for funding under the Housing Enabling Water Systems Fund for a future commitment for the Tecumseh Hamlet Northwest Trunk Water and Wastewater Infrastructure Project (Motion: RCM-73/24). The Town's application was submitted on April 17, 2024.

Comments

The Town received notice, dated July 31, 2024, from the Honourable Kinga Surma, Minister of Infrastructure, congratulating the Town of Tecumseh on receiving funding approval in the amount of **\$15,121,676**, in principle, for the Town's application for the HEWSF.

A contribution agreement must be executed between His Majesty the King in Right of Ontario, as represented by the Minister of Infrastructure and The Corporation of the Town of Tecumseh, regarding the funding received for the Tecumseh Hamlet Northwest Trunk Water and Wastewater Infrastructure Project. As per the HEWSF program guidelines, costs incurred after April 1, 2023, will be eligible for provincial funding in accordance with the conditions of the grant.

A contribution agreement will be prepared by the Ministry and reviewed by Administration and the Town's Solicitor. The contribution agreement will be finalized following evidence that Tecumseh Town Council has approved the execution of the agreement, and that the Town provides evidence that all project funding other than federal contribution has been secured (via Council Resolution).

The final contribution agreement will be brought to Council for approval and execution by means of a future by-law.

Consultations

Development Services

Financial Services

Legislative Services & Clerk

Financial Implications

The infrastructure work that will be completed under the HEWSF are depicted on the project location map provided as Attachment 1. Phases 1 and 2 of the "Tecumseh Hamlet Secondary Planning Area Northwest Water and Wastewater Infrastructure Project" are further detailed in the following sections:

A) Phase 1 – Construction of Trunk Water and Wastewater Infrastructure from County Road 22 (CR22) to Intersection Road (\$17.5M)

This section provides the necessary water and wastewater infrastructure for landowners to start subdivision site servicing for Areas 1A & 1B within the Tecumseh Hamlet Secondary Plan (see Attachment 1). It will facilitate the

development of 2,181 residential units and unlock 437,000 ft² of commercial floor space.

B) Phase 2 – Construction of Water and Wastewater Infrastructure on Intersection Road (\$3.2M)

This section involves the installation of water and wastewater infrastructure on Intersection Road. This section provides a component of the infrastructure needed to facilitate development in a portion of the Manning Road Secondary Planning Area, as well as the easterly portion of the Tecumseh Hamlet Secondary Planning Area south of the CP Rail adjacent to Manning Road (Area 3 on Attachment 1). Phase 2 enables the development of 786 residential units. The wastewater component is also supported as part of the Town’s Sanitary Sewer Model Recalibration and Update, presented to Council at its February 27, 2024 SCM, as it contributes to a reduction in the hydraulic grade line within the existing settlement area. This results in an overall reduction in the risk of basement flooding.

Council previously approved an allocation of \$16,571,700 for the Tecumseh Hamlet Northwest Trunk Water and Wastewater Infrastructure Project as part of the PWES 2024-2028 Capital Works Plan (see report [PWES-2024-07](#)). The Ministry applies a 25% contingency on all eligible costs submitted under the HEWSF application. Accordingly, this 25% contingency has been applied to the original allocated budget of \$16,571,700 in order to reflect the upset limits of the totals that will be eligible for Provincial funding under the HEWSF.

With the approval of the Town’s HEWSF application, the following financial implications are depicted in the summary and tables below:

Total Project Costs:	\$20,714,625
Provincial Funding (73%):	\$15,121,676
Town of Tecumseh (27%):	\$ 5,592,949

Table 1: Summary of Project Costs

Infrastructure	Tec Hamlet NW W&WW Phase 1	Tec Hamlet NW W&WW Phase 2	Sub-total	HESWF (73%)	Town (27%)
Watermain	\$1,925,125	\$642,750	\$2,567,875	\$1,874,549	\$693,326
Wastewater Sewers	\$15,575,875	\$2,570,875	\$18,146,750	\$13,247,128	\$4,899,623
Totals	\$17,501,000	\$3,213,625	\$20,714,625	\$15,121,676	\$5,592,949

Table 2: Impacts to Reserve Funds

Reserve Fund	Town Costs (27%)	Landowner Recoveries	DC Recoveries	Ultimate Impact to the Reserve Fund
Watermain RF	\$693,326	\$0*	\$0**	\$693,326
Wastewater Sewers RF	\$4,899,623	\$0	\$2,802,166***	\$2,097,457
Totals	\$5,592,949	\$0	\$2,802,166	\$2,790,783

*Although Section E(1)(a) of Appendix E: Local Service Policy from the 2024 Development Charges Background Study, requires the landowner to pay for the watermain internal to development that do not exceed 300mm, the new 300mm trunk from CR22 to Intersection Road will serve as a transmission main. Direct connections into this main will not be afforded to developments. Instead, local watermain will be required and associated costs will be the responsibility of the developer.

** From the 2024 Development Charges Background Study and associated By-law: 0% of Watermain W-1 is DC Eligible

*** From the 2024 Development Charges Background Study and associated By-law: 63% of Wastewater Sewer WW-1 is DC Eligible [$\$15,575,875 \times 0.27 \times 0.63 = \$2,649,456$] and 22% of Wastewater Sewer WW-2 is DC Eligible [$\$2,570,875 \times 0.27 \times 0.22 = \$152,710$]. Total DC Recoveries for Wastewater: $\$2,649,456 + \$152,710 = \$2,802,166$

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

Communications

Not applicable

Website Social Media News Release Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Shane McVitty, P.Eng.
Development Engineer

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Development Services

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

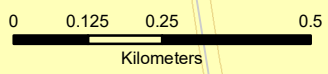
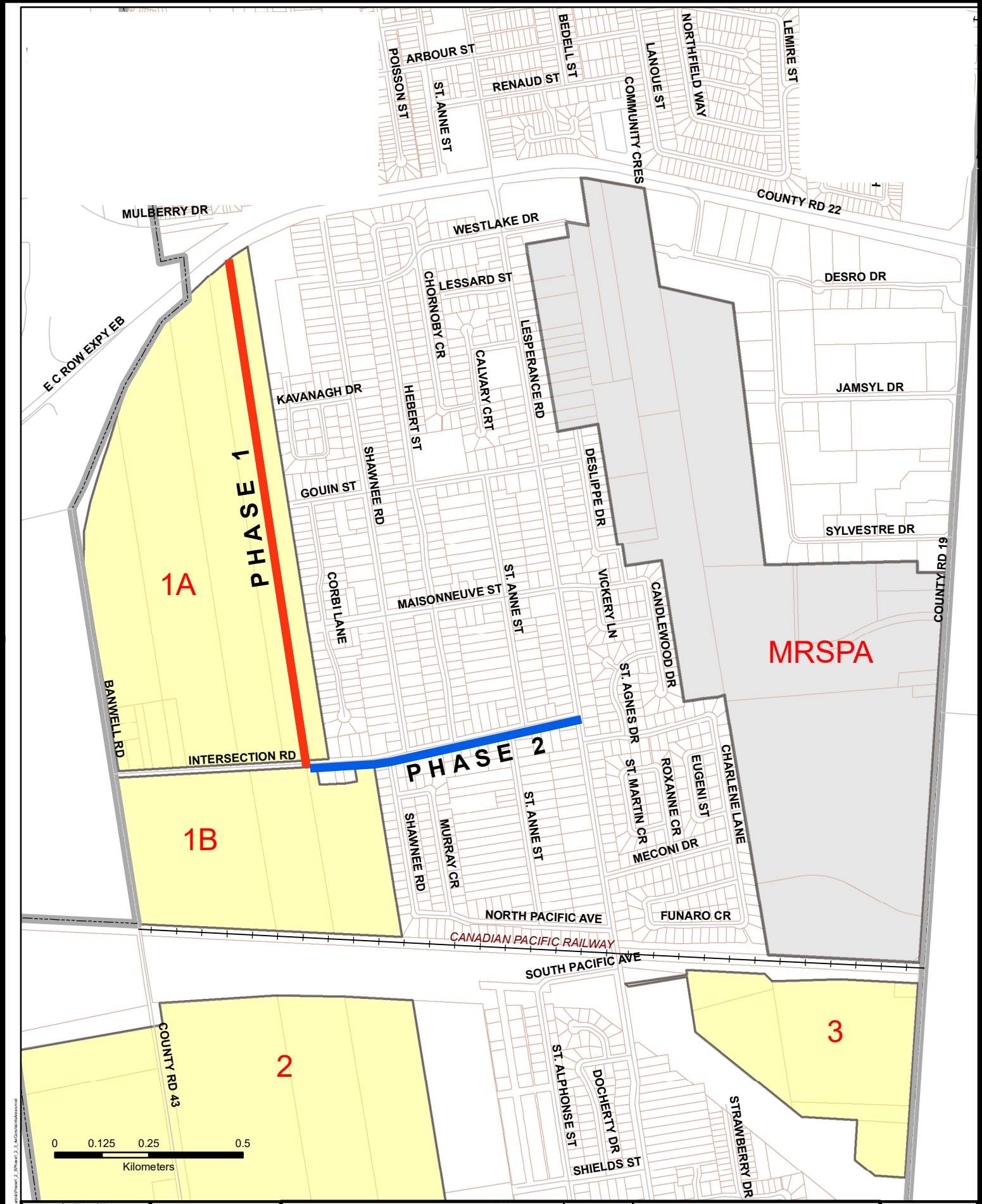
Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Engineering Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	HEWSF Tecumseh Hamlet Trunk Water and Trunk Wastewater Map



Conditions of Use
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TOWN OF Tecumseh
 ONTARIO - CANADA

Work Done:	Author:
10	HJK
	Date: 2024-03-18
	Scale:
	Map Scale Bar

Tecumseh Hamlet W & WW
PROPOSED PHASING

PROJECT No.	
SHEET No.	1

The Corporation of the Town of Tecumseh

By-Law Number 2025-004

Being a by-law to authorize the execution of an agreement with His Majesty King of Right of Ontario, as represented by the Minister of Infrastructure for funding under the Housing Enabling Water Systems Fund

Whereas the Housing Enabling Water Systems Fund (Program) is a provincial infrastructure program designed to help municipalities repair, rehabilitate and expand core water, wastewater and stormwater infrastructure;

And whereas the Province of Ontario (Province) has approved funding for the Town's expansion of the water and wastewater infrastructure from County Road 22 to Intersection Road including pip interconnections at Gouin Street and Maisonneuve Street;

And whereas the Town of Tecumseh and the Province is desirous to enter into an agreement for the Program;

And whereas pursuant to the *Municipal Act, S.O. 2001, s.5(3)*, the powers of a municipality shall be exercised by by-law.

Now Therefore the Council of The Corporation of The Town of Tecumseh enacts as follows:

1. **That** the Mayor and Clerk are hereby authorized and empowered on behalf of the Corporation of the Town of Tecumseh to execute an Ontario Transfer Payment Agreement, Housing Enabling Water Systems Fund: Intake 1 with His Majesty the King in Right of Ontario as represented by the Minister of Infrastructure for the Province of Ontario dated January 28th day of January, 2025, a copy of which Agreement is attached hereto and forms part of this by-law and to do such further and other acts which may be necessary to implement the Agreement.
2. **That** this by-law shall come into full force and take effect on the date of the third and final reading thereof.

Read a first, second, third time and finally passed this 28th day of January, 2025.

Gary McNamara, Mayor

Robert Auger, Clerk

**ONTARIO TRANSFER PAYMENT AGREEMENT
HOUSING-ENABLING WATER SYSTEMS FUND: INTAKE 1**

THE AGREEMENT is effective as of the 28th day of January, 2024.

BETWEEN:

His Majesty the King in right of Ontario
as represented by the **Minister of Infrastructure**

(the “Province”)

- and -

THE CORPORATION OF THE TOWN OF TECUMSEH

(the “Recipient”)

BACKGROUND

The Housing-Enabling Water Systems Fund (HEWSF) is an application-based program designed to help municipalities repair, rehabilitate, and expand core water, wastewater, and stormwater infrastructure.

Projects funded through the program aim to unlock more housing opportunities, support the province’s growing population, protect communities, and enhance economic growth.

CONSIDERATION

In consideration of the mutual covenants and agreements contained in the Agreement and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Province and the Recipient agree as follows:

1.0 ENTIRE AGREEMENT

1.1 Schedules to the Agreement. The following schedules form part of the Agreement:

Schedule “A” - General Terms and Conditions

Schedule "B" -	Project Specific Information and Additional Provisions
Schedule "C" -	Project Description and Financial Information
Schedule "D" -	Eligible and Ineligible Costs
Schedule "E" -	Milestone Payment Plan
Schedule "F" -	Reporting Requirements
Schedule "G" -	Communications Protocol
Schedule "H" -	Indigenous Consultation Protocol

1.2 Entire Agreement. The Agreement constitutes the entire agreement between the Parties with respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and agreements.

2.0 CONFLICT OR INCONSISTENCY

2.1 Conflict or Inconsistency. In the event of a conflict or inconsistency between the Additional Provisions and the provisions in Schedule "A", the following rules will apply:

- (a) the Parties will interpret any Additional Provisions in so far as possible, in a way that preserves the intention of the Parties as expressed in Schedule "A"; and
- (b) where it is not possible to interpret the Additional Provisions in a way that is consistent with the provisions in Schedule "A", the Additional Provisions will prevail over the provisions in Schedule "A" to the extent of the inconsistency.

3.0 COUNTERPARTS AND ELECTRONIC SIGNATURES

3.1 One and the Same Agreement. The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

3.2 Electronic Signatures. This Agreement may be executed electronically. The electronic signature of a Party may be evidenced by one of the following means and transmission of this Agreement may be as follows:

- (a) a manual signature of an authorized signing officer placed in the respective signature line of this Agreement and this Agreement scanned as a pdf file and delivered by email to the other Party;

- (b) a digital signature placed in the respective signature line of this Agreement, including:
 - (i) the name of the authorized signing officer typed in the respective signature line of this Agreement,
 - (ii) an image of a manual signature inserted in the respective signature line of this Agreement,
 - (iii) an Adobe signature of an authorized signing officer, or
 - (iv) any other digital signature of an authorized signing officer with the other Party's prior written consent, and this Agreement delivered by email to the other Party; or
- (c) any other means with the other Party's prior written consent.

4.0 AMENDING THE AGREEMENT

- 4.1 Amending the Agreement.** The Agreement may only be amended by a written agreement duly executed by the Parties.

5.0 ACKNOWLEDGEMENT

- 5.1 Acknowledgement.** The Recipient acknowledges that:

- (a) by receiving Funds it may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *Broader Public Sector Accountability Act, 2010* (Ontario), the *Public Sector Salary Disclosure Act, 1996* (Ontario), and the *Auditor General Act* (Ontario);
- (b) His Majesty the King in right of Ontario has issued expenses, perquisites, and procurement directives and guidelines pursuant to the *Broader Public Sector Accountability Act, 2010* (Ontario);
- (c) the Funds are:
 - (i) to assist the Recipient to carry out the Project and not to provide goods or services to the Province;
 - (ii) funding for the purposes of the *Public Sector Salary Disclosure Act, 1996* (Ontario);
- (d) the Province is not responsible for carrying out the Project;

- (e) the Province is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Province in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act; and
- (f) the Province is bound by the *Financial Administration Act* (Ontario) (“FAA”) and, pursuant to subsection 11.3(2) of the FAA, payment by the Province of Funds under the Agreement will be subject to,
 - (i) an appropriation, as that term is defined in subsection 1(1) of the FAA, to which that payment can be charged being available in the Funding Year in which the payment becomes due; or
 - (ii) the payment having been charged to an appropriation for a previous fiscal year.

SIGNATURE PAGE FOLLOWS

The Parties have executed the Agreement on the dates set out below.

**HIS MAJESTY THE KING IN RIGHT OF
ONTARIO**, as represented by the Minister of
Infrastructure

Date

The Honourable Kinga Surma
Minister of Infrastructure

**THE CORPORATION OF THE TOWN OF
TECUMSEH**

Date: January 28, 2025

Name: Gary McNamara

Title: Mayor

I have authority to bind the Recipient.

Date: January 28, 2025

Name: Robert Auger

Title: Clerk

I have authority to bind the Recipient.

**SCHEDULE “A”
GENERAL TERMS AND CONDITIONS**

A1.0 INTERPRETATION AND DEFINITIONS

A1.1 Interpretation. For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the headings do not form part of the Agreement; they are for reference only and will not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency will be in Canadian dollars and currency; and
- (e) “include”, “includes” and “including” denote that the subsequent list is not exhaustive.

A1.2 Definitions. In the Agreement, the following terms will have the following meanings:

“Additional Provisions” means the terms and conditions set out in Schedule “B”.

“Agreement” means this agreement entered into between the Province and the Recipient, all of the schedules listed in section 1.1, and any amending agreement entered into pursuant to section 4.1.

“Business Day” means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year’s Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day and any other day on which the Province has elected to be closed for business.

“Construction Contract Award Deadline” means the construction contract award deadline set out in Schedule “E”.

“Contract” means an agreement between the Recipient and a third-party whereby the third-party provides a good, service or both for the Project in return for financial consideration that the Recipient wants to pay using the Funds under this Agreement.

“Effective Date” means the date set out at the top of the Agreement.

“Eligible Costs” means the costs in respect of the Project that the Recipient has incurred and paid and that are eligible for payment under the terms and conditions of the Agreement, and that are further described in Schedule “D”.

“Event of Default” has the meaning ascribed to it in section A13.1.

“Expiry Date” means the expiry date set out in Schedule “B”.

“Funds” means the money the Province provides to the Recipient pursuant to the Agreement.

“Indemnified Parties” means His Majesty the King in right of Ontario, and includes His ministers, agents, appointees, and employees.

“Indigenous Community”, includes First Nation, Métis, and Inuit communities or peoples of Canada.

“Indigenous Consultation Record” means a document that summarizes the Recipient’s consultation and engagement activities, including a list of Indigenous Communities consulted, concerns raised, and how each of the concerns have been addressed or, if not addressed, an explanation as to why not;

“Ineligible Costs” means the costs in respect of the Project that are ineligible for contribution by the Province under the terms and conditions of the Agreement, and that are described in Schedule “D”.

“Loss” means any cause of action, liability, loss, cost, damage, or expense (including legal, expert and consultant fees) that anyone incurs or sustains as a result of or in connection with the Project or any other part of the Agreement.

“Maximum Funds” means the maximum set out in Schedule “B”.

“Notice” means any communication given or required to be given pursuant to the Agreement.

“Notice Period” means the period of time within which the Recipient is required to remedy an Event of Default pursuant to section A13.3(b), and includes any such period or periods of time by which the Province extends that time pursuant to section A13.4.

“Parties” means the Province and the Recipient.

“Party” means either the Province or the Recipient.

“Proceeding” means any action, claim, demand, lawsuit, or other proceeding that anyone makes, brings or prosecutes as a result of or in connection with the Project or with any other part of the Agreement.

“Project” means the undertaking described in section C1.0 of Schedule “C”.

“Project Start Deadline” means the project start deadline set out in Schedule “B”.

“Project Completion Deadline” means the project completion deadline set out in Schedule “B”.

“Records Review” means any assessment the Province conducts pursuant to section A7.4.

“Reports” means the reports described in Schedule “F”.

“Requirements Of Law” means all applicable statutes, regulations, by-laws, ordinances, codes, official plans, rules, approvals, permits, licenses, authorizations, orders, decrees, injunctions, directions and agreements with all authorities.

A2.0 REPRESENTATIONS, WARRANTIES, AND COVENANTS

A2.1 General. The Recipient represents, warrants, and covenants that:

- (a) it is, and will continue to be, a validly existing legal entity with full power to fulfill its obligations under the Agreement;
- (b) it has, and will continue to have, the experience and expertise necessary to carry out the Project;
- (c) it is in compliance with, and will continue to comply with, all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules, and by-laws related to any aspect of the Project, the Funds, or both; and
- (d) unless otherwise provided for in the Agreement, any information the Recipient provided to the Province in support of its request for funds (including information relating to any eligibility requirements) was true

and complete at the time the Recipient provided it and will continue to be true and complete.

A2.2 Execution of Agreement. The Recipient represents and warrants that it has:

- (a) the full power and capacity to enter into the Agreement; and
- (b) taken all necessary actions to authorize the execution of the Agreement, including passing a municipal by-law authorizing the Recipient to enter into the Agreement.

A2.3 Governance. The Recipient represents, warrants, and covenants that it has, will maintain in writing, and will follow:

- (a) procedures to enable the Recipient to manage Funds prudently and effectively;
- (b) procedures to enable the Recipient to complete the Project successfully;
- (c) procedures to enable the Recipient to identify risks to the completion of the Project and strategies to address the identified risks, all in a timely manner;
- (d) procedures to enable the preparation and submission of all Reports required pursuant to Article A7.0; and
- (e) procedures to enable the Recipient to address such other matters as the Recipient considers necessary to enable the Recipient to carry out its obligations under the Agreement.

A2.4 Supporting Proof. Upon the request of the Province, the Recipient will provide the Province with proof of the matters referred to in Article A2.0.

A2.5 Adverse Fact or Event. The Recipient will inform the Province immediately of any fact or event of which it is aware that has or will compromise, wholly or in part, the Project.

A3.0 TERM OF THE AGREEMENT

A3.1 Term. The term of the Agreement will commence on the Effective Date and will expire on the Expiry Date unless terminated earlier pursuant to Article A12.0 or Article A13.0.

A3.2 Project Deadlines. The Recipient will:

- (a) commence the Project by the Project Start Deadline;
- (b) award the Project construction contracts that account for the bulk of the construction work by the Construction Contract Award Deadline; and
- (c) complete the Project by the Project Completion Deadline.

A4.0 FUNDS AND CARRYING OUT THE PROJECT

A4.1 Funds Provided. The Province will:

- (a) provide the Recipient with Funds up to the Maximum Funds for the purpose of carrying out the Project;
- (b) provide the Funds to the Recipient in accordance with the payment plan attached to the Agreement as Schedule “E”; and
- (c) deposit the Funds into an account the Recipient designates provided that the account:
 - (i) resides at a Canadian financial institution; and
 - (ii) is in the name of the Recipient.

A4.2 Limitation on Payment of Funds. Despite section A4.1:

- (a) the Province is not obligated to provide any Funds to the Recipient until the Recipient provides the certificates of insurance or other proof required pursuant to section A11.2;
- (b) the Province is not obligated to provide instalments of Funds until it is satisfied with the progress of the Project; and
- (c) the Province may adjust the amount of Funds it provides to the Recipient in connection with any Payment Milestone based upon the Province’s assessment of the information the Recipient provides to the Province pursuant to section A7.2.

A4.3 Use of Funds and Carry Out the Project. The Recipient will do all of the following:

- (a) carry out the Project in accordance with the Agreement;

- (b) use the Funds only for the purpose of carrying out the Project;
- (c) spend the Funds only in accordance with the Eligible Costs;
- (d) not use the Funds to cover any cost that has been or will be funded or reimbursed by one or more of any third party, ministry, agency, or organization of the Government of Ontario.

A4.4 Interest-Bearing Account. If the Province provides Funds before the Recipient's immediate need for the Funds, the Recipient will place the Funds in an interest-bearing account in the name of the Recipient at a Canadian financial institution.

A4.4.1 Use of Interest. Unless otherwise directed by the Province by Notice, if the Recipient earns any interest on the Funds, the Recipient must use any interest earned on Eligible Costs.

A4.5 Interest. Upon Notice to the Recipient by the Province, if the Recipient earns any interest on the Funds, the Province may do either or both of the following:

- (a) deduct an amount up to the interest earned from any further instalments of Funds;
- (b) demand from the Recipient the payment of an amount up to the interest earned.

A4.6 Recipient's Acknowledgement of Responsibility for Project. The Recipient will, in respect of the Project, assume full responsibility for the Project, including, without limitation:

- (a) complete, diligent, and timely Project implementation within the costs and timelines specified in the Agreement and in accordance with all other terms and conditions of the Agreement;
- (b) all of the costs of the Project, including, without limitation, unapproved expenditures, Ineligible Costs, cost escalations and cost overruns, if any;
- (c) subsequent operation, maintenance, repair, rehabilitation, construction, demolition, or reconstruction, as required and in accordance with industry standards, and any related costs for the full lifecycle of the Project; and
- (d) the engineering work being undertaken in accordance with industry standards.

A4.7 Rebates, Credits, and Refunds. The Province will calculate Funds based on the actual costs to the Recipient to carry out the Project, less any costs (including taxes) for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit, or refund.

A4.8 Increase in Project Costs. If, at any time during the Term, the Recipient determines that it will not be possible to complete the Project due to cost escalations or cost overruns (a “**Shortfall**”), the Recipient will immediately notify the Province of that determination. The Province may exercise one or more of the remedies available to it pursuant to section A13.2.

A4.9 Retention of Contribution. The Province will retain 15% of the Maximum Funds in respect of the Project (“Holdback”) up until the following conditions have been met:

- (a) the Recipient has fulfilled all of its obligations under the Agreement for the Project; and
- (b) the Province has carried out the reconciliation, as set out in section A4.10 (Final Reconciliation and Adjustments), and has made any adjustments required in the circumstances.

A4.10 Final Reconciliation and Adjustments. Without limiting the rights of the Province under this Agreement or otherwise, following receipt and satisfactory review of the Final Report and supporting material by the Province, the Province will carry out a final reconciliation of payment in respect of the Project and make any adjustments required in the circumstances.

A5.0 RECIPIENT’S ACQUISITION OF GOODS OR SERVICES, AND DISPOSAL OF ASSETS

A5.1 Acquisition. If the Recipient acquires goods, services or both with the Funds, it will:

- (a) Do so through a process that is transparent, fair and promotes the best value for the money expended and at competitive prices that are no greater than fair market value after deducting trade discounts or any other discounts available to the Recipient; and
- (b) Comply with any Requirements Of Law that may be applicable to how the Recipient acquires goods, services or both.

A5.2 Contracts. The Recipient will ensure that all Contracts:

- (a) Are consistent with this Agreement;
- (b) Do not conflict with this Agreement;
- (c) Incorporate the relevant provisions of this Agreement to the fullest extent possible;
- (d) Require that any parties to those Contracts comply with all Requirements Of Law; and
- (e) Authorize the Province to perform audits of the parties to those Contracts in relation to the Project as the Province sees fit in connection with Article A7.0 of this Schedule "A".

A5.3 Disposal of Assets. The Recipient will not, without the Province's prior consent, sell, lease or otherwise dispose of any asset purchased or created with the Funds or for which Funds were provided, the cost of which exceeded the amount as provided for in Schedule "B" at the time of purchase.

A6.0 CONFLICT OF INTEREST

A6.1 Conflict of Interest Includes. For the purposes of Article A6.0, a conflict of interest includes any circumstances where:

- (a) the Recipient; or
- (b) any person who has the capacity to influence the Recipient's decisions, has outside commitments, relationships, or financial interests that could, or could be seen by a reasonable person to, interfere with the Recipient's objective, unbiased, and impartial judgment relating to the Project, the use of the Funds, or both.

A6.2 No Conflict of Interest. The Recipient will carry out the Project and use the Funds without an actual, potential, or perceived conflict of interest unless:

- (a) the Recipient:
 - (i) provides Notice to the Province disclosing the details of the actual, potential, or perceived conflict of interest; and
 - (ii) requests the consent of the Province to carry out the Project with an actual, potential, or perceived conflict of interest;

- (b) the Province provides its consent to the Recipient carrying out the Project with an actual, potential, or perceived conflict of interest; and
- (c) the Recipient complies with any terms and conditions the Province may prescribe in its consent.

A7.0 REPORTS, ACCOUNTING, AND REVIEW

A7.1 Province Includes. For the purposes of sections A7.4, A7.5 and A7.6, “Province” includes any auditor or representative the Province may identify.

A7.2 Preparation and Submission. The Recipient will:

- (a) submit to the Province at the address set out in Schedule “B”:
 - (i) all Reports in accordance with the timelines and content requirements set out in Schedule “F”;
 - (ii) any other reports in accordance with any timelines and content requirements the Province may specify from time to time;
- (b) ensure that all Reports and other reports are:
 - (i) completed to the satisfaction of the Province; and
 - (ii) signed by an authorized signing officer of the Recipient.

A7.3 Record Maintenance. The Recipient will keep and maintain:

- (a) all financial records (including invoices and evidence of payment) relating to the Funds or otherwise to the Project in a manner consistent with generally accepted accounting principles applicable in Canada; and
- (b) all non-financial records and documents relating to the Funds or otherwise to the Project.

A7.4 Records Review. The Province may, at its own expense, upon twenty-four hours’ Notice to the Recipient and during normal business hours enter upon the Recipient’s premises to conduct an audit or investigation of the Recipient regarding the Recipient’s compliance with the Agreement, including assessing any of the following:

- (a) the truth of any of the Recipient’s representations and warranties;

- (b) the progress of the Project;
- (c) the Recipient's allocation and expenditure of the Funds.

A7.5 Inspection and Removal. For the purposes of any Records Review, the Province may take one or both of the following actions:

- (a) inspect and copy any records and documents referred to in section A7.3;
- (b) remove any copies the Province makes pursuant to section A7.5(a).

A7.6 Cooperation. To assist the Province in respect of its rights provided for in section A7.5, the Recipient will cooperate with the Province by:

- (a) ensuring that the Province has access to the records and documents wherever they are located;
- (b) assisting the Province to copy records and documents;
- (c) providing to the Province, in the form the Province specifies, any information the Province identifies; and
- (d) carrying out any other activities the Province requests.

A7.7 No Control of Records. No provision of the Agreement will be construed to give the Province any control whatsoever over any of the Recipient's records.

A7.8 Auditor General. The Province's rights under Article A7.0 are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

A8.0 COMMUNICATIONS REQUIREMENTS

A8.1 Communications Protocol. The Parties agree to be bound by the terms and conditions of the communications protocol provided for in Schedule "G" (Communications Protocol).

A9.0 INDIGENOUS CONSULTATION

A9.1 Indigenous Consultation Protocol. The Parties agree to be bound by the terms and conditions of the Indigenous Consultation Protocol provided for in Schedule "H" (Indigenous Consultation Protocol).

A9.2 Legal Duty to Consult. In the event that the Province determines that a legal

duty to consult and, where appropriate, accommodate Indigenous Communities (the “Duty to Consult”) arises in respect of the Province’s proposed funding of the Project:

- (a) no site preparation, removal of vegetation or construction will occur in respect of the Project until the Province provides confirmation in writing to the Recipient otherwise;
- (b) the Province may, in writing, require the Recipient to suspend further site preparation, removal of vegetation or construction pending completion of the required consultation;
- (c) despite section A.4.1, if the Province has not provided confirmation in writing to the Recipient that site preparation, removal of vegetation or construction may begin or resume, the Province has no obligation to pay any Eligible Costs that are capital costs incurred during that period, as determined by the Province; and,
- (d) the Province must be satisfied that:
 - (i) Indigenous Communities have been notified and, if applicable, consulted;
 - (ii) where consultation has occurred, the Recipient has provided an Indigenous Consultation Record;
 - (iii) the Recipient is carrying out accommodation measures, where appropriate; and
 - (iv) any other information has been provided which the Province may deem appropriate.

A10.0 INDEMNITY

A10.1 Indemnify. The Recipient will indemnify and hold harmless the Indemnified Parties from and against any Loss and any Proceeding, unless solely caused by the gross negligence or wilful misconduct of the Indemnified Parties.

A11.0 INSURANCE

A11.1 Insurance. The Recipient represents, warrants, and covenants that it has, and will maintain, at its own cost and expense, with insurers having a secure A.M.

Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out a project similar to the Project would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury, and property damage, to an inclusive limit of not less than the amount set out in Schedule “B” per occurrence, which commercial general liability insurance policy will include the following:

- (a) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Recipient’s obligations under, or otherwise in connection with, the Agreement;
- (b) a cross-liability clause;
- (c) contractual liability coverage; and
- (d) at least 30 days’ written notice of cancellation.

A11.2 Proof of Insurance. The Recipient will:

- (a) provide to the Province, either:
 - (i) certificates of insurance that confirm the insurance coverage required by section A11.1; or
 - (ii) other proof that confirms the insurance coverage required by section A11.1; and
- (b) in the event of a Proceeding, and upon the Province’s request, the Recipient will provide to the Province a copy of any of the Recipient’s insurance policies that relate to the Project or otherwise to the Agreement, or both.

A12.0 TERMINATION ON NOTICE

A12.1 Termination on Notice. The Province may terminate the Agreement at any time without liability, penalty, or costs upon giving 30 days’ Notice to the Recipient.

A12.2 Consequences of Termination on Notice by the Province. If the Province terminates the Agreement pursuant to section A12.1, the Province may take one or more of the following actions:

- (a) cancel further instalments of Funds;

- (b) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient; and
- (c) determine the reasonable costs for the Recipient to wind down the Project, and do either or both of the following:
 - (i) permit the Recipient to offset such costs against the amount the Recipient owes pursuant to section A12.2(b); and
 - (ii) subject to section A4.1(a), provide Funds to the Recipient to cover such costs.

A13.0 EVENT OF DEFAULT, CORRECTIVE ACTION, AND TERMINATION FOR DEFAULT

A13.1 Events of Default. Each of the following events will constitute an Event of Default:

- (a) in the opinion of the Province, the Recipient breaches any representation, warranty, covenant, or other term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:
 - (i) carry out the Project;
 - (ii) use or spend Funds; or
 - (iii) provide, in accordance with section A7.2, Reports or such other reports as the Province may have requested pursuant to section A7.2(a)(ii);
- (b) the Recipient's operations, its financial condition, its organizational structure or its control changes such that it no longer meets one or more of the eligibility requirements of the program under which the Province provides the Funds;
- (c) the Recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor makes an application for an order adjudging the Recipient bankrupt, or applies for the appointment of a receiver;
- (d) the Recipient ceases to operate.

A13.2 Consequences of Events of Default and Corrective Action. If an Event of Default occurs, the Province may, at any time, take one or more of the following actions:

- (a) initiate any action the Province considers necessary in order to facilitate the successful continuation or completion of the Project;
- (b) provide the Recipient with an opportunity to remedy the Event of Default;
- (c) suspend the payment of Funds for such period as the Province determines appropriate;
- (d) reduce the amount of the Funds;
- (e) cancel further instalments of Funds;
- (f) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient;
- (g) demand from the Recipient the payment of an amount equal to any Funds the Recipient used, but did not use in accordance with the Agreement;
- (h) demand from the Recipient the payment of an amount equal to any Funds the Province provided to the Recipient;
- (i) demand from the Recipient the payment of an amount equal to the costs the Province incurred or incurs to enforce its rights under the Agreement, including the costs of any Records Review and the costs it incurs to collect any amounts the Recipient owes to the Province; and
- (j) upon giving Notice to the Recipient, terminate the Agreement at any time, including immediately, without liability, penalty or costs to the Province.

A13.3 Opportunity to Remedy. If, pursuant to section A13.2(b), the Province provides the Recipient with an opportunity to remedy the Event of Default, the Province will give Notice to the Recipient of:

- (a) the particulars of the Event of Default; and
- (b) the Notice Period.

A13.4 Recipient not Remediating. If the Province provides the Recipient with an

opportunity to remedy the Event of Default pursuant to section A13.2(b), and:

- (a) the Recipient does not remedy the Event of Default within the Notice Period;
- (b) it becomes apparent to the Province that the Recipient cannot completely remedy the Event of Default within the Notice Period; or
- (c) the Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Province,
- (d) the Province may extend the Notice Period, or initiate any one or more of the actions provided for in sections A13.2(a), (c), (d), (e), (f), (g), (h), (i) and (j).

A13.5 When Termination Effective. Termination under Article A13.0 will take effect as provided for in the Notice.

A14.0 FUNDS UPON EXPIRY

A14.1 Funds Upon Expiry. Upon expiry of the Agreement, the Recipient will pay to the Province any Funds remaining in its possession, under its control, or both.

A15.0 DEBT DUE AND PAYMENT

A15.1 Payment of Overpayment. If at any time the Province provides Funds in excess of the amount to which the Recipient is entitled under the Agreement, the Province may:

- (a) deduct an amount equal to the excess Funds from any further instalments of Funds; or
- (b) demand that the Recipient pay to the Province an amount equal to the excess Funds.

A15.2 Debt Due. If, pursuant to the Agreement:

- (a) the Province demands from the Recipient the payment of any Funds, an amount equal to any Funds or any other amounts owing under the Agreement; or
- (b) the Recipient owes to the Province any Funds, an amount equal to any Funds or any other amounts owing under the Agreement, whether or not

the Province has demanded their payment,

- (c) such amounts will be deemed to be debts due and owing to the Province by the Recipient, and the Recipient will pay the amounts to the Province immediately, unless the Province directs otherwise.

A15.3 Interest Rate. The Province may charge the Recipient interest on any money owing to the Province by the Recipient under the Agreement at the then current interest rate charged by the Province of Ontario on accounts receivable.

A15.4 Payment of Money to Province. The Recipient will pay any money owing to the Province by cheque payable to the “Ontario Minister of Finance” and delivered to the Province at the address set out in Schedule “B”.

A15.5 Fails to Pay. Without limiting the application of section 43 of the *Financial Administration Act* (Ontario), if the Recipient fails to pay any amount owing under the Agreement, His Majesty the King in right of Ontario may deduct any unpaid amount from any money payable to the Recipient by His Majesty the King in right of Ontario.

A16.0 NOTICE

A16.1 Notice in Writing and Addressed. Notice will be:

- (a) in writing;
- (b) delivered by email, postage-prepaid mail, personal delivery or courier and
- (c) addressed to the Province or the Recipient as set out in Schedule “B”, or as either Party later designates to the other by Notice.

A16.2 Notice Given. Notice will be deemed to have been given:

- (a) in the case of postage-prepaid mail, five Business Days after the Notice is mailed; and
- (b) in the case of email, personal delivery or courier, on the date on which the Notice is delivered.

A16.3 Postal Disruption. Despite section A16.2(a), in the event of a postal disruption:

- (a) Notice by postage-prepaid mail will not be deemed to be given; and
- (b) the Party giving Notice will give Notice by email, personal delivery or courier.

A17.0 CONSENT BY PROVINCE AND COMPLIANCE BY RECIPIENT

A17.1 Consent. When the Province provides its consent pursuant to the Agreement:

- (a) it will do so by Notice;
- (b) it may attach any terms and conditions to the consent; and
- (c) the Recipient may rely on the consent only if the Recipient complies with any terms and conditions the Province may have attached to the consent.

A18.0 SEVERABILITY OF PROVISIONS

A18.1 Invalidity or Unenforceability of Any Provision. The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement.

A19.0 WAIVER

A19.1 Condonation not a waiver. Failure or delay by the either Party to exercise any of its rights, powers or remedies under the Agreement will not constitute a waiver of those rights, powers or remedies and the obligations of the Parties with respect to such rights, powers or remedies will continue in full force and effect.

A19.2 Waiver. Either Party may waive any of its rights, powers or remedies under the Agreement by providing Notice to the other Party. A waiver will apply only to the specific rights, powers or remedies identified in the Notice and the Party providing the waiver may attach terms and conditions to the waiver.

A20.0 INDEPENDENT PARTIES

A20.1 Parties Independent. The Recipient is not an agent, joint venturer, partner, or employee of the Province, and the Recipient will not represent itself in any way that might be taken by a reasonable person to suggest that it is or take any actions that could establish or imply such a relationship.

A21.0 ASSIGNMENT OF AGREEMENT OR FUNDS

A21.1 No Assignment. The Recipient will not, without the prior written consent of the Province, assign any of its rights or obligations under the Agreement.

A21.2 Agreement Binding. All rights and obligations contained in the Agreement will extend to and be binding on:

- (a) the Recipient's heirs, executors, administrators, successors, and permitted assigns; and
- (b) the successors to His Majesty the King in right of Ontario.

A22.0 GOVERNING LAW

A22.1 Governing Law. The Agreement and the rights, obligations, and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

A23.0 FURTHER ASSURANCES

A23.1 Agreement into Effect. The Recipient will:

- (a) provide such further assurances as the Province may request from time to time with respect to any matter to which the Agreement pertains; and
- (b) do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

A24.0 JOINT AND SEVERAL LIABILITY

A24.1 Joint and Several Liability. Where the Recipient comprises more than one entity, each entity will be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under the Agreement.

A25.0 RIGHTS AND REMEDIES CUMULATIVE

A25.1 Rights and Remedies Cumulative. The rights and remedies of the Province under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

A26.0 FAILURE TO COMPLY WITH OTHER AGREEMENTS

A26.1 Other Agreements. If the Recipient:

- (a) has failed to comply with any term, condition, or obligation under any other agreement with His Majesty the King in right of Ontario or one of Her agencies (a **“Failure”**);
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing, the Province may suspend the payment of Funds for such period as the Province determines appropriate.

A27.0 SURVIVAL

A27.1 Survival. The following Articles and sections, and all applicable cross-referenced Articles, sections and schedules, will continue in full force and effect for a period of seven years from the date of expiry or termination of the Agreement: Article 1.0, Article 2.0, Article A1.0 and any other applicable definitions, section A2.1(a), sections A4.4, A4.5, A4.7, A4.9, A4.10, section A5.3, section A7.1, section A7.2 (to the extent that the Recipient has not provided the Reports or other reports as the Province may have requested and to the satisfaction of the Province), sections A7.3, A7.4, A7.5, A7.6, A7.7, A7.8, Article A8.0, Article A10.0, section A12.2, section A13.1, sections A13.2(d), (e), (f), (g), (h), (i) and (j), Article A14.0, Article A15.0, Article A16.0, Article A18.0, section A21.2, Article A22.0, Article A24.0, Article A25.0 and Article A27.0.

END OF GENERAL TERMS AND CONDITIONS

SCHEDULE “B”
PROJECT SPECIFIC INFORMATION AND ADDITIONAL PROVISIONS

Maximum Funds	\$15,121,676.00
Expiry Date	March 31, 2028
Project Start Deadline	September 30, 2024
Project Completion Deadline	March 31, 2027
Amount for the purposes of section A5.3 (Disposal of Assets) of Schedule “A”	\$50,000
Insurance	\$2,000,000
Contact information for the purposes of Notice to the Province	Position: Manager, Housing Enabling Program Delivery Unit Address: Ministry of Infrastructure Infrastructure Program Design Branch 777 Bay St Toronto, Ontario M7A 2J4 Email: HEWS@ontario.ca
Contact information for the purposes of Notice to the Recipient	Position: Shane Mcvitty, Development Engineer Position: Tom Kitsos, Director Financial Services & Chief Financial Officer Address: 917 Lesperance Road Tecumseh, Ontario N8N 1W9 (519) 735-2184 Email: smcvitty@tecumseh.ca Email: tkitsos@tecumseh.ca

Additional Provisions:

None

SCHEDULE “C”
PROJECT DESCRIPTION AND FINANCIAL INFORMATION

C1.0 PROJECT DESCRIPTION

The Recipient will expand water and wastewater infrastructure in the Town of Tecumseh. This project will involve the installation of approximately 1,400 metres of trunk watermain, and approximately 1,360 metres of trunk sanitary sewer from County Road 22 to Intersection Road including approximately 185 metres of pipe interconnections at Gouin Street and Maisonneuve Street. Project work will also include the installation of approximately 600 metres of watermain interconnection, and approximately 530 metres of sanitary diversion sewer from the West Hamlet facilities to the existing infrastructure along Intersection Road. Work on this project will also include the installation of all necessary sewer manholes and connections, flow monitoring device and associated electrical components, sanitary and water service connections, water valves and fittings, appurtenances, and restoration works within the project area roadways, boulevards, farmfields and access laneways. The outcomes of this project will enhance the water system, promote growth, and enable housing.

C2.0 FINANCIAL INFORMATION

C2.1 Total Eligible Costs. The total Eligible Costs means \$20,714,625.00

C2.2 Province’s Reimbursement Rate. Without limiting the generality of the Province’s rights and remedies under this Agreement, the Province will reimburse the Recipient for up to a maximum 73% of Total Eligible Costs, or up to the Maximum Funds.

C2.3 Combining Funding from Other Government Sources (Stacking). The Recipient may combine (i.e., stack) federal and municipal funding (including development charges revenue) to fund a minimum of 27% recipient contribution to Total Eligible Costs. The Recipient shall not stack other sources of provincial funding, with the exception of funding received from the Building Faster Fund (BFF) and the Ontario Community Infrastructure Fund (OCIF).

**SCHEDULE “D”
ELIGIBLE AND INELIGIBLE COSTS**

D1.0 ELIGIBLE COSTS

D1.1 Eligible Costs are those direct costs that are, in the Province’s sole and absolute discretion, properly and reasonably incurred and paid by the Recipient, are necessary for the successful completion of the Project, and are paid to an arm’s length third party, as evidenced by invoices, receipts or other records that are satisfactory to the Province. Eligible Costs do not include Ineligible Costs. Eligible Costs include the following costs incurred and paid after April 1, 2023:

- (a) Costs associated with the planning, environmental assessments, design and engineering, project management, materials and construction of the Project;
- (b) Costs associated with Indigenous consultation related to the Project; and
- (c) Costs associated with any compliance audit undertaken in accordance with Article F3.0.

D2.0 INELIGIBLE COSTS

D2.1 Unless a cost is considered an Eligible Cost pursuant to section D1.1, such cost will be an Ineligible Cost. Without limiting the discretion of the Province in section D1.1, the following costs are Ineligible Costs and are therefore ineligible to be paid from the Funds:

- (a) All capital costs, including site preparation, removal of vegetation and construction costs, prior to confirmation in writing from the Province to the Recipient that site preparation, removal of vegetation or construction may begin or resume, as described in section A9.2;
- (b) Financing and financing charges, debt restructuring, loan interest payments bank fees, and legal fees including those related to easements;
- (c) Costs associated with operating expenses for assets and regularly scheduled maintenance work;
- (d) Costs of relocating entire communities;

- (e) Planning costs, if not tied to a capital project (i.e., planning-only project submitted);
- (f) Land acquisition; leasing land, buildings and other facilities; real estate fees and related costs;
- (g) Leasing equipment other than equipment directly related to the construction of the Project;
- (h) Costs related to furnishing and non-fixed assets which are not essential for the operation of the asset/Project;
- (i) Any overhead costs, including salaries and other employment benefits of any employees of the Recipient, any direct or indirect operating or administrative costs of the Recipient, and more specifically any costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by the Recipient's staff;
- (j) Any goods and services costs which are received through donations or in kind;
- (k) Provincial sales tax, goods and services tax, or harmonized sales tax; and
- (l) Any costs eligible for rebates.

**SCHEDULE “E”
MILESTONE PAYMENT PLAN**

E1.0 MILESTONE PAYMENTS

E1.1. The table below sets out the milestones and, if the conditions for achieving the milestone are met, the amount that the Recipient is entitled to be paid in connection with the completion of that milestone, subject to the Recipient’s compliance with the terms of the Agreement, calculated as a percentage of the Maximum Funds.

PAYMENT MILESTONE	PAYMENT AMOUNT	REQUIRED REPORTS (see Schedule “F” for more detail)
Milestone 1: Execution of the Agreement.	25% of the Maximum Funds.	<p><i>The following documentation is required prior to execution of the Agreement:</i></p> <ul style="list-style-type: none"> • <i>Municipal by-law as described in section A2.2(b), and</i> • <i>Initial Project Report as described in Schedule “F”.</i>
Milestone 2: Subject to the terms and conditions of this Agreement, following the receipt, to the satisfaction of the Province, of the Construction Contract Award Documentation and Spring 2025 or Fall 2025 Project Progress Report.	<p>Up to 60% of the Maximum Funds.</p> <p>The payment amount is subject to the adjustments set out in section A4.2(c).</p>	<ul style="list-style-type: none"> • Construction Contract Award Documentation, • Spring 2025 or Fall 2025 Project Progress Report, including a revised expenditure forecast, and • Any other reporting requested by the Ministry.
Milestone 3: Subject to the terms and conditions of this Agreement, following the receipt, to the satisfaction of the	Release of Holdback as defined in section A4.9: Up to 15% of the Maximum Funds.	<ul style="list-style-type: none"> • Final Report, • Compliance with the Financial Information Return (FIR); • Compliance audit documentation if

Province, of the Final Report.	The payment amount is subject to the reconciliation and adjustments set out in sections A4.2(c) and A4.10.	required by the Province, and <ul style="list-style-type: none">• Any other reporting requested by the Ministry.
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**SCHEDULE “F”
REPORTING REQUIREMENTS**

F1.0 DOCUMENTATION REQUIRED FOR EXECUTION OF THE AGREEMENT

Name of Document	Description	Submission Timeframe
Initial Project Report	Recipient’s forecast of timelines and costs (expenditure forecast) to Project completion.	Within two weeks of being sent by the Province and prior to execution of the Agreement.
Council By-Law	Municipal by-law as described in section A2.2(b).	Prior to execution of the Agreement.
Executed Agreement	The executed Agreement between the Province and Recipient.	Required for Milestone 1 payment.

F2.0 REPORTS

F2.1 Reporting Requirements. The Recipient will submit to the Province the following Reports in a format to be provided by the Province and in accordance with the timelines below.

Required Documentation	Description	Submission Timeframe
Construction Contract Award Documentation	A report from council including a resolution or by-law recognizing the awarding of the Project construction contracts following tender.	This documentation is due within 60 Business Days of awarding the Project construction contracts that account for the bulk of the construction work and must be awarded no later than September 30, 2025. Required for Milestone 2 payment.
Project Progress Report	A report that includes: <ul style="list-style-type: none"> • an update on the Project’s status and signage status; • Revised expenditure forecast, which must be based on contracts 	Project Progress Reports are required twice per calendar year, in the Spring and Fall, for the duration of the project. This Report is due within 30 Business Days of a written

	<p>awarded to complete the Project;</p> <ul style="list-style-type: none"> • interest earned on the Funds; and • any other information as requested by the Province. 	<p>notice from the Province unless otherwise indicated by the Province.</p> <p>A Project Progress Report is required for the Milestone 2 payment.</p>
Final Report	<p>A report that summarizes the Project's final timelines, costs, project and signage photos, and outcomes, and includes the information required under the Project Progress Reports.</p>	<p>This Report is due within 60 Business Days of the Project Completion Period.</p> <p>Required for Milestone 3 payment.</p>
Other Reports	<p>Reports with such content as may be requested by the Province, which may include an Indigenous Consultation Record.</p>	<p>Within the timeframe requested in a written notice from the Province.</p>

F3.0 COMPLIANCE AUDIT

F3.1 Financial Information Return. Without limiting the generality of Article A7.0 (Reports, Accounting, and Review), the Recipient must have submitted Financial Information Returns (FIR) for the preceding two fiscal years.

F3.2 Financial Information Return Compliance. If the Recipient does not submit the FIR in accordance with F3.1, without limiting the Province's rights under Article A13.0, the Province will suspend the payment of Funds until the FIR are satisfactorily completed.

F3.3 Compliance Audit. Without limiting the generality of Article A7.0 (Reports, Accounting, and Review), the Recipient may be required to engage the services of an external auditor to conduct a final compliance audit upon reaching the project completion date.

Additional compliance audits may be conducted by the Province at its sole discretion, for which the Recipient shall assist and disclose any information requested by any independent auditor.

F3.4 **Requirements of Compliance Audit.** Each compliance audit will be conducted in accordance with Canadian Generally Accepted Auditing Standards, as adopted by the Canadian Institute of Chartered Accountants, applicable as of the date on which a record is kept or required to be kept under such standards. In addition, each compliance audit will assess the Recipient's compliance with the terms of the Agreement and will prepare a report that addresses, without limitation:

- (a) whether the Funds were spent in accordance with the Agreement;
- (b) the progress or state of completion of the Project;
- (c) whether the financial information the Recipient provided to the Province was complete, accurate, and provided in a timely manner;
- (d) whether the Recipient's information and monitoring processes and systems are adequate to carry out its obligations under the Agreement;
- (e) the Recipient's overall management and administration of the Project;
- (f) recommendations for improvement or redress of non-compliance of the terms of the Agreement by the Recipient; and
- (g) whether the Recipient took timely corrective action on any prior audit findings, if any.

SCHEDULE “G” COMMUNICATIONS PROTOCOL

G1.0 DEFINITIONS

G1.1 **Definitions.** For the purposes of this Schedule “G” (Communications Protocol):

“**Joint Communications**” means events, news releases, and signage that relate to the Agreement that are not operational in nature, and that are collaboratively developed and approved by the Province and the Recipient.

“**Contentious Issues**” means matters that are, or may reasonably be expected to be, of concern to the Legislative Assembly or the public, or are likely to result in inquiries being directed to the Minister or the provincial government.

Contentious Issues may be raised by:

- Members of the Legislative Assembly
- The public
- Media
- Stakeholders
- Service delivery partners

G2.0 PURPOSE

G2.1 **Purpose.** This communications protocol outlines the roles and responsibilities of each of the Parties to the Agreement in respect of Communications Activities related to the Project.

G2.2 **Guidance.** This communications protocol will guide all planning, development and implementation of Communications Activities with a view to ensuring efficient, structured, continuous, consistent, and coordinated communications to the public.

G2.3 **Application to Communications Activities.** The provisions of this communications protocol apply to all Communications Activities related to the Agreement and the Project.

G3.0 GUIDING PRINCIPLES

G3.1 **Information to public.** Communications Activities undertaken through this communications protocol should ensure that the public are informed about the

Project's benefits, including the ways in which the Project helps improve their quality of life.

- G3.2 **Factors to Consider.** The scale and scope of Communications Activities undertaken for any Project will take into consideration the financial value, scope and duration of the Project and the feasibility of Joint Communications for such Communications Activities.
- G3.3 **Deficiencies and Corrective Actions.** The Province will communicate to the Recipient any deficiencies or corrective actions, or both, identified by the Province or, as applicable, the Committee.
- G3.4 **Approval of Communications Material.** The announcement or publication of the Project must be approved by the Parties prior to being carried out.
- G3.5 **Costs of Communication Activities.** With the exception of advertising campaigns outlined in Article G.9.0 (Advertising Campaigns), the costs of Communication Activities and signage will follow the eligibility rules established in Schedule "D" (Eligible and Ineligible Costs).

G4.0 JOINT COMMUNICATIONS

- G4.1 **Subject Matter.** The Parties may have Joint Communications about the funding and status of the Project, including recognition of key project milestones.
- G4.2 **Prior Knowledge and Agreement.** Joint Communications in respect of the Project should not occur without the prior knowledge and agreement of the Parties.
- G4.3 **Recognition of the Province's Contributions.** All Joint Communications material must be approved by the Province and will recognize the Province's contribution to the Project.
- G4.4 **Notice and Timing.** The Recipient and the Province may request Joint Communications. The Party requesting the Joint Communications will provide at least 15 Business Days' notice to the other Party. If the Communications Activity is an event, it will take place at a date and location mutually agreed to by the Parties.
- G4.5 **Participation and Representatives.** The Party requesting a Joint Communications will provide the opportunity for the other Party to choose to participate and, if they do so choose, their own designated representative (in the case of an event).

G4.6 **English and French.** The Province has an obligation to communicate in English and French. Communications products related to events must be bilingual in many instances. In such cases, the Province will provide the translation services and final approval on products.

G5.0 INDIVIDUAL COMMUNICATIONS

G5.1 **The Province's Obligations.** Notwithstanding Article G.4.0 (Joint Communications), the Parties agree that the Province has the right to communicate information to Ontarians about the Agreement and the use of Funds to meet its legislated and regulatory obligations through their respective own Communications Activities.

G5.2 **Restrictions.** Each Party may include an overview in respect of the Project in their own Communications Activities. The Province and the Recipient will not unreasonably restrict the use of, for their own purposes, Communications Activities related to the Project and, if the communications are web- or social-media based, the ability to link to it.

G5.3 **Publication.** The Recipient will indicate, in respect of the Project-related publications, whether written, oral, or visual, that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Province.

G5.4 **Recognition in Documents.** In respect of the Project where the deliverable is a document, such as but not limited to plans, reports, studies, strategies, training material, webinars, and workshops, the Recipient will clearly recognize the Province's respective financial contribution for the Project.

G5.5 **Acknowledgement of Support.** Unless the Province directs the Recipient to do otherwise, the Recipient will, in respect of the Project-related publications, whether written, oral, or visual, acknowledge the Province's support for the Project.

G6.0 OPERATIONAL COMMUNICATIONS

G6.1 **Responsibility of Recipient.** The Recipient is solely responsible for operational communications in respect of the Project, including but not limited to calls for tender, contract awards, and construction and public safety notices.

G7.0 MEDIA RELATIONS

G7.1 Significant Media Inquiry. The Province and the Recipient will share information promptly with the other Party if significant media inquiries are received or if emerging contentious issues arise in respect of a Project. Significant media inquiries include, but are not limited to, contentious media requests where either or both the province and the recipient are implicated. Note that any media request that impacts or falls under the purview of the province (e.g., program guidelines, funding allocations) must be shared with each partner to determine who is best positioned to respond.

G8.0 SIGNAGE

G8.1 Recognition of Funding Contribution. The Parties agree that the Province and the Recipient may each have signage recognizing their funding contribution in respect of the Project.

G8.2 Funding Recognition. Unless otherwise agreed by the Province, the Recipient will produce and install a sign to recognize the funding contributed by the Province at the Project site in accordance with, as applicable, their current respective signage guidelines. Provincial sign design, content, and installation guidelines will be provided by the Province.

G8.3 Notice of Sign Installation. The Recipient will inform the Province of sign installations, including providing the Province with photographs of the sign once the sign has been installed.

G8.4 Timing for Erection of Sign. If erected, signage recognizing the Province's contributions will be installed at the Project site(s) 30 days prior to the start of construction, be visible for the duration of the Project, and remain in place until 30 days after construction is completed and the infrastructure is fully operational or opened for public use.

G8.5 Size of Sign. If erected, signage recognizing the Province's respective contribution will be at least equivalent in size and prominence to Project signage for contributions by other orders of government and will be installed in a prominent and visible location that takes into consideration pedestrian and traffic safety and visibility.

G8.6 Responsibility of Recipient. The Recipient is responsible for the production and installation of Project signage, and for maintaining the signage in a good state of repair during the Project, or as otherwise agreed upon.

G9.0 ADVERTISING CAMPAIGNS

G9.1 Notice of Advertising Campaigns. Recognizing that advertising can be an effective means of communicating with the public, the Recipient agrees that the Province may, at their own cost, organize an advertising or public information campaign in respect of the Project or the Agreement. However, such a campaign will respect the provisions of the Agreement. In the event of such a campaign, the Province will inform the Recipient of its intention no less than 21 Business Days prior to the campaign launch.

SCHEDULE "H" INDIGENOUS CONSULTATION PROTOCOL

H1.0 INDIGENOUS CONSULTATION

H1.1 Procedural Aspects of Consultation. If consultation with Indigenous Communities is required, the Recipient agrees that:

- (a) the Province may delegate certain procedural aspects of the consultation to the Recipient; and
- (b) the Province will provide the Recipient with an initial list of the Indigenous Communities the Recipient will consult.

H1.2 Development of Indigenous Consultation Plan. The Province, based on the scope and nature of the Project, may require the Recipient, in consultation with the Province, to develop and comply with an Indigenous consultation plan ("**Indigenous Consultation Plan**").

H1.3 Provision of Plan to Province. If, pursuant to section H1.2, the Province provides Notice to the Recipient that an Indigenous Consultation Plan is required, the Recipient will, within the timelines provided in the Notice, provide the Province with a copy of the Indigenous Consultation Plan.

H1.4 Changes to Plan. The Recipient agrees that the Province, in its sole discretion and from time to time, may require the Recipient to make changes to the Indigenous Consultation Plan.

H1.5 Requirement for Indigenous Consultation Record. If consultation with an Indigenous Community is required, the Recipient will maintain an Indigenous Consultation Record and provide such record to the Province, and any update to it, as part of its reporting to the Province pursuant to section F2.1.

H1.6 **Notification to and Direction from the Province.** The Recipient will immediately notify the Province:

- (a) of contact by Indigenous Communities regarding the Project; or
- (b) of any Indigenous archaeological resources that are discovered in relation to the Project,

and, in either case, the Recipient agrees that the Province may direct the Recipient to take such actions as the Province may require. The Recipient will comply with the Province's direction.

H1.7 **Direction from the Province and Contracts.** In any Contract, the Recipient will provide for the Recipient's right and ability to respond to direction from the Province as the Province may provide in accordance with section H1.6.