

COURT FILE NUMBER Q.B.G.-R.G.-1694-2020

COURT OF KING'S BENCH FOR SASKATCHEWAN

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE REGINA

APPLICANT OLD KENT ROAD FINANCIAL INC.

RESPONDENT MNP LTD. (as Receiver of the Assets, Undertakings and Property of Copper Sands Land Corp.)

IN THE MATTER OF THE RECEIVERSHIP OF COPPER SANDS LAND CORP. and an APPLICATION BY OLD KENT ROAD FINANCIAL INC.

AFFIDAVIT OF MUIR BARBER

I, Muir Barber, of Regina Beach, in the Province of Saskatchewan, **MAKE OATH AND SAY THAT:**

1. I am a director and officer of 101297277 Saskatchewan Ltd. ("**7277**") and as such have personal knowledge of the matters and facts herein deposed to, except where stated to be on information and belief, and where so stated do verily believe the same to be true.
2. I make this Affidavit in response to the Application made by Old Kent Road Financial Inc. ("**OKR**") dated March 28, 2024, which Application has been adjourned by Order of Justice Bardai.
3. 7277 and Industrial Properties Regina Ltd. ("**IPRL**") are the Secured Creditors of Copper Sands Land Corp. ("**Copper Sands**") and MDIU Utility Corp. ("**MDIU**"). My brother, Dave Barber, is the director and officer of IPRL. Both he and I have extensive experience in property development and construction.
4. I make this Affidavit supplemental to my Affidavit sworn December 10, 2021 as some of the matters now raised by OKR in the Application it now makes were raised in 2021 which my prior Affidavit addressed.

Interconnection Between Copper Sands and MDIU

5. Copper Sands owns and operates the trailer park in the vicinity of White City and located in the RM of Edenwold (the "**Copper Sands Trailer Park**"). The Copper Sands Trailer Park was at all times inextricably connected with the land owned by MDIU which is

contiguous to the Copper Sands Trailer Park lands. The lands on which the Copper Sands Trailer Park is located LSD 5 Sec 25 Twp 17 Rge 18 W2 Extension 38 ("LSD 5"). The contiguous parcel owned by MDIU is located on LSD 4 Sec 25 Twp 17 Rge 18 W2 Extension 37 ("LSD 4").

6. When Copper Sands and MDIU were established, Jaimey Midtdal was the directing mind, principal shareholder and operator of each of Copper Sands and MDIU. MDIU was established to provide waste water and water utilities to the Copper Sands Trailer Park. Copper Sands was the owner and operator of the trailer park and MDIU was the provider of water and waste water utility services to Copper Sands and the Copper Sands Trailer Park. MDIU had no other business operations or plans from LSD 4 other than to provide water and waste water services to the Copper Sands Trailer Park.

Completion of Water Treatment Utility Requirement

7. The Secured Creditors worked with the Receiver to address the need to arrange to supply water and waste water services to the Copper Sands Trailer Park. The Receiver and the Secured Parties agreed that it was a priority to take steps to deliver a safe and reliable source of water to the residents of the Copper Sands Trailer Park. These residents had been denied that fundamental service for many years. No steps seemed to be considered by MDIU (other than continuing with the water systems that clearly were not sufficient and did not comply with regulatory requirements. It was also felt that doing this would make the Copper Sands Trailer Park more marketable and valuable than was the case when these utilities were not functioning according to the required standards and regulations.
8. As set out in my December 10, 2021 Affidavit, MDIU was not able to deliver safe and acceptable water to the Copper Sands Trailer Park notwithstanding the funds provided to MDIU by 7277 in 2016 and then by OKR in or about 2019 were to be used to enable MDIU to deliver that utility service that the residents were entitled to and reasonable expected.
9. After significant efforts to arrange matters with the RM of Edenwold (the "RM") and with the Water Security Agency (the "WSA"), and to complete the required construction and infrastructure development, a safe and reliable water treatment utility was delivered to the Copper Sands Trailer Park. The resolution of the existing problems was the ability to connect from the Copper Sands Trailer Park into the RM's water utility system.
10. In or around January 2024, a license was issued by the WSA for the delivery of safe and reliable water utilities for the Copper Sands Trailer Park. It was a long and drawn out

process to get approval to connect to the RM water utility, to complete the construction and to secure the required license and approval for the delivery of safe water. This ended the boil water advisories for the residents in the 78 trailer spots in the Copper Sands Trailer Park that had been in place since 2016.

11. With the completion of the delivery of water to the Copper Sands Trailer Park in January 2024, the Receiver no longer has any expectation or need that MDIU, and more recently OKR, provide water that complied with regulatory and other requirements for water services.
12. The process of completing the delivery of safe water took close to three years to be completed. This was due in large part to the need to understand what the failings of the MDIU structures were, what the possible solutions to the water problems might be, to come to an agreement with the RM to allow the connection to the RM's water system on terms acceptable to the RM (which were changing frequently or unclear to begin with), and to complete the construction and to obtaining the required assessment, review, acceptance and licensing from the WSA.

Waste Water Services

13. The Secured Creditors working with the Receiver and the WSA concluded that the completion of the water utility was a priority. The water being provided to the Copper Sands Trailer Park had not been sufficient in volume or acceptable in quality since 2016. It also became clear that the waste water treatment processes that were designed and to be implemented by MDIU under the direction of Jaimey Midtdal for waste water services were not compliant with applicable standards, reliable or acceptable.
14. The Orenco System, as constructed by Jaimey Midtdal, was claimed by her to be a unique, superior and proprietary waste water treatment process was found to not be sufficient or compliant with the regulated and required requirements. It also appears not to be unique or superior nor would it qualify as proprietary.
15. While a longer term solution was going to be needed, the existence of the lagoons on LSD 4 and the use of those lagoons was an acceptable option, although that would need to be revised for a longer term option.

16. The Receiver and the Secured Creditors, either together or separately, have had a number of meetings with the RM and with the WSA to seek an answer to a long term waste water treatment process that will be acceptable, economical and sustainable.
17. A number of possible solutions have been considered, and were considered as part of those discussions and in consultation with Dustin Weiss of WCE Design Inc., an engineer retained to provide expert advice.

Options

18. The options that have been identified and the current challenges or impediments to such options are as follows:
 - (a) Connect to the RM sewage treatment facility (which involves a recently constructed lagoon system), and the issues or challenges with that approach are:
 - The RM has recently built a new sewage lagoon and treatment system. Recently a leak in that system had to be repaired and the system will have to be retested;
 - Coming from a meeting that I had with an RM representative on April 26, 2024, the testing period following the recent repairs will likely extend until June, 2024 if not longer;
 - The RM and the Town of White City have established a joint Authority (the WCRM 158 Wastewater Authority) that will deal with the waste water system and applications have to be made to that Authority. It is not known what the criteria will be or what the process required by this new Authority will be;
 - Other parties are looking to and lined up to be connected into the new waste water system that is managed by this new Authority. At this time it is not known what the capacity of the new waste water system will be what its ability to add new customers' waste water to the new system will be;
 - Other parties are already lined up to be connected into this new waste water system (and have been for some time) and it is not known what the capacity of the new system will be;

- The cost of connecting with that system is not yet known. Initial estimates were not feasible for the Copper Sands Trailer Park and while changes are supposed to be made, it is not clear what they will be or whether they will result in some preservation of or management of the underlying value of the Copper Sands Trailer Park and its operations;

While this is considered to be one of the preferred options, there are significant uncertainties and it will take some time to address the opportunity, complete the process and move to have this option pursued. How much time that will take is not currently known.

(b) Use the Orenco System located in the OKR lands:

- OKR does not seem to have any interest in fulfilling the obligations of MDIU in respect of LSD 4 to provide any of the utilities pursuant to the Services Agreement related to the LSD 4 lands and to the interaction and connectivity between LSD 4 and LSD 5;
- The existing Orenco System on the OKR lands does not function properly and never has. It is not known what steps would need to be taken to convert the dysfunctional system into one that would be acceptable and compliant with the required waste water treatment processes and requirements;
- OKR seems to want to convert the LSD into a marketable property that has nothing to do with delivery of waste water utility services, notwithstanding the original intent and agreement between MDIU and Copper Sands when LSD 4 was acquired by OKR.

(c) Construct a separate and distinct waste water treatment facility on lands other than LSD 4:

- In order to proceed with any such development, land would have to be readied and provincial and RM approvals as well as approvals from WSA would be required. Given the current state of water and waste water issues in Saskatchewan, it will be quite difficult and take some time to try to achieve the required approvals, licences and permits;

- Our current assessment is that the cost of completing such matters may prove to be too much for the Copper Sands Trailer Park to support.
- (d) Pump out and haul away waste water. This was referred to in the Application(s) made before Justice Scherman which resulted in the Fiat of December 2021 and the Judgment of February 8, 2022. The challenges and difficulties with this option were discovered after the appointment of the Receiver and as matters were investigated further. The challenges are:
- The lift station from which the waste water was to be pumped is located between the Copper Sands office building and a trailer lot occupied by a tenant. Trucks would have to drive over both these properties each time they went to the lift station to pump out waste water. The disruption to the trailer lot are significant;
 - The lift station was never properly or efficiently constructed. It is in effect nothing more than a pit with a very simple and ineffective cover on the ground. It does not reflect the requirements of a functional and compliant lift station in the current requirements and expectation ;
 - The lift station freezes in cold weather months and pumping cannot be utilized during that time;
 - With the existing size of the Copper Sands Trailer Park, there would need to be three to five truckloads pumped out and removed every day. This is unreasonably disruptive and more costly than the Copper Sands Trailer Park can support and sustain.
- (e) Utilize a modular waste water treatment facility. The challenges are that this sort of waste water treatment facility is usually used for projects that are considerably smaller and would not likely be acceptable to the WSA.

Additional Matters

19. After consulting with representatives of the WSA in recent weeks, it appears that there is no immediate issue of contamination proceedings and that the current status of LSD 4 is not considered to be a matter that requires enforcement or remediation. Reference is made to Exhibit "G" to the Supplemental Affidavit of Randy Stewart Thompson sworn March 28, 2024 which contains a report on Waterworks compliance and Mechanical Plant

Compliance (for waste water treatment). The major concern in that report was that Well Number 4 should not be used as a source of water as the leakage from the LSD 4 lagoons may cause problems. Well Number 4 is no longer in use (given that the water system for the Copper Sands Trailer Park is now from the RM water service since the work of the Receiver and the security creditors on that has been completed.

20. At one of the meetings with representatives of the WSA and when we asked, it was stated that there have not been any complaints filed with the WSA about the waste water system and the use of it.
21. To the extent that there are issues with the lagoons on LSD 4, these have existed for many years and arising before the appointment of the Receiver and the use of the lagoons on LSD 4.

Going Forward

22. The lagoon services on LSD 4 are necessary for the Copper Sands Trailer Park and the residents thereof until another option can be finalized and implemented. While the Secured Creditors and the Receiver are intent upon completing that process, and have been trying to achieve that for some time now, it is a process that will take some time as many of the matters in issue are beyond the control of the Receiver or the Secured Creditors.

Alleged Contamination of LSD 4

24. In my discussions with the WSA it has been stated that the WSA has not received complaints about the use of the LSD 4 lagoons for waste water uses from the Copper Sands Trailer Park. It has also been stated by the WSA that while there is concerns about apparent leakage from the LSD 4 lagoons, there are no current waste water standards being exceeded and that the WSA is not currently contemplating any action relating to the LSD 4 lagoons use.

23. I make this Affidavit in opposition to the application of OKR herein.

SWORN before me at the City of Regina,
in the Province of Saskatchewan, this 3rd
day of May, 2024.

A COMMISSIONER FOR OATHS for
Saskatchewan

My Appointment expires: _____

(or) Being a Solicitor

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Muir Barber

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