

**CITATION:** The Corporation of the Town of Mattawa v. The Corporation of the Township of Papineau-Cameron, 2025 ONSC5002  
**COURT FILE NO.:** CV-22-00000108-0000  
**DATE:** 2025/09/03

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

**BETWEEN:** )  
 )  
The Corporation of the Town of Mattawa )  
 )  
Plaintiffs (Responding Party) )  
 )  
– and – ) Thomas J. Davis, for the Applicant  
 ) (Responding Party)  
 )  
The Corporation of the Township of )  
Papineau-Cameron ) David M. Adams, for the Respondent  
 ) (Moving Party)  
Defendants (Moving Party) )  
 )  
 )  
 )  
 ) **HEARD:** June 11, 2025

2025 ONSC 5002 (CanLII)

**BELLOWS, J.**

- [1] The Corporation of the Town of Mattawa (“Mattawa”) has operated a landfill on the property in the Township of Papineau-Cameron (“Papineau-Cameron”) since the early 1970s. The agreement between these corporations was formalized by a participation agreement in 1993 (“1993 Agreement”).
- [2] The proceedings were initially commenced by way of an application by Mattawa seeking an order that the parties are not bound by the arbitration clause in the 1993 Agreement, taking the position that the 1993 Agreement was no longer in force and effect. Mattawa’s position was based on the argument that a change in the Environmental Compliance Approval from the Ministry of the Environment voided the 1993 Agreement in its entirety.
- [3] In response to their application, the corporations entered discussions with a view to resolution. Those discussions have not been successful.
- [4] The matter before me is the Respondent’s motion to stay the application in favour of arbitration as prescribed by the 1993 Agreement.

- [5] The motion before me must be decided before the application may continue, given the jurisdictional dispute.
- [6] In addition to the 1993 Agreement, both parties rely on ss. 7(1) and 7(2) of the *Arbitration Act*, S.O. 1991, c. 17 (“*Arbitration Act*”), which reads:

**Stay**

7 (1) If a party to an arbitration agreement commences a proceeding in respect of a matter to be submitted to arbitration under the agreement, the court in which the proceeding is commenced shall, on the motion of another party to the arbitration agreement, stay the proceeding.

**Exceptions**

(2) However, the court may refuse to stay the proceeding in any of the following cases:

1. A party entered into the arbitration while under legal incapacity.
2. The arbitration agreement is invalid.
3. The subject-matter of the dispute is not capable of being the subject of arbitration under Ontario law.
4. The motion was brought with undue delay.
5. The matter is a proper one for default or summary judgment.

**POSITION OF THE PARTIES ON THIS MOTION**

- [7] Mattawa argues that this motion should be stayed, and the application should proceed. They base their position on the procedure outlined in the Supreme Court of Canada decision in *Peace River Hydro Partners v. Petrowest Corp.*, 2022 SCC 41 (“*Peace River*”), at para. 83 and following. First, Mattawa argues that Papineau-Cameron has not met the technical requirement that they not participate in any ongoing litigation and, second, that even if they meet the technical prerequisites, at least one of the exceptions under s. 7(2) of the *Arbitration Act* applies. They rely on the exceptions of undue delay in bringing the stay application and that the matter is appropriate for default or summary judgment.
- [8] Papineau-Cameron argues that they meet the technical requirements in that they have only participated in the matter to preserve their rights. They have not filed any substantive materials. They further argue that there is no undue delay – that all delay has occurred as an effort to resolve the matters outside of court. They maintain that the matter is not a simple and easily determined matter that would be appropriate for summary judgment. They argue that, at best, it would only result in a partial summary judgment, and a trial would be required for the remaining issues.

## **TIMELINE**

- [9] As noted above, the landfill has been used since the 1970s.
- [10] In April 1993, the parties entered into a participation agreement, which incorporated a description of the lands for the landfill from the Environmental Protection Agency.
- [11] In 2014, Mattawa applied to the Ministry of the Environment to expand the existing footprint.
- [12] On October 21, 2019, the Ministry of the Environment approved Mattawa's request by way of the Amended Environmental Compliance Approval ("AECA") #A531401.
- [13] On April 9, 2021, Mattawa sent a letter to Papineau-Cameron, announcing that Mattawa counsel had approved the circulation of a new participation agreement to Papineau-Cameron, which included a clause rendering the 1993 Agreement null and void. This appears to be the first time Mattawa expressed its position to Papineau-Cameron that the 1993 Agreement was no longer in effect.
- [14] On October 26, 2021, Mattawa demanded that Papineau-Cameron execute a new participation agreement that significantly altered the terms of the existing contract.
- [15] Papineau-Cameron issued a Notice to Arbitrate, dated November 25, 2021.

## **TERMS OF THE 1993 AGREEMENT**

- [16] Mattawa relies on Article 1.1 of the 1993 Agreement to ground its argument that it became null and void with the new AECA. It ignores that the 1993 Agreement was signed prior to the original ECA, which was issued several months later, on June 30, 1993. Sections 14.1-14.3 deal with the land that would be needed to be acquired for the ECA that was pending; however, s. 14.4 contemplates further land purchases for the expansion of the landfill that post-date 1993.
- [17] The 1993 Agreement permits Mattawa to acquire additional land in Papineau-Cameron to comply with the ECA, which was issued after the execution of the 1993 Agreement was signed. However, it also contemplates additional land purchases beyond 1993. It does not state that such acquisitions will nullify the 1993 Agreement.
- [18] The arbitration clause in the 1993 Agreement reads, in part:

### **15. ARBITRATION PROVISIONS**

The Arbitration Act, S.O. 1991, c.17

15.1 In the event that the parties hereto are unable to agree as to the interpretation or implementation of any of the terms of this Agreement and

all matters associated with the landfill, then the matter in dispute shall, on written notice by any party, be determined by Arbitration.

15.2 [...]

## DECISION

- [19] The arbitration provisions of the 1993 Agreement are clear. It includes the interpretation or implementation of any of the terms of the agreement and all matters associated with the landfill. Whether the 1993 Agreement is to be interpreted as being null and void as of the 2019 AECA falls under these provisions requiring arbitration. This is also in line with s. 17 of the *Arbitration Act*, which permits the arbitrator to first rule on its own jurisdiction.
- [20] On the evidence and submissions before me, it appears that Mattawa unilaterally sought the AECA for the landfill. Nearly 18 months after receiving the new AECA, they took the position in their letter of April 9, 2021, that the existence of the AECA nullified the 1993 Agreement.
- [21] In addition, Mattawa’s newly drafted participation agreement, included with the letter of April 9, 2021, contains the same arbitration, land acquisition, and termination clauses, despite seemingly giving no effect to them in the 1993 Agreement by their actions.
- [22] The language of s. 7(1) includes the mandatory language of “shall” – the application shall be stayed, except in very specific exceptions, where s. 7(2) uses the permissive language of “may” – the court may decide not to stay the application in certain circumstances.
- [23] The SCC in *Peace River* sets out a two-part framework for entering a stay of proceedings in favour of arbitration. Mattawa frames their opposition to the stay in this framework.
- [24] The first component deals with the technical components for a mandatory stay of proceedings. There are four prerequisites to the technical component. Mattawa does not challenge the first three – and I find that Papineau-Cameron easily meets these requirements: an arbitration agreement exists, court proceedings have been commenced by a party to the arbitration agreement, and the court proceedings are in respect of a matter that the parties agreed to submit to arbitration. The remaining technical prerequisite requires that the party applying for the stay in favour of arbitration does so before taking any “step” in the court proceedings: *Peace River*, at para. 83.
- [25] Although Papineau-Cameron has participated in some events, I find that they have only done so in order to preserve their right to reply should the matter proceed in the Superior Court. The technical standards in *Peace River* have a lower standard of proof than the usual civil standard. They are only required to establish an arguable or *prima facie* case that they have met the prerequisites: *Peace River*, at para. 84.
- [26] As no substantive materials have been filed in response, and participation has been minimal, I find that Papineau-Cameron meets the threshold of an arguable case. Therefore, the

technical prerequisites have been met and the mandatory stay provisions have been engaged. As such, I must move on to the second component of the analysis: *Peace River*, at para. 83.

[27] The SCC in *Peace River* then articulates the second component at paras. 88-89, which I will excerpt below (citations excluded):

[88] At the second stage, the key question is whether, even though the technical requirements for a stay are met, the party seeking to avoid arbitration has shown on a balance of probabilities that one or more of the statutory exceptions apply. If not, the court *must* grant a stay. The mandatory nature of stay provisions across jurisdictions in Canada reflects the presumptive validity of arbitration clauses and the principle of party autonomy.

[89] It follows that a court should dismiss a stay application on the basis of a statutory exception only in a “clear” case. A clear case is, for example, one in which the party seeking to avoid arbitration has established on a balance of probabilities that the arbitration agreement is void, inoperative, or incapable of being performed. Where the invalidity or unenforceability of the arbitration agreement is not clear (but merely arguable), the matter should be resolved by the arbitrator. Such an approach affords due respect to arbitral jurisdiction, in light of the competence-competence principle, as well as to the parties’ intention to refer their disputes to arbitration.

[28] In *Peace River*, the court is referencing s. 15 of the *Arbitration Act*, R.S.B.C. 1996, c. 55, in British Columbia. In Ontario, the comparative section is s. 7. The statutory exceptions, as noted above, are found in s. 7(2). *Mattawa* raises two exceptions: first, that the motion to stay was brought with undue delay, and second, that the matter is proper for default or summary judgment.

[29] Although there has been some delay in bringing this motion, I accept that the delay was in large part due to the parties’ attempts to resolve the matter out of court. Even if there is some delay outside of the parties’ attempts to resolve out of court, it is not a clear case that, on a balance of probabilities, it is undue delay that displaces the mandatory stay provisions.

[30] I find that while there may be some issues that can be streamlined and determined by way of a summary judgment proceeding, I find that, at best, it will be a partial summary judgment. If the arbitrator determines that they do have jurisdiction per the 1993 Agreement, there will be many contentious issues that require additional argument. The parties, despite seemingly extensive negotiations, have not come to a new agreement. Based on the materials and submissions in the matter before me, I find, on a balance of probabilities, that substantial evidence will be needed to decide the substantive issues in this case. An arbitrator would be able to deal with all issues that arise more expeditiously than the Superior Court of Justice. The court time required for this matter would result in an unnecessarily long delay.

[31] As a result, this exception, too, fails to displace the mandatory stay provisions. There shall be a stay of *Mattawa*’s application, pending the outcome of arbitration.



[32] Papineau-Cameron is entitled to costs on this application. To that end, Papineau-Cameron may provide cost submissions to a maximum of two pages (excluding attachments) within 15 days of today's date, and Mattawa may provide reply submissions to a maximum of two pages (excluding attachments) within 15 days of receiving Papineau-Cameron's materials. No submissions will be considered beyond these deadlines.

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Bellows, J.

**Released:** September 3, 2025

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**– and –**

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**REASONS FOR JUDGMENT**

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Bellows, J.

**Released:** September 3, 2025