

CANADA – ONTARIO
MUNICIPAL RURAL INFRASTRUCTURE FUND AGREEMENT
2004-2011

This Agreement made as of November 15, 2004,

BETWEEN: **HER MAJESTY IN RIGHT OF CANADA**, (“Canada”) represented by the Minister of State (Infrastructure and Communities) (“Federal Minister”) and the Minister of State (Federal Economic Development Initiative for Northern Ontario)

AND: **HER MAJESTY IN RIGHT OF THE PROVINCE OF ONTARIO** (“Ontario”) represented by the Minister of Public Infrastructure Renewal and the Minister of Municipal Affairs and Housing (“Provincial Ministers”)

BACKGROUND

In the 2002 Speech from the Throne, the Government of Canada pledged to work with provincial, territorial, and municipal governments to put in place a ten-year initiative of infrastructure renewal to ensure that Canadian communities, large and small, are sustainable, competitive and healthy centres for economic growth and innovation.

In Budget 2003, the Government of Canada confirmed its ten-year commitment by providing \$1 billion to help meet the infrastructure needs of smaller communities. This new initiative is called the *Municipal Rural Infrastructure Fund* (MRIF). In Budget 2004, the Government of Canada accelerated its commitment to smaller communities to five years.

MRIF builds on the results and successes of the \$2.05 billion *Infrastructure Canada Program* (ICP). Since its launch in 2000, the ICP has delivered almost 3,000 community public infrastructure projects through federal-provincial/territorial agreements, generating almost \$6 billion in total infrastructure investment from the partners.

In order to maximize the resulting infrastructure benefits to Canadian communities, Canada is negotiating with the provinces and territories to develop new joint agreements for the purpose of delivering the \$1-billion MRIF and to leverage this investment with provincial, territorial, municipal and non-governmental financial contributions.

Furthermore, in order to address the individual needs of smaller communities, all MRIF investments in Ontario will be directed to projects that benefit municipalities with populations of less than 250,000.

In the Ontario 2004 Budget, the Government of Ontario committed \$298 million to the new Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF). Through this Agreement, the Government of Ontario will invest in municipalities to support capital projects that help to build safe, clean, liveable communities across the province. The investment in Ontario will improve and renew Ontario’s aging public infrastructure. In some communities, investments will help ensure ongoing compliance with drinking water standards. In others, provincial contributions will be used to support other health and safety priorities in the community, such as sewage treatment and waste diversion projects and bridge and roads improvements.

ACKNOWLEDGEMENTS

Canada and Ontario recognize that Local Governments and the non-governmental sector are best able to determine the community public infrastructure required to enhance the quality of life of Canadians;

Canada and Ontario wish to work with Local Governments and the non-governmental sector to maximize the use of their resources and expertise;

In delivering COMRIF, Canada and Ontario through this Agreement intend to build upon and improve the Canada-Ontario Infrastructure Program by:

- a joint Canada-Ontario Application process;
- a material role for Ontario based municipal associations in COMRIF design and delivery;
- recognizing that municipalities are best able to determine their own community public infrastructure priorities necessary to enhance the quality of life of their residents; and
- a framework to guide Infrastructure investments by leveraging governmental contributions to generate greater public benefits, including the reduction of manmade greenhouse gases as stated in the Kyoto Protocol.

The Government of Canada has authorized the Federal Minister to execute this Agreement.

The Government of Ontario has authorized the Provincial Ministers to execute this Agreement.

This Agreement relates to Canada and Ontario's recognition of the need to provide long-term funding for modern community public Infrastructure in Ontario.

NOW THEREFORE, in accordance with the principles set out above, Canada and Ontario hereby agree as follows.

1. INTERPRETATION

1.1 DEFINITIONS

A capitalized term has the meaning given to it in this section unless the context clearly dictates otherwise.

"Agreement" means this agreement.

"Applicant" means:

- a) a Local Government that has applied for a contribution in support of a Project under COMRIF; or
- b) a not-for-profit organization whose Application is supported by a resolution of the council of the Local Government where the Project is proposed to be located;

but does not include:

departments, ministries and agencies of Canada or Ontario, and federal or provincial departmental corporations or Crown corporations.

"Application" means a request for funding by an Applicant assessed in accordance with the principles outlined in the Canada-Ontario Application Form Guideline and the criteria to be developed by the Management Committee.

"COMRIF" means the funding initiative between Canada and Ontario pursuant to this Agreement.

“**Construction Works**” means any physical changes to land (above or below ground level) or buildings.

“**Contract**” means a Contract between a Recipient and a Third Party whereby the latter agrees to contribute a product or service to a Project in return for financial consideration which may be claimed as an Eligible Cost.

“**Contribution Agreement**” means an agreement between Ontario and a Recipient whereby Ontario agrees to contribute financially to an approved Project.

“**Eligible Costs**” means Project costs eligible for funding in accordance with Schedule B.

“**Fiscal year**” means the period beginning April 1 of a year and ending March 31 of the following year.

“**Green Projects**” means local Infrastructure Projects that:

- a) in the opinion of the Parties, improve the quality of the environment and contribute to clean water, soil or air; and
- b) fall in one of the following Schedule A categories: water and wastewater, solid waste, public transit or energy efficiency.

“**Infrastructure**” means publicly- or privately-owned fixed capital assets in Ontario for public use or benefit.

“**Joint Secretariat**” means the COMRIF Joint Secretariat referred to in Section 4.5.

“**Local Government**” means a “municipality” as defined in the *Municipal Act, 2001* (Ontario) and includes a local board of a municipality and a board, commission or other local authority exercising any power with respect to municipal affairs or purposes in an unorganised township, but excludes municipalities having a population in excess of 250,000.

“**Management Committee**” means the committee established pursuant to subsection 4.1.

“**Ministers**” means the Federal Minister and the Provincial Ministers, and includes anyone authorized to act on their behalf.

“**MRIF**” means Canada's Municipal Rural Infrastructure Fund under which this Agreement is authorized.

“**OSTAR**” means the Ontario Small Town and Rural Development Infrastructure initiative.

“**Parties**” means Canada and Ontario; and Party means either Canada or Ontario.

“**Project**” means a local Infrastructure Project, excluding the Infrastructure's maintenance and operation that is the subject of an Application.

“**Recipient**” means an Applicant whose Project is approved for funding under COMRIF.

“**Third Party**” means any person, other than a Party to this Agreement or a Recipient that participates in the implementation of a Project.

1.2 **ENTIRE AGREEMENT**

This Agreement supersedes and invalidates all other commitments, representations and warranties relating to the subject matter hereof which may have been made by the Parties either orally or in writing prior to the date hereof, and all of which will become null and void from the date this Agreement is signed.

1.3 SCHEDULES

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

- a) Schedule A, Project Review, Assessment and Selection Framework;
- b) Schedule B, Eligible and Ineligible Costs;
- c) Schedule C, OSTAR Projects.

1.4 GUIDELINES

The following Canada-Ontario guidelines, as may be amended from time to time by the Parties, form part of this Agreement:

- a) Application Form Guideline;
- b) Business Case Guideline;
- c) Reporting – Audit – Evaluation Guideline;
- d) Information Management – SIMSI Guideline;
- e) Communication Protocol Guideline.

1.5 PRECEDENCE

In the event of a conflict, the part of this Agreement that precedes the signatures of the Parties will take precedence over the Schedules and the Guidelines.

1.6 ACCOUNTING PRINCIPLES

All accounting terms not otherwise defined herein 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 generally accepted accounting principles (GAAP) in effect in Canada. GAAP will include, without limitation, those principles approved or recommended from time to time by the Canadian Institute of Chartered Accountants, or any successor institute, applied on a consistent basis.

2. PURPOSE

2.1 PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to provide a joint framework for the implementation of COMRIF, which is made possible by Canada's contribution, together with Ontario's contribution, as set out in Section 3.1.

2.2 FUNDING LIMITATIONS

For a Project to be eligible for funding under this Agreement, the Parties must be satisfied that their contribution is required to enable its implementation, enhance its scope, or accelerate its timing. The contribution will not exceed the minimum amount necessary for the Project to proceed, after taking into account other sources of funding available.

2.3 PROJECT FUNDING

The Parties agree that Projects:

- a) will be assessed for funding in accordance with the criteria outlined in Schedule A and the criteria to be developed by the Management Committee; and
- b) may be funded by only one of the Parties if approved by the other.

3. FINANCIAL PROVISIONS

3.1 TOTAL CONTRIBUTION

- a) The Parties agree that the total contribution by:
- i) Canada will not exceed \$298 million (100% of funds allocated to Ontario) as set out in Section 3.3, up to two percent (2%) of which Canada agrees to pay to Ontario for 50% of the direct expenses incurred by it, after the execution, and solely for the administration of this Agreement and which Canada considers reasonable; and
 - ii) Ontario will equal the total amount contributed by Canada less the amount paid by it to Ontario for direct expenses under subsection i).
- b) The Parties agree that, by the end of the Agreement, each Party's total financial contribution will not exceed one third (1/3) of the total of the Eligible Costs incurred by all approved Projects. However, the total contribution by a Party to a Project may be higher but may not exceed 45% of its total Eligible Costs.
- c) The Parties agree that up to five percent (5%) of each Party's total financial contribution will be dedicated to funding Projects of Local Government Recipients with limited fiscal capacity.
- d) The Parties agree to dedicate up to one percent (1%) of each Party's total financial contribution to assist Local Governments with asset management planning and capacity building.
- e) Section 3.1 d) will not be effective without the approval of Canada's Treasury Board. Confirmation to Ontario of such decision to be sufficiently given by delivery of written notice to Ontario by Canada.

3.2 APPROPRIATIONS

A payment due by either party under this Agreement is conditional on a legislated appropriation for the Fiscal year in which the payment is due. Both Parties undertake to make their best efforts to cause their respective legislatures to enact the appropriation legislation required to carry out this Agreement.

3.3 NOTIONAL ALLOCATION

Subject to Section 3.5, each Party's total contribution will be allocated notionally as follows:

2004-2005	\$1.5M
2005-2006	\$74M
2006-2007	\$74M
2007-2008	\$74M
2008-2009	\$74.5M
TOTAL	\$298M

3.4 APPLICATION INTAKE

- a) Applications will be accepted in three intake phases as follows: November 2004; Spring 2005; and Spring 2006. The Management Committee will use its discretion to allocate the Parties' total contribution among the three intake phases based on the Applications received, the Projects approved at each phase and the goal of allocating forty percent (40%) to each of the first two intakes and twenty percent (20%) to the third intake.
- b) Applicants may receive approval for up to one Application per intake. Municipal council support of an Application by a non-for-profit organization and the carry-over of an OSTAR Project under COMRIF will each count towards a municipality's maximum of one approved Application per intake.

3.5 RE-PROFILING

If any portion of a Party's annual allocation is not expended in a Fiscal year, and subject to Sections 3.1 and 3.2, the Party will contribute an additional amount equal to the portion in subsequent Fiscal years.

3.6 FISCAL YEAR FORECASTS

At the beginning of each Fiscal year, the Management Committee will present to the Parties a plan outlining the forecasted cash flow, the aggregate list of approved Projects and a forecast of the number and type of Projects recommended in the Fiscal year.

3.7 FUNDING TARGETS

The Parties agree that Projects will be approved so that, by the termination of this Agreement, of the total contribution as specified in Section 3.1, at least 55% will have been committed to Green Projects.

3.8 LIMIT ON CANADA'S AGGREGATE FINANCIAL ASSISTANCE

Ontario agrees to inform Canada promptly of any other federal financial assistance offered or received in respect of Eligible Costs of a Project. Canada may reduce its contribution towards a Project to respect the 50% limit of Eligible Costs.

3.9 DISCREPANCIES

The Parties agree to promptly correct any discrepancy between the amount payable and the amount paid by Canada under this Agreement.

4. MANAGEMENT COMMITTEE

4.1 ESTABLISHMENT

Within 60 days of the signing of this Agreement, the Parties will establish a Management Committee to administer and manage this Agreement. The Management Committee will consist of two members appointed by Canada and two members appointed by Ontario. The Parties will notify each other of the appointments in the same timeframe. All members will be selected from each Party's senior officials. The Management Committee will operate until all terms of this Agreement have been fulfilled.

4.2 CO-CHAIRS

The Management Committee will be headed by two co-chairs chosen from its members: one appointed by Canada ("Federal Co-chair"), and one appointed by Ontario

(“Provincial Co-chair”). If one Co-chair is absent or unable to act, he or she will be replaced by the other federally-appointed member or the other provincially-appointed member, as the case may be.

4.3 MEETINGS AND ADMINISTRATIVE MATTERS

The Management Committee will:

- a) Meet regularly, as agreed by the Co-chairs. Quorum will consist of the two Co-chairs; and
- b) Establish rules and procedures with respect to its meetings and those of its sub-committees, including rules for the conduct of meetings and the making of decisions.

4.4 RECOMMENDATIONS AND DECISIONS

All decisions and recommendations of the Management Committee must be consensual and recorded in writing.

4.5 JOINT SECRETARIAT

The Parties agree to establish the COMRIF Joint Secretariat to support the Management Committee in the administration of this Agreement, including the timely production and sharing of information about Applicants, Projects, financial cash flows and other information.

4.6 ENHANCED PARTNERSHIP WITH MUNICIPAL ORGANIZATIONS

The Parties agree to draw upon the knowledge and experience of Local Governments, and to work to that effect with the representatives of the Association of Municipalities of Ontario (“AMO”) through the following mechanisms, agreed upon in a protocol signed on or about the same day as this Agreement:

- AMO to sit on one or more sub-committee or comment through official consultations during the development of guidelines and annual reporting; and
- AMO to sit as an observer on the Management Committee, and be invited to comment.

4.7 JOINT GUIDELINES, PROCEDURES AND FORMS

The Management Committee will develop, in a timely manner, a series of guidelines, procedures and forms necessary that will reflect the joint nature of the COMRIF, for:

- a) Submitting Project Applications;
- b) Assessing, ranking and recommending Applications for approval by Ministers, including those made by Applicants with exceptional circumstances or limited fiscal capacity;
- c) Entering into and recording Contribution Agreements with Recipients;
- d) Reporting by Recipients on the implementation and evaluation of Projects;
- e) Submitting claims;
- f) Recording of claims and payments;
- g) Handling Project increases and decreases;
- h) Accommodating changes in funded Projects; and
- i) Carrying out any other of its duties under this Agreement.

4.8 JOINT APPLICATION REVIEW PROCESS

The Parties agree to put in place the following joint Application review process:

- a) Wherever possible, Applications must be filed online with the Parties, by completing the application form found at the following web site: <http://www.comrif.ca>; or by downloading the application and emailing it to the Joint Secretariat at info@comrif.ca; or, if any electronic alternative is not available or not appropriate, by submitting a hard copy to the Joint Secretariat at the following mailing address: COMRIF Joint Secretariat, 1 Stone Road, 4NW, Guelph, Ontario, N1G 4Y2.
- b) The Management Committee will, after receipt of an Application:
 - i) advise the Applicant of receipt and of any additional information it requires;
 - ii) review and rank the Application against the mandatory screening criteria and the ranking criteria of its category, as appropriate, as set out in Schedule A, and against all other requirements and criteria of this Agreement;
 - iii) note and record what requirements the Project fails to meet, and;
 - iv) make a recommendation, with reasons, to the Parties, as to the Application's suitability for funding, and advise them as to any requirement that is not yet met.

4.9 ENVIRONMENTAL LEGISLATION REQUIREMENT

The Management Committee will ensure that no funds are disbursed to a Recipient in respect of a Project until all legislated environmental assessment requirements have been fully met. This does not prevent the Parties from making a funding commitment that is conditional upon meeting them.

4.10 EXCEPTIONAL CIRCUMSTANCES

Despite any other provision in this Agreement, the Parties may approve, if the Project is located in a rural or isolated area and its circumstances are exceptional, and after taking into account the detailed recommendation of the Management Committee, an Application which does not meet the requirements set out in Schedule A. The Project must however be in keeping with laws and regulations.

4.11 CHANGES DURING THE LIFE OF THE PROJECT

- a) In this Section, "significant change" includes, in respect of a Project:
 - i) any material change to its location, scope or timing;
 - ii) any other change that would trigger a further environmental assessment; and
 - iii) an increase in its Eligible Costs which, when added to any previous increase, would be greater than either \$50,000 or ten percent (10%) of the original Eligible Costs of the Project as set out in the initial Contribution Agreement;
- b) A request for an amendment to a Contribution Agreement will be reviewed by the Management Committee, and
 - i) in the case of a request for a significant change, it will recommend to the Parties whether to approve it or not; and
 - ii) in the case of another change, it may approve or reject it.

4.12 INCORPORATION IN AGREEMENTS AND CONTRACTS

- a) The Management Committee will ensure that all Contribution Agreements are consistent with this Agreement and incorporate its relevant provisions to the extent possible. The Management Committee will also ensure that all Contribution Agreements require all Contracts to be consistent with this Agreement and incorporate its relevant provisions to the extent possible;
- b) Contribution Agreements will include a provision to the effect that the Recipient will begin its Project within six months of the date of the Contribution Agreement, failing which it may be terminated by the Parties. If a Recipient fails to comply with the provision, Ontario will notify the Management Committee, which will recommend a course of action.

4.13 INFORMATION MANAGEMENT SYSTEM

- a) SIMSI
 - (i) Canada has developed a Shared Information Management System for Infrastructure (SIMSI) to support the delivery of MRIF by providing online Project registration, approval, monitoring, and reporting capabilities. Costs associated with the implementation, maintenance, access, training and support of the system will be borne by Canada, as well as the costs to solely interface SIMSI with Ontario's database for the COMRIF Initiative. The Parties agree to promote and use SIMSI in accordance with the Canada-Ontario Information Management – SIMSI Guidelines.
 - (ii) Infrastructure Canada and Ontario's Ministry of Municipal Affairs and Housing will enter into a memorandum of understanding on SIMSI performance levels.
- b) Information Management

The Parties agree to manage Application and Project information through its life cycle as required by Canada's *Policy on the Management of Government Information* and applicable Ontario policies.

5. PROJECT IMPLEMENTATION

5.1 ENFORCEMENT OF CONTRIBUTION AGREEMENTS

Ontario agrees to enforce all terms and conditions of Contribution Agreements, save for breaches of the Agreements that, both Ontario and Canada agree, are minor or inconsequential.

5.2 COMPLIANCE

The Parties agree to comply with, and Ontario agrees to ensure that the Contribution Agreements require Recipients and any Third Party comply with, all applicable legislation.

6. CONTRACT PROCEDURES AND PROVISIONS

6.1 AWARDING OF CONTRACTS

- a) The Parties agree that the Management Committee will develop policies, procedures and requirements concerning the awarding and management of Contracts and their content based on Ontario's relevant policies and procedures;

- b) The Contribution Agreements will require all Contracts to be awarded and managed in accordance with Ontario's relevant policies and procedures, a copy of which will be provided to the Management Committee; and
- c) The Parties agree that Contracts will be awarded in a way that is transparent, competitive, and consistent with value for money principles.

6.2 DATA GATHERING AND AUDITS

The Parties agree that all Contribution Agreements will include, and will require all Contracts to include, provisions authorizing the Parties to gather data required under this Agreement, to perform audits and to monitor Projects as they see fit.

6.3 ACCOUNTS AND RECORDS

Without limiting the generality of other relevant provisions, the Parties agree that Contribution Agreements will ensure that:

- a) Proper and accurate accounts and records of the Project are maintained, as developed by the Management Committee; and
- b) All the Project's records and accounts are available to the Parties and any member of the Management Committee, for inspection, at all reasonable times.

6.4 INDEMNIFICATION

All Contribution Agreements will also include an indemnification clause to the effect that Canada and Ontario, their officers, servants, employees, or agents will be indemnified and saved harmless from and against all claims and demands, loss, costs, damages, actions, 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 or arising directly or indirectly from:

- a) This Agreement;
- b) The performance of a Contribution Agreement or the breach of any term or condition of it by a Recipient, its officers, servants, employees and agents, or by a third party, and any of its officers, employees, servants or agents;
- c) The ongoing operation, maintenance and repair of the Infrastructure resulting from the Project; or
- d) Any omission or other wilful or negligent act of the Recipient, a third party, their respective employees, officers, servants or agents.

6.5 INFRASTRUCTURE MAINTENANCE AND OPERATION

Ontario agrees that all Contribution Agreements will stipulate that the assets resulting from the Project will be used, maintained and operated for a period of at least one half of the expected life of the asset after the completion of the Project.

6.6 INFRASTRUCTURE DISPOSITION

Ontario agrees to include the following clause in its Contribution Agreements:

- a) *Unless otherwise agreed to by the Management Committee, the Recipient will retain title to, and ownership of, the Infrastructure resulting from the Project for at least ten (10) years after Project completion;*

- b) *In the event that, at any time within ten (10) years from the date of completion of the Project, the Recipient sells, leases, encumbers or otherwise disposes of, directly or indirectly, any asset constructed, rehabilitated or improved, in whole or in part, with funds contributed by Canada and/or Ontario under the terms of this Agreement, other than to Canada, Ontario, a Local Government, or a Crown corporation of Ontario that is the latter's agent for the purpose of implementing this Agreement, the Recipient hereby undertakes to repay Canada and Ontario, on demand, a proportionate amount of the funds contributed by Canada and Ontario, as follows:*

<i>Where Project asset is sold, leased, encumbered or disposed of:</i>	<i>Repayment of contribution (in current dollars)</i>
<i>Within 2 Years after Project completion</i>	<i>100%</i>
<i>Between 2 and 5 Years after Project completion</i>	<i>55%</i>
<i>Between 5 and 10 Years after Project completion</i>	<i>10%</i>

Notice

At any time during the ten (10) years following the date of completion of the Project, each Party agrees to notify the other Party in writing as soon as practicable, of any transaction triggering the above-mentioned repayment of which the Party become aware.

7. CLAIMS AND PAYMENTS

7.1 PAYMENTS

Ontario agrees to submit claims to Canada in accordance with the procedures established by the Management Committee. If in Canada's opinion, the requirements of this Agreement have been complied with, it will promptly reimburse Ontario for Canada's share of Eligible Costs paid.

7.2 CLAIMS DATES

Canada will pay the Recipient's claims in respect of Eligible Costs provided they are received by the Joint Secretariat:

- a) No later than March 31 of the year following the Fiscal year in which the Eligible Cost was incurred; and
- b) In any event, no later than March 31, 2010.

7.3 CONTRIBUTION IMBALANCE

The Parties will ensure that by August 1, 2010, each has paid the same amount in contributions, and will correct any imbalance by October 1, 2010.

8. DISPUTE RESOLUTION

8.1 DISPUTE RESOLUTION

The Parties agree to keep each other informed of any disagreement or contentious issue, by notifying the Management Committee, which will attempt to resolve it.

8.2 REFERRAL

Any disagreement or contentious issue that cannot be resolved will be submitted to the Ministers for resolution.

8.3 APPLICABLE JURISDICTION

Any dispute in law regarding this Agreement will be submitted to the Ontario Superior Court of Justice.

8.4 WAIVER

A Party may waive any right under this Agreement only in writing; and any tolerance or indulgence demonstrated by that Party will not constitute waiver of such right. Unless a waiver is executed in writing, that Party will be entitled to seek any remedy that it may have under this Agreement or under the law.

9. MONITORING AND REPORTING

9.1 RECORD KEEPING

Ontario will ensure that proper and accurate accounts and records, including invoices, statements, receipts and vouchers, are kept for at least six (6) years after termination of this Agreement and will, upon reasonable notice, make them available to Canada for inspection or audit.

9.2 AUDITS

- a) The Management Committee will ensure that expenditures under this Agreement are audited in accordance with the Canada-Ontario Reporting - Audit - Evaluation Guideline; and
- b) In addition, any Party, at its own expense, may audit all accounts, records, and claims for reimbursement relating to this Agreement and may undertake reviews of Ontario's administrative, financial and claim certification processes and procedures to ensure compliance with this Agreement.

9.3 EVALUATION

- a) Evaluation framework

The Parties agree to cooperate with each other and AMO respecting the evaluation of the COMRIF, the costs of which Canada will bear. Canada agrees to consult with Ontario and AMO on the design of the evaluation framework.

- b) Evaluation by the Parties

Ontario agrees to consult with AMO and participate with Canada in conducting prospective and retrospective evaluations of COMRIF in order to report on the objectives and results.

- c) Evaluation by Canada

In addition to the data to be inputted to SIMSI under Section 4.13, Ontario will provide all relevant data and information that Canada may need for evaluation.

10. COMMUNICATIONS

The Parties hereby agree to follow the principles outlined below and detailed in the Canada-Ontario Communications Protocol Guideline.

- a) provide for joint and equal participation to all COMRIF announcements;
- b) provide 14-day notice for any planned announcement, unless agreed otherwise by the Parties;

- c) schedule an announcement for every Project within 45 days of the Project's approval. Unless agreed otherwise by the Parties, if this timeline cannot be met, the Parties will announce the Project through a news release only;
- d) provide advanced notice for advertising or public information campaigns;
- e) follow the Canadian Heritage Order of Precedence;
- f) ensure that all public information material, including signs, respect the Parties' language and visual identity requirements; and
- g) cost-share communications costs.

11. MISCELLANEOUS

11.1 BINDING OBLIGATIONS

Each Party declares to the other that the signing and execution of this Agreement was duly and validly authorized, and that each has incurred a legal and valid obligation in accordance with the terms and conditions of the Agreement.

11.2 BEGINNING AND EXPIRY DATES

This Agreement will be effective when signed by the Parties and will end on March 31, 2011.

11.3 ULTIMATE APPROVAL DATE

Despite any other provision of this Agreement, no Project will be approved after March 31, 2008.

11.4 SURVIVAL

The Parties' rights and obligations set out in Sections 3.8, 3.9, 5.1, 6.4, 6.5, 6.6, 7.3, 8.2, 8.3, 8.4, 9.1, 9.2, 9.3, 11.1, 11.5, 11.6, 11.7, 11.11, 11.12, and 11.13 will survive the expiry or early termination of this Agreement.

11.5 GOVERNING LAW

This Agreement is governed by the laws applicable in Ontario.

11.6 DEBTS DUE TO CANADA

Any amount owed to Canada under this Agreement will constitute a debt due to Canada, which Ontario will reimburse forthwith, on demand, to Canada.

11.7 NO BENEFIT

No member of the House of Commons or of the Senate of Canada will be admitted to any share or part of any Contract made pursuant to this Agreement or to any benefit arising therefrom.

11.8 NO AGENCY

It is understood, recognized and agreed that no provision of this Agreement and no action by the Parties will establish or be deemed to establish a partnership, joint venture, principal-agent relationship, or employer-employee relationship in any way or for any purpose whatsoever between Canada and Ontario or between Canada, Ontario and a Third Party.

11.9 NO AUTHORITY TO REPRESENT

Nothing in this Agreement is to be construed as authorizing one Party to contract for or to incur any obligation on behalf of the other or to act as agent for the other. Nothing in this Agreement is to be construed as authorizing any Recipient or any Third Party to contract for or to incur any obligation on behalf of either Party or to act as agent for either Party. Ontario will take reasonable steps to ensure that all Contribution Agreements contain provisions to that effect.

11.10 COUNTERPART SIGNATURE

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

11.11 VALUES AND ETHICS CODE

No person governed by the post-employment, ethics and conflict of interest guidelines of Canada will derive a direct benefit from this Agreement unless that person complies with the applicable provisions.

11.12 SEVERABILITY

If for any reason a provision of this Agreement that is not a fundamental term is found to be or becomes invalid or unenforceable, in whole or in part, 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.

11.13 LOBBYISTS AND AGENT FEES

Ontario warrants that any person who lobbies or has lobbied on its behalf to obtain funding, or any benefit under this Agreement, and who is subject to the *Lobbyists Registration Act (Canada)* or the *Lobbyists Registration Act, 1998 (Ontario)*, is registered accordingly. Furthermore Ontario warrants that no remuneration based on a percentage of Canada's contribution will be paid to a lobbyist.

11.14 AMENDMENTS TO THE GUIDELINES

The Parties may, from time to time, mutually amend in writing the Guidelines provided that no amendment will expand the obligations of either Party under the Guidelines or impose upon either Party any obligation, which is not already set out in this Agreement.

11.15 AMENDMENTS TO THE AGREEMENT

This Agreement may be amended from time to time on written agreement of the Ministers or their duly authorized delegates.

11.16 NOTICE

Any notice, information or document provided for under this Agreement will be effectively given if delivered or sent by letter, postage or other charges prepaid. Any notice that is delivered will have been received on delivery; and any notice mailed will be deemed to have been received eight (8) calendar days after being mailed.

Any notice to Canada must be sent to both:

Director General, Intergovernmental Operations
Infrastructure Canada
90 Sparks Street
Ottawa, Ontario
K1P 5B4

and

Director General - Operations Sector
Sectorial Strategies and Services Branch and
Canada-Ontario Infrastructure Programs
Industry Canada
235 Queen Street
Ottawa, Ontario
K1A 0H5

Any notice to Ontario must be sent to both

Assistant Deputy Minister
Infrastructure Policy and Planning
Ministry of Public Infrastructure Renewal
Frost Building South
6th Floor
7 Queen's Park Crescent East
Toronto, Ontario
M7A 1Y7

and

Assistant Deputy Minister
Rural Development Division
Ministry of Municipal Affairs and Housing
16th Floor
777 Bay Street
Toronto, Ontario
M5G 2E5

Each Party may change the address that it has stipulated, by notifying in writing the other party of the new address.

SIGNATURES

This Agreement has been executed on behalf of Canada by the Minister of State (Infrastructure and Communities) and the Minister of State (Federal Economic Development Initiative for Northern Ontario), and on behalf of Ontario by the Minister of Public Infrastructure Renewal and the Minister of Municipal Affairs and Housing.

GOVERNMENT OF CANADA
Original signed by:

GOVERNMENT OF ONTARIO
Original signed by:

The Honourable John Godfrey
Minister of State (Infrastructure and
Communities)

The Honourable David Caplan
Ontario Minister of Public Infrastructure Renewal

The Honourable Joseph R. Comuzzi
Minister of State (Federal Economic
Development Initiative for Northern Ontario)

The Honourable John Gerretsen
Ontario Minister of Municipal Affairs and
Housing

SCHEDULE “A” - PROJECT REVIEW AND ASSESSMENT FRAMEWORK

This Schedule sets out the criteria of public policy to be used for the review, assessment, and selection of Projects.

All Applicants will have to complete and submit the questionnaire on climate change and asset management.

Applicants submitting proposals in the water, wastewater, waste management, public transit and local roads and bridges categories will also be required to complete a Technical Assessment Schedule that will be used to review and assess these Applications.

The questionnaire on climate change and asset management and Technical Assessment Schedules will be available on <http://www.comrif.ca>.

DEFINITION

In this Schedule, unless the context requires otherwise,

“Alternate Financing and Procurement Arrangement” (AFPA): means an arrangement between public and private sector entities for the purpose of providing Infrastructure and related services that is characterized by the sharing of risk and reward between the entities. Applicants should demonstrate compliance with the guiding principles found in Ontario’s “Building a Better Tomorrow: An Infrastructure Planning, Financing and Procurement Framework for Ontario’s Public Sector” located at: <http://www.pir.gov.on.ca>.

“Greenhouse Gas” (GHG): refers to a number of minor gases in the atmosphere, although relatively transparent to sunlight, which absorb most of the infrared heat energy transmitted by the Earth towards space. This phenomenon has been called the “greenhouse effect” and the absorbing gases that cause it “greenhouse gases”. Important greenhouse gases include: water vapour, carbon dioxide, methane, nitrous oxide, ozone, and halocarbons.

A.1 PROJECT SELECTION CRITERIA

A.1.1 ELIGIBLE PROJECTS

To be eligible for funding, a Project must:

- a) Be submitted by an Applicant who demonstrates that it will be able to operate and maintain the resulting Infrastructure over the long term;
- b) Fall within one of the applicable Project categories hereunder, be consistent with the objectives of the category and directly related to one of its subcategories and meet its mandatory screening criteria;
- c) Be ranked on how and to what extent it meets the technical schedule requirements to be found at <http://www.comrif.ca> and the category ranking criteria as outlined in the table shown section A.12;
- d) Be for the construction, renewal, expansion, upgrade, or material enhancement of a community public Infrastructure;

- e) Be supported by a business case that is comprehensive, credible and feasible and meets the requirements of the Canada – Ontario Business Case Guideline;
- f) Stipulate a construction completion date of no later than March 31, 2009;
- g) Be duly authorized or endorsed by, as applicable
 - i) in the case of a municipal Applicant, a resolution of its council; or
 - ii) in the case of a non-governmental or not-for-profit Applicant, a resolution of its board of directors and also by a resolution of the municipal Council where the Infrastructure is proposed to be located;
- h) Comply with section 9 of the *Ontarians with Disabilities Act, 2001* (Ontario) by, as applicable:
 - i) meeting or exceeding the level of accessibility for persons with disabilities where a project relates to an existing or proposed building, structure or premises for which the *Building Code Act, 1992* (Ontario) and the regulations made under it establish such a level; or
 - ii) providing accessibility for persons with disabilities where the level of accessibility for persons with disabilities is not established under the *Building Code Act, 1992* (Ontario) and its regulations, but is nonetheless required pursuant to the screening criteria for the project category in this Agreement; and
- i) Meet the requirements of all applicable federal legislation and all applicable provincial legislation, regulations and plans established by Orders-in-Council (Ontario).

A.1.2 NON-ELIGIBLE PROJECTS

- a) Projects dealing mainly with assets owned by Canada or Ontario are only eligible for funding if, in the opinion of the Management Committee, the assets are of a type normally owned or operated by Local Governments for community use and benefit.
- b) Projects where Construction Works have started, prior to approval by Ministers, will not be eligible for funding.

A.2 CATEGORY 1: WATER

A.2.1 OBJECTIVE

The objective of this category is to construct, restore or improve public Infrastructure that improves water quality and ensures the sustainable use and management of Infrastructure and water resources. The *Sustainable Water and Sewage Systems Act, 2002* (Ontario) is legislation that provides for the implementation of full cost recovery for municipal water and wastewater services in Ontario. The Applicant must be moving or have moved to full cost recovery for its water and wastewater systems unless the Project cannot be supported by increases in water rates because further rate increases would be unaffordable due to the community's economic circumstances or income levels.

A.2.2 SUBCATEGORIES

- a) Drinking water supply;

- b) Drinking water treatment systems; and
- c) Drinking water distribution systems.

A.2.3 MANDATORY SCREENING CRITERIA

- a) The drinking water quality expected as a result of the Project must meet the applicable *Guidelines for Canadian Drinking Water Quality* or provincial standards, whichever are more stringent;
- b) The business case must include consideration of alternatives to the Project being proposed as well as the long-term operating costs of the Infrastructure;
- c) The components of the resulting Infrastructure, which will be in direct contact with drinking water, must all conform to ANSI/NSF 61; and
- d) In the case of a Project where the resulting Infrastructure will serve a commercial operation, the business case must provide for full cost recovery. If full cost recovery is not possible, the plan must provide for alternative strategies for recovery.

A.3 CATEGORY 2: WASTEWATER

A.3.1 OBJECTIVE

The objective of this category is to construct, restore or improve Infrastructure that minimizes the potential impacts of effluent on sources of drinking water, aquatic ecosystems including fisheries resources and biodiversity, and that increases the efficiency of wastewater and stormwater collection and treatment systems. The *Sustainable Water and Sewage Systems Act, 2002* (Ontario) is legislation that provides for the implementation of full cost recovery for municipal water and wastewater services in Ontario. The Applicant must be moving or have moved to full cost recovery for its water and wastewater systems unless the Project cannot be supported by increases in water rates because further rate increases would be unaffordable due to the community's economic circumstances or income levels.

A.3.2 SUBCATEGORIES

- a) Sanitary sewage systems;
- b) Stormwater and/or combined sewage collection system; or
- c) Sewage treatment systems

A.3.3 MANDATORY SCREENING CRITERIA

- a) The Project will reduce effluent contaminants, including toxics, in wastewater treatment plant output;
- b) In the case of a Project where the resulting Infrastructure will serve a commercial operation, the business case must provide for full cost recovery. If full cost recovery is not possible, the plan must provide for alternative strategies for recovery.

A.4 CATEGORY 3: WASTE MANAGEMENT

A.4.1 OBJECTIVE

The objective of this category is to construct, restore or improve Infrastructure that improves solid waste management and increases the recovery and use of recycled

and organic materials, reduces per capita tonnage of solid waste sent to landfill, reduces environmental impacts and enhances energy recovery.

A.4.2 SUBCATEGORIES

- a) Waste diversion, recycling - Material Recovery Facilities;
- b) Organics Management;
- c) Collection Depots, transfer stations and processing sites;
- d) Waste disposal landfills; and
- e) Thermal treatment.

A.4.3 MANDATORY SCREENING CRITERIA

- a) The Project must be consistent with a provincial and regional waste management policy;
- b) In the case of a Project where the resulting Infrastructure will serve a commercial operation, the business case must provide for full cost recovery. If full cost recovery is not possible, the plan must provide for alternative strategies for recovery.

A.5 CATEGORY 4: PUBLIC TRANSIT

A.5.1 OBJECTIVE

The objective of this category is to construct, restore or improve public transportation Infrastructure that will result in the reduction of environmental impacts, congestion, energy use or GHG emissions, and improved safety, supports tourism and commerce, promotes social and economic development of local areas, and helps Canada lead in the use of innovative technologies for the operation and management of local transportation systems, including passenger and traffic information systems.

A.5.2 SUBCATEGORIES

- a) Rapid Transit: fixed capital assets and rolling stock (includes light rail, heavy rail additions, ferries, transit stations, park and ride facilities, grade separated bus lanes and rail lines);
- b) Transit Buses: bus rolling stock, transit bus stations; and
- c) Intelligent Transport System (ITS) and Transit Priority Capital Investments:
 - i) ITS technologies to improve transit priority signalling, passenger and traffic information, transit operation, incident management and rescue systems;
 - ii) capital investments, such as transit queue-jumpers and High Occupancy Vehicle (HOV) lanes; and
 - iii) integration of two or more of these features for increasing efficiency of local transportation.

A.5.3 MANDATORY SCREENING CRITERIA

- a) The Project must be consistent with applicable transportation and land use plans of Ontario, region or Local Governments;

- b) The Project must be consistent with Canada’s objectives in respect of sustainable growth, competitiveness and climate change;
- c) The Project business case must include the following:
 - i) submission of Project data, including GHG emissions, and Project costs;
 - ii) identification of near-term safety, efficiency, environmental and economic impacts of that Project, as well as potential impacts over a 5-to10-year horizon;
 - iii) demonstration of Applicant’s ability to operate and sustain the resulting Infrastructure;
 - iv) confirmation of the Applicant’s adherence, where applicable, to engineering guidelines (e.g., Transportation Association of Canada);
 - v) demonstration of Project’s consistency with all applicable federal/provincial legislative and regulatory obligations; and
 - vi) demonstration of the accessibility provisions for persons with disabilities where applicable.

A.6 CATEGORY 5: LOCAL ROADS AND BRIDGES

A.6.1 OBJECTIVE

The objective of this category is to construct, restore or improve public roads that will result in the reduction of environmental impacts, congestion, energy use or GHG emissions, and to improve safety, support tourism and commerce, promote social and economic development of local areas, and help Canada lead in the use of innovative technologies for the operation and management of local transportation systems, including passenger and traffic information systems.

A.6.2 SUBCATEGORIES

- a) Local Roads, arterial roads, bridges and tunnels within local boundaries; Canada and Ontario will consider local roads and bridges that meet the high priority criteria according to the Ministry of Transportation of Ontario’s (MTO) Bridge Sufficiency Index (“BSI”) for bridges and standard methodology for assessing roads according to the MTO’s Road Sufficiency Index (“RSI”). The calculation of the BSI is explained and included in the Bridge Technical Assessment Schedule. Due to its complexity, the RSI is not included in the Roads Technical Assessment Schedule. The RSI will be calculated by the MTO;
- b) ITS and Transit priority capital investments:
 - i) ITS technologies to improve transit priority signalling, passenger and traffic information, transit operation, incident management, and rescue systems;
 - ii) capital investments to support public transit on the local road network, such as queue-jumpers and High Occupancy Vehicle (HOV) lanes; and
 - iii) integration of two or more of these features for increasing efficiency of local transportation.

A.6.3 MANDATORY SCREENING CRITERIA

- a) The Project must be consistent with applicable transportation, land use and comprehensive community plans of Ontario, region or municipality;
- b) The Project must be consistent with Canada's objectives in respect of sustainable growth, competitiveness and climate change;
- c) The Project business case must include the following:
 - i) submission of Project data, including GHG emissions, and Project costs;
 - ii) identification of near-term safety, efficiency, environmental and economic impacts of that Project, as well as potential impacts over a 5-to10-year horizon;
 - iii) demonstration of Applicant's ability to operate and sustain the resulting Infrastructure;
 - iv) confirmation of the Applicant's adherence, where applicable, to engineering guidelines (e.g., Transportation Association of Canada);
 - v) demonstration of Project's consistency with all applicable federal/provincial legislative and regulatory obligations; and
 - vi) demonstration of the accessibility provisions for persons with disabilities where applicable.

A.7 CATEGORY 6: CULTURAL

A.7.1 OBJECTIVE

The objective of this category is to construct, restore or improve public arts and heritage Infrastructure to assist communities in the expression, preservation, development and promotion of their culture and heritage.

A.7.2 SUBCATEGORIES

- a) Museums (including arts museums);
- b) Designated local heritage sites;
- c) Facilities for the performing arts;
- d) Cultural or community centres;
- e) Municipal libraries; and
- f) Other cultural Infrastructure that meet the category objectives.

A.7.3 MANDATORY SCREENING CRITERIA

- a) The business case must demonstrate the Applicant's ability to operate and sustain the resulting Infrastructure;
- b) The resulting Infrastructure must be accessible to persons with disabilities; and
- c) All new buildings must exceed the energy efficiency requirements of the Model National Energy Code for Buildings by at least 25%.

A.8 CATEGORY 7: RECREATION

A.8.1 OBJECTIVE

The objective of this category is to construct, restore or improve sustainable recreation, physical activity and sports public Infrastructure to encourage a higher level of participation from all segments of society in sport and physical activity.

A.8.2 SUBCATEGORIES

- a) Sports facilities excluding facilities used primarily by professional athletes;
- b) Community recreation spaces;
- c) Fields and parks, fitness trails, bike paths and lanes, playgrounds, and other facilities; and
- d) Other recreational Infrastructure that meets the category objectives.

A.8.3 MANDATORY SCREENING CRITERIA

- a) The business case must demonstrate the Applicant's ability to operate and sustain the resulting Infrastructure;
- b) The functionality requirements of the Project must be a product of consultation with key users of the proposed facility;
- c) The resulting Infrastructure must be accessible to persons with disabilities;
- d) All new buildings must exceed the energy efficiency requirements of the Model National Energy Code for Buildings by at least 25%; and
- e) In the case of a Project where the resulting Infrastructure will serve a combined commercial and community operation, the business case must provide for public funding in direct proportion to the level of public use of the facility for community activities and amateur sports (e.g., if 20% of the proposed facility is available for public use, then 20% of the Project costs will be eligible for funding).

A.9 CATEGORY 8: TOURISM

A.9.1 OBJECTIVE

The objective of this category is to construct, restore or improve tourism Infrastructure that enhances tourism destinations and experiences, is economically and environmentally sustainable, contributes the quality of the tourism experience and thereby increase the number of visitors to Ontario and Canadian destinations.

A.9.2 SUBCATEGORIES

- a) Basic local Infrastructure to support or provide access to tourist facilities;
- b) Community public attractions;
- c) Convention or trade centres;
- d) Exhibition buildings; and
- e) Other tourism Infrastructure that meets the category objectives.

A.9.3 MANDATORY SCREENING CRITERIA

- a) The business case must demonstrate the Applicant's ability to operate and sustain the resulting Infrastructure;
- b) The resulting Infrastructure must be accessible to persons with disabilities; and
- c) All new buildings must exceed the energy efficiency requirements of the Model National Energy Code for Buildings by at least 25%.

A.10 CATEGORY 9: ENVIRONMENTAL ENERGY IMPROVEMENTS

A.10.1 OBJECTIVE

The objective of this category is to construct, restore or improve Local Government-owned Infrastructure that optimizes the use of energy sources (e.g., in buildings and other installations) and reduces GHG emissions and air contaminants arising from local sources.

A.10.2 SUBCATEGORIES

- a) Retrofits of Local Government-owned buildings;
- b) Energy Systems such as renewable energy, combined heat and power (CHP), cogeneration and district energy; and
- c) Street Lighting.

A.10.3 MANDATORY SCREENING CRITERIA

- a) For retrofits, the Project must meet standards comparable to Natural Resources Canada's residential and commercial retrofit initiatives;
- b) Existing devices (e.g., ventilation, windows, heating, toilets) must be replaced by more energy efficient devices (e.g., Energystar), taking into account local context in Aboriginal and remote communities;
- c) Consideration has been given to the use of alternative sources of electricity, heat and cooling; and
- d) All new buildings must exceed the energy efficiency requirements of the Model National Energy Code for Buildings by at least 25%.

A.11 CATEGORY 10: CONNECTIVITY

A.11.1 OBJECTIVE

The objective of the category is to construct, restore or improve Infrastructure that supports Canada's objective to make broadband access widely available to all communities, to improve the delivery of public services such as e-government, e-health and e-education, and to improve the quality of life, and to promote social development, innovation and economic development in Canada's communities.

A.11.2 SUBCATEGORIES

- a) High-speed backbone (transport);
- b) Points of presence (access); and
- c) Local distribution within communities.

A.11.3 MANDATORY SCREENING CRITERIA

- a) The business case must demonstrate the Applicant's ability to operate and sustain the resulting Infrastructure;
- b) To promote competitiveness, a commercially and technologically neutral and competitive tendering and contracting process has been or will be conducted for the Project;
- c) The Project's proposed solution provides for Third Party open access; and
- d) The publicly-accessible portions of the resulting Infrastructure of the Project must ensure accessibility for persons with disabilities.

A.12 PUBLIC POLICY RANKING CRITERIA

PUBLIC POLICY RANKING CRITERIA PER CATEGORY OF PROJECTS		Water	Wastewater	Solid Waste	Public Transit	Local Roads & Bridges	Cultural	Recreation	Tourism	Energy Improvement	Connectivity
Shared criteria	1. Has broad support in the community;	•	•	•	•	•	•	•	•	•	•
	2. Addresses its impact on the various climate parameters and adapts to the potential risks posed by future climate change;	•	•	•	•	•	•	•	•	•	•
	3. Minimizes impact on climate change by: <ul style="list-style-type: none"> • mitigating or reducing GHGs by using renewable energy sources, innovative technologies and practices that increase energy efficiency, or by other mitigation strategies; and • cost-effectively minimizing GHG emissions attributable to the Project in both construction and operation; 	•	•	•	•	•	•	•	•	•	•
	4. Fosters alliances between public and private sector, and encourages an AFPA;	•	•	•	•	•	•	•	•	•	•
	5. Uses best practices for technologies and construction;	•	•	•	•	•	•	•	•	•	•
	6. Improves energy usage and efficiency;	•	•	•	•	•	•	•	•	•	•
	7. Features closed-loop resource management (wastewater, biosolids and waste re-use and recycling, power generation derived from treatment process or solid waste, and passive energy sources);	•	•	•	•	•	•	•	•	•	•
	8. Reduces or eliminates potential health risks;	•	•	•	•	•	•	•	•	•	•
	9. Is based on a strategy for local water and wastewater management providing for long-term sustainability including appropriate metering and pricing;	•	•	•	•	•	•	•	•	•	•
	10. Is supported by a business case that addresses: <ul style="list-style-type: none"> • demand-management including water metering and public education; and • a sustainable approach to financing that ensures ongoing operation, maintenance and upgrading; 	•	•	•	•	•	•	•	•	•	•
	11. Reduces or eliminates potential impacts or risks associated with disasters;	•	•	•	•	•	•	•	•	•	•
	12. Improves transportation system efficiency (e.g., cost per passenger-km, capacity for passenger throughput in corridors);	•	•	•	•	•	•	•	•	•	•
	13. Gives consideration to alternatives to the Project being proposed;	•	•	•	•	•	•	•	•	•	•
	14. Improves transportation and public safety and security;	•	•	•	•	•	•	•	•	•	•
	15. Minimizes other air contaminants from transportation;	•	•	•	•	•	•	•	•	•	•
	16. Improves access to business, employment and educational opportunities for local citizens, including Aboriginal peoples;	•	•	•	•	•	•	•	•	•	•
	17. Promotes the use of innovative technology or processes in transportation, urban or rural, including the use of ITS technologies, where applicable;	•	•	•	•	•	•	•	•	•	•
	18. Is a multi-use or multi-component facility;	•	•	•	•	•	•	•	•	•	•
Water	19. Provides a multi-jurisdictional, multi-sectoral and integrated approach to drinking water that: <ul style="list-style-type: none"> • addresses long-term financial sustainability; • includes full-cost recovery; • contributes to integrated watershed management; and • includes the concept of Source to Tap. 	•	•	•	•	•	•	•	•	•	

PUBLIC POLICY RANKING CRITERIA PER CATEGORY OF PROJECTS		Water	Wastewater	Solid Waste	Public Transit	Local Roads & Bridges	Cultural	Recreation	Tourism	Energy Improvement	Connectivity
Wastewater	20. Addresses the management of storm water by, for example, separating wastewater systems from storm water systems;		•								
	21. Addresses long-term financial sustainability, including full cost pricing and contribute to integrated watershed management		•								
	22. Diminishes the frequency of sanitary and combined sewer overflows during rainfall;		•								
	23. Proposes a wastewater system that is equivalent in performance to secondary treatment with additional treatment if appropriate.		•								
Solid waste	24. Reduces waste to disposal and increases waste recycled or composted per capita;			•							
	25. Is based on full cost accounting.			•							
Public transit	26. Increases public transit mode share and ridership;				•						
	27. Implements transportation demand strategies to increase transit ridership or technologies to encourage system efficiency through transferability and integration between modes (e.g., fare and service integration);				•						
	28. Increases efficiency of access to major transportation facilities (e.g., ports, airports, railway stations);				•						
	29. Has been the subject of a cost-benefit analysis, particularly for larger Projects.				•						
Local Roads & Bridges	30. Considers the impact of the road investment on public transit within the same municipal and rural boundaries, and identifies mitigation strategies as appropriate;					•					
	31. Conforms to the Applicant's asset management plan containing performance measure indicators for local roads and bridges;					•					
	32. Improves transportation system performance (delay, travel time, etc.)					•					
	33. Promotes economic development, including access to markets, goods movement costs, tourism, etc.					•					
Cultural	34. Is coherent with a sound local cultural strategy						•				
	35. Contributes to overall community sustainability						•				
	36. Increases the Applicant's capacity to reach new audiences, and to enhance and diversify its program offerings						•				
	37. Will have a positive overall impact on the availability of spaces for artistic creation, presentation or innovation, for the preservation and presentation of heritage collections, in a multi-use or multi-component environment						•				
	38. Complements the local, provincial or national network of cultural Infrastructure for arts and heritage activities						•				
	39. Benefits other artistic and heritage organizations locally, regionally, provincially, or nationally, and where applicable, internationally						•				
	40. Contributes to the designation, preservation and renovation of heritage sites						•				
	41. Is endorsed by arts and heritage communities						•				
42. Meets all applicable federal/provincial/municipal standards for the use of First Nations residents and Inuit						•					

SCHEDULE “B” – ELIGIBLE AND INELIGIBLE COSTS

B.1 ELIGIBLE COSTS

- B.1.1 Eligible Costs are all direct costs which, in the opinion of Canada and Ontario are:
- a) Properly and reasonably incurred by the Recipient and no other person; and
 - b) Paid under a Contract for goods or services necessary for the implementation of a Project.
- B.1.2 Eligible Costs may only include:
- a) Costs incurred after the signing of this Agreement, and for those Projects set out in Schedule C hereto, costs incurred after May 6, 2004;
 - b) The capital costs of acquiring, constructing or renovating a fixed capital asset;
 - c) The costs incurred for professionals, technical personnel, consultants and contractors specifically engaged to undertake the surveying, design, engineering, manufacturing, or construction of a Project Infrastructure asset and related facilities and structures;
 - d) The costs of environmental assessments, consisting of the engineering costs directly related to implementing the preferred solution selected under the environmental assessment process, required to undertake the Project Infrastructure, and follow-up investigations, as required by the *Canadian Environmental Assessment Act* and the *Environmental Assessment Act (Ontario)*.
 - e) The costs of any public announcement and official ceremony, or of any temporary or permanent signage, as set out in the Contribution Agreements;
 - f) The costs of bridge inspection reports incurred after the signing of this Agreement, that are completed in respect of approved Projects in accordance with the Ontario Structure Inspection Manual; and
 - g) Other costs that are direct and necessary for the successful implementation of a Project and that have been approved in advance, in writing, by the Management Committee.

B.2 INELIGIBLE COSTS

- B.2.1. Notwithstanding any other provision in this Schedule other than B.2.2, costs related to the following are not eligible:
- a) Costs incurred before the signing of this Agreement, and for those Projects set out in Schedule C hereto, costs incurred prior to May 6, 2004;
 - b) Services or works that, in the opinion of the Management Committee, are normally provided by the Recipient or a related party;
 - c) Salaries and other employment benefits of any employees of the Recipient;
 - d) Recipient’s overhead costs, direct or indirect operating or administrative costs and, more specifically costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by the Recipient’s staff;
 - e) Costs of feasibility and planning studies;

- f) Taxes for which the Recipient or a Third Party is eligible for a tax rebate, and all other costs eligible for rebates;
- g) Costs of land, or any interest therein, and related costs;
- h) Financing charges and interest costs;
- i) Cost of leasing of equipment by the Recipient;
- j) Costs related to an increase in the need for services attributable to new residential development;
- k) Legal fees; and
- l) Routine repair and maintenance costs.

B.2.2 The cost of the Recipient's employees or equipment may be included in its Eligible Costs if:

- a) The Recipient is a rural or isolated Local Government;
- b) The Recipient satisfies the Management Committee that it is not economically feasible to tender a Contract;
- c) Employees or equipment are employed directly in respect of the work that would have been the subject of the Contract; and
- d) Approved in advance and in writing by the Management Committee.

SCHEDULE “C” – Carry-over of OSTAR Projects

The Parties will consider as eligible for COMRIF funding, those projects approved by Ontario under the OSTAR program but which did not receive federal approval under the Canada-Ontario Infrastructure Program. Those municipalities that choose to resubmit their OSTAR projects will need to provide a letter of intent along with a council resolution endorsing the project as their highest health and safety priority. These requests for funding will be subject to the provisions of this Agreement including, without limitation, the provisions of A 1.2 b of Schedule A, which provides that Projects where Construction Works have started, prior to approval by Ministers, will not be eligible.