

SCHEDULE " A " TO BY-LAW NO. <sup>72-19</sup>~~74-70~~ OF THE CORPORATION  
OF THE  
THIS AGREEMENT, made in triplicate this 7<sup>TH</sup> day of MAY  
A.D. 1974 .

BETWEEN:

THE CORPORATION OF THE VILLAGE OF COBDEN  
(hereinafter called the "Municipality")

THE PARTY OF THE FIRST PART

- and -

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS  
REPRESENTED BY THE MINISTER OF THE ENVIRONMENT  
(hereinafter called the "Crown")

THE PARTY OF THE SECOND PART

WHEREAS the Crown proposes to supply water  
to the Municipality from water works to be provided or acquired  
by the Crown;

AND WHEREAS the Council of the Municipality  
on the 7<sup>TH</sup> day of MAY, A.D. 1974, passed  
By-law No. 74-9 authorizing the Municipality to enter  
into an agreement with the Crown for such purpose upon the  
terms and conditions hereinafter set out;

AND WHEREAS the Ontario Municipal Board has by  
Order dated the \_\_\_\_\_ day of \_\_\_\_\_, A.D. 19\_\_\_\_,  
approved the entering into by the Municipality of this  
agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that  
under sub-section (1a) of section 17 and section 18, of The  
Ontario Water Resources Act the parties hereto, in consideration  
of the covenants, terms and conditions hereinafter set forth,  
covenant and agree with each other as follows:

1. In this agreement,
  - (a) "calendar year" means the period commencing  
January 1st in any year and ending  
December 31st in the same year;

DEFINITIONS

- (b) "commencement date" means the date on which the Crown is able to supply water hereunder, as determined by the Crown;
- (c) "Crown" means the Crown or any of its employees, agents, servants or officers authorized to act on its behalf under this agreement;
- (d) "initial period" means the period commencing on the commencement date and ending December 31st of the second calendar year next following;
- (e) "initial rate period" means the period immediately subsequent to the initial period consisting of three consecutive calendar years;
- (f) "rate" means the rate expressed in cents per one thousand Imperial gallons of water, as determined by the Crown hereunder;
- (g) "rate period" means any period subsequent to the initial rate period consisting of five consecutive calendar years;
- (h) "Water Works" means the water works provided or acquired by the Crown for the Municipality under this agreement.

2.

The Crown agrees:

- (a) To supply water to the Municipality, without undue delay, on the terms and conditions hereinafter set forth, and to such other municipalities and persons and on such terms and conditions as the Crown may determine from time to time;
- (b) To the objective of a commencement date on the                    day of MAY                    , A.D. 1975 ;
- (c) To notify the Municipality in writing of the commencement date at least 20 days prior thereto; and,

(d) To exercise reasonable care in the carrying out of all of the terms of this agreement, it being understood and agreed nevertheless between the parties hereto that subject always to the obligation to exercise such reasonable care, no warranty or liability on the part of the Crown is intended nor shall any warranty or liability be implied or imposed in respect of the performance of this agreement by the Crown.

3. It is expressly agreed and understood by the parties hereto that all water delivered by the Crown pursuant to this agreement into any water works belonging to or under the control of the Municipality, or into any service pipe or connection connected to any property or building for which the Municipality has agreed or is compelled by law to supply with water, or into any service pipe or connection under the statutory control of the Municipality, shall be deemed to be delivery of such water to the Municipality for all purposes of this agreement.

4. (a) The Crown shall install such equipment as may be necessary to determine the volume of water withdrawn hereunder and the Municipality may from time to time inspect such equipment at its expense.

(b) In the event that the Crown determines that the withdrawal of water by or on behalf of the Municipality from the Water Works has not been recorded or has not been recorded accurately for any period of time, the Crown shall estimate the volume of water withdrawn from the Water Works during such period of time, and such determination and estimation shall be final and binding on the parties hereto.

(c) The connection of water works that belong to or are under the control of the Municipality to the Water Works and any repairs to or alternations of such connection shall be to the satisfaction of the Crown and at the expense of the Municipality, and in the event that the equipment referred to in sub-paragraph (a) hereof is installed in works belonging to or under the control of the Municipality, the Municipality shall permit the Crown access to such equipment at any time or times for the purpose of reading or testing such equipment.

DELIVERY OF  
WATER

METERS

ESTIMATED  
VOLUME

CONNECTIONS

SOLE SOURCE  
OF SUPPLY

5. The Municipality shall not use, transmit, provide or purchase or otherwise acquire a supply of water from any source other than from the Water Works without the prior written consent of the Crown.

CHARGES

6. (a) The Municipality shall pay to the Crown all charges for water withdrawn hereunder which shall be the sum of,

(i) the gallonage charge as set out in sub-paragraph (c) hereof, and

(ii) all sums received by the Municipality as water rates imposed upon owners or occupants of land in respect of local distribution mains or fire hydrants provided and operated by the Crown hereunder.

IDEM

- (b) The Municipality shall pay to the Crown the charges set out in clause (ii) of sub-paragraph (a) hereof in the year in which such water rates are collected by the Municipality.

GALLONAGE  
CHARGE

- (c) The gallonage charge for water withdrawn hereunder for a month shall be calculated as the product of the rate for water for the initial period, the initial rate period or the rate period, as the case may be, applicable to such month and the total volume of water withdrawn by or on behalf of the Municipality from the Water Works in such month as determined by the Crown, and such gallonage charge shall be paid by the Municipality to the Crown in accordance with its monthly statement of account delivered to the Municipality.

SUBSEQUENT  
RATE

- (d) (i) Subject to the terms of this agreement, the rate for water for the initial rate period and any rate period shall be determined by the Crown in its discretion and shall be based on the cost to the Crown, as determined by it, of supplying water from the Water Works.

IDEM

(ii) The difference, as determined by the Crown in its discretion, for any period of time between the cost, incurred or anticipated, of supplying water from the Water Works and all payments, both made and anticipated to the Crown by the Municipality, and by any other municipalities or persons who have entered into or are anticipated to enter into agreements with the Crown with respect to a supply of water from the Water Works, and any subsidies received or anticipated by the Crown in respect of the construction or operation of the Water Works, shall be taken into account by the Crown in determining the rate.

IDEM

(iii) All accounting for the Water Works shall be exclusively for the Water Works, and no surpluses or deficits from the Water Works shall form any part of the accounting for any other system operated by the Crown.

RATE FOR INITIAL PERIOD

(e) The rate for water withdrawn hereunder for the initial period shall be 100.6 cents per thousand Imperial gallons.

DETERMINATION AND NOTIFICATION OF SUBSEQUENT RATE

(f) As soon as practicable prior to the first day of December immediately preceding the end of the initial period, the initial rate period and any rate period thereafter, the Crown shall determine the rate for the period next following and by its notification delivered to the Municipality shall inform the Municipality of such rate.

PETITION OF SUBSEQUENT RATE

(g) Upon the petition of the Municipality filed with the Clerk of the Executive Council within thirty days after the date of delivery of the notification of a rate to the Municipality under sub-paragraph (f) hereof, the Lieutenant Governor in Council may confirm, rescind or vary such rate and the decision of the Lieutenant Governor in Council respecting such rate shall be final and binding on the parties hereto.

VARIATION OF  
SUBSEQUENT RATE

- (h) If the rate for the initial rate period or any rate period thereafter is varied pursuant to sub-paragraph (g) hereof, the Crown shall ascertain the difference between the amount, if any, paid to the Crown by the Municipality in the monthly payments for the period from the beginning of such initial rate period or such rate period, as the case may be, to the end of the month next following the date of such variation (hereinafter referred to as the "rate adjustment period") and the product of the volume of water withdrawn by the Municipality for the rate adjustment period and the rate as varied under sub-paragraph (g) hereof, and by its statement of account for such rate adjustment period delivered to the Municipality, the Crown shall inform the Municipality of the amount owing to the Crown or by the Crown and such amount shall be added to or deducted from the first monthly payment to be paid thereafter to the Crown by the Municipality hereunder.

ERRORS AND OMISSIONS

- (i) If any error or omission is made in any notification or statement of account delivered by the Crown to the Municipality under this agreement, the Crown shall correct such error or omission in the notification or monthly statement of account next following the date on which such error or omission comes to the attention of the Crown, and the parties hereto shall be bound by and shall comply with such correction.

NOTIFICATION

- (j) The mailing by the Crown of a notification of a rate or of a statement of account in an envelope addressed to the Municipality shall constitute delivery of the notification or of the statement of account to the Municipality.

RECOVERY

- (k) Any amount due and payable by the Municipality to the Crown, together with interest thereon after default at the rate of 8 per cent per annum, may be recovered with costs in a

court of competent jurisdiction as a debt due to the Crown by the Municipality.

EVENTS BEYOND  
CONTROL OF CROWN

7. All of the terms and conditions of this agreement notwithstanding, it is agreed and understood by the parties hereto that if the Crown is unable to supply water as contemplated herein by reason of events beyond the control of the Crown, or by reason of the acts or omissions of the Municipality, the Municipality shall reimburse the Crown for all costs incurred by the Crown in pursuance of its obligations under this agreement, upon such reasonable terms and conditions as the Crown in its discretion may decide.

PREPARATION

8. The Municipality shall take delivery of water under this agreement on the commencement date in accordance with the terms hereof and shall prepare for the withdrawal and use of the water so as to be able to take delivery of water as aforesaid.

REPORT OF  
REQUIREMENTS

9. (a) The Municipality shall supply to the Crown on or before the ~~third~~ anniversary date of this agreement, and similarly at subsequent ~~two~~ year intervals thereafter, during the currency of this agreement, a written report containing such information as the Crown may require respecting the Municipality's reasonable requirements for water during a period of ~~three~~ years from the date of each report.

OTHER REPORTS

- (b) The Municipality shall supply to the Crown upon request at any time or times such other written reports or other information as the Crown may require.

IDEM

- (c) The Municipality shall use reasonable care, due diligence and its best endeavours to prepare and supply to the Crown any report or information required hereunder.

INITIAL  
SERVICE

10. The Crown shall use reasonable care, due diligence and its best endeavours,

- (a) to provide on or before the commencement date, a supply of water sufficient for the

requirements set out in Schedule " B " to this agreement, and

- (b) subsequent to the third anniversary date of this agreement, to provide within a period of three years of the receipt by the Crown of any report or information pursuant to paragraph 9 hereof, a supply of water sufficient for the reasonable requirements of the Municipality as determined by the Crown and notified to the Municipality, and based on such report or information referred to above, provided that the Municipality has complied with all of the requirements of paragraph 9 hereof and further provided that in the opinion of the Crown, the requirements set forth in any such report are compatible with all work initiated by the Crown in accordance with any previous report or information.

SUBSEQUENT SERVICE

11. Except as otherwise expressly provided in this agreement, the Crown in its discretion shall determine all matters with respect to the Water Works and without limiting the generality of the foregoing, shall determine,

SYSTEM IN  
DISCRETION  
OF CROWN

- (a) the number of stages in the Water Works and the dates on which such stages shall be provided or acquired,
- (b) the design, description, capacity, function, alterations, replacements, modifications and enlargements of each stage of the Water Works, and
- (c) all matters affecting the economy of the Water Works.

12. All of the terms and conditions of this agreement notwithstanding, it is expressly agreed and understood by the parties hereto that nothing herein contained creates any obligation, expressed or implied on the Crown to supply water hereunder which, as determined by the Crown, would not be in accordance with good engineering

IMPAIRMENT  
OF WATER SUPPLY



principles or practice, and without limiting the generality of the foregoing, nothing herein contained creates any obligation, expressed or implied, on the Crown to enlarge, extend, alter or modify the Water Works, if in the opinion of the Crown, the probable effect of such enlargement, extension, alteration or modification would be detrimental to the Crown's source of supply of water used for the Water Works.

13. Subject to the provisions of paragraph 12 hereof, the provision of a supply of water by the Crown in compliance with any report or information of the Municipality provided under paragraph 9 hereof shall be deemed to be the fulfillment by the Crown of its obligation under paragraph 10 hereof with respect to the period of time covered by such report or information.

FULFILLMENT  
OBLIGATIONS

14. In the event that the Crown enters into an agreement to supply water from the Water Works to municipalities or persons other than to the Municipality and if the Municipality at any time or times withdraws water from any part or parts of the Water Works at a rate of flow or in a volume which, as determined by the Crown exceeds,

LIQUIDATED  
DAMAGES FOR  
EXCESSIVE VOLUME  
OR RATE OF FLOW

- (a) that rate of flow or volume which such part was constructed to accommodate in accordance with paragraph 10 hereof, or
- (b) that rate of flow or volume specified in any report or information supplied by the Municipality pursuant to paragraph 9 hereof,

whichever shall be the lesser, the Municipality shall pay to the Crown the sum of \$100.00 for each day during which water has been withdrawn at such rate of flow or in such volume, unless the written approval of the Crown to any such withdrawal has been obtained.

15. Where rates or charges are imposed by the Municipality on the owners or occupants of land in respect to the supply of water by the Municipality, the Municipality shall, in default of payment of such rates or charges in respect of such supply, exercise when necessary all remedies provided by law for the collection of such rates or charges, and without limiting the generality of the foregoing, if any such default continues for a

SHUT OFF OF  
WATER SUPPLY

period of 6 months, shall shut off the supply of water under the authority of sub-section 3 of section 27 of The Public Utilities Act.

BREACH NOT  
A RELEASE

16. The failure of any party hereto to carry out any of the terms, covenants and conditions of this agreement shall not release the other party from the performance of any terms, covenants or conditions of this agreement, but this clause shall not affect any right of action that may arise for damages for breach of this agreement or otherwise.

AMENDMENTS  
AND ASSIGNMENTS

17. This agreement contains the entire agreement between the parties hereto with reference to the subject matter hereof, shall not be altered or amended except by an agreement in writing duly executed by the parties hereto, shall enure to the benefit of and be binding upon the parties hereto and their successors and shall not be assigned in whole or in part.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed under seal.

THE CORPORATION OF THE VILLAGE  
OF COBDEN

per:

H. S. Robinson  
Reeve

per:

[Signature]  
Clerk

HER MAJESTY THE QUEEN IN RIGHT OF  
ONTARIO AS REPRESENTED BY THE  
MINISTER OF THE ENVIRONMENT

per:

\_\_\_\_\_  
Minister



SCHEDULE " A " TO BY-LAW NO. 72-19 OF THE CORPORATION  
OF THE VILLAGE OF COBDEN  
THIS AGREEMENT, made in triplicate this 27<sup>th</sup> day of January  
A.D. 1977 .

BETWEEN:

THE CORPORATION OF THE VILLAGE OF COBDEN  
(hereinafter called the "Municipality")

THE PARTY OF THE FIRST PART

- and -

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS  
REPRESENTED BY THE MINISTER OF THE ENVIRONMENT  
(hereinafter called the "Crown")

THE PARTY OF THE SECOND PART

WHEREAS the Crown proposes to supply water  
to the Municipality from water works to be provided or acquired  
by the Crown;

AND WHEREAS the Council of the Municipality  
on the first day of August, A.D. 1972, passed  
By-law No. 72-19 authorizing the Municipality to enter  
into an agreement with the Crown for such purpose upon the  
terms and conditions hereinafter set out;

AND WHEREAS the Ontario Municipal Board has by  
Order dated the eighth day of October, A.D. 1975,  
approved the entering into by the Municipality of this  
agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that  
under sub-section (1a) of section 17 and section 18, of The  
Ontario Water Resources Act the parties hereto, in consideration  
of the covenants, terms and conditions hereinafter set forth,  
covenant and agree with each other as follows:

1. In this agreement,
  - (a) "calendar year" means the period commencing  
January 1st in any year and ending  
December 31st in the same year;

DEFINITIONS

- (b) "commencement date" means the date on which the Crown is able to supply water hereunder, as determined by the Crown;
- (c) "Crown" means the Crown or any of its employees, agents, servants or officers authorized to act on its behalf under this agreement;
- (d) "initial period" means the period commencing on the commencement date and ending December 31st of the second calendar year next following;
- (e) "initial rate period" means the period immediately subsequent to the initial period consisting of three consecutive calendar years;
- (f) "rate" means the rate expressed in cents per one thousand Imperial gallons of water, as determined by the Crown hereunder;
- (g) "rate period" means any period subsequent to the initial rate period consisting of five consecutive calendar years;
- (h) "Water Works" means the water works provided or acquired by the Crown for the Municipality under this agreement.

2. The Crown agrees:

- (a) To supply water to the Municipality, without undue delay, on the terms and conditions hereinafter set forth, and to such other municipalities and persons and on such terms and conditions as the Crown may determine from time to time;
- (b) To the objective of a commencement date on the **first** day of **January**, A.D. 19**77**; subject to sufficient capital funds being allocated in the estimates and votes of the Ministry of the Environment.
- (c) To notify the Municipality in writing of the commencement date at least 20 days prior thereto; and,

(d) To exercise reasonable care in the carrying out of all of the terms of this agreement, it being understood and agreed nevertheless between the parties hereto that subject always to the obligation to exercise such reasonable care, no warranty or liability on the part of the Crown is intended nor shall any warranty or liability be implied or imposed in respect of the performance of this agreement by the Crown.

3. It is expressly agreed and understood by the parties hereto that all water delivered by the Crown pursuant to this agreement into any water works belonging to or under the control of the Municipality, or into any service pipe or connection connected to any property or building for which the Municipality has agreed or is compelled by law to supply with water, or into any service pipe or connection under the statutory control of the Municipality, shall be deemed to be delivery of such water to the Municipality for all purposes of this agreement.

4. (a) The Crown shall install such equipment as may be necessary to determine the volume of water withdrawn hereunder and the Municipality may from time to time inspect such equipment at its expense.

(b) In the event that the Crown determines that the withdrawal of water by or on behalf of the Municipality from the Water Works has not been recorded or has not been recorded accurately for any period of time, the Crown shall estimate the volume of water withdrawn from the Water Works during such period of time, and such determination and estimation shall be final and binding on the parties hereto.

(c) The connection of water works that belong to or are under the control of the Municipality to the Water Works and any repairs to or alternations of such connection shall be to the satisfaction of the Crown and at the expense of the Municipality, and in the event that the equipment referred to in sub-paragraph (a) hereof is installed in works belonging to or under the control of the Municipality, the Municipality shall permit the Crown access to such equipment at any time or times for the purpose of reading or testing such equipment.

DELIVERY OF  
WATER

METERS

ESTIMATED  
VOLUME

CONNECTIONS

SOLE SOURCE  
OF SUPPLY

5. The Municipality shall not use, transmit, provide or purchase or otherwise acquire a supply of water from any source other than from the Water Works without the prior written consent of the Crown.

CHARGES

6. (a) The Municipality shall pay to the Crown all charges for water withdrawn hereunder which shall be the sum of,

(i) the gallonage charge as set out in sub-paragraph (c) hereof, and

(ii) all sums received by the Municipality as water rates imposed upon owners or occupants of land in respect of local distribution mains or fire hydrants provided and operated by the Crown hereunder.

IDEM

- (b) The Municipality shall pay to the Crown the charges set out in clause (ii) of sub-paragraph (a) hereof in the year in which such water rates are collected by the Municipality.

GALLONAGE  
CHARGE

- (c) The gallonage charge for water withdrawn hereunder for a month shall be calculated as the product of the rate for water for the initial period, the initial rate period or the rate period, as the case may be, applicable to such month and the total volume of water withdrawn by or on behalf of the Municipality from the Water Works in such month as determined by the Crown, and such gallonage charge shall be paid by the Municipality to the Crown in accordance with its monthly statement of account delivered to the Municipality.

SUBSEQUENT  
RATE

- (d) (i) Subject to the terms of this agreement, the rate for water for the initial rate period and any rate period shall be determined by the Crown in its discretion and shall be based on the cost to the Crown, as determined by it, of supplying water from the Water Works.

(ii) The difference, as determined by the Crown in its discretion, for any period of time between the cost, incurred or anticipated, of supplying water from the Water Works and all payments, both made and anticipated to the Crown by the Municipality, and by any other municipalities or persons who have entered into or are anticipated to enter into agreements with the Crown with respect to a supply of water from the Water Works, and any subsidies received or anticipated by the Crown in respect of the construction or operation of the Water Works, shall be taken into account by the Crown in determining the rate.

(iii) All accounting for the Water Works shall be exclusively for the Water Works, and no surpluses or deficits from the Water Works shall form any part of the accounting for any other system operated by the Crown.

(e) The rate for water withdrawn hereunder for the initial period shall be 100.6 cents per thousand Imperial gallons.

(f) As soon as practicable prior to the first day of December immediately preceding the end of the initial period, the initial rate period and any rate period thereafter, the Crown shall determine the rate for the period next following and by its notification delivered to the Municipality shall inform the Municipality of such rate.

(g) Upon the petition of the Municipality filed with the Clerk of the Executive Council within thirty days after the date of delivery of the notification of a rate to the Municipality under sub-paragraph (f) hereof, the Lieutenant Governor in Council may confirm, rescind or vary such rate and the decision of the Lieutenant Governor in Council respecting such rate shall be final and binding on the parties hereto.

IDEM

IDEM

RATE FOR INITIAL PERIOD

DETERMINATION AND NOTIFICATION OF SUBSEQUENT RATE

PETITION OF SUBSEQUENT RATE



VARIATION OF  
SUBSEQUENT RATE

- (h) If the rate for the initial rate period or any rate period thereafter is varied pursuant to sub-paragraph (g) hereof, the Crown shall ascertain the difference between the amount, if any, paid to the Crown by the Municipality in the monthly payments for the period from the beginning of such initial rate period or such rate period, as the case may be, to the end of the month next following the date of such variation (hereinafter referred to as the "rate adjustment period") and the product of the volume of water withdrawn by the Municipality for the rate adjustment period and the rate as varied under sub-paragraph (g) hereof, and by its statement of account for such rate adjustment period delivered to the Municipality, the Crown shall inform the Municipality of the amount owing to the Crown or by the Crown and such amount shall be added to or deducted from the first monthly payment to be paid thereafter to the Crown by the Municipality hereunder.

ERRORS AND OMISSIONS

- (i) If any error or omission is made in any notification or statement of account delivered by the Crown to the Municipality under this agreement, the Crown shall correct such error or omission in the notification or monthly statement of account next following the date on which such error or omission comes to the attention of the Crown, and the parties hereto shall be bound by and shall comply with such correction.

NOTIFICATION

- (j) The mailing by the Crown of a notification of a rate or of a statement of account in an envelope addressed to the Municipality shall constitute delivery of the notification or of the statement of account to the Municipality.

RECOVERY

- (k) Any amount due and payable by the Municipality to the Crown, together with interest thereon after default at the rate of 8 per cent per annum, may be recovered with costs in a

court of competent jurisdiction as a debt due to the Crown by the Municipality.

(1) Notwithstanding sub-paragraphs (e), (f), and (g), the Crown may, with the agreement of the Municipality evidenced by a resolution of the Council of the Municipality, vary the gallonage rate at any time or times during a rate period, initial rate period or initial period.

7. All of the terms and conditions of this agreement notwithstanding, it is agreed and understood by the parties hereto that if the Crown is unable to supply water as contemplated herein by reason of events beyond the control of the Crown, or by reason of the acts or omissions of the Municipality, the Municipality shall reimburse the Crown for all costs incurred by the Crown in pursuance of its obligations under this agreement, upon such reasonable terms and conditions as the Crown in its discretion may decide.

8. The Municipality shall take delivery of water under this agreement on the commencement date in accordance with the terms hereof and shall prepare for the withdrawal and use of the water so as to be able to take delivery of water as aforesaid.

9. (a) The Municipality shall supply to the Crown on or before the third anniversary date of this agreement, and similarly at subsequent two year intervals thereafter, during the currency of this agreement, a written report containing such information as the Crown may require respecting the Municipality's reasonable requirements for water during a period of three years from the date of each report.

(b) The Municipality shall supply to the Crown upon request at any time or times such other written reports or other information as the Crown may require.

(c) The Municipality shall use reasonable care, due diligence and its best endeavours to prepare and supply to the Crown any report or information required hereunder.

10. The Crown shall use reasonable care, due diligence and its best endeavours,

(a) to provide on or before the commencement date, a supply of water sufficient for the

EVENTS BEYOND  
CONTROL OF CROWN

PREPARATION

REPORT OF  
REQUIREMENTS

FURTHER REPORTS

IDEM

INITIAL  
SERVICE

requirements set out in Schedule " A " to this agreement, and

- (b) subsequent to the third anniversary date of this agreement, to provide within a period of three years of the receipt by the Crown of any report or information pursuant to paragraph 9 hereof, a supply of water sufficient for the reasonable requirements of the Municipality as determined by the Crown and notified to the Municipality, and based on such report or information referred to above, provided that the Municipality has complied with all of the requirements of paragraph 9 hereof and further provided that in the opinion of the Crown, the requirements set forth in any such report are compatible with all work initiated by the Crown in accordance with any previous report or information.

11. Except as otherwise expressly provided in this agreement, the Crown in its discretion shall determine all matters with respect to the Water Works and without limiting the generality of the foregoing, shall determine,

- (a) the number of stages in the Water Works and the dates on which such stages shall be provided or acquired,
- (b) the design, description, capacity, function, alterations, replacements, modifications and enlargements of each stage of the Water Works, and
- (c) all matters affecting the economy of the Water Works.

12. All of the terms and conditions of this agreement notwithstanding, it is expressly agreed and understood by the parties hereto that nothing herein contained creates any obligation, expressed or implied on the Crown to supply water hereunder which, as determined by the Crown, would not be in accordance with good engineering

SUBSEQUENT SERVICE

ITEM IN  
DISCRETION  
OF CROWN

IMPAIRMENT  
OF WATER SUPPLY

principles or practice, and without limiting the generality of the foregoing, nothing herein contained creates any obligation, expressed or implied, on the Crown to enlarge, extend, alter or modify the Water Works, if in the opinion of the Crown, the probable effect of such enlargement, extension, alteration or modification would be detrimental to the Crown's source of supply of water used for the Water Works.

FULFILLMENT  
OF OBLIGATIONS

13. Subject to the provisions of paragraph 12 hereof, the provision of a supply of water by the Crown in compliance with any report or information of the Municipality provided under paragraph 9 hereof shall be deemed to be the fulfillment by the Crown of its obligation under paragraph 10 hereof with respect to the period of time covered by such report or information.

LIQUIDATED  
DAMAGES FOR  
EXCESSIVE VOLUME  
OR RATE OF FLOW

14. In the event that the Crown enters into an agreement to supply water from the Water Works to municipalities or persons other than to the Municipality and if the Municipality at any time or times withdraws water from any part or parts of the Water Works at a rate of flow or in a volume which, as determined by the Crown exceeds,

- (a) that rate of flow or volume which such part was constructed to accommodate in accordance with paragraph 10 hereof, or
- (b) that rate of flow or volume specified in any report or information supplied by the Municipality pursuant to paragraph 9 hereof,

whichever shall be the lesser, the Municipality shall pay to the Crown the sum of \$100.00 for each day during which water has been withdrawn at such rate of flow or in such volume, unless the written approval of the Crown to any such withdrawal has been obtained.

SHUT OFF OF  
WATER SUPPLY

15. Where rates or charges are imposed by the Municipality on the owners or occupants of land in respect to the supply of water by the Municipality, the Municipality shall, in default of payment of such rates or charges in respect of such supply, exercise when necessary all remedies provided by law for the collection of such rates or charges, and without limiting the generality of the foregoing, if any such default continues for a



