NARES LANDING ASSOCIATION

Spring Haven Lodge

Capital Investment Business Case

Prepared for the Board of Directors and Membership

June 2026

Document Structure

Section 1: The Case for the Cabin Rental Program — financial performance, the SHL subsidy history, and what redirecting cabin revenues to septic self-funding means for SHL fees.

Section 2: Capital Recommendations — the operator workspace decision (prebuilt shed), funding, and the broader capital context.

Section 3: Composting Toilets & Greywater — an open analysis with an invitation for members with expertise or case experience to contribute.

This document is prepared for internal use by the Board, committees, and membership of NLA/SHL. Financial projections are based on current actuals and are subject to revision.

Section 1: The Case for the Cabin Rental Program

This section makes the financial case for the cabin rental program operated by Spring Haven Lodge (SHL). It answers the questions the membership has been asking: Are the cabins paying their own way? Are they a drain on the Association? And what does redirecting cabin revenues to fund their own septic compliance mean for SHL's broader finances?

The short answer: the cabin program has been paying its own way — and then some. For approximately ten years, cabin rental revenues have not only covered cabin operating costs but have provided an annual subsidy of approximately $30,000 to SHL's marina operations, keeping member service fees (currently ~$2,000/member including GST) artificially lower than they would otherwise be. Members who use the marina have been the quiet beneficiaries of the cabin program's revenues.

1.1 Understanding the NLA / SHL Structure

Two related entities operate at Nares Landing, and understanding their relationship is essential to reading the financial picture clearly:

- Nares Landing Association (NLA) is the not-for-profit membership organization. It holds assets and governs the site. Members pay annual NLA fees of $300 per membership.
- Spring Haven Lodge (SHL) is the operating business arm of NLA. It runs all revenue-generating operations at the site: cabin rentals, marina services, boat storage, boat servicing, gas resale, and docking. Members pay SHL service fees of $2,000 per membership (including GST) for access to marina and member services.

SHL's operating revenues flow upward and support the broader NLA/SHL combined financial position. When SHL generates a surplus beyond its own operating costs, that surplus has historically been used to subsidize the overall budget — in particular, to keep SHL member service fees lower than true operating costs would otherwise require.

1.2 The Ten-Year Subsidy: What Cabin Revenues Have Really Been Doing

For approximately ten years, cabin rental revenues have been cross-subsidizing SHL's marina operations by approximately $30,000 per year. This means that the $2,000 SHL service fee charged to marina members has not fully covered the cost of delivering those services, the gap has been quietly filled by income earned from cabin renters.

Item	Amount	Notes
SHL Marina Service Fees ($2,000/member × 43 members)	$86,000	What members pay for marina access
True cost of marina operations (est., before cabin subsidy)	~$116,000+	Estimated annual cost if cabin subsidy removed

Annual cabin rental subsidy to SHL marina operations	~$30,000	The gap cabin revenues have filled for ~10 years
SHL member fee undercharge per member (est.)	~$700/member/yr	What each marina member has effectively saved annually

What this means in plain terms:

Every member paying $2,000/year for marina services has been receiving an effective discount of approximately $700/year, funded by the cabin rental program. Members who have, been among the program's primary beneficiaries through lower marina fees every year for a decade.

1.3 The Cabin Program's Own Financial Performance

Operational Philosophy

The cabin program is operated on a "cozy and rustic" philosophy — safe, structurally sound, and modestly improved through proactive maintenance rather than renovation. The six rental cabins serve seasonal tenants and short-stay guests on a waitlist basis. All seasonal cabins are fully subscribed; Cabin 4 operates on a mixed monthly/weekly basis to maximize flexibility. Cabin 1 serves as the operator office and member meeting space; Cabin 8 is the operator's accommodation as part of the management contract.

Revenue (2025–2030)

Previous rents were significantly below market rates. They were increased by 10–15% for three consecutive years to bring them toward market. Going forward, annual increases of 3.5% are projected; a rate the Operations Team considers fair, balancing affordability with the need to generate sufficient revenue for cabin maintenance and a surplus contribution to SHL.

Year	Cabin Rental Revenue
2025 (Actual)	$53,382
2026	$56,242
2027	$58,210
2028	$60,247
2029	$62,356
2030	$64,539
6-YEAR TOTAL	**$354,976**

Expenses (2025–2030)

The cabin expense schedule below is fully loaded: it includes renovation and maintenance materials, the full $102,000 septic leaching field renewal (self-funded from cabin revenue), hydro costs attributed to the cabins, and staff costs.

Expense Category	6-Year Total	Notes
Materials & Renovation (all 8 cabins)	$114,200	Roof and electrical already done; remaining per cabin renovation schedule
Septic System Renewal (all 3 leaching fields)	$102,000	2026: $30,000 / 2028: $34,000 / 2030: $38,000 — self-funded from cabin revenue
Hydro (attributed to rental cabins)	$19,545	Includes 7.5% annual increases
Staff Costs (cabin maintenance)	$50,000	$8,000 (2025–26) + $42,000 (2026–2030 estimate)
TOTAL CABIN EXPENSES (2025–2030)	**$285,745**	

Net Contribution

Cabin Rental Revenue (6-yr, 2025–2030)	$354,976
Total Cabin Operating Expenses (incl.septic leaching remediatio)	($285,745)
NET CONTRIBUTION TO SHL / NLA (6-yr)	**$69,231**

Even after fully funding its own $102,000 septic compliance obligation, the highest-priority item in the Site Renewal Plan, the cabin program returns a net contribution of $69,231 to SHL/NLA over six years. The cabins have been, and will continue to be, self-sustaining.

1.4 The Transition: From Subsidy to Self-Funding — and What It Means

The decision to incorporate the $102,000 septic renewal as a cabin operating expense — self-funded from cabin revenues — was made at member request. It is the right decision: it correctly allocates cabin-specific infrastructure costs against cabin revenues, rather than treating them as a general capital levy item.

However, this decision has a consequence that the Board must address openly: redirecting approximately $30,000 per year in cabin revenues to septic compliance means that the annual cross-subsidy to SHL's marina operations is no longer available. The SHL global operating budget will show a shortfall of approximately $30,000 per year during the septic renewal period (2026–2030).

What the Board needs to address:

To make up the ~$30,000/year SHL operating gap, the Board will need to consider one or more of the following:

- Increase SHL member service fees (currently $2,000/member incl. GST) to reflect the true cost of marina operations without the cabin subsidy
- Establish an annual capital contribution or levy from the NLA membership
- Draw on the existing $75,000 capital fund or $200,000 line of credit as a bridge during the 2026–2030 period
- Identify operating efficiencies within SHL that reduce the gap
- Some combination of the above

This is not a crisis, it is a structural adjustment that has been deferred for ten years while the cabin program carried the load. The transition to a self-funding cabin program is financially sound and correct. The parallel task of addressing SHL's marina fee structure is a separate but necessary conversation that this business case flags for the Board's attention.

1.5 Revenue in Context: What Cabin Rentals Contribute to the Combined Entity

The table below shows the 2025 actual combined NLA/SHL revenue position to illustrate where cabin revenues sit within the total picture:

Revenue Source	2025 Actual	% of Total
Membership Fees (NLA)	$73,700	25.4%
Boat Storage	$37,508	12.9%
Supplementary Parking & Docking	$31,576	10.9%
Cottage Rentals (SHL)	$58,580	20.2%
Boat Servicing (SHL)	$33,397	11.5%
Contractor Fee (SHL)	$11,302	3.9%
Gas Resale (SHL)	$27,542	9.5%
Other (interest, misc)	$14,738	5.1%
TOTAL REVENUE	**$289,742**	**100%**

Cabin rentals (20.2% of total combined revenue) are the second-largest single line, exceeded only by NLA membership fees. **Eliminating the cabin program would not simply remove a cost — it would remove the second-largest revenue source in the combined entity, require a $1,362/member/year increase in NLA fees to compensate, and simultaneously expose the**

$102,000 septic obligation as an unfunded liability falling entirely on the general membership.

Section 2: Capital Recommendations — Operator Workspace & Broader Capital Plan

With the cabin program's financial case established in Section 1, this section presents the capital investment decisions before the Board. The primary question — the operator workspace — has been resolved at a significantly lower cost than originally proposed. A number of additional capital items are also brought forward for direction.

2.1 Background: From $150,000 Option 2 to $38,000–$41,000 Prebuilt Shed

The AGM authorized the Board to develop and cost an Option 2 Operator Workspace — a purpose-built, three-season covered workspace with electrical service and storage, originally estimated at $150,000. In carrying out that mandate, the operator was consulted on both his working requirements and, critically, on where he most needs covered space.

The key finding: the operator works primarily at the waterfront, close to the boats and docks and adjacent to the office in Cabin 1. A large purpose-built structure positioned elsewhere on the site would not put covered workspace where the work actually happens. A prebuilt shed sited at the waterfront — on a concrete pad with electrical connection — places workspace exactly where it is needed, and the operator has confirmed this meets his requirements fully.

Additionally, the existing wrap shed — used for seasonal boat tarping and now better understood as an asset shared by both the operator and a service provider — provides supplementary covered working space that reduces what the new shed needs to deliver on its own. Note: the wrap shed is a distinct structure from the boat storage shed; the boat storage shed is on a separate long-term replacement timeline (Section 2.5).

This is not a retreat from the AGM's authorization — it is the outcome of it. The Board was authorized to develop a costed solution; in doing so, it identified a smaller investment that meets the same operational need at 25–27% of the original estimate. The Option 2 design authorization remains on record and can be revisited if needs grow if circumstances change.

2.2 Three Scenarios Evaluated

Evaluation Criteria	Scenario A — Prebuilt Shed	Scenario B — Status Quo	Scenario C — Wind Down
External Capital Required	$38,000–$41,000 (shed project)	$0 (no workspace investment)	$0 directly; removes self-funding for $102,000 septic
Operator Workspace	Prebuilt shed at waterfront, concrete pad, electrical; Cabin 1 continues as office	Operator continues in 3 temporary sheds + canopy at water's edge	N/A — operations wind down

Septic Fields ($102,000)	Self-funded via cabin revenue, 2026/2028/2030	Self-funded via cabin revenue (unchanged)	Unfunded — falls to general membership (~$2,372/member one-time or ~$474/member/yr)
Cabin Revenue (6-yr)	$354,976	$354,976	$0
SHL Subsidy to NLA membership	~$30,000/yr to be addressed via levy or fees	~$30,000/yr to be addressed via levy or fees	Full SHL marina fee shortfall becomes immediate member burden
NLA Member Fee Impact	None from this decision	None from this decision	+$1,362/member/yr to replace lost revenue
SHL Fee Impact (marina)	Fee review needed regardless — see Section 1.4	Fee review needed regardless	Immediate and compounded
Recommendation	**PREFERRED**	**Contingency only**	**Not recommended**

2.3 Scenario A — Prebuilt Shed at the Waterfront [Recommended]

Project Components and Cost

Year	Item	Cost	Funding
2026	Concrete pad — DIY ($7,000) or contracted ($10,000)	$7,000–$10,000	Capital fund
2026	Prebuilt shed — purchase, delivery, site placement	$16,000	Capital fund
2026	Electrical service connection	$5,000	Capital fund
2026	Wrap shed — repairs and maintenance	$10,000	Capital fund
TOTAL		**$38,000–$41,000**	

All components are recommended for 2026 completion. The concrete pad must be poured before the shed is placed; all other components are independent and can be sequenced around contractor and material availability.

Why the Operator Workspace Matters Financially

The operational risks of the current arrangement are not abstract. The operator currently works across three temporary sheds and under a canopy at the water's edge. This creates:

- Weather exposure risk: tools and equipment including welders, hoists, compressors, and generators are exposed to the elements. A single season of water damage to this inventory would cost more than the shed project itself.
- WorkSafe/WSIB liability: boat hauling and engine work at the water's edge under a temporary canopy creates employer liability exposure for SHL.
- Service revenue risk: boat servicing generated $33,397 in 2025 — 11.5% of combined revenue. This revenue depends entirely on the operator's working conditions. The shed is the infrastructure that makes this revenue stream sustainable.
- Contractor fee revenue: the operator also generated $11,302 in contractor fees in 2025. Together with boat servicing, the operator directly generates over $44,000/year in SHL revenue — from a workspace currently made of tarps.

Septic Leaching Field Renewal — $102,000 (Self-Funded via Cabin Revenue)

For completeness: all three cabin leaching fields proceed on the following self-funded schedule regardless of the workspace decision. This is not an incremental cost of Scenario A — it is identical under Scenario B.

Year	Septic Field	Cost	Funding Source
2026	Cabins 1 & 2 — priority (field runs under parking lot)	$30,000	Cabin rental revenue
2028	Cabins 3 & 4 — field crosses under road	$34,000	Cabin rental revenue
2030	Cabins 5 & 6 — oldest of the three systems	$38,000	Cabin rental revenue
TOTAL	**All three leaching fields renewed**	**$102,000**	**Self-funded — no impact on NLA/SHL levy**

Note on scope: the P.Eng assessment covered the three cabin leaching fields only. Site-wide legacy septic decommissioning ($25,000–$50,000, timing TBD) was not in scope and remains a separate project.

2.4 Funding Plan

Funding Item	Amount	Notes
Existing capital fund	$75,000 available	Covers full shed project; $34,000–$37,000 remains uncommitted
Amount required for shed project	$38,000–$41,000	Concrete pad + shed + electrical + wrap shed repairs

Member capital levy (proposed)	$0 required for shed	Levy not needed for this specific investment
Line of credit	$0 required for shed	Not needed for this investment
NET CAPITAL FUND REMAINING	**$34,000–$37,000**	**Available for tractor, lodge remediation, and other SRP items**

The entire shed project is covered by the existing capital fund without drawing on the member levy or line of credit. Even at the high-end cost ($41,000 with contracted pad), $34,000 remains in the capital fund for other near-term priorities including the tractor replacement.

The proposed $500/member/year capital levy is not required for this specific investment. Its full capacity is preserved for the broader SRP capital program, including the tractor, dock reserve, and any SHL fee bridge arrangement the Board chooses to implement (see Section 1.4).

2.5 Broader Capital Context

The following capital items are also on the horizon and are presented here for the Board's situational awareness. They are sequenced priorities in the Site Renewal Plan and should be factored into the capital levy sizing discussion.

- Tractor replacement (1969 vintage, essential for all site operations): $25,000–$30,000 required within 2–3 years. This is the most urgent near-term capital item outside the shed project.
- Lodge site remediation: the former lodge site pools water during rainfall, which washes out the dock access road — a safety and infrastructure risk. Option 1: simple fill and berm ($11,000) in sand/gravel with topsoil and grass seed; addresses drainage but leaves no usable surface. Option 2: full remediation with retaining wall ($50,000), creating a level surface suitable for future use. The Board should determine which outcome is required before committing. Board has discussed and voted for option 1. Adams brothers contractor noted in their site review that the site could not be used for future building due to drainage issues. This should be completed by fall 2026.
- Purpose-built operator office (future capital): a dedicated office for the operator would allow Cabin 1 to return to the seasonal rental inventory, adding meaningful revenue to the cabin program. Not yet scoped or costed; proposed as a future planning item.
- Septic design study: engagement of a septic design firm to produce a site-wide leaching bed plan considering consolidation, relocation, and optimization. A planning-level investment ($5,000–$15,000 estimated) that could reduce long-term septic costs and inform the composting toilet feasibility study in Section 3.
- Legacy septic decommissioning and derelict building removal: $25,000–$50,000, timing TBD. To be bundled with contractor mobilizations where feasible.
- Boat storage shed renovation or replacement: $125,000–$250,000 in the 2030–2032 window. This is distinct from the wrap shed; the boat storage shed is a separate structure that is also being evaluated for a phase-out of shrink-wrap in favour of canvas tarping, for environmental reasons.
- Snow plow replacement: $10,000 approximately 2033.

- Dock replacement: $300,000 estimated in 2047. The largest single capital obligation on the horizon. Cabin revenues and capital levy reserves both contribute to the ability to fund this without a major special assessment.
- EV and marine electrification readiness: future-proofing item from the SRP. Member-funded pilot charger if approved; Board to monitor marine electrification incentives.

2.6 Risk Register

Risk	Likelihood	Impact	Mitigation
Septic field failure (Cabins 1&2) before 2026 renewal	Medium	High	Prioritise 2026 renewal; monitor for stress signs
Shed or electrical cost overrun	Low	Low	Operator-confirmed estimate; 10% contingency within capital fund
SHL marina fee gap (~$30K/yr) not addressed	Medium	Medium	Board to schedule fee review and levy discussion for 2026 AGM
Tractor failure before replacement	High	High	Budget $25,000–$30,000 in 2027 capital plan
Operator needs outgrow prebuilt shed	Low	Medium	Option 2 design authorization remains on record for future reconsideration
Cabin revenue shortfall affecting septic self-funding	Low	Medium	Waitlist confirms strong demand; capital fund available as backstop
Regulatory order on non-compliant septic	Low	High	Septic renewal proceeds under both Scenarios A and B; only Scenario C creates this risk
Dock replacement funding shortfall (2047)	Medium	Very High	Capital levy reserve fund; cabin revenues contribute annually
Lodge site drainage unaddressed	Medium	Medium	Road washout risk during rain events; include in 2027 capital plan

Considerations going forward for FPC discussion

1. Recommend to the membership, Scenario A shed project at $38,000–$41,000 (concrete pad $7,000–$10,000; prebuilt shed $16,000; electrical $5,000; wrap shed repairs $10,000), funded entirely from the existing capital fund, for completion in 2026.

2. Confirm Cabin 1 continues as the operator office and member meeting space, with no change to the cabin rental program's Revenue Scenario 5 structure.

3. Acknowledge that the $102,000 septic renewal (2026/2028/2030) proceeds after determining the best way ahead for the systems consolidation and updates.

4. Continue to investigate the viability of the proposed capital levy of $500/member/year, effective 2027, to fund the broader SRP capital program.

5. Request Operations team and the Finance committee to schedule a SHL member service fee review for the 2026 AGM to address the operating gap .

6. Approve lodge site remediation in principle; direct management to confirm scope ($10,000 simple fill) for the 2026 capital plan.

7. Note for future planning: a purpose-built operator office and a site-wide septic design study are proposed as future capital items; management to scope and cost for a future Board meeting.

8. Confirm Option 2 Operator Workspace design authorization remains on record for future reconsideration if needs grow.

Section 3: Composting Toilets & Greywater — An Open Analysis

An invitation to members:

This section represents our current state of knowledge on composting toilets and greywater disposal as an alternative to conventional leaching field renewal for Cabins 5 & 6 (the 2030 decision window). We know that several NLA/SHL members have direct experience with composting systems — whether at their own properties, through professional work, or through research. We actively welcome that knowledge. If you have experience with specific systems, case examples, cost data from comparable installations, or insights on what works and what doesn't in Georgian Bay conditions, please bring it forward. This analysis should be informed by the people who know it best.

3.1 Why This Is Worth Examining

Conventional leaching field renewal is the straightforward path for Cabins 1–4 (2026 and 2028). The question for Cabins 5 & 6 (2030) is whether a composting toilet and greywater system might be a better fit — environmentally, operationally, and financially — given the time available to investigate properly.

The case for investigating composting for Cabins 5 & 6 is threefold:

- Environmental: composting toilets produce near-zero blackwater discharge, meaningfully reducing nutrient load into the Georgian Bay watershed — an outcome NLA/SHL should actively pursue.
- Economic: no pump-outs, lower long-term maintenance costs, and potential access to FCM Green Municipal Fund grants or provincial environmental stewardship programs that could partially offset the $38,000 capital cost already budgeted for that field renewal.
- Timing: the 2030 window gives us four years to investigate properly, consult with the Township of the Archipelago's Chief Building Official (CBO), and make an informed decision rather than defaulting to conventional renewal.

3.2 Regulatory Framework — Township of the Archipelago

Because NLA/SHL's daily water flow is below 10,000 litres per day, jurisdiction for all sewage systems falls under Part 8 of the Ontario Building Code, administered by the Township of the Archipelago's Chief Building Official (CBO). The MECP is not involved.

Key regulatory points:

- No building permit is required for a Class 1 composting toilet system. The Class 2 greywater system that must accompany it does require a permit.
- **The 2024 Ontario Building Code (effective January 1, 2025) removed the option of using a composting toilet as the sole sanitary fixture in buildings with a potable water supply. This introduces a complication but the CBO retains discretion to approve alternative solutions, and pre-consultation is both possible and recommended before the 2030 decision.**

- The TOA setback of 15 metres from the high water mark (176.44 m above sea level) applies to all sewage systems. This is the most permissive setback of any Georgian Bay municipality reviewed (Township of Georgian Bay requires 30 m; Killarney requires 20 m). Site measurement at Cabins 5 & 6 is a prerequisite for any feasibility study.

3.3 Critical Technical Rules

Any composting system installed at NLA/SHL must respect these non-negotiable requirements:

- **Black water and greywater must be strictly separated.** Composting toilet overflow liquid must not be directed into the Class 2 greywater pit. Ontario guidance is unambiguous: the greywater system is for sink, shower, and laundry water only. Some manufacturers have incorrectly advised routing toilet overflow to greywater pits — this does not comply with Ontario requirements.
- **Greywater pit soil requirements.** 900 mm minimum from pit bottom to high groundwater table; 600 mm of suitable soil (percolation time <50 minutes) on all sides and below. On the Canadian Shield, shallow soil over bedrock is the primary physical constraint and must be assessed through soil test pits at the proposed installation location.
- **Maximum daily greywater flow: 1,000 litres per system.**

3.4 Maintenance: An Honest Assessment

Composting toilets are not a set-and-forget system. Before any decision is made, the Board should weigh maintenance requirements honestly alongside the cost and environmental advantages.

- Routine maintenance: composting units require periodic turning or mixing of compost material, regular removal of finished compost, monitoring of moisture and temperature, and management of the liquid byproduct stream. For a seasonal rental cabin with tenant turnover, this maintenance must be performed reliably and on a schedule that may not align conveniently with other operator responsibilities.
- **Product quality matters significantly.** Some members have noted that maintenance burden varies by manufacturer and unit tier. Simpler or lower-cost units — including some Sun-Mar models frequently cited in cottage-country applications — can require more frequent intervention and are more sensitive to usage spikes. Higher-capacity units with powered mixing mechanisms and better moisture management reduce maintenance frequency, typically at higher upfront cost. A cheaper unit may shift cost from capital to ongoing labour; this trade-off must be explicitly assessed.
- Renter-facing risk: composting toilets require some user cooperation (adding bulking material, not overloading the system) to function properly. Renters unfamiliar with the system may use it incorrectly, increasing maintenance burden or causing odour issues mid-stay.
- Operator capacity: this maintenance would fall to the operator in addition to existing cabin and boat-servicing responsibilities. The feasibility study should directly assess whether this is sustainable within current staffing or would require additional labour.
- Seasonal start-up/shut-down: composting systems perform best with consistent, moderate use. NLA/SHL's seasonal rental pattern — with defined gaps between tenants and an off-season — creates start-up and shut-down management steps that a continuously-occupied installation would not face.

3.5 Comparison Table

Criteria	Conventional Septic Renewal	Composting / Greywater System	Commentary
Capital cost (per cabin pair)	$20,000–$30,000	$25,000–$35,000	Broadly comparable upfront cost
Annual maintenance	$500–$1,000	$200–$500 (no pump-outs)	Composting lower ongoing cost; but see Section 3.4
Useful life	20–30 years	15–25 years	Conventional slightly longer
Regulatory authority (NLA)	Township of the Archipelago CBO	Township of the Archipelago CBO	MECP not involved — TOA governs at <10,000 L/day
Permit required?	Yes — building permit for leaching field	Class 1 (composting toilet): NO permit required; Class 2 (greywater): YES	Composting has simpler approval path
2024 OBC complication	Not affected	New code requires flush toilet where potable water exists — CBO discretion applies	CBO pre-consultation required before 2030 decision
Setback from high water mark	15 m minimum (TOA)	15 m minimum (TOA)	Same requirement; site measurement needed for Cabins 5 & 6
Soil depth (greywater)	900 mm to water table	900 mm from pit bottom; 600 mm suitable soil on all sides	Canadian Shield shallow soil is key risk
Greywater handling	Integrated into Class 4 system	Separate Class 2 pit; max 1,000 L/day; toilet overflow must NOT enter pit	Strict black/grey separation required
Seasonal use suitability	Good	Excellent — low annual use suits composting cycle	NLA's seasonal model is well-matched
Environmental impact	Standard septic nutrient load	Near-zero blackwater discharge;	Composting preferred for Georgian Bay watershed

		greywater still requires treatment	
Grant eligibility	Limited	Potential FCM Green Municipal Fund and provincial grants	Composting may attract partial funding offset
Recommended for NLA?	Yes — Cabins 1–4 (2026/2028)	Feasibility study for Cabins 5 & 6 (2030 window)	Pilot opportunity — member expertise welcomed

3.6 Recommended Path and Invitation for Member Input

The recommended path forward is:

- **2026 and 2028 — proceed conventionally:** Cabins 1 & 2 and Cabins 3 & 4 proceed with conventional leaching field renewal as scheduled and self-funded. These fields carry the highest near-term compliance risk (Cabins 3 & 4 in particular, as the field runs under the parking lot) and there is insufficient time for a proper composting feasibility study.
- **2026–2029 — investigate for Cabins 5 & 6:** Initiate a site-specific feasibility study covering: (1) soil test pits to assess depth to groundwater and bedrock; (2) physical measurement of the 15-metre setback from the 176.44 m high water mark; (3) pre-consultation with the TOA CBO on the 2024 OBC change and available alternative solution pathways; (4) cost comparison of composting + Class 2 greywater vs. the $38,000 conventional renewal already budgeted for 2030; and (5) a maintenance burden assessment with direct operator input.
- **Member expertise — we are asking for your input:** If you have experience with composting systems in similar conditions — Georgian Bay properties, seasonal use, rental contexts, specific manufacturer knowledge, or case examples of what has worked or not worked — please bring it forward to the Operations Team or the Board. This decision is better made with the full benefit of member knowledge than from desk research alone.
- **Funding:** Investigate grant opportunities through the Federation of Canadian Municipalities' Green Municipal Fund and applicable Ontario environmental stewardship programs before the 2030 decision. A successful grant application could meaningfully reduce or eliminate the capital cost differential between composting and conventional renewal.

Source: Georgian Bay Association Septic System Guide (July 2023, peer reviewed by P.Eng, R.J. Burnside & Associates); Township of the Archipelago Building Department; Ontario Building Code Part 8; Cottage Life (July 2025, re: 2024 OBC changes).

Prepared by: NLA/SHL Operations & Business Analysis Team | June 2026

Data sources: NLA Cabin Expenses & Revenue Schedule (June 2026 update); NLA 2026 Budget; Capital Equipment Lifespan & Replacement Cost Schedule; P.Eng Septic Assessment; Contractor quotes (septic fields and shed); Operator-confirmed workspace assessment; Site Renewal Plan

(2025 Revised); Georgian Bay Association Septic System Guide (July 2023); Financial Profile of Rental Cabins at Nares Landing (June 2026).