WHEREAS the Council of the Township of Central Manitoulin deems it desirable to distribute the users’ share of the capital cost of the water system in a fair and equitable manner, AND

WHEREAS it is deemed desirable by the Council of the Township of Central Manitoulin to impose a connection charge upon the owners of the land to which a water connection has been made available from the construction of water mains by the owners, AND

WHEREAS this connection charge relates only to the initial capital costs of the Water Treatment Plant:

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF CENTRAL MANITOULIN HEREBY ENACTS AS FOLLOWS:

1. A base connection charge is hereby imposed pursuant to Section 391 of Bill 111, upon the owners of lands for which water connections are constructed from the water mains to the street line.

2. The base connection charge shall be $744.64 which amount represents a percentage of the initial connection charge imposed by by-law 96-W5 in relation to the capital costs associated with the construction of the water treatment plant as specified in Schedule A, and which will be due and payable in the calendar year in which such service mains are installed provided that such connection charge may, at the option of the person liable therefor, be paid as an annual charge over a period not to exceed 10 years commencing in the year which such service mains are installed.

3. A penalty of One and One-Quarter percent (1.25%) per month shall be charged if the annual installments of the capital cost or the total capital cost is unpaid after the due date mentioned in the prescribed notice.

4. Pursuant to Section 398 of Bill 111, any portion or total of the capital costs not paid by persons liable will be added to the tax roll of the property and collected in the same manner as municipal taxes.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS _____ DAY OF_________ 2002.

________________________________   ______________________________
Reeve        Clerk-Treasurer
The initial costs associated with the construction of the Water Treatment Plant and Service Main system were paid by the 310 properties that were granted frontage to the system. The capital costs equated to $2100 per unit as stated in by-law 96-W5. This cost was billed to each property owner. This fee was based on the total balance owing for the final construction costs of both the plant and the distribution lines divided by the total number of units (connections). Since this by-law relates to a property owner that has installed their own lines, only the capital costs associated with the plant have been used to equate the total capital costs owing as follows:

Total Contracted Costs – Water Treatment Plant and Distribution System $7,049,303

<table>
<thead>
<tr>
<th>Applicable Costs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Treatment Plant</td>
<td>$2,460,727</td>
</tr>
<tr>
<td>Purchase of Land</td>
<td>$ 37,000</td>
</tr>
<tr>
<td>Legal Expenses</td>
<td>$1,862</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,499,589</strong></td>
</tr>
</tbody>
</table>

$2,499,589 / $7,049,303 = 35.459%

$2100.00 x 35.459% = $744.64