

CANADA – ONTARIO

BILATERAL AGREEMENT

“CLEAN WATER AND WASTEWATER FUND”

This Agreement is made as of the date of last signature

BETWEEN: **HER MAJESTY THE QUEEN IN RIGHT OF CANADA**, as represented by the Minister of Infrastructure, Communities and Intergovernmental Affairs (“Canada”)

AND: **HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO**, as represented by the Minister of Infrastructure (“Ontario”)

individually referred to as a “Party” and collectively referred to as the “Parties”.

WHEREAS the Government of Canada announced in Budget 2016 an investment of \$120 billion in infrastructure over 10 years, including \$60 billion in new funding for public transit, green infrastructure, and social infrastructure, to better meet the needs of Canadians and better position Canada's economy for the future.

WHEREAS the Government of Canada proposes to provide \$11.9 billion from this plan of which \$2.0 billion will be used for investments in water and wastewater projects.

WHEREAS the Minister of Infrastructure, Communities and Intergovernmental Affairs is responsible for the Program entitled the Clean Water and Wastewater Fund (CWWF) and wishes to provide financial support to Ontario for Projects under this Agreement.

WHEREAS the Government of Canada and the Government of Ontario recognize the need for long-term planning to strategically address infrastructure needs in priority areas, including public transit, green, and social infrastructure.

WHEREAS the Government of Ontario, in its 2016 Budget, increased its 10 year infrastructure plan from \$134 billion to \$137 billion in anticipation of the federal government's new infrastructure programs. Building on previous commitments, this increase will result in an investment of \$160 billion for public infrastructure investments over 12 years, starting in 2014-15.

WHEREAS Ontario maintains a commitment to long-term evidence based infrastructure planning through the *Infrastructure for Jobs and Prosperity Act, 2015*.

WHEREAS Canada has allocated under the CWWF program \$569,642,062 to the Province of Ontario.

WHEREAS the Government of Ontario will be responsible for the identifications of projects under CWWF and the administration of agreements with the Ultimate Recipients of the funding.

NOW THEREFORE, the Parties agree as follows:

1. INTERPRETATION

1.1 DEFINITIONS

In addition to the terms and conditions defined in the recitals and elsewhere in this Agreement, a capitalized term has the meaning given to it in this Section.

“**Agreement**” means this bilateral agreement and all its schedules, as may be amended from time to time.

“**Agreement End Date**” means March 31, 2020.

“**Asset**” means any real or personal property or immovable or movable asset, acquired, constructed, rehabilitated or improved, in whole or in part, with funds provided by

Canada under the terms and conditions of this Agreement.

“Communications Activities” include, but are not limited to, public or media events or ceremonies including key milestone events, news releases, reports, web and social media products or postings, blogs, news conferences, public notices, physical and digital signs, publications, success stories and vignettes, photos, videos, multi-media content, advertising campaigns, awareness campaigns, editorials, multi-media products and all related communication materials.

“Effective Date” means the date of last signature of this Agreement.

“Eligible Expenditures” mean those costs of a Project incurred and eligible for payment by Canada as set out in Schedule A (Program Details).

“Fiscal Year” means from April 1st of a calendar year to March 31st of the next calendar year.

“Joint Communications” are events, news releases, and signage that relate to the promotion of the Program and/or Projects and are collaboratively developed and approved by Canada, Ontario and the Ultimate Recipient, and are not operational in nature.

“Oversight Committee” means the committee established in accordance with Section 7 (Oversight Committee).

“Program” means CWWF as set out in Schedule A (Program Details).

“Project(s)” means one or more projects as set out in the Project List and approved by Canada.

“Project Incrementality” means that federal funding under the Agreement is added to the funding already planned by the Government of Ontario through its 2016 Budget or municipalities in the Province of Ontario as part of provincial and municipal infrastructure plans, to allow Ontario and municipalities to carry out more infrastructure projects or to accelerate those that they had already planned.

“Project List(s)” means the list(s) of projects that Ontario will identify, to be funded through the Program in accordance with Section 8 (Project Identification, Approval and Amendments).

“Project Complete” means when a Project can be used for the purpose for which it was intended, all required reports have been submitted to Ontario and final payment has been made.

“Total Financial Assistance” means total Project funding from all sources, including funding from federal, provincial, territorial, and municipal sources, private sources and in-kind contributions.

“Ultimate Recipient” means an entity identified under Section A b) of Schedule A (Program Details) that is eligible to receive funding under the Program for a Project under this Agreement.

“Ultimate Recipient Agreement” means an agreement between Ontario and the Ultimate Recipient under the CWWF.

1.2 ENTIRE AGREEMENT

This Agreement comprises the entire agreement between the Parties in relation to the subject of the Agreement. No prior document, negotiation, provision, undertaking or agreement has legal effect, unless incorporated by reference into this Agreement. No representation or warranty express, implied or otherwise, is made by Canada to Ontario except as expressly set out in this Agreement.

1.3 DURATION OF AGREEMENT

This Agreement will be effective as of the Effective Date and will terminate on the Agreement End Date.

1.4 SCHEDULES

The following schedules are attached to, and form part of this Agreement:

Schedule A – Program Details

Schedule B – Reporting

Schedule C – Communications Protocol

2. PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to establish the terms and conditions whereby Canada will provide funding to Ontario for Projects.

3. COMMITMENTS BY CANADA

- a) Canada agrees to provide funding under CWWF to Ontario in a total amount not to exceed \$569,642,062 to be paid in accordance with Schedule A (Program Details).
- b) The Parties acknowledge that Canada's role in a Project is limited to making a financial contribution to Ontario for that Project and that Canada will have no involvement in the implementation of that Project or its operation. Canada is neither a decision-maker nor an administrator to a Project.

4. COMMITMENTS BY ONTARIO

- a) Ontario will be responsible for the complete, diligent, and timely implementation of this Agreement, within the costs and deadlines specified in this Agreement and in accordance with the terms and conditions of this Agreement.
- b) Ontario may provide funding for Eligible Expenditures of a Project where the Ultimate Recipient is not Her Majesty the Queen in right of Ontario at its sole discretion.
- c) Unless Her Majesty the Queen in right of Ontario ("HMQO") or authority established by HMQO is the Ultimate Recipient, HMQO will enter into an Ultimate Recipient Agreement with each Ultimate Recipient and ensure that Ultimate Recipient Agreements are consistent with but are no less favourable to Canada than the relevant provisions of this Agreement. Where Ontario is an Ultimate Recipient, Ontario will be subject to all terms and conditions set out in this Agreement.
- d) Ontario acknowledges that funding that may be received from Canada for the Program is intended to fund projects that meet the definition of Project Incrementality.
- e) Ontario will require the Ultimate Recipient to complete each Project and claim only Eligible Expenditures in a diligent and timely manner.
- f) Canada will not be financially responsible for any unapproved expenditures or cost overruns.
- g) Ontario will inform Canada immediately of any fact or event that that it is aware of and that will compromise wholly, or in part, a Project.

5. APPROPRIATIONS

- a) Notwithstanding any other provision of this Agreement, funding is dependent on an appropriation of funds by the Parliament of Canada for the Fiscal Year in which the payment is to be made.
- b) Canada may reduce or terminate any payment under this Agreement in response to the reduction of appropriations or departmental funding levels in respect of transfer payments, the Program under which this Agreement was made or otherwise, as evidenced by any appropriation act or the federal Crown's main or supplementary estimates expenditures. Canada will not be liable for any direct, indirect, consequential, exemplary or punitive damages, regardless of the form of action, whether in contract, tort or otherwise, arising from any such reduction or termination of funding.
- c) Pursuant to the *Financial Administration Act* (Ontario), any payment due by Ontario under this Agreement is subject to an appropriation by the Ontario Legislature.

Ontario may reduce or terminate any contribution to a Project in response to the reduction of appropriation or ministerial funding levels in respect of transfer payments, the program under which this Agreement was made or otherwise. Notwithstanding Section 14 (Indemnification) of this Agreement, Ontario will not be liable for any direct, indirect, consequential, exemplary or punitive damages, regardless of the form of action, whether in contract or in tort or otherwise, arising from Ontario or Canada's reduction or termination of funding.

6. FISCAL YEAR BUDGETING

- a) The amount of the funding payable by Canada for each Fiscal Year is set out in Section A c) i of Schedule A (Program Details).
- b) If the actual amount payable by Canada in respect of any Fiscal Year is less than the estimated amount in Section A c) i of Schedule A (Program Details), Canada will re-allocate the difference between the two amounts to a subsequent Fiscal Year, subject to Section 5 (Appropriations).

7. OVERSIGHT COMMITTEE

Within sixty (60) business days of the signing of this Agreement, the Parties will establish an Oversight Committee co-chaired by representatives of Canada and Ontario to monitor this Agreement. The Oversight Committee will:

- a) monitor compliance of the implementation of this Agreement with the terms and conditions of this Agreement;
- b) act as a forum to resolve potential issues and address concerns;
- c) review and, as necessary, recommend to the Parties amendments to the Agreement;
- d) monitor the implementation of the Schedule C (Communications Protocol);
- e) approve and ensure audits plans are carried out as per the Agreement;
- f) establish sub-committees as needed; and
- g) attend to any other function required by this Agreement, including monitoring project risk and mitigation measures, or as mutually directed by the Parties.

8. PROJECT IDENTIFICATION, APPROVAL AND AMENDMENTS

8.1 PROJECT IDENTIFICATION AND APPROVAL

- a) Ontario will provide to Canada an initial Project List to be funded under CWWF subject to the provisions in Schedule A (Program Details) upon the Effective Date for Canada's approval.
- b) Within six months of the Effective Date of the Agreement, Ontario will fully allocate the entirety of Canada's contribution towards Projects in accordance with Schedule A (Program Details) through the submission of additional Project List(s), if required for Canada's approval.
- c) The Project List(s) for the CWWF will be submitted in a format acceptable to Canada, signed by a delegated senior official and will include the following information for each Project:
 - i. Unique Project Identifier;
 - ii. Ultimate Recipient;
 - iii. Project location;
 - iv. Project address;
 - v. Project Title;
 - vi. A description of the Project;
 - vii. Identification of Nature of Project
 - a. New
 - b. Rehabilitation
 - c. Expansion

- d. Study/Planning/Asset Management
 - viii. Total Project Cost, Total Eligible Cost and a breakdown of all funding sources;
 - ix. Forecasted project start date and end date;
 - x. Eligible Investments Category as per Schedule A f) (Eligible Investments Categories) under CWWF;
 - xi. Eligible Project Funding category as per Schedule A e) (Eligible Project Funding Categories);
 - xii. Whether any part of the Project is located on federal land;
 - xiii. Identification of which of the following objectives the Project will support:
 - a. Increased capacity or lifespan of the Asset;
 - b. Enhanced service;
 - c. Improved environmental outcomes.
 - xiv. Whether the ultimate recipient has evidence of incrementality;
 - xv. Description of risk factors of the Project;
 - xvi. An attestation signed by a senior delegated official of HMQO that Project Incrementality has been met; and
 - xvii. An attestation that federal funding will support only Eligible Expenditures and that the Projects on the Project List(s) meet the provisions as specified in this Agreement.
- d) Canada reserves the right to request additional information for review and approval purposes, including assessment of risks, or to make a determination as per Sections 16 (Environmental Assessment) and 17 (Aboriginal Consultation).
 - e) In cases of new or expansion Projects, Canada may require additional assurance that Projects can be completed by March 31, 2018 for CWWF. This may include assurances by professionals (e.g. architects, engineers).
 - f) Canada will inform Ontario once a Project List has been approved or rejected.
 - g) Ontario will promptly inform Canada of any cancelled or withdrawn Projects and promptly provide to Canada revised Project List(s) for approval.

8.2 PROJECT AMENDMENTS

- a) Ontario will submit revised Project List(s) for approval by Canada when seeking to modify, add or delete a Project. The revised Project List will include all information required under Section 8.1 c) (Project Identification, and Approval).
- b) Canada reserves the right to request additional information for review and approval purposes, including assessment of risks to make a determination as per Sections 16 (Environmental Assessment) and 17 (Aboriginal Consultation). Canada will inform Ontario once the revised Project List has been approved.

9. PAYMENTS

9.1 PAYMENT CONDITIONS

Canada will not:

- a) pay any claims until the requirements under Section 16 (Environment Assessment) and Section 17 (Aboriginal Consultation), if applicable, are, in Canada's opinion, satisfied to the extent possible at the date the claim is submitted to Canada; and
- b) pay any claims until reports due at the time the claim is made are received and accepted by Canada as required under Schedule B (Reporting).

9.2 PAYMENTS

- a) Ontario will submit a request for payment to Canada covering the Eligible Expenditures for all Projects, at a minimum, on a semi-annual basis, in a form acceptable to both Parties. Each request for a payment will include an attestation in a format acceptable to Canada, signed by a delegated senior financial official, that Eligible Expenditures have been incurred.

- b) Canada will promptly make a payment to Ontario upon review and approval of a payment request, subject to the terms and conditions of the Agreement.

9.3 PAYMENT DEADLINE

- a) Canada will make payments no later than March 31, of the year following the Fiscal Year in which the Eligible Expenditures were incurred;
- b) Canada will make the final payment under CWWF no later October 31, 2019.

9.4 RETENTION OF CONTRIBUTION

Canada will retain a minimum of ten percent (10%) of its funding for the Program under this Agreement. The amount retained by Canada for the Program will be released by Canada when:

- a) Ontario fulfils all of its obligations for the Program under this Agreement; and
- b) the Parties carry out a final reconciliation of all claims and payments in respect of the Program and make any adjustments required in the circumstances.

10. REPORTING

- a) Ontario will provide to Canada, based on information available from Ultimate Recipients, and at minimum on a semi-annual basis:
 - i. a project progress report in a format acceptable to Canada and in accordance with Section B.1 of Schedule B (Reporting); and
 - ii. an outcomes progress report in a format acceptable to Canada on completed Projects and in accordance with Section B.2 of Schedule B (Reporting).
- b) Ontario will submit, in a format acceptable to both Parties, no later than October 1, 2018 (unless Canada has approved a project end date beyond March 31, 2018, then no later than October 1, 2019) a:
 - i. final project report in accordance with Section B.3 of Schedule B (Reporting); and
 - ii. final outcomes report on all Projects in accordance with Section B.4 of Schedule B (Reporting).

11. AUDIT

- a) Ontario will conduct audits as required under the audit plans approved by the Oversight Committee. The audit plan will include at minimum one compliance audit, which will include a financial component, over the term of the Agreement and up to two (2) years after the Agreement End Date.
- b) Ontario agrees to provide Canada with audit reports related to the Program and will ensure that prompt and timely corrective action is taken in response to any audit findings and recommendations conducted in accordance with this Agreement. Ontario will submit to Canada in a timely manner, a report on follow-up actions taken to address recommendations and results of the audit.
- c) Within 30 days after notifying Ontario, Canada may conduct any audit in relation to this Agreement at its expense.
- d) Canada agrees to consult with Ontario on the findings of any audit before they are made public.
- e) Ontario will keep proper and accurate financial accounts and records, including but not limited to its contracts, invoices, statements, receipts, and vouchers, in respect of a Project for at least six (6) years after the termination of this Agreement and will provide Canada and its designated representatives with reasonable and timely access to documentation for the purposes of audit and ensuring compliance with this Agreement.

12. EVALUATION

Ontario may be asked to participate in an evaluation of the Program and agrees to provide Project-related information to Canada during and following the term of the

Agreement in order for Canada to conduct an evaluation, at its expense, of the performance of the Program. All evaluation results will be made available to the public.

13. DISPUTE RESOLUTION

- a) The Parties will keep each other informed of any issue that could be contentious.
- b) If a contentious issue arises, the Oversight Committee will examine it and will, in good faith and reasonably, attempt to resolve potential disputes as soon as possible and in any event within thirty (30) business days within receipt of notice of such contentious issue. Where the Oversight Committee cannot agree on a resolution, the matter will be referred to the Parties for resolution. The Parties will provide a decision within ninety (90) business days.
- c) Where the Parties cannot agree on a resolution, the Parties may explore any alternative dispute resolution mechanisms available to them to resolve the issue.
- d) Any payments related to any contentious issue or dispute raised by either Party may be suspended by Canada together with the obligations related to such issue, pending resolution.

14. INDEMNIFICATION

- a) Ontario will at all times indemnify and save harmless Canada, its officers, servants, employees, or agents, from and against all actions, whether in contract, tort or otherwise, claims and demands, losses, costs, damages, suits or other proceedings by whomsoever brought or prosecuted in any manner based upon or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights caused by, in connection with or arising directly or indirectly from this Agreement, an Ultimate Recipient Agreement or a Project (collectively, "Action"), except to the extent to which such Action relates to the negligence or breach of the Agreement by an officer, servant, employee, or agent of Canada in the performance of his or her duties.
- b) Canada shall provide prompt notice to Ontario as soon as it becomes aware of any such Action. Ontario will participate in the defense, to the extent requested by the Attorney General of Canada, and Canada will make reasonable efforts to notify Ontario in advance of an election to negotiate a settlement of the Action. Neither Party's actions with respect to settlement of the Action shall knowingly prejudice any rights or remedies Ontario or Canada may have under this Agreement or any other agreement entered into between Her Majesty the Queen in Right of Canada and Her Majesty the Queen in right of Ontario or between Her Majesty the Queen in right of Ontario and an Ultimate Recipient.

15. DISPOSAL OF ASSETS

- a) Unless otherwise agreed to by the Parties, Ontario will require that the Ultimate Recipient will retain title to and ownership of an Asset for five (5) years after the Agreement End Date.
- b) If at any time within five (5) years from the Agreement End Date of a Project, an Ultimate Recipient sells, leases, or otherwise disposes of, directly or indirectly, any Asset purchased, acquired, constructed, rehabilitated or renovated, in whole or in part, under this Agreement, other than to Canada, Ontario, a local government, or with Canada's consent, the Ultimate Recipient may be required to reimburse Canada, via Ontario, any federal funds received for the Project.

16. ENVIRONMENTAL ASSESSMENT

Canada's funding for a Project is conditional upon Canada being satisfied that the responsibility of the federal authority and/or responsible authority under the *Canadian Environmental Assessment Act, 2012 (CEAA, 2012)* and other applicable agreements between Canada and Aboriginal groups is met and continues to be met.

17. ABORIGINAL CONSULTATION

Canada's funding for a Project is conditional upon Canada being satisfied that its obligations with respect to the legal duty to consult, and if applicable accommodate Aboriginal groups are met.

18. GENERAL

18.1 ACCOUNTING PRINCIPLES

All accounting terms will have the meanings assigned to them, all calculations will be made and all financial data to be submitted will be prepared, in accordance with the Public Sector Accounting Standards in effect in Canada.

18.2 SURVIVAL

The Parties' rights and obligations, which by their nature, extend beyond the termination of this Agreement, will survive any termination of this Agreement.

18.3 COUNTERPART SIGNATURE

This Agreement may be signed in counterpart, and the signed copies will, when attached, constitute an original agreement.

18.4 SEVERABILITY

If for any reason a provision of this Agreement that is not a fundamental term of this Agreement between the Parties is found to be or becomes invalid or unenforceable, in whole or in part, and if both Parties agree, it will be deemed to be severable and will be deleted from this Agreement, but all the other terms and conditions of this Agreement will continue to be valid and enforceable.

18.5 ASSIGNMENT

Ontario will not transfer or assign its rights or obligations under this Agreement without the prior written consent of Canada. Any attempt by Ontario to assign any of the rights, duties or obligations of this Agreement without Canada's express written consent is void.

18.6 AMENDMENTS

This Agreement may be amended from time to time on written agreement of the Parties.

18.7 WAIVER

A Party may waive any of its rights under this Agreement only in writing. Any tolerance or indulgence demonstrated by the Party will not constitute a waiver.

18.8 NOTICE

Any notice provided for under this Agreement may be delivered in person, sent by mail, electronic mail (e-mail) or facsimile, addressed to:

for Canada:

Assistant Deputy Minister
Program Operations Branch
Infrastructure Canada
1100 - 180 Kent Street
Ottawa, Ontario
K1P 0B6

or to such other address or facsimile number or e-mail or addressed to such other person as Canada may, from time to time, designate in writing to Ontario;

and for Ontario:

Assistant Deputy Minister
Infrastructure Policy Division
Ministry of Infrastructure
900 Bay Street
Toronto, Ontario
M7A 2E1

or such other address or facsimile number or e-mail or addressed to such other person as Ontario may, from time to time, designate in writing to Canada.

Such notice will be deemed to have been received, if sent by mail, when receipt is acknowledged by the other Party; by facsimile, when transmitted and receipt is

confirmed; by e-mail, when receipt is acknowledged by the other Party; and in person, when delivered.

18.9 COMPLIANCE WITH LAWS

The Parties will comply with all applicable laws, regulations, all requirements of regulatory bodies having jurisdiction over the subject matter of the Project.

18.10 GOVERNING LAW

This Agreement is governed by the laws applicable in the Province of Ontario.

18.11 SUCCESSORS AND ASSIGNS

This Agreement is binding upon the Parties and their respective successors and assigns.

SIGNATURES

This Agreement has been executed on behalf of Canada by the Minister of Infrastructure, Communities and Intergovernmental Affairs and on behalf of Her Majesty the Queen in right of the Province of Ontario by the Minister of Infrastructure.

CANADA

HER MAJESTY THE QUEEN IN
RIGHT OF THE PROVINCE OF ONTARIO

The Honourable Amarjeet Sohi
Minister of Infrastructure,
Communities and
Intergovernmental Affairs

The Honourable Bob Chiarelli
Minister of Infrastructure

Date

Date

SCHEDULE A – CLEAN WATER AND WASTEWATER FUND (CWWF) PROGRAM DETAILS

a) Objective:

The CWWF will help accelerate short term municipal investments, while supporting the rehabilitation of water, wastewater and stormwater infrastructure, and the planning and design of future facilities and upgrades to existing systems.

b) Ultimate Recipient

The following are eligible as Ultimate Recipients for funding:

- i. Provinces and territories;
- ii. Organizations designated by a province or territory and agreed to by Canada, such as Indian Act Band Councils
- iii. Municipal or regional governments established by or under a provincial or territorial statute; and
- iv. Other entities providing water or wastewater services to communities as designated by Ontario.

c) Canada's Funding

i. Fiscal Year Breakdown

Canada's total funding will be allocated in accordance with the estimated Fiscal Year breakdown below:

	Canada
2016-2017	
2017-2018	
2018-2019	
TOTAL	\$569,642,062

ii. Administrative Funding

Ontario may allocate up to 1% of Canada's total funding for administrative costs incurred in the implementation of this Agreement.

d) Stacking & Cost Sharing

The maximum federal funding to a Project, from all federal sources, will not exceed fifty percent (50 %) of the total Eligible Expenditures for that Project. If the federal Crown's total contribution towards a Project exceeds fifty percent (50%) of that Project's total Eligible Expenditures or if the Total Financial Assistance received or due in respect of the total Project costs exceeds one hundred percent (100%) thereof, Canada may recover the excess from Ontario or reduce its contribution by an amount equal to the excess.

Where the Ultimate Recipient is an Indian Act Band Council, and it receives funding from Indigenous and Northern Affairs Canada (INAC), only funding received from the First Nations Infrastructure Fund or First Nations Water and Wastewater Program would be counted towards the federal stacking limits for the CWWF.

e) Eligible Project Funding Categories

- i. Water
- ii. Wastewater
- iii. Stormwater

f) Eligible Investments Categories

The following are eligible investments:

- i. Capital projects for the rehabilitation of water treatment and distribution systems, and wastewater and storm water collection, conveyance and treatment systems;
- ii. Separation of existing combined sewers and/or combined sewer overflow control;
- iii. Initiatives that support system optimization and improved asset management including studies and pilot projects related to innovative and transformative technologies;

- iv. Design and planning for upgrades to wastewater treatment infrastructure to meet federal regulatory requirements; and
- v. New construction projects, including the construction of naturalized systems for management and treatment of wastewater and storm water, if the projects will be completed within the program timeframe.

g) Eligible Expenditures

Eligible Expenditures will include the following:

- i. All costs considered by Canada to be direct and necessary for the successful implementation of an eligible Project, excluding those identified under Schedule A h) (Ineligible Costs);
- ii. Costs of Aboriginal consultation, and where appropriate, accommodation; and
- iii. Cost incurred between April 1, 2016 and March 31, 2018,
- iv. Costs incurred between April 1, 2016 and March 31, 2019 only for those projects where Canada has approved a Project end date beyond March 31, 2018.
- v. Cost of construction carried out in-house by an Ultimate Recipient.

h) Ineligible Costs

Ineligible costs include the following:

- i. Costs incurred prior to April 1, 2016 and costs incurred after March 31, 2018, subject to section A(g)(iv);
- ii. Costs incurred for cancelled projects;
- iii. Land acquisition; leasing land, buildings and other facilities; leasing equipment other than equipment directly related to the construction of the project; real estate fees and related costs;
- iv. Financing charges, legal fees and loan interest payments, including those related to easements (e.g. surveys);
- v. Any goods and services costs which are received through donations or in kind;
- vi. Provincial sales tax and Goods and Services Tax/Harmonized Sales Tax, for which the Ultimate Recipient is eligible for a rebate, and any other costs eligible for rebates; and
- vii. Costs associated with operating expenses and regularly scheduled maintenance work.

SCHEDULE B – Reporting

B.1 PROJECT PROGRESS REPORT

The progress report will include the following information:

Unique Project Identifier
Ultimate Recipient Legal Name
Project Title
Project Description
Total Project Cost
Total Eligible Cost
Program Contribution (Eligible Expenditures)
Other Federal Contributions (Eligible Expenditures)
Provincial Contribution (Eligible Expenditures)
Municipal Contribution (Eligible Expenditures)
Other Contribution (Eligible Expenditures)
Federal Signage Installed (Y/N)
Forecasted Start Date (Updated from Project List)
Forecasted End Date (Updated from Project List)
Actual Start Date
Actual End Date
Progress Towards Completion (%)
Project Complete? (Y/N)
Progress Note
Risk Factors
Mitigation Measures

B.2 OUTCOMES PROGRESS REPORT

- Ontario will provide relevant baseline data for the performance indicators identified below in B.2 c) within six (6) months of the Effective Date of the Agreement.
- Ontario will be required to provide aggregated results on progress on outcomes based on relevant performance indicators identified below B.2 c).
- Examples of performance indicators for CWWF are as follows:

Outcome	CWWF Performance Indicator
Improved reliability	Average % decrease in unplanned service interruptions per month (not related to weather)
	Average % decrease in volume of water leakage and/or infiltration that can be attributed to funded investments
Improved efficiency	Total estimated kilowatt-hours saved as a result of funded investments
	Average Life Cycle Cost of applicable water treatment systems after construction
	Average Life Cycle Cost of applicable wastewater treatment and stormwater systems after construction
Improved rehabilitation	Percentage of assets that have increased their physical condition rating (as per reporting guideline) as a result of funding
	Average number of years of useful life remaining on applicable wastewater treatment and collection components, extended as a result of funded investments
	Average number of years of useful life remaining on applicable storm water components, extended as a result of funded investments
	Average number of years of useful life remaining on applicable water treatment and distribution components, extended as a result of funded investments

Funded plans are being implemented	Number of funded water treatment plans and studies that have resulted in identified capital projects that are either included in capital planning documents with associated funding or that are in the process of being implemented
	Number of funded wastewater plans and studies that have resulted in identified capital projects that are either included in capital planning documents with associated funding or that are in the process of being implemented
Safer drinking water	Number of water treatment facilities that have improved water quality as a result of funded investments
	Number of drinking water systems that have eliminated a boil water advisory as a result of funded investments
	Number of water treatment systems that have met or exceeded applicable regulations and guidelines as a result of funding
Cleaner wastewater and stormwater	Number of applicable wastewater systems by treatment level (no treatment, Primary, Secondary, Tertiary) after end of construction
	Number of systems that have improved the quality of wastewater effluent or storm water discharge as a result of funded investments
	Number of wastewater systems that have met or exceeded applicable regulations and guidelines as a result of funding
Projects are incremental	Total value of capital expenditures for water and wastewater system projects for 2016
	Total value of capital expenditures for water and wastewater system projects for 2017

B.3 FINAL PROJECT REPORT

The final report will include the following:

- a) All information required under Schedule B.1 (Project Progress Report)
- b) An attestation, signed by a delegated senior official, that:
 - i. Projects have been completed; and
 - ii. Federal funding was spent on Eligible Expenditures in accordance with the terms and conditions of the Agreement.

B.4 FINAL OUTCOMES REPORT

The final outcomes report will include aggregated results on outcomes based on performance indicators identified in B.2 c) against the baseline data provided in B.2 a).

SCHEDULE C – COMMUNICATIONS PROTOCOL

C.1 Purpose

- a) This Communications Protocol outlines the roles and responsibilities of each of the Parties to this Agreement, as well as those of the Ultimate Recipient, with respect to Communications Activities related to Projects.
- b) This Communications Protocol will guide all Communications Activity planning, development and implementation with a view to ensuring efficient, structured, continuous, consistent and coordinated communications to the Canadian public.
- c) The provisions of this Communications Protocol apply to all Communications Activities related to this Agreement and any Projects funded under this Agreement.

C.2 Guiding Principles

- a) Communications Activities undertaken through this Communications Protocol should ensure that Canadians are informed of infrastructure investments made to help improve their quality of life and that they receive consistent information about funded Projects and their benefits.
- b) The Communications Activities undertaken to recognize federal funding will take into account the financial value and duration of the Project(s) and the feasibility of mounting joint Communications Activities.
- c) Ontario is responsible for communicating the requirements and responsibilities outlined in this Communications Protocol to Ultimate Recipients and for ensuring their compliance.
- d) Ontario will communicate to Ultimate Recipients any deficiencies and/or corrective actions identified by Canada or by the Oversight Committee.

C.3 Joint Communications

- a) Canada, Ontario and the Ultimate Recipient will have Joint Communications about the funding and status of the Project(s).
- b) Joint Communications related to Projects funded under this Agreement should not occur without the prior knowledge and agreement of all Parties and the Ultimate Recipient.
- c) The announcement or publication of Projects and Project Lists, as well as announcements of any additional projects, must be approved by the Parties prior to the announcement.
- d) All Joint Communications material will be approved by Canada and will recognize Canada's contribution under Schedule A (Program Details) and/or the Total Financial Assistance received for the Project(s).
- e) Each of the Parties or the Ultimate Recipient may request Joint Communications. The requestor will provide at least 15 business days' notice to the other Parties or the Ultimate Recipient. If the Communications Activity is an event, it will take place at a mutually agreed date and location.
- f) The requestor of the Joint Communications will provide the opportunity for the other Parties or the Ultimate Recipient to choose to participate and choose their own designated representative (in the case of an event).
- g) Canada has an obligation to communicate in English and French. Communications products related to events must be bilingual and include the Canada word mark and other Parties' logos. In such cases, Canada will provide the translation services and final approval on products.
- h) The conduct of all Joint Communications will follow the *Table of Precedence for Canada* as applicable.

C.4 Individual Communications

- a) Notwithstanding Section C.3 of this Communications Protocol (Joint Communications), Canada retains the right to communicate information to Canadians about the Agreement and the use of funds to meet its legislated and regulatory obligations through its own Communications Activities.
- b) Each Party may include general Program messaging and an overview of Projects already announced in their own Communications Activities. Canada, Ontario and the Ultimate Recipient will not unreasonably restrict the use of, for their own purposes, Communications Activities related to Projects funded through the Agreement and if web- or social-media based, from linking to it.

C.5 Operational Communications

Ontario and the Ultimate Recipient are solely responsible for operational communications with respect to Projects, including but not limited to: calls for tender,

contract awards, and construction and public safety notices. Operational communications as described above are not subject to the *Official Languages Act* of Canada.

C.6 Media Relations

Canada and Ontario will share information promptly with the other Party should significant media inquiries be received or emerging media or stakeholder issues arise to a Project or the overall fund.

C.7 Signage

- a) Canada, Ontario and the Ultimate Recipient may each have signage recognizing their funding contribution to the Projects.
- b) Unless otherwise agreed by Canada, Ontario or the Ultimate Recipient will produce and install a sign to recognize federal funding at each Project site in accordance with current federal signage guidelines. The federal sign design, content, and installation guidelines will be provided by Canada.
- c) Where the Ultimate Recipient decides to install a permanent plaque or other suitable marker with respect to the Projects, it will recognize the federal contribution and be approved by Canada.
- d) Ontario agrees to inform Canada of sign installations.
- e) If erected, signage recognizing the federal contribution will be installed at the Project site(s) thirty (30) days prior to the start of construction, be visible for the duration of the Project, and remain in place until thirty (30) days after construction is completed and the infrastructure is fully operational or opened for public use.
- f) If erected, signage recognizing the federal contribution will be at least equivalent in size and prominence to Project signage for contributions by other orders of government and be installed in a prominent and visible location that takes into consideration pedestrian and traffic safety and visibility.
- g) The Ultimate Recipient is responsible for the production and installation of Project signage, or as otherwise agreed upon.
- h) In the case of Projects where the deliverable is a document, such as but not limited to plans, reports, studies, strategies, training material, webinars, and workshops, it will clearly recognize Canada's contribution under Schedule A (Program Details) and/or the Total Financial Assistance received for the Project(s).

C.8 Communicating With Ultimate Recipients

Ontario agrees to facilitate, as required, communications between Canada and the Ultimate Recipient for Communications Activities.

C.9 Advertising Campaigns

Recognizing that advertising can be an effective means of communicating with the public, Canada and Ontario may, at their own cost, organize an advertising or public information campaign related to this Agreement or eligible Projects. However, such a campaign will respect the provisions of this Agreement. In the event of such a campaign, the sponsoring Party or Ultimate Recipient will inform the other Parties or Ultimate Recipient of its intention no less than twenty-one (21) working days prior to the campaign launch.